

SOCIAL CAPITAL AS DEVELOPMENT

The case of Villa 31 in Argentina



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Abstract

This thesis addresses the Argentine failure to include a social aspect in urban planning and development. It further seeks to provide an understanding of human relations that go deeper than economics and individualism, in order to analyze how unity of Individual, Universal (ideals and cultural artifacts) and Particular (social relations, organization, and activity) can empower the urban poor in Argentina to be actors in their own development (Blunden 2004).

Social capital in development has been deemed a miracle concept to explain poverty and inequality beyond an economic lens but its use in economic development has been highly debated (Claridge 2018). Economists do not view social capital as capital but as an externality but social capital theorists claim that social capital has a factor of production that can expose the “real” political and social roots to poverty and exclusion in ways economic development cannot (Coleman in Ponthieux 2004; Haynes 2009). They further argue that an exclusively economic approach to achieving the basic development goals has limitations in assuring sustained growth, equity, and democracy and that the one-size-fits all economic policies provide unsatisfying and varying results in the area of development (Portes & Landolt 2000). Social capital is viewed as the solution of choice to address developmental setbacks – a process that entails including a participatory element in development.

The thesis’ analysis and discussion stem from the following research question:

Can social capital function as a model for urban development in Argentina?

A single case study method of the Barrio 31 program is used to analyze and discuss how a social aspect is used in the urban transformation of Villa 31 in Argentina. It will examine how social capital produces positive and negative externalities that can present themselves as opportunities within the community but as development barriers to outsiders. A mixed method of qualitative and quantitative data is applied to fully understand the phenomenon of social capital and its effects on urban development in Argentina, however, the overall weight will be on qualitative data. It discusses if the social aspect can make a developmental difference in Argentina and if the social aspect should be valued higher than the economic aspect in development policies. The data has led to the themes of: development, social capital, empowerment, bottom-up, top-down. They are useful for understanding how welfare and economy are connected in societies and how social factors are key determinants of economic progress since economic theory without socio-cultural variables is deficient to explain the complex and multidimensional process of development (Iisakka & Alanen; Inglehart; Tadaro in Bhandari & Yasunobu, 2009).

1. Introduction

The Argentine government has over the years failed to address Villa 31's growing socio-economic problems of poverty, social stigmatization and lack of basic services. The villa residents face prejudice, labels as thieves and murderers even though amongst 90 percent of the residents are regular people, who work and send their kids to school (Caselli 2015b). However, after decades of a continuing growth of the Buenos Aires villas and with an estimated 10 percent of the metropolitan area's population of 14 million people living in villas after the 2001 Argentine economic crisis, the government is determined to address the problems of the city's urban slums by bettering services and living conditions (Caselli 2015b). This process is costly and so far slow paced but in collaboration with the World Bank, they have taken on a combined development approach, with social capital being the strategy of choice to overcome the areas problems for the last time.

The intellectual history of social capital traces back to Karl Marx, Emile Durkheim, Georg Simmel, and Max Weber but a systemic use of the term in academic debates came with the work of Pierre Bourdieu, James S. Coleman and Robert D. Putnam (Bhandari & Yasunobu 2009). Social capital theory offers a critical lens to economic development. The argument is that economic theory fails to fully explain economic growth and development since it values human and physical factors over the social and cultural factors. Further that, it fails to explain why unprecedented economic growth is unsustainable since it fails to account social value systems in economic development with the end result being undesirable outcomes such as inequality, low improvement in quality of life, social conflicts etc. (Easterly & Levine, in Bhandari & Yasunobu, 2009). Prominent scholars e.g. Francis Fukuyama and Amartya Sen claim that cultural dimensions are critical for understanding economic behavior since culture interacts with economic development in multiple ways – economic theory fails by simplifying human beings as rational (Sen; Landes; Fukuyama, in Bhandari & Yasunobu, 2009). Other scholars claim that to avoid development problems in developing countries, they need a participatory element to deliver human scale where people are able to reach their potential by being protagonists in their own development – something that the economic model has not been able to do (Simpson 2013). Cultural values in economic models make them richer, more valuable, more useful, and better at capturing the nuances of the real world (Guiso et al., in Bhandari & Yasunobu, 2009). The scholars are supported by the OECD that claims that: *“Social objectives are broader than immediate increases in economic output [and] to bring about higher and sustainable levels of well-being, it is important to understand the impacts of development in the human and social environments as well as physical and natural ones”* (OECD 2001, p.10).

The studies of social capital view social capital in development from the angles of: (i) bottom-up initiatives being more empowering and making institutions more pro poor; (ii) social capital having the ability to create participatory development by “coupling and decoupling” social groups; and (iii) social capital being essential in producing new development strategies (Putnam 1993b; Woolcock 1998; Woolcock in World Bank, 2005). The approaches are used to understand welfare and economy in societies and to unanimously indicate that social factors are key determinants of economic progress – economic theory without socio-cultural variables is deficient to explain the complex and multidimensional process of development (Iisakka & Alanen; Inglehart; Tadaró in Bhandari & Yasunobu, 2009). They can further shed light on how life-changes today depend on a mix of the person’s own resources and other group’s social resources, which means that what people do and who they are depends on where they live and who they know; it defines a person and determines their fate (Putnam 1993b; Woolcock 1998; Woolcock in World Bank, 2005).

Few research studies have examined the use of social capital in development and urban planning in Latin American cities. It is only recently that institutions such as the World Bank and the OECD have advised loan-receiving countries to use a participatory element in their urban housing-, and development projects, which makes it hard to provide examples of the effects of using social capital in development projects in Latin America. The lack of comprehensive academic and research material is unfortunate since it is this sort of material that is presented to developing countries as a framework to creating sustainable development models.

This thesis attempts to contribute to the existing research based on the following research question:

Can social capital function as a model for urban development?

The Argentine government has failed to create sustainable urban development using a conventional development model, which has left the Villa 31 residents struggling to make a living on the periphery of the city (Caselli 2015a). The government neglect has along with the coherent macro-economic shocks worsened their living conditions in the past decades and further caused a lack of trust in the government and high levels of crime, which have made it difficult for urban planners to address the growing social issues within the villa (Woolcock 1998; Bernardez 2018). The analysis will examine the positive and negative externalities of social capital and their consequences on development, and whether a social aspect can make a developmental difference in Argentina after years of failing to produce sustainable urban development outcomes. Analyzing the impact of using a social aspect in the Barrio 31 program makes it possible to discuss the use of an alternative angle on economic development and explain why this process of social solidarity and networking is a better

strategy to harness the positive aspects of the areas existing social capital whilst building social cohesion to combat the negative. The analysis will be followed by a discussion on whether or not a bottom-up or top-down approach is most useful in overcoming social-, and structural problems or if they should be combined in a synergistic model. The Barrio 31 program is used to illustrate how a combined approach could be essential for the Argentine government to create sustainable urban development (Woolcock 1998; Inter-American Development Bank in Ruster 2003).

1.2 Chapter synopsis

Chapter 2 will discuss the methodology and methods chosen for this thesis, including a brief presentation of the case study of Villa 31.

Chapter 3 will lay out the theoretical framework of social capital theory by outlining the historical context of social capital as a concept and introduce some of the most prominent scholars. Further, the chapter discusses the role of social capital in development, the concept of trust and the effects of social capital on the urban poor in Latin America. The chapter also explains the framework of Michael Woolcock (1998) to illustrate the obstacles to development and how they can be resolved. His framework promotes empowerment, participation, networks and mobilization of resources.

Chapter 4 will contain an analysis and discussion seeking to explain the role of social capital in the development and transformation process of Villa 31. It will present the underlying economic, political, and social causes for the villas problems and explain how social capital works within Villa 31 and how it affects outsiders trying to impose changes in the area. The focus will be on trust, social support, and social exchange using a method that reconceptualizes social capital as assets and resources embedded within networks based upon wealth, power, status, and the access to bridging facilities (Lin in Haynes 2009). The chapter concludes by discussing the Barrio 31 development strategy, using examples and lessons learned from around the world to support the claim that, a combination of a bottom-up approach and a top-down approach is a given if an urban development project is to be successful. It will draw on the notion that social capital has a key function in the transition from villa to barrio through knowledge sharing and relations based on trust (Woolcock 1998; Woolcock in World Bank 2005; Haynes 2009; Lin in Claridge 2018).

Chapter 5 will gather the most important findings from the different chapters in a brief conclusion.

2. Method chapter

This chapter will provide an overview of the research design, the methods, and the methodology.

2.1. Epistemology

Social constructivism is based on meanings constructed by human beings as they engage with the world they are seeking to interpret (Creswell 2003, p.8). Qualitative researchers seek to use open-ended questions looking for the complexity of views rather than narrowing meanings into few categories or ideas and the subjective meanings of the researcher are constructed socially and historically meaning they are formed through interaction with others and through historical and cultural norms that “operate in individuals lives” (Creswell 2003, p.8). According to Crotty (1998), we are all born into a world of meaning bestowed upon us by our culture and a researcher seeks to understand the setting of the participants by personally gathering information to use it for an analysis shaped by the researchers own experiences and backgrounds (Crotty in Creswell, 2003, p.9).

For this thesis, the approach of social constructivism means that the researcher holds a subjective opinion when interpreting both data and the context of the research problem’s location (Creswell 2003). The concept of social capital requires that culture and norms are taken into consideration in order to fully understand the participants setting. The gathered data is shaped by the researchers own experiences, culture, norms and background but just as much by the social, historical and cultural norms, and settings of the urban poor in Argentina and in Villa 31. Social constructivism makes it possible for the researcher, through an open-ended question, to interpret the complexity of the chosen case study through the personal gathering of qualitative and quantitative data (Creswell 2003). Since social capital is context specific and varies from country to country, it requires the researcher to interpret the culture and social context of the target group since they have a big role in the existence and understanding of social capital (McOrmond & Babb 2005). An in-depth analysis and discussion will be shaped by the subjective meanings of the researcher, which are formed during the data collection and analysis and through the engagement in the country and area that are being interpreted.

2.2. Research strategy

The aim of the thesis is to analyze the concept of social capital in development and how it can affect the collective capacity of the poor in Villa 31 by expanding their networks, by creating external ties,

and by offering resources that can ease their integration into the larger urban fabric of Buenos Aires. The analysis is supported by a single case study method of the Barrio 31 program. Lastly, the thesis will discuss if social capital can function as a development model in urban structural development in the context of making the residents able to harness the advantages that this social aspect provides (Memolo 2017).

Certain research problems demand specific approaches, which means that there are three approaches to research (1) qualitative, (2) quantitative, and (3) mixed method (Creswell 2003, p.18). The mixed method has been chosen for this thesis because it provides space for both applying open- and closed-ended questions; because the knowledge claims are based on pragmatic grounds (e.g. problem-centered); and because it provides the researcher with an opportunity to use multiple types of data, drawing on all possibilities in the form of e.g. statistics and text analysis (Creswell 2003, p.17). The mixed method will further be applied for three reasons; (1) the collected data is a mix between qualitative (literature) and quantitative (statistics); (2) the research problem, consisting of an open-ended question, demands a mixed approach in order to fully understand the phenomenon of social capital and its effects on development and the urban poor in Argentina; and (3) it allows for triangulation, which encourages the collection of data from multiple sources but with the aim of validating the same finding (Creswell 2003, p.20).

2.3 Data collection

The quantitative and qualitative data have been collected concurrently but even though the thesis relies on a mixed method and both types of data are used, the overall weight will be on the qualitative approach (Creswell 2003, p.212). This is due to the research question trying to accentuate and explain a concept and its effect on a specific case, needing qualitative data in the form of e.g. literature and policy descriptions to explain it but it further needs quantitative data in the forms of statistics to understand the background and current situation of “the case” (Creswell 2003, p.212).

Creswell (2003) mentions 4 qualitative data collection types (1) Observations, (2) Interviews, (3) Documents, and (4) Audiovisual materials (Creswell 2003, p.188). This thesis will make use of various kinds of documents such as academic working papers, academic journals, online databases, development reports, formal studies, evaluations relevant for the case study etc. (Creswell 2003; Yin 2014). The quantitative data will consist of pre-existing numbers and statistics such as local government data in tables, figures or other non-textual forms, and survey data produced by others

regarding the target group of the case study (University of southern California). Using a mix of the two methods' value-commitments will make the research more bias-free since the quantitative method is more bias-free and the qualitative method more bias-laden (Creswell 2003, p.136). The qualitative data is used throughout the thesis but the quantitative data is mainly used for the analysis.

2.4 Case study method

As research method, the thesis will apply a single case study method because it offers the ability to do an in-depth analysis of a social phenomenon (Yin 2014, p.4). The case is explanatory as it has the purpose of explaining how social capital can function as an urban development model in Argentina. The exploratory case study can highlight what social capital as a resource means to poor people and how it can work as a valuable resource when a population is low on other types of capital. Further, it can explain how social capital can be a positive tool to achieve successful urban development in urban development programs through the inclusion of the poor and by learning from previous development mistakes.

In large part, the decision to pick a case study method is because of the chosen type of research question, which seeks to explain a contemporary phenomenon (the "case"), how "it works", and within its "real-world context" (Yin 2014, p.16). Case studies are highly relevant in research that use explanatory questions e.g. "how" and "why" questions but methods such as history or experiment can also be used (Yin 2014, p.4-10). Since this thesis examines contemporary events, asks "how" and "why" questions and the researcher has little or no control over the examined events, a case study method is more relevant than the methods of history and experiment (Yin 2014, p.14). Further, the thesis relies on multiple sources of evidence and benefits from the prior development of a theoretical framework to guide data collection and analysis and in this context, a single case study is an "all-encompassing" method that covers both the logic of design, data collection techniques, and approaches to data analysis (Yin 2014, p.17).

The case focuses on a real-life phenomenon of the urban slum called Villa 31 in Argentina. It illustrates and explains how social capital in a poor urban community in Argentina can affect the collective capacity of the poor and better integrate them into the larger urban fabric of Buenos Aires. It further offers insight into how the Argentinian government for 40 years has failed to achieve successful development outcomes in the oldest and largest urban slum in Buenos Aires but how they with their urban integration program called Barrio 31 are beginning to see positive

changes (Bernardez 2018). As part of their new development strategy, the Argentine government has actively sought to include social capital in their design, which makes this case a highly relevant and inspiring case to analyze. The Barrio 31 program is an example of how a bottom-up development strategy can include the poor in the urban integration and structural changes by unleashing their trapped social capital (Bernardez 2018). Examining this case will allow for a discussion on whether or not social capital can be used in urban development and if the social aspect needs to have priority to make sure that the residents can harness the advantages that these programs provide (Memolo 2017).

2.5 Theoretical perspective

Social capital theory has been chosen as the main theory for this thesis. The contemporary notion of social capital was first identified by Jane Jacobs, Pierre Bourdieu, Jean-Claude Passeron and so forth, and was later developed by James Coleman, Robert Putnam and Alejandro Portes (Woolcock 1998). In the 1990s, the neo-classical growth models added culture and social capital to their existing variables e.g. physical capital, labor, human capital and institutions to provide explanations to the effects of socio-cultural values in economic behavior (Bhandari & Yasunobu 2009, p.484). In the recent years, researchers have discovered social capitals role in sustainable development and are convinced that most economic behavior are embedded in social networks (Putnam; Knack & Keefer; Sabatini; Granovetter in Bhandari & Yasunobu, 2009, p.484). Social capital can provide access to information, increase social cohesion, solve collective actions problems, reduce opportunistic behavior, boost government responsiveness and efficiency etc. and it has further shown to have a positive impact on e.g. educational outcomes and social welfare (Coleman; Putnam; Fukuyama; Woolcock and Narayan; Lin; Paxton; Welzel et al.; UNESCO; Productivity Commission; Hombres et al. in Bhandari & Yasunobu, 2009, p.484). Social capital theory seeks to illustrate how, when, and to which extent social capital has the potential to serve as a powerful means of development, and how it can shape social, political, and economic outcomes at the micro and macro levels (Rodrik in Bhandari & Yasunobu, 2009, p.484).

The theoretical framework of Michael Woolcock (1998) is an extension and more coherent framework to the work of Robert Putnam, which explains how social capital can be incorporated into development theory and policy through studies conducted at the micro and macro level; studies that have sought to explore how social capital can work as both a hindrance and a help to development and under which conditions (Woolcock 1998, p.154). Social capital has different

types, levels, dimensions, and descriptions with many different performance outcomes associated with different combinations of social capital and many different sets of conditions that either supports or weakens favorable combinations, which make a coherent framework for the incorporation of social capital into economic development theory and policy the most fruitful starting point (Woolcock 1998, p.159-161). This will be the guiding framework for this study in order to do an in-depth explanation of what social capital is, which negative and positive outcomes it has, and to which extent it works as a complementary tool in conventional urban development. It can help to explain how social capital can be an important factor in shaping development outcomes in future urban integration programs for the urban poor in Argentina.

The framework of Woolcock (1998) will be supported by Robert D. Putnam, Francis Fukuyama, OECD, and Gittell & Videl. These authors share a focus on the relationship between social values and development patterns (Bhandari & Yasunobu 2009, p.483). With social capital theory being fairly new and with various and at times brief definitions, this thesis will draw on different authors in order to create a broader discussion on what social capital is, which concepts are the most important, and why social capital is such an important asset in poor settings that are in short supply of other types of capital (Woolcock in World Bank, 2005, p.219). These discussions will all contribute to the analysis of how social capital can be applied in conventional development and how it can affect the collective capacity of the urban poor in an in-depth case study about the urban poor in Villa 31. The theory will also aid the discussion on why incorporating social capital in community-level urban development programs can help heighten the levels of success.

3. Theory chapter

The following sub-chapters will explain what social capital theory is, what social capital as a concept means and explain how social capital is connected to the cultural context in which it is analyzed. Further, how the main factor driving development outcomes in social capital theory is the creation or existence of embedded and autonomous social relations, where actors are willing to draw on nurturing social ties: within their local community; between local communities and groups with external and more extensive social connections to civil society; between civil society and macro-level institutions; and within corporate sector institutions (Woolcock 1998, p.185; Claridge 2016). It will also provide an overview of the concepts of trust and social relations by using multiple authors to provide a wider angle and it will use Michael Woolcock's social capital theory framework to outline and identify obstacles to development and how social dilemmas can be

resolved (Woolcock 1998, p.165). The chapter will illustrate how social capital theory in the recent years has become a popular concept in the area of development, labelled a “miracle concept” that can complement traditional development policies and can explain the factors behind development failures, poverty, inequality, and social stigmatization by viewing development beyond an economic lens (Blunden 2004; Claridge 2018). The main hypothesis of the theory is that successful development requires a combination of a bottom-up and a top-down approach to development, in other words, an on-going development process entails “getting the social relations right” (Woolcock 1998, p.186).

3.1 What is social capital?

Traditionally land, labor, and physical capital was seen as the three basic factors shaping economic growth and development but this changed in the 1960s where the notion of human capital was introduced (Woolcock 1998, p.154). Having the best equipment or the brightest mind amount to little if a person has no access to a network who can offer information, corrections, and dissemination of their work (Woolcock 1998, p.154). In the field of “new economic sociology”, the concept of social capital began to work its way into development strategies by highlighting the importance of norms and networks to facilitate collective action for mutual benefit (Woolcock 1998, p.155).

Social capital is different compared to other types of capital such as human and physical capital since social capital such as trust, norms, and networks is a public good, produced by societal investments of time and effort and is a byproduct of inherited culture and norms (OECD 2011, p.39). Woolcock (1998) defines social capital as “*the information, trust, and norms of reciprocity inhering in one’s social networks*” (Woolcock 1998, p.153). Social capital is rooted in close tied networks like family or close friends and is significantly important for people living in societies without functioning state-funded social safety nets, where the close tied networks have the ability to act as an important social asset that can cushion them against difficult times such as recession or unemployment (Fukuyama 2002, p.28). Further, it has a positive ability to teach people about honesty, trust, reciprocity and dependability that can be reproduced and reapplied to new relationships, which means social capital is a productive capital that makes it possible to make ends meet and get things done through collective action (Coleman in Putnam, 1993b; Fukuyama 2002, p.30). According to Woolcock (1998), there are three basic but important dimensions of social capital: (1) social bonds, (2) bridges, and (3) linkages (Woolcock in OECD 2001, p.42). The

concept of “bonding” social capital refers to relations among family members, ethnic groups or close friends and these strong internal ties are an asset to get by in life when there is a lack of “bridging” social capital in a community (Barr; Kozel & Parker; Narayan in Woolcock & Narayan, 2000, p.227; OECD 2001, p.42). The strong internal ties provide communities or groups with a sense of identity and common purpose but they can also create a fragmented society, since tightly bonded networks can leave people “cut off from information, innovation or ideas” (OECD 2001, p.42; Fukuyama 2002, p.30). Solely relying on bonding social capital can create basis for the “pursuit of narrow interests”, high reliance on in-groups, and ‘familism’, which can lead to the exclusion of outsiders due to ‘in-group’ solidarity, where trust is reserved for family and close friends (OECD 2001, p.42; Fukuyama 2002, p.30). The concept of bridging social capital e.g. distant friends, associates and colleagues is an important complementary concept to bonding social capital because it widens the individuals’ capacity to benefit from resources, ideas and information from groups or institutions beyond the immediate community radius (OECD 2001, p.42). An additional concept to bonding and bridging social capital is that of “linking” social capital, which connects people of different power, status, social groups, and wealth (OECD 2001, p.42). Social capital scholars claim that a combination of these three dimensions are necessary to assure that *“the ties that bind do not turn into ties that blind”* since relying on only one type of social capital can be a barrier to social cohesion and personal development (Powell & Smith in OECD, 2001, p.42).

Social capital is created on different levels of society with the following sources and dimensions being essential to its development: (1) family, (2) schools, (3) local communities, (4) firms, (5) civil society, (6) public sector, (7) gender, and (8) ethnicity (OECD 2001, p.45). The primary source of social capital is family; it creates norms, works as a primary source of education, fosters development, trust and cooperative behavior, and provides social ties (OECD 2001, p.45). Schools, communities and firms can also foster social capital by generating connections, promoting group work, providing meeting places, fostering openness to new ideas, fostering cultural diversity and creating the potential for growth capacity through networks (OECD 2001, p.46). Civil society synergies can exist between civil society, state and market and can promote well-being and economic growth through the creation of horizontal networks of civic engagement e.g. different associations that can benefit other sectors whilst promoting trust and civic engagement (Putnam 1993a; OECD 2001, p.45). The gender aspect refers to the difference in men and women’s level of trust and social engagement, which means there is a difference in access to levels of information due to e.g. discrimination (OECD 2001, p.47). Ethnicity has the ability to bind people through

shared common values and can work as a “source of adaptive change” (OECD 2001, p.48). These social capital networks can be present on all levels of society and they are all characterized as networks of formal and informal “interpersonal communication and exchange” (Putnam 1993a, p.173). The networks can be “horizontal”, which link people of equivalent status and power or they can be “vertical”, linking unequal people in asymmetric relations of hierarchy and dependence (Putnam 1993a, p.173). Horizontal community networks have a high density, which make them more likely to have their citizens cooperating for mutual benefit; in contrast, vertical networks have lower levels of density due to less reliable information flows, which cannot sustain social trust and cooperation in the same manner (Putnam 1993a, p.174). However, the vertical ties, often referred to as “weak ties”, are claimed to be more important than horizontal “strong ties” in sustaining community cohesion and collective action due to weak ties ability to link members of different small groups whereas strong ties tend to be gathered within particular groups (Granovetter in Putnam, 1993a, p.175). The two types tend to be mixed in societies and they illustrate how social capital is relationships that ranges from the family to the nation (OECD 2001, p.45).

Another essential element for the existence of social capital in a society is the component of trust (Putnam 1993a, p.170). According to Fukuyama (1995) “*trust is the expectation that arises within a community of regular, honest, and cooperative behavior, based on commonly shared norms, on the part of other members of that community*” (Fukuyama 1995, p.26). The norms that Fukuyama (1995) refers to can be about “deep value” e.g. the nature of God or justice or they can be secular norms e.g. professional standards or codes of conduct (Fukuyama 1995, p.26). According to Putnam (1993), trustworthiness is fostered through personal interaction that generates reliable information of the other person (Putnam 1993a, p.172). Social capital cannot exist without personal interaction since it is a by-product of social activities so for people to be able to associate largely depends on how well and how much communities share norms and values but further on their willingness to put individual interests aside to those of larger groups (Putnam 1993a, p.170; Fukuyama 1995, p.10). According to the OECD, there are three types of trust: (1) inter-personal trust among familiars, (2) inter-personal trust among “strangers”, and (3) trust in public and private institutions (OECD 2001, p.41). High levels of trust in a society breeds cooperation and cooperation in itself breeds trust but trust can only be created and sustained if the behavior of an independent actor can be predicted and absence of trust altogether can make individuals reluctant to cooperate as there is no guarantee that the other part will act in a similar way (Putnam 1993a, p.171; OECD 2001, p.41). According to Putnam (1993) trust can appear from two related sources (1) norms of

reciprocity, and (2) networks of civic engagement (Putnam 1993a, p.171). The norms of reciprocity can be both “specific” e.g. simultaneous exchange of items of equal value or be “generalized” e.g. a continuing relationship of exchange that involves mutual expectations and granted benefits that will be repaid in the future (Putnam 1993a, p.172). The norms of generalized reciprocity are an important productive element of social capital since they can resolve collective problems but also serve to reconcile self-interest and solidarity (Putnam 1993a, p.172). The relationships of exchange is more common in dense networks of social exchange where people can confide in each other and have faith that their trust will not be exploited (Putnam 1993a, p.172-177). These networks and norms encourage not only social trust and cooperation but reduce incentives to defect and reduce uncertainty, which is important for the continuation of future cooperation (Putnam 1993a, p.172-177). All groups that incorporate social trust have what Fukuyama (2001) refers to as ‘the radius of trust’, which represents the “*circle of people among whom co-operative norms are operative*” (Fukuyama 2001, p.8). The range of the circle of trust depends on whether the group’s social capital produces positive or negative externalities (Fukuyama 2001). If the group produces positive externalities, their radius of trust will be larger than the group itself whereas if a group produces negative externalities the radius of trust will be more narrow (Fukuyama 2001, p.8). In modern societies, it is normal that the radii of trust overlap, which means they can range from friends and cliques, to NGOs and religious groups, offering multiple memberships and identities, whereas more traditional societies offer less opportunities for the creation of weak ties and therefore miss out on information, innovation, and human resources (Fukuyama 2001, p.8- 9). A narrow radius of trust imposes negative externalities, which can create obstacles to development because these groups rely on in-group solidarity that reduces the group’s ability to cooperate with outsiders (Fukuyama 2001, p.9). The narrow radius of trust will produce a two-tier moral system, which is commonly seen in Latin America, where good behavior is reserved for family or personal friends and a lower standard of behavior is materialized in the public sphere (Fukuyama 2001, p.11). The trust created through social connections not only affects the overall well-being of individuals or communities through transactions but it also has positive effects on political and economic well-being (OECD 2001, p.57). Social capital mostly inflicts benefits by positively “channeling community energies”, by discouraging criminal behavior and/or anti-social behavior, by improving health, child welfare and overall individual well-being through social connectedness (OECD 2001, p.54). However, some communities with a decline in social capital can experience problems with criminal behavior and violence due to a lack of e.g. mentoring and socializing but violence and crime can be reduced by

the presence of informal social control and high levels of social cohesion among residents (Sampson, Raudenbush & Earls in OECD, 2001, p.55).

3.2 Social capital in development

According to Chambers (1997), development means “good change” but Thomas (2000) further argues that the definition of development encompasses change, occurring on both societal and individual levels with the possibility of being both destructive and creative (Chambers in HUB Cymru; Thomas 2000, p.48). The meaning of development is categorized as, (1) a vision or measure of a desirable society; (2) an historical process of social change; and (3) deliberate improvement efforts by development agencies (Thomas 2000, p.48). Development can create a desired vision, it can take place over longer periods, and development is deliberate actions to change things for something better (HUB Cymru). There are many different views ranging from neoliberalism that argues that development actions are unnecessary when we have free markets that can assure economic growth and “trickle down” effects, to post development that argues that development is not a good thing and that doing good is an excuse to maintain power and control (HUB Cymru). In structuralism, development is the responsibility of the state as it seeks to develop into a modern industrial society – linking development to political and economic struggles (HUB Cymru). Whereas, interventionism argues that capitalist progress fosters winners and losers, and that development actions is a way to help the “biggest losers” (HUB Cymru). Lastly, the people-centered view on development believes that all humans can reach their own potential by directly involving them in a process of empowerment that makes them their own agents of change (HUB Cymru). This thesis combines a structuralist, interventionist, and people-centered approach since they can help explain how political, economic, and social progress are linked to development (HUB Cymru). Further, they illustrate how the use of social capital in development through a bottom-up/people-centered approach is an alternative way of making people reach their potential and that a strategic combination of the approaches can make institutions more “pro poor” (Woolcock in World Bank, 2005, p.228). According to Woolcock (2005), the people-centered approach is the most appropriate response to urban poverty in Latin America but it should work as a complementary element to the conventional approach instead of a substitute in order to secure an appropriate mix of incentives, legitimacy, and sense of ownership (Woolcock in World Bank, 2005, p.228).

The conceptualization of social capital and social relations in development is an extension and departure from the earlier theoretical approaches (Woolcock & Narayan 2000, p.227). It was not

until the 1990s that social capital gained a role in economic development—social relations were in the 1950s and 60s viewed as a hindrance to development and they were blamed for the absence or failure of capitalism (Woolcock & Narayan 2000, p.227). The neoclassical and public choice theorists in the 1980s and 1990s, assigned no distinctive properties to social relations, stating groups existed primarily to lower transaction costs of exchange (Woolcock & Narayan 2000, p.228). The reason why social capital slowly gained importance in development in the 1990s is according to Portes & Landolt (2000) due to “*the limitations of an exclusively economic approach toward the achievement of the basic developmental goals: sustained growth, equity, and democracy*” (Portes & Landolt 2002, p.529). Orthodox adjustment policies part of the “one-size-fits-all” economic policies of institutions like the International Monetary Fund had varying outcomes; in some countries they failed, while they in others, created low inflation and sustained growth (Portes & Landolt 2000, p.529). The growing concern of unrestrained market forces that fostered growing income disparities and “an atomized social fabric” marked by the erosion of normative controls in developing countries made way for the concept of social capital to offer a bottom-up alternative to top-down policies (Portes & Landolt 2000, p.530). Social capital provides a bridge between the sociological and economic development perspectives, explaining how the nature and extent of social relations between communities and institutions shape economic performance and give development programs more positive outcomes (Woolcock & Narayan 2000, p.242). Social capital provides the ability to invest in the organizational capacity of the poor and it creates bridges between communities and social groups that can transcend social divides and build social cohesion and trust—all of which are crucial for positive development outcomes (Woolcock & Narayan 2000, p.242). Further, it can provide a common language for actors that reside on different levels of society so communication becomes easier (Woolcock & Narayan 2000, p.242).

Complementing existing development strategies and policies with social capital adds “*voice to those calling for information disclosure policies at all levels to encourage informed citizenship and accountability of both private and public actors who purport to serve the public good*” (Woolcock & Narayan 2000, p.242). It can further give poor communities an opportunity to affect the design, implementation, management, and evaluation of projects and hereby enhance the sustainability of the projects (Woolcock & Narayan 2000, p.243). This participatory process provides urban planners and development agents with an opportunity to create projects that can complement the existing resources of the poor, instead of providing them with substitutes, and through collaborative efforts

of mutual willingness to learn and negotiate, it can create genuine development progress (Woolcock & Narayan 2000, p.242).

Social capital in development is thus highlighting the importance of understanding that progress is more likely to occur if human potential is realized and if societies are founded on networks of trust and cooperation since the creation of networks and social relationships combined with individual skills are important for goal achievement (Fukuyama 2001, p.7; OECD 2001, p.40). Woolcock & Narayan (2000) identifies four types of social capital in a development perspective that by its presence, absence, or interaction have major consequences on development outcomes – they are categorized as followed: (1) the communitarian view, (2) the networks view, (3) the institutional view, and (4) the synergy view (Woolcock 1998, p.181; Woolcock & Narayan 2000, p.229). In the communitarian view, social capital is associated with local organizations, associations, civic groups etc. that can help poor people manage risk and vulnerability (Woolcock & Narayan 2000, p.229). Further, social capital is viewed as positive but it is acknowledged that it can create negative consequences as well in low-income communities where isolation, restriction, and work for collective interests (in gangs, ghettos etc.) can be a hindrance to development (Woolcock & Narayan 2000, p.229). In the networks view, horizontal associations between people are viewed as important since strong intracommunity ties can provide a sense of identity and common purpose, however, it emphasizes that a combination of bonding and bridging social capital is important to achieve balanced outcomes (Woolcock & Narayan 2000, p.230). Further, it believes social capital is double-edged, as it can provide valuable services in a community but at the same time provide a high sense of obligation and commitment that can isolate members from outside information due to the importance of group loyalty (Woolcock & Narayan 2000, p.231). Compared to the two aforementioned perspectives, which views social capital as an independent variable that can provide various positive and negative outcomes, the institutional view believes that a groups' capacity to work in collective interest depends on "the quality of the formal institutions under which they reside" (North in Woolcock & Narayan 2000, p.234). The generalized trust, rule of law, civil liberties, and bureaucratic quality are important factors for the development of a society and that "rampant corruption, frustrating bureaucratic delays, suppressed civil liberties, vast inequality, divisive ethnic tensions, and failure to safeguard property rights" are major impediments to prosperity (Woolcock & Narayan 2000, p.235). Lastly, the synergy view is a scholarly combination of the network- and the institutional view and is believed to have the ability to foster developmental synergies (Woolcock & Narayan 2000, p.236). It further believes that, neither the state nor societies

are good or bad and that they both can affect the achievement of collective goals but equally lack resources to foster broad-based sustainable development on their own – making cross sector and group cooperation vital (Woolcock & Narayan 2000, p.236). However, the state has the most important and difficult role in securing positive developmental outcomes; it is the enforcer of the rule of law, it provides public goods, and it is the best actor to expedite lasting bridges and linkages across different boundaries of e.g. class and race (Woolcock & Narayan 2000, p.236). With this said, communities still have a key role in the creation of bridges and linkages since community leaders can ease the process of identifying gaps within the state—hereby functioning as an agent creating “conditions that produce, recognize and reward good governance” (Woolcock & Narayan 2000, p.237). The link between government and citizen action is based upon *complementarity* (mutual supportive relations between public and private actors) and *embeddedness* (the nature and extent of the ties connecting citizens and public officials) (Woolcock & Narayan 2000, p.236). These two concepts are common in countries with strong public institutions and in competent, coherent, and credible environments without deep gaps between powerful authorities and ordinary citizens – large gaps most commonly lead to political instability, rampant corruption, rising inequality, and capital flight (Rose in Woolcock & Narayan, 2000, p.236).

A crucial factor for successful development is the acknowledgement of social infrastructure e.g. networks based on kinship or close-knit communities in out-reach, integration, and development programs since mutually respectful networks foster trust that lowers transaction costs and speeds information and innovation (Putnam 1993b). Putnam (1993) points to the importance of using social capital when formulating new strategies since what a person can do and be, depends on where he lives and who he knows, and it is what defines you and determines your fate – life chances today depend on own resources but equally as much on the social resources of other groups (Putnam 1993b). Many low-income communities suffer from a lack of connection to the opportunity structure of the larger urban fabric such as financial-, political-, and social resources and in these communities, social capital works as a coping strategy to help people in lack of other types of resources get by (Briggs in Gittell & Videl, 1998, p.5-6). To achieve successful community development the promotion of weak ties is important since they can establish networks and connections to organizations, individuals or institutional organs across groups and cumulate resources (Gittell & Videl 1998, p.6). The creation of new ties can broaden norms of trust and cooperation or create new ones, a process referred to by Keyes et al. (1996) as mutual gains in social capital (Keyes et al. in Gittell & Videl, 1998, p.6). However, increasing or creating social

capital where it is currently lacking is challenging since these areas tend to have been neglected or given unfulfilled promises, which tend to cause high rates of crime and low levels of trust and cooperation (Gittell & Videl 1998, p.8). In order to affect change and overcome unfavorable conditions in these communities their political issues and compelling social interests have to be acknowledged (Foley & Edwards in Gittell & Videl, 1998, p.8). Since social capital is a byproduct of factors outside government control, the government as a bystander has limited ways of increasing social capital but it can stay aware of social networks that are used for information sharing without the ability to duplicate its effect (Fukuyama 2001, p.17). Governments have been most successful in generating social capital in the area of education where institutions foster both human- and social capital in the shape of social rules and norms but they can further promote social capital by securing property rights and public safety, and by providing necessary public goods (Fukuyama 2001, p.18). Safety and stability factors produce trust in an environment of public interaction and there is a higher chance of trust appearing spontaneously if repeated interactions happen among rational individuals (Fukuyama 2001, p.18). If the government has trouble creating social capital on their own, the creation of social capital can be created with help from sources such as NGOs and foundations (Fukuyama 2001).

What these different perspectives illustrate is that, the outcomes of development rely on different types and combinations of community capacity and state functioning, and that bridging social capital and state-society relations requires different interventions in order to achieve different combinations of governance (Woolcock & Narayan 2000, p.237). In countries like those in Latin America, characterized by a gap between state and society and by social capital that abide within social groups that are not interconnected, the more powerful groups dominate the state and foster exclusion (Woolcock & Narayan 2000, p.237). However, if the state builds bridges between themselves and those excluded of the larger part of society e.g. the poor, they make it possible for them to gain access to resources and services (Woolcock & Narayan 2000, p.238). The creation of a common forum between representatives of the state, the corporate sector, and civil society is a strategy for pursuing common goals and this way, development can progress (Woolcock & Narayan 2000, p.238). The development struggle can turn successful by using a combination of a top-down and a bottom-up approach to development; establishing partnerships between associations of the poor and outsiders through intermediaries with the of goal transforming the situations where weak or indifferent formal institutions cause social capital to work as a substitute or coping strategy (Woolcock & Narayan 2000, p.2).

3.3 What is social capital theory?

Social capital theory is based on an abstract idea of trust, norms, and informal networks and social relations are viewed as a valuable resource (Bhandari & Yasunobu 2009, p.486). The concept of social capital is broadly defined as a “*multidimensional phenomenon encompassing a stock of social norms, values, beliefs, trusts, obligations, relationships, networks, friends, memberships, civic engagement, information flows, and institutions that foster cooperation and collective actions for mutual benefits and contributes to economic and social development*” (Bhandari & Yasunobu 2009, p.487; Fukuyama 2002, p.27). Social capital permits individuals to come together to defend their interests and organize support for collective needs and according to the theory, economic policies need social capital to induce development (Fukuyama 2002, p.25). Social capital works as critical support for democracy – societies with high levels of social coherence are more likely to develop strong and efficient state institutions (Fukuyama 2002, p.25-26). Since the concept of social capital is multi-faceted, many different authors have defined social capital in the light of their own perspectives (Bhandari & Yasunobu 2009, p.487). In the recent years, researchers have discovered social capital's role in economic progress and sustainable development and they are convinced that most economic behavior is embedded in social networks (Putnam; Knack & Keefer; Sabatini; and Granovetter in Bhandari & Yasunobu, 2009, p.484). Social capital theory as a conceptual framework illustrates how, when, and to which extent social capital has the potential to serve as a powerful means of development, and how it can shape economic outcomes at different levels of society (Rodrik in Bhandari & Yasunobu, 2009, p.484).

3.4 Woolcock's framework of social capital

Social capital in development can help to explain what prevents groups and outsiders from working together and why some countries can maintain and create institutional environments that are conducive to effective, efficient and equitable development whilst others cannot (Woolcock 1998, p.182). Woolcock (1998) illustrates how some conditions make way for coherence, connections, and complementarity between states and societies whilst others have trouble creating sustainable, equitable, and participatory development (Woolcock 1998, p.182). The countries that struggle tend to be where: (1) class, sex, and ethnic inequalities are widespread, increasing, and legitimated; (2) poverty is endemic, unchecked by social safety nets, and difficult to escape through stable employment; (3) uniform laws are weak, unjust, flaunted, or indiscriminately enforced; (4) politics are not freely or fairly elected or voters have few serious electoral choices; (5) dominant and

subordinate groups have little shared stake in common outcomes; (6) war, famine, rampant inflation, disease, or chronic underemployment undermining sense of order and predictability; and (7) minorities are overtly or covertly discriminated against (Woolcock 1998, p.182). These communities erode the community's reserve of integration and linkages along with its integrity and synergy – illustrating how culture, power, and rationality are important in shaping development outcomes (Woolcock 1998, p.182). Further, there is a connection between social relations and development; the incorporation of prevailing social relations in a society and the nature of state-society relations are inseparable and understanding the prospects of development policies are impossible if the characteristics of social relations at the micro and macro level are unknown (Woolcock 1998, p.182). Social capital creates space for participatory development through the inclusion of the bottom-up task of “coupling and decoupling” social groups and such bottom-up initiatives establish a synergy between developmental institutions and their constituents (Woolcock 1998, p.182). When top-down resources are in a dynamic and cooperating relationship with bottom-up capacity-building it can gather a range of people and materials, which in unity can overcome problems or take advantage of opportunities (Woolcock 1998, p.185). This means that, states and institutions holding a developmental agenda need a synergy between the capacity to give in an accountable manner while at the same time cultivating with “receivers” (Woolcock 1998, p.185). Lastly, social capital is a crucial component in the development equation because of its ability to enhance and maintain physical and human capital, and for its ability to destroy it (Woolcock 1998). The challenge on most developmental agendas is therefore to identify which mechanisms can create, nurture, and sustain social relationships that are favorable to building participatory societies, sustainable equitable economies, and accountable developmental states (Woolcock 1998, p.185).

3.4.1. The concepts of embeddedness and autonomy

Woolcock (1998) divides social capital into two main categories: micro and macro level (Woolcock 1998). The theoretical literature on this matter became popular in late 80s and 90s, with micro level social capital in ethnic entrepreneurship studies and macro level in studies of state-society relations (Woolcock 1998, p.161). Woolcock (1998) criticizes the two aspects for lacking a more coherent and unified framework to fully understand social capital theory, which is why his framework offers a synthesis of the centrality of the two key concepts whilst incorporating two complementary forms of social capital: “embeddedness” and “autonomy” (Woolcock 1998, p.162). The concept of embeddedness originally stems from Karl Polanyi but was introduced in sociology by Granovetter (Woolcock 1998). Woolcock (1998) takes the concept further with his three claims of

embeddedness: (1) all types of exchange are naturally embedded in social relationships; (2) embeddedness can take several distinct forms: social ties, cultural practices, and political contexts—all have a big effect on individuals' opportunities and constraints when seeking economic advancement; and (3) the many benefits gained from embeddedness in a certain network are not without reciprocal costs—small-scale informal ties can pose constraints if members seek to transition into larger more sophisticated networks, which requires the knowledge of how to participate in, construct and maintain new institutional forms (Braudel in Woolcock, 1998, p.163; Woolcock 1998). The concept of autonomous social ties is a tool to determine in which situations the costs and benefits of embeddedness prevail, which means at the micro level the focus is on whether or not community members have access to people outside their community and at the macro level senior policy makers have to be driven by a “professional ethos” guiding them to pursue relations with industry leaders but also to negotiate and pursue collective goals (Woolcock 1998, p.164). A group's ability to draw on embedded and autonomous social ties determines successful coordination and overcoming of collective action problems, with embeddedness being necessary to coordinate long-term development but needing autonomous social relations to offset its costs and complement its benefits (Woolcock 1998, p.164). It is important to mention that the two concepts have different meanings depending on which level they are deployed—embeddedness at the macro level refers to state-society relations, whereas micro level refers to intra-community ties; autonomy at the macro level refers to institutional capacity and credibility and at the micro level, it refers to inter-community networks (Woolcock 1998, p.164).

3.4.2. The positive and negative effects of social capital

Woolcock (1998) refers to Portes and Sensenbrenner's model of antecedents and effects of social capital to understand under which conditions social capital forms its positive and negative effects within groups or localized communities (Woolcock 1998, p.166). The model illustrates that social capital is high in groups with: (i) distinct phenotypical or cultural characteristics, which increase prejudice and lowers the chance of entry and exit; (ii) strong, frequent confrontation with other groups perceived to be more powerful; (iii) a high degree of discrimination without alternative avenues for social honor and economic opportunity; and (iv) a high degree of internal communication (Portes & Sensenbrenner in Woolcock, 1998, p.166). The model illustrates the positive side of social capital, which is its ability to provide groups with access to privileged resources and psychological support whilst lowering the risk for misconduct and transaction costs, but also how it can be negative in terms of creating high pluralistic demands on group members that

can restrict them in expressing and advancing themselves due to free riding on community resources (Woolcock 1998, p.166). The solution lies in more dynamic social relations that can accommodate development and more complex economic exchange (Portes & Sensenbrenner in Woolcock, 1998, p.166). The positive aspects of social capital can be created in communities where social capital is absent or eroded and the positive aspects of a particular group's social capital can be harnessed to produce other desirable qualities and public goods in or for the group (Portes & Sensenbrenner in Woolcock, 1998, p.166). The negative aspects of social capital can be overcome by nurturing and maintaining large formal organizations and by initiating, nurturing, and sustaining mutually beneficial relations between communities and external institutions (Portes & Sensenbrenner in Woolcock, 1998, p.166).

3.4.3. Levels, dimensions, and combinations of social capital

According to Woolcock (1998), social capital can remain a meaningful theoretical and empirical concept if it is used as a resource to help groups overcome essentially static dilemmas of collective action; if it encompasses a range of societal dimensions, and if it can promote certain key attributes that can resolve dynamic organizational dilemmas (Woolcock 1998, p.168). The different levels, dimensions, and combinations of social capital can be explored by turning the focus back to embeddedness and autonomy and how they embody themselves at the micro and macro level (Woolcock 1998). The levels consist of micro level embeddedness (intracommunity ties), and micro level autonomy (state-society relations); macro level embeddedness (state-society relations) and macro level autonomy (institutional coherence, competence, and capacity) (Woolcock 1998, p.168). These dimensions can have different development outcomes depending on how they are combined, meaning that relations are unique and vitally important but also a highly problematic resource in effecting positive developmental outcomes (Woolcock 1998, p.168). Woolcock (1998) addresses these dilemmas by distinguishing between bottom-up and top-down dilemmas, which illustrate each dimension and combination of social capital (Woolcock 1998, p.168).

- Micro level; bottom-up dilemmas of development

Bottom-up development initiatives take place at the local level among individuals, households, small groups, and communities, and through social relations between people with common neighborhood, ethnic, religious, or familial ties (Woolcock 1998, p.171). Social integration is an important source of social capital because it can enable members to provide each other with services and resources e.g. job referrals, surveillance etc. and the more intense the social ties are

and the more generalized trust there is in the community, the higher the benefits is of social capital (Woolcock 1998, p.171). However, generalized trust that only is extended to immediate family members and blood relatives makes people very attached to ethnic loyalties and familial attachments, which inhibits them from advancing economically, moving geographically, and engaging in the resolution of civil disputes with outsiders (Woolcock 1998, p.171). This type of social integration lacks linkage (extra-community networks), something that Woolcock (1998) refers to as, “amoral familism” since it undermines the efficiency of all forms of economic exchange and development (Woolcock 1998, p.172). Development is difficult in social environments characterized by amoral familism because the absence of linkages hinders innovation, promotion of worker productivity, the raise of production standards, and stimulation of an efficient use of scarce resources (Woolcock 1998, p.172). At the opposite pole, we find amoral individualism, a rare concept, but it entails neither familial nor generalized trust with self-interest defining all social and economic activity, which isolates members, e.g. homeless people or people without family, access to community resources, due to discrimination or circumstance from all forms of social networks (Woolcock 1998, p.172). Social integration can also take the shape of “anomie”, a concept associated with urban settings and modernization, where individuals are free, have opportunities to participate in activities but are hindered to do so because they lack a stable community base to provide guidance, support, and identity, meaning that they have linkage but no integration (Woolcock 1998, p.173). To achieve successful development outcomes in poor communities, linkage needs to be combined with integration since strong intracommunity ties can be very beneficial to development outcomes when they are complemented by measures of linkage (Woolcock 1998, p.174). The more social institutions become successful in providing members with financial capital and other resources, the less they are needed (Woolcock 1998).

- *Macro level; top-down dilemmas of development*

Internal dynamics and development of economic groups in poor communities happen in the context of history and within a regulatory framework providing independent groups in civil society with the capacity to organize in their own collective interest (Woolcock 1998, p.176). The relation between economic groups and state-society is crucial for understanding the prospects and efficiency in forming the state willingness and ability to act in a developmental manner – effective developmental state-society relations are build on interest, needs, and resources of both parties

(Woolcock 1998, p.176). Low state-society relations and corporate coherence and capacity exist in collapsed states e.g. Somalia and in areas where anarchy prevails. High state-society relations and low corporate coherence and capacity exist in rogue states prevailing predation and corruption. Low state-society relations and high corporate coherence and capacity exist in weak states e.g. India prevailing inefficiency and ineffectiveness. Lastly, high state-society relations and high corporate coherence and capacity exist in developmental states e.g. Japan prevailing cooperation, accountability and flexibility (Woolcock 1998, p.177, fig. 3). For a country to identify as developmental their state-society relations have to be characterized by overlapping ties that provide connectedness and strong intra-corporate relations that ensure integrity – the developmental institution most once engaged in a community seek to serve while being capable of maintaining its own credibility and effectiveness (Woolcock 1998, p.178).

The most important factor for the prospects of both bottom-up or top-down development concerns the interaction between both aspects – a common mistake is to think in “either-or” terms when both are needed for positive outcomes (Uphoff in Woolcock, 1998, p.179). Connecting top-down resources with bottom-up capacity-building creates sustainable social relations and sustains development and it further requires a dynamic interaction where bottom-up development, intensive extra community ties (integration) coexist with “weaker” extra-community networks (linkage), while at the same time having top-down combinations of state-society relations (synergy) coexist with cohesive corporate ties (integrity)” (Woolcock 1998, p.180).

To summarize, the framework by Woolcock (1998) outlines and identifies obstacles to development, promotes its ability to create opportunities for policy intervention, and argues that outcomes are shaped by how and to which extent social dilemmas at the micro and macro level are solved (Woolcock 1998, p.165). Positive outcomes require the presence of embedded and autonomous social relations, and further require that people are willing to draw on nurturing social ties; within their local community; between local communities and groups with external and more extensive social connections to civil society; between civil society and macro-level institutions; and within corporate sector institutions (Woolcock 1998, p.185). If all four are present there is room for optimal development outcomes – a successful combination of bottom-up and top-down initiatives is an on-going process entailing “getting the social relations right” (Woolcock 1998, p.186). Macro level development assistance should seek to nurture participatory organizations that are ready to

increase levels of responsibility for their own well-being whilst building linkages between local communities and formal institutions (Woolcock 1998, p.187).

3.5 Social capital & the urban poor in Latin America

In Latin America, social capital works as a complementary tool for the poor in areas that lack public services and social assets, which means that interpersonal ties work as substitutes to human-, and physical assets (Woolcock in World Bank, 2005, p.219; Durton in Saracossti, 2007, p.520). The Latin American countries have been shaped by anti-political military regimes that have sought to crush participative cultures or by more inclusionary regimes that have sought to direct political activity within limited bounds (Klesner 2004, p.2). This means that Latin American countries rank low in social trust compared to other countries, they are approximately at the level of former communist societies but rank higher than African countries (Klesner 2004, p.18). Social capital in Latin America therefore resides primarily in close tied networks, which can facilitate survival and mobility in environments that are high in risks (Fukuyama 2002, p.28; Woolcock in World Bank, 2005, p.222). A major challenge for development policies in Latin America is to maintain the integrity, strengths, and identities of the poor communities whilst enhancing their capacity to interact with a wider range of social, political, and economic actors and institutions (Woolcock in World Bank, 2005, p.219). One of the major flaws of earlier development policies in Latin America is the neglect of the integration of the urban poor into the larger urban fabric because top-down policies have favored structural improvements with the hopes of this automatically leading to improved well-being and connectivity (Kaztman 2001, p.164). However, this has increased social segmentation and social isolation from mainstream society, which imply that the links between the urban poor and governmental institutions are fragile or non-existent (Kaztman 2001, p.164). The isolation from the larger urban fabric makes it an obstacle for the urban poor to achieve personal development since it keeps them from accumulating the needed assets to cease to be poor (Kaztman 2001, p.164).

The urban population in the Latin American regions continue to grow, making the provision of safe, sanitary and affordable housing along with basic infrastructure a tough challenge for policy makers in the region (Arias in Ruster 2003). The urban slums have high levels of social capital in the terms of kinship and intracommunity ties but they lack the weak ties connecting them to the spatial and demographic divides (bridging) and the power differentials (linking) (Woolcock in World Bank, 2005, p.219). For development to happen in these slums, it is important to increase the urban poor's

trust from in-ward looking to out-ward looking by facilitating cooperative relationships in the economic and political sphere between groups that normally are strangers to each other – formal institutions can broaden the radius of trust (Fukuyama 2002, p.32). This is necessary because solely relying on close tied networks can be a hindrance to development since it can led to social isolation, however, the networks of kinship, traditional social groups, tribes etc. should not be completely removed but sustainable development in Latin America require organizations to connect across e.g. class or status (Fukuyama 2002, p.34). Creating a bridge between the networks will broaden low-income communities' social capital and make them more prone to change and complementing intensive intracommunity ties with extensive extra-community linkages to markets and polities create a more diverse “portfolio” of social and political assets (Fukuyama 2002, p.34; Woolcock in World Bank, 2005, p.227).

Successful development programs provide the poor with connections to outsiders that have resources and information that can enhance their chance to enter labor markets, product markets, and public services (Woolcock in World Bank, 2005, p.228). Participatory development, is according to (Woolcock 2005), an appropriate response to urban poverty in Latin America, not as a substitute development strategy but as a coordination between the top-down and bottom-up aspects to ensure inclusion of the priorities of the poor whilst securing an appropriate mix of incentives, legitimacy, and sense of ownership (Woolcock in World Bank, 2005, p.228). Argentina has with the Barrio 31 program sought to include the participatory element by using a bottom-up approach in a conventional framework to unleash social capital and create urban integration of the poor in Villa 31 in Buenos Aires (Bernardez 2018). It is a systemic approach to settlement problems in Villa 31 that recognizes previous initiatives proposed by change advocates and neighbors inside and outside the villa, and uses a bottom-up aspect to bring stakeholders e.g. neighbors, cooperatives, experts, and urban advocates together (Bernardez 2018, p.4). The approach seeks to transform the villa by giving people a central role in the transformation, which according to Jacobs (1993) is the best solution to remove urban decay (Jacobs in Bernardez, 2018, p.4). It seeks to unleash social capital by having the renewal coming from the inside and by supporting residents to grow socially and economically in a natural “un-slumming” process (Jacobs in Bernardez, 2018, p.4). Successful outcomes of the Barrio 31 program depend on urban planners' ability to include the residents and their ability to explore ways to support them and sharpen their focus of the overall vision of the area (Ruster 2003, p.2). Successful urban development requires a strong connection between community

participation and project impact and sustainability where participation provides benefits that extends beyond the project (Ruster 2003, p.2).

3.6 Sub-conclusion

To summarize, social capital is a concept that entails trust and social connections; creates individual well-being; and casts off positive effects on political and economic well-being (OECD 2001).

Social capital can inflict benefits on the same basis as other types of capital by positively channeling community energies and by encouraging development, social change, and well-being through social connectedness (OECD 2001). Development involves change on societal and individual levels and can be either destructive or creative, and social capital is linked to development by social capitals ability to shape economic performance and positive development outcomes through social relations between communities and institutions (Chambers 1997 HUB Cymru; Thomas 2000; Woolcock & Narayan 2000). Further, social capital in development offers a way to understand progress by including social and cultural factors in conventional frameworks and illustrates how progress is more likely to occur in communities founded on networks, trust, and cooperation and if human potential is realized (Fukuyama 2001; OECD 2001). Collaborative efforts of mutual willingness to negotiate and the inclusion of social connectedness in the development processes provide urban planners with the possibility of creating projects that complement the existing resources and social networks of the poor, rather than providing them with substitutes (Woolcock & Narayan 2000). Social capital provides a common language for actors with different status and backgrounds and it gives the poor an opportunity to have direct input into the design, implementation, management, and evaluation of projects and social capital can by its presence, absence, and interaction have major consequences on development outcomes (Woolcock 1998, p.180; Woolcock & Narayan 2000).

The framework by Woolcock (1998) outlines and identifies obstacles to development, promotes its ability to create opportunities for policy intervention, and illustrates that outcomes are shaped by how and to which extent social dilemmas at the micro and macro level are resolved (Woolcock 1998, p.165). Development outcomes depend on the combination of different types of community capacity and state functioning but the major challenge for development policies and projects in Latin America is to maintain the integrity, strengths, and identities of the poor communities whilst enhancing their capacity to interact with wider range of social, political, and economic actors and institutions (Woolcock & Narayan 2000; Woolcock in World Bank 2005). Positive development

outcomes can be achieved by the presence of both embedded and autonomous social relations at both the micro and macro levels and participatory development can help to ensure inclusion of the priorities of the poor whilst securing an appropriate mix of incentives, legitimacy, and sense of ownership (Woolcock in World Bank, 2005, p.228). Modern-day urban development revolves around a strong connection between community participation, project impact, and sustainability since participation provides benefits that extends beyond the project (Ruster 2003, p.2). Overall, social capital e.g. social connectedness and participation is essential for achieving sustainable development today; it enhances the impact and sustainability of projects and it contributes to overarching goals e.g. good governance, integration, democratization, and poverty reduction (Inter-American Development bank in Ruster 2003).

4. Analysis

4.1 Introduction

The following analysis will use the case of Villa 31 and its transformation program Barrio 31 along with other empirical findings to argue how social capital has a key role in informal communities and in integrating the villa into the larger urban fabric of Buenos Aires (Haynes 2009; Claridge 2018). The conceptualization of social capital in this analysis is tied to its localized effects on social capital-related themes e.g. social integration, social cohesion, and the creation of social relations (Claridge 2018). Social capital has become the engine in modern-day urban integration-, and development because it can empower the poor by actively involving them in the development of their community and realizing their human potential through the facilitation of ties of trust, and cooperation in a democratic process of support by governmental institutions (Fukuyama 2001, p.7; OECD 2001, p.40). This synergistic development view believes that both the institutional actors and the community can affect the achievement of collective goals but that they individually lack resources to foster broad-based sustainable development on their own (Woolcock & Narayan 2000, p.236). The concepts of bonding, bridging and linking relations are said to offer an explanation of how relationships and different network characteristics e.g. social ties within communities (intra) and social ties between communities (inter) can be used as a strategy to overcome development barriers by including a social aspect in a conventional development framework (Claridge 2018). The analysis will analyze the importance of intracommunity ties in Villa 31 and whether or not the lack of external ties has been a hindrance to its development or if it is due to other causes. Furthermore, how successful integration of Villa 31 into the larger urban fabric of Buenos Aires

depends on the facilitation of ties that can connect them to spatial and demographic divides (bridging) and power differentials (linking) and why the intracommunity ties on their own are insufficient in this process (Woolcock 2005, p.219). The analysis will draw on social capital theory to highlight the positive and productive aspects of sociability but also the negative barriers, limitations and externalities, that will continue to be a hindrance to the integration of the area if they are not strategically overcome (Haynes 2009, p.14; Claridge 2018). It will further examine the importance of trust, social support and social exchange and their dependence on different mechanisms using a method reconceptualizing social capital as assets/resources embedded within networks based upon wealth, power, status and the access to bridging facilities (Lin in Haynes 2009, p.12). The chapter goes on to discuss the development strategy used in the Barrio 31 program by taking examples and lessons learned from around the world to support the claim that a combination of a bottom-up approach and top-down approach is a given if an urban development project is to be successful. It will draw on the notion that social capital has a key function in the transition from villa to barrio and that it works through features such as knowledge sharing and relations based on trust. Further, it will discuss if the social aspect can stand alone in a development process or if a synergy between the two aspects is necessary by arguing for the importance of including a social aspect in urban development, and by illustrating the strong connection between community participation and project impact that make a combined model the most relevant strategy for addressing urban poverty today (Woolcock 1998; Woolcock in World Bank 2005, p.22; Haynes 2009, p.15; Lin in Claridge 2018).

4.2. Social capital – the meaning of human relations & its causes and barriers to development

4.2.1 Human relations as capital – community, solidarity, networks, and trust in Villa 31

Social relations based on trust and norms of reciprocity are important in slums with a pressing need for basic services and state-funded social safety nets (Mangin 1967, p.72). In the Buenos Aires slums, the urban poor rely on horizontal networks of friends and kinship relations to get by since a lack of other types of capital has left them uneducated, poor and unemployed (Coleman in Putnam 1993). Putnam argues that, high stocks of social capital equals high social-, economic-, and institutional performances, with a strong society best characterized by its amount of social capital, and that the networks most favorable to high stocks of social capital are the horizontal networks where actors are equal in power (Putnam in Ponthieux 2004, p.6). As the case of Villa 31 will demonstrate, there are both strengths and weaknesses to this argument.

Villa 31, also known as “The Carlos Mugica neighborhood” has for long been considered a “thorn in the side” of successive municipal city administrations due to its location on valuable land, close to the city center and wealthy commercial areas (Memolo 2017, p.2). The wealthy neighborhoods in Buenos Aires are known for being quiet, clean and highly visited tourist spots that offer spacious parks, European style architecture and fashionable shops (Memolo 2017, 1). They are, however, a beautiful mirage that hides the ugly truth of their neighbor, the growing slum area of Villa 31—an area that is seen as a dark spot in the otherwise vibrant and rich city of Buenos Aires (Memolo 2017). Even though Argentina is considered to be one of the least unequal countries in the Latin American and Caribbean region it is not uncommon to encounter scenes of stark inequality in Buenos Aires since the levels of poverty and inequality remain high (Reed 2014; World Bank 2019). Villa 31 provides a good example of this; no more than 10 blocks away, from trendy stores and lavish apartments in Recoleta, the ‘humble dwellings’ of Villa 31 are separated only by the railroad tracks, where families struggle to get by in poorly constructed and maintained multi-family housing (Reed 2014). Villa 31 has a central location in the heart of the city but the area is on the periphery in terms of access to services, employment, and infrastructure, with living conditions in extreme poverty despite being surrounded by wealth (Zibechi 2013; World Bank 2019). The Argentine Gini index, measured at 40.6 % in 2017 shows how inequality, despite its label as the most unequal country, remains an issue in Argentina and that they despite a falling poverty rate from 30.3 % in 2016 to 25.7 % in 2017, continue to struggle with people living in extreme poverty in Buenos Aires (World Bank 2019). It is therefore not surprising that Argentina in the near future, according to the World Bank, will experience a reverse in the falling poverty rates due to the continuing high inflation rate at 47.6 % annually (World Bank 2019). The World Bank has criticized the city’s development as being spatial, sprawling and fragmented, which has come with high costs of uneven development of public service provision and employment accessibility, as well as, social exclusion (World Bank 2017, p.40). The historical fragmentation of the city, the uneven distribution of goods and services, the high unemployment rates, and the low social inclusion have made the informal settlements of Buenos Aires larger and more populated throughout the decades (Bernardez 2018). With the continuing growth of informal settlements in Buenos Aires the question of urban integration is one of the most pressing in the century (Memolo 2017). Buenos Aires is home to multiple informal settlements or so called “villas” that are located on the outskirts of the city but with Villa 31 being the most notable because of its central location (Caselli 2015a, p.87). An informal settlement is characterized as a place that has arisen on vacant land, owned by the

government and it is typically associated with massive social problems such as youth crime and high unemployment (Mangin 1967, p.69). The lack of active opposition from the Argentine government, has formed Villa 31 in an unorganized and self-constructed fashion by immigrants and a few families drifting onto the site during the years, which means that the area holds few if any infrastructure-, and social services such as paved roads, sewage systems, electricity, running water, and institutions (Mangin 1967). Its location and its poor infrastructure is a reminder of Argentina's deep socioeconomic issues, a stark contrast to the sophisticated metropolis, with 37 % lacking a kitchen and a quarter (8,000) residents without toilets in their villa housing (Risom & Madriz 2018). The unpaved streets in Villa 31 turn muddy during rainy days, making it almost impossible to get around, and most of the streets are narrow corridors that make hundreds of homes out of reach from emergency vehicles (Risom & Madriz 2018). The lack of electricity have caused residents to construct informal connections, which has led to deadly electrocutions and explosions and the lack of sewage systems at times causes their drinking water to be contaminated (Reed 2014; Risom & Madriz 2018).

As a place for the poor and marginalized, the social capital in Villa 31 has been constructed around a community of the city's underprivileged and is a place where the residents have made a living for more than 80 years despite inadequate connections to basic services (Reed 2014). The Villa 31 community welcomes people from other provinces or neighboring countries in search of work, informal work that leaves them unable to attain documentation to rent elsewhere in the city (Caselli 2015b). The community is despite its stigmatization as violent, a vibrant community with street life, kids running around, and streets filled with bicyclists and pedestrians (Risom & Madriz, 2018). Studies have shown that Villa 31 outperform the wealthier parts of the city in terms of urban vibrancy and sustainable mobility because the areas residents spend more time walking, cycling, socializing, and people-watching (Risom & Madriz 2018). Further, the area is high in economic progress and entrepreneurship with one in every five buildings holding a business; many of them are neighborhood assets that allow people to meet their needs within walking distance e.g. hairdressers and produce markets (Risom & Madriz 2018). These qualities should however not be romanticized; the area might offer some of the qualities that urban developers seek but it lacks quality of life, basic infrastructure, and governmental presence compared to the rest of Buenos Aires (Risom & Madriz 2018). Urban vibrancy, as viewed in Villa 31, happens when a sufficient number of people choose to stay in slums, which starts a process of change to shape the area, meaning that the informal settlement will gain competencies and strengths when the residents start

to build internal trust (Jacobs in Bernardez 2018, p.4; Risom & Madriz 2018). The villa's "self-government functions of city streets" works as public surveillance that fosters trust and social control, which means that the residents gain an intense attachment to the area and its highly informal social control (Jacobs 1993, p.19). In Villa 31, a considerable number of residents find it desirable and practical to carry out their plans and lives in this area rather than moving elsewhere, since the area during the years has been shaped into a lively community that is a part of their identity and contains their networks (Jacobs 1993; Bernardez 2018). The trust that arises within these villas are by social capital theorists characterized as inter-personal trust, which is common between family and friends but further between "strangers" within a community in order to get by in life (Woolcock 1998; Bernardez 2018). One example of this is the strong intracommunity ties in Villa 31 based upon internal trust and norms of reciprocity that function as a type of resident social safety net, which have made the community strong in organizing itself and defending itself against outsiders and social issues within the community (Blunden 2004). This defense mechanism has been necessary due to the area being stigmatized as a violent community during the long state neglect, which has caused the area to lack connectivity to the larger urban fabric of Buenos Aires and created social issues such as violence and crime (World Bank 2017). This lack of connectivity, has led to high amounts of bonding social capital because it has left it up to the residents to build their own community, sense of belonging, and identity by using social capital as a tool to get by in a life on the periphery of the city (Barr; Kozel & Parker, in Woolcock & Narayan 2000, p.227; Caselli 2015b). However, their social capital is not only rooted in their strong internal relations but is also based in various social, religious and political organizations within the area where residents meet to collectively campaign for their rights to health-care and education, to have a voice in the urban planning of the area, and to stop the violence and drug abuse caused by the presence of gangs (Caselli 2015a, p.88; Cué 2017). One example of this is the Villa 31 community's local magazine called "La Garganta Poderosa" (the mighty throat), which is inspired by the local newspaper "Mundo Villa" that for years has shed light on issues in the villa (Caselli 2015a, p.88). The magazine offers the opportunity to share the trapped culture inside Villa 31 as well as shed light on broader political issues by making headlines throughout the country, selling 20,000 copies on a monthly basis, and it provides the residents with a great opportunity to make authorities recognize and address the needs of the villa (Caselli 2015a, p.86; Caselli 2015b). Other examples are, residents managing community kitchens, to serve food picketed by the government, with 70 families volunteering once a week to guarantee food for their families or their Women's center for

women who are victims of domestic violence (Zibechi 2013). Further, they have managed to create a health care center, with the help of volunteer doctors from outside the community, and they have collaborated with Father Carrera who has set up schools, a nursery, a social club, a soccer team and a drug detox center in order to provide the areas children with a sense of identity and belonging outside the groups related to violence and drugs (Cué 2017). They are examples of what Putnam refers to as, high-density horizontal networks where citizens cooperate for mutual benefit (Putnam 1993, p.174). These associations, networks, and organizations make the residents work together in a collectively manner to obtain mutual benefits, they foster interpersonal communication and exchange, and they provide the opportunity to manage services that are not offered by the government (Zibechi 2013). According to Father Carrera, Villa 31 offers many opportunities, as long as the right approach is taken to solve the issues that have arisen with the Argentine decline over the years (Cué 2017).

The organizations and associations in Villa 31 illustrate how social capital is a highly productive type of capital that allows the residents to make ends meet, get by, and achieve goals through collective actions (Coleman in Putnam 1993). The Villa 31 examples prove that Putnam is right in arguing that horizontal networks are high in stocks of bonding social capital with residents being very reliant on these internal ties to make their community function during a time of exclusion from the rest of the city (Putnam in Ponthieux 2004, p.6; Bernardez 2018; Risom & Madriz 2018).

However, some capital theorists argue that, strong internal ties are a hindrance to the personal development and economic prosperity of poor urban residents and that they need ties to bridge them to the larger urban fabric to enjoy a more broad portfolio of assets and resources e.g. information, innovation, as well as, basic services (Woolcock in World Bank 2005; Caselli 2015a; Bernardez 2018). Further, the issue with closed internal networks is that they create basis for high reliance on in-groups and excludes outsiders due to in-group solidarity, which means that the networks in Villa 31 have the ability to provide positive and negative outcomes (OECD 2001, p.41; Fukuyama 2002, p.30). On one hand, the closely tied networks provide the residents with social solidarity where they help each other in times of need, they can confide in each other, have faith that their trust is not exploited, and they can exchange goods and knowledge knowing that it will be repaid in the future (Putnam 1993, p.172). On the other hand, the strong intracommunity ties can counter the positive effect by cutting the residents off from information, innovation, and ideas due to in-group reliance, and a lack of trust in outsiders, which hinders personal development by isolating the residents in an “us vs. them” attitude (OECD 2001, p.42; Fukuyama 2002, p.30). However, the main reason why

the area remains disconnected to the rest of Buenos Aires is twofold: on one hand, it is due to the area being stigmatized as a violent ghetto and on the other hand, it is due to the lack of bridging and linking social capital that can connect them to the larger urban fabric (Putnam in Ponthieux 2004, p.6; World Bank 2019). However, stating that strong intracommunity ties are the underlying cause to their exclusion from the larger urban fabric is hardly the case in Villa 31. Their incapability to reap the benefits of the urbanized city e.g. pensions and health care is more because of the long-term lack of government intervention in the area (Bernardez 2018; World Bank 2019). The main cause lies in a combination of a lack of bridging social relations and government activity that causes their exclusion from the rest of the city and their incapacity to develop (Blunden 2004). To overcome this, there is a need for network(s) that can widen the residents' capacity to benefit from e.g. resources or information outside their immediate community radius without breaking their existing networks, identity, and cultural bonds (OECD 2001, p.42). The strong intracommunity ties in Villa 31 have a positive role in the residents' lives, they organize and work together in supporting each other in combating crime, violence, health issues and starvation and they create room for cultural activities and community projects despite the areas problems (Zibechi 2013; Caselli 2015, p.88). However, the Villa 31 residents are aware of their incapacity to do it all by themselves and the residents have in terms of their health care center sought help from volunteer doctors from outside the community (Zibechi 2015). The residents' report that, the mutual bond they share between insiders and outsiders e.g. volunteers in some of these situations fosters cooperation, where they in collaboration can achieve more in terms of collective goals, e.g. raising rent money and awareness, than they would be able to on their own (Zibechi 2013). This confirms that vertical community networks where citizens cooperate for mutual benefit with people of unequal status and power can be an important asset to their strong intracommunity ties in terms of developing the area (Granovetter in Putnam 1993, p.175). This however disproves Granovetter's argument of weak ties being more important than strong ties, since a synergy between the two and sharing knowledge between the horizontal and vertical networks has been the most fruitful in the case of Villa 31 (Granovetter in Putnam 1993, p.175). The synergy between the two in the case of Villa 31 verify that without strong intracommunity ties the area would have "nothing" but that the existing social structure they have built gets stronger when linked to weaker ties outside the villa (Cué 2017; Risom & Madriz 2018). Villa 31 is an area filled with social, political, and economic opportunities that can benefit the larger urban fabric of Buenos Aires and the villas high levels of economic and social activity illustrate that Putnam has a point in saying that a strong society is characterized by its

amount of social capital since social cohesion has made the villa community stronger and when integrated into Buenos Aires they can become stronger together (Putnam in Ponthieux 2004, p.6; World Bank 2019). The bonding social ties that the residents' share are important for the villa residents to get by and cooperate on a basis of shared norms and trust, and will continue to be important as long as there is a lack of state-functions acting on their behalf (Fukuyama 2002, p.28, Zibechi 2013). Investing in Villa 31 and other villas improve metropolitan cohesion, which will make the city of Buenos Aires better at reaping the benefits of urbanization (World Bank 2018, p.43). Successfully transforming the area therefore depends on the urban planners and government's ability to bridge the areas existing trapped social capital in a synergistic process that provides the residents with capabilities and resources to benefit from goods and information outside their community radius so they can develop themselves and their community in a more sustainable way (Fukuyama 2002, p.28, Zibechi 2013).

4.2.2. Using a participatory strategy to address social issues in Villa 31

After more than 80 years of government neglect, the Argentine government has decided to tackle the challenge of Villa 31 (Risom & Madriz 2018). After decades of threats of forced relocation, government neglect, and failed urban modernizations, it was decided by law to protect the villa residents by laying out boundaries for the villa, requiring a public census that could guarantee that their voices were heard in regards to infrastructure and urbanization projects (Azevedo 2017; McMichael 2018). The community of Villa 31 has organized itself through the creation of Mesa de Urbanización Participativa y Rotativa (Participative and Rotating Urbanization Committee) in 2005, which is a political organization that seeks to include the voice of the community in the urban Integration Policy for Villa 31 (McMichael 2018). In 2016, the Barrio 31 program slowly began the transformation of Villa 31 by creating La Secretaría de Hábitat e Inclusión (Secretariat of Habitat and Inclusion, SECHI) to be in charge of the villas integration into the wider economic community of Buenos Aires (Memolo 2017, p.2). The joint program between the World Bank and the Macri government, set to run from 2016 till 2019, has the goal of overcoming any physical, social, cultural, and economic barriers that exclude the villas 43,000 residents from the rest of the city – the end goal is turning Villa 31 into the neighborhood Barrio 31 (Urban Sustainability Exchange; Rocca 2017; World Bank 2017). It a flagship program part of a larger project called “The Metropolitan Buenos Aires Urban Transformation Project”, which the World Bank has given the goals of poverty reduction and increasingly shared prosperity by promoting inclusive urban growth, economic development, and by providing project beneficiaries with access to public services that can reduce

their vulnerability (Secretaria de Integración Social y Urbana 2016, p.11; Memolo 2017, p.2; World Bank 2017, p.18). The project is financed by two World Bank loans on USD 170 million and USD 30 million with counterpart funding being provided by the City of Buenos Aires and the Province of Buenos Aires for complementary investments (World Bank 2017, p.19). The program is in alignment with the Sustainable Development Goal no.11 “*Make cities inclusive, safe, resilient and sustainable*” and it is inspired by lessons learned from World Bank projects and from Argentina’s own experience in public housing (World Bank 2017, pp.18-19). It draws from lessons learned such as: (i) integration of disadvantaged settlements into the wider urban fabric; (ii) strong social engagement for the sustainability of urban infrastructure investments; (iii) strong political commitment and government capacity; (iv) in-situ revitalization of disadvantaged neighborhoods; and (v) measures to mitigate possible gentrification (World Bank 2017, p.19). This analysis is especially interested in the aspect of social engagement and how the inclusion of a social aspect in structural development can be used to achieve sustainable development-, and integration outcomes (World Bank 2017, p.19; Bernardez 2018, p.4). The Barrio 31 program values civic participation, and social-, and human capital building that can improve the villas social and urban integration by focusing on the needs of the community and its residents, by promoting and guaranteeing their rights as well as, improving the villas physical conditions (Secretaria de Integración Social y Urbana 2016, p.174; World Bank 2017, p.18). The systemic approach to address the problems of the urban slums brings various stakeholders together e.g. neighbors cooperatives, experts, and urban advocates whilst listening to and recognizing previous proposed initiatives instead of starting from a blank slate (Bernardez 2018, p.4). The Barrio 31 program did this by listening to and working in close collaboration with the residents in order to start the integration process off on good terms (Bernardez 2018, p.4). This approach uses a social aspect that makes urban planners strive to have the transformation happen from the inside by supporting residents to grow socially and economically in a natural un-slumming process (Jacobs in Bernardez 2018, p.4). Further, it addresses the multiplicity of problems in the villa, problems that are inhibiting the residents from developing, by promoting and constructing social- and human capital and inter-institutional coordination at national- and city government level (Secretaria de Integración Social y Urbana 2016, p.169). The beneficiaries are included in a democratic participatory process where local actors, social organizations, and the political system are brought together in a synergy of horizontal and vertical networks, which consist of communication channels designed and implemented in collaboration between the villa and social organizations, the political system, and other community

references (Secretaria de Integración Social y Urbana 2016, p.174). Further, the active involvement assures social consensus and creates conflict resolution scenarios, where the residents can voice their opinion and address complaints during every step of the process, in a citizen engagement process consisting of a grievance and redress mechanism, which minimizes social risks and protests (Secretaria de Integración Social y Urbana 2016, p.174; World Bank 2017, p.29).

The main objectives of the Barrio 31 program are: (i) Habitat and improvement of living conditions of vulnerable and poor households (ii) Social integration and development of human capital; (iii) Sustainable economic development; and (iv) Urban integration, mobility and public space (Urban Sustainability Exchange). The goal is to strengthen community care circuits by placing three educational institutions and a health-, and Community Action Center within the villa whilst having the Entrepreneurial and Labor Development Center (CeDEL) solving the areas socio-economic challenges by improving resident employability, enhancing neighborhood economic activities, promoting the formalization of the neighborhoods economic activities, and by introducing financial inclusion workshops (Urban Sustainability Exchange). The goal is further to improve access and optimize the areas operation by connecting the two areas by sewer networks, power lines, public lighting, the creation of access roads to connect public transport, and by transforming public spaces into recreational spaces that can reduce environmental pollution and encourage recreational activities (Urban Sustainability Exchange). This course-of-action strategy consists of structural and impact measures to provide Villa 31 and its residents with social-, educational-, health-, economic-, and cultural rights. So far, the levels of trust and hope have improved along with the residents ability to see changes e.g. the work on water, sanitation, accessible roads, and electrified systems that are allowing for their inclusion into Buenos Aires and they report how they take pride in being able to participate (Azevedo 2017; Urban Sustainability Exchange). Making room for the voices of the residents and the local community makes a remarkable difference in terms of long-term acceptance, appropriation and viability, and with the Argentine governments sign of commitment to the people, the residents have started to invest more in their own capital, improving homes, and establishing new businesses (Azevedo 2017). A new socio-economic dynamic is developing in the villa and the external factors during the transformation process is fueling the process forward (Azevedo 2017).

4.2.3. The underlying causes to development barriers in the urban integration of Villa 31

The above analysis illustrates how strong intracommunity relations have had a positive effect in Villa 31 and how they have originated from social exclusion and a lack of weak ties to the urban fabric of Buenos Aires. This section will analyze the causes of the areas social issues, limitations, and negative externalities and how they have led to development barriers such as low levels of trust. Further, it will analyze how these social barriers can have a dual effect of being a productive aspect inside the villa, as viewed in the analysis above, but present themselves as barriers to urban planners and whether or not these barriers are mainly due to social causes or if the political and economic factors have contributed an equal amount.

Economic

Argentina has for long been battling a poor economy and various macro-economic shocks, which have caused high levels of poverty and inequality and the misplacement of thousands of people in the city of Buenos Aires (Bernadez 2018; World Bank 2019). The most significant impacts from the macro-economic shocks have happened during the period of economic instability in the 60s and 70's; The Great Depression; and during the long recovery of the 2001 economic crisis (2001-2012) (Bernardez 2018, p.2). The financial instability in the 60s and 70s displaced thousands of unemployed people and caused them to struggle to pay rent, which ultimately forced them into the villas of Buenos Aires (Bernardez 2018, p.2). The Great Depression caused poverty to grow and accelerated the unemployment rate, creating a growing "poverty belt" referred to as Great Buenos Aires, a poverty belt that despite industrialization and the development of a welfare system left the working poor unemployed and worse off in the villas (Bastia in Bernardez 2018, p.2). In the beginning of 2001, Buenos Aires experienced a high amount of rural residents migrating to the city to look for better opportunities, which resulted in an estimated 50 % growth in Villa 31 between 2001 and 2010 (Memolo 2017). Along with the growth, housing prices skyrocketed in Buenos Aires, making affordable housing hard to find, and since wages did not keep pace with the increase in housing prices, it led to the procreation of villas (Rocca 2017; World Bank 2017, p.40). More Argentineans moved into the villas during the long recovery of the 2001 economic crisis since it created pockets of systemic poverty (Bernardez 2018). Despite continuing growth of villas and despite the topics of poverty and integration for long have been an issue in the city, the issue of the expanding informal settlements in Buenos Aires did not get much government attention until the Great Recession in 2008 (Bernardez 2018). The deep recession caused the areas affected of

systemic poverty and marginalization to grow bigger, which tested and pressured the capacity of the city's institutions and organizations to handle the challenge of integrating their low-income residents in ways that could add value to both themselves and the city (Bernardez 2018, p.1). These periods of economic instability caused thousands of Argentines to squat on public land in overcrowded areas, lacking basic infrastructure and legal stability, while living on unstable temporary jobs outside the formal economy (Bernardez 2018, p.2). For this same reason, the city of Buenos Aires has a high number of people working outside the formal workforce, meaning that the city has a lot of trapped informal economic activity inside the city's villas (World Bank 2017). Villa 31 has high economic activity with around 900 businesses in the area and high amounts of real estate transactions; there is an estimated 51 % unregistered working population in Villa 31 compared to 26 % in the Autonomous City of Buenos Aires (CABA) and there is high levels of job insecurity (informal and marginal employment) estimated at 76 % compared to 40 % in CABA (World Bank 2017, pp. 41-42). The exclusion from the formal economy is reinforcing the cycle of poverty in Villa 31 and social divisions and inequality stigmatizes the residents from integrating into the larger urban fabric of Buenos Aires (World Bank 2017, p.41). The exclusion has created negative barriers of inequality and poverty and the growth of the city's villas illustrates how there for long has been a pressing need for the Argentine government to address the villas, which will continue to grow if the issues of systemic poverty, inequality and social-, and economic exclusion are not addressed properly (World Bank 2017, p.16).

Political

Addressing the political issues of poverty, inequality, and social stigmatization in Villa 31 has been debated and tried multiple times over a period of 40 years with the most prevalent approach being that of forced relocation caused by the high value of the land (Bernardez 2018, p.3). The forced relocations were pushed for during Argentina's military rule but never succeeded and with a fall in the population in Villa 31 in 1976 from 25.000 to 1.000 in 1980 the government instead turned to resettling in the 1970s but this however failed as well (World Bank 2017, p.42). In the beginning of the industrial development, the villas of Buenos Aires had experienced growth and at that time an estimated 213,000 residents' lived in villas, accounting for almost 10 percent of the city's population (Zibechi 2013). With the return of democracy, Villa 31 experienced a slight increase in their population but it stagnated in 1991 and the overall population number remained lower than in the period before the eradication plans (Bastia 2007, s.87). What turned the area upside down political was the aftermath of the 2001 economic crisis, which led the government to approach Villa

31 by changing back and forth between ignoring the situation or making it worse by limiting policing to a passive role (Bernardez 2018, p.3). The governments between 2001 and 2003 avoided the problems and conflicts of Villa 31 completely and the populist policies established after 2003 only made the problems worse (Bernardez 2018, p.3). The populist policies heightened insecurity in Villa 31 by constraining policing and security inside the villa, which caused the area to be known as a crime spot due to insecurity and criminal activities e.g. shootings and theft, linked to a high consumption of illegal drugs (World Bank 2017, p.88; Bernardez 2018, p.3). Further, it culturally segregated the villa from the rest of the city and along with the heightened levels of criminal-, and gang activity the villa turned into a stigmatized ghetto (Bernardez 2018, p.3; Gambini in Bernardez 2018, p.3). The poor living conditions make the residents highly vulnerable, especially the youth who fairly easy fall into trouble, with one third of youth population consuming drugs and one quarter neither working nor studying; only 25 % have completed secondary school compared to 75 % in CABA (World Bank 2017, p.42). The residents' are living in health-, and sanitary hazards with lack of bathrooms, risk of sewage overflows, rats, poor accessibility, and the risk of their housing collapsing (World Bank 2017, p.42). The poor conditions cause a predominance of health related issues and diseases and even though 93 % of the residents have access to water, only 80 % have it inside their homes, and less than 20 % are connected to electricity networks, compared to the rest of the city that almost has full coverage (World Bank 2017, p.42). The issues of poor health, poverty, and high crime rates constrain the villa youth from attending school and force the residents into informal employment early in their lives – negative barriers that make it a lot harder to integrate the residents into the formal economy (Urban Sustainability Exchange; World Bank 2017).

Social & cultural

Villa 31 has faced isolation and social stigmatization for decades by facing blame for problems associated with crime and drugs, something that is extremely harmful to people who already live in the most vulnerable areas and has caused Villa 31 and the other villas of Buenos Aires to be a symbol of the inequality in the region (Caselli 2015, p.85). Despite the many economic and political barriers to development in the area, the internal migration in Argentina in the 1930s actually had more consequences than the economic and political factors (Bastia 2007, p.87). The migration patterns determined the characteristics of the capital and laid the foundations of the social relations between the porteños (the inhabitants of Buenos Aires) and the immigrants who persist to this day (Bastia 2007, p.87). The inhabitants of Buenos Aires initially rejected internal immigrants due to

their different cultural legacies and their physical aspects, which frequently caused the Buenos Aires urban population to stigmatize the internal immigrants, calling them negative names such as "little black head", in reference to the darker color of their skin and hair (Bastia 2007, p.87). The stigmatization worsened by mainstream media contributing to portraying life in the villas as nothing but drug consumption and trafficking; blaming the poorer areas of Buenos Aires for the city's problems instead of including the city as a whole (Caselli 2017, p.88). The mainstream media and the general population seem to forget that the slums actually grow when the city experiences economic prosperity, and that the villas are filled with laborer e.g. plumbers, electricians, and carpenters, which are important to the city's urban dynamic – the villa residents work in the city and they build it (Caselli 2015a, p.88; Bernardez 2018, p.5). Examples of this are, the construction of the glass tower in high-end residential Puerto Madero, where a significant number of workers are from Villa 31 or how the rich residents in Retiro and Recoleta hire domestic help from the villas in Buenos Aires (Bernardez 2018, p.5). Despite this, the villas continue to be viewed as crime spots filled with violence even though they are in fact areas filled with cultural activities and hard-working people that are trying to shed the image of being criminals and low-life immigrants (Caselli 2015a, p.88).

4.2.4. The social, economic or political as the main cause to development barriers in Villa 31?

The exclusion and development barriers in Villa 31 are due to various economic, political and social factors that have happened in the last decades in Argentina and they reflect an overall long-term governmental problem with addressing issues of poverty, equal rights, social stigmas, and inequality in Buenos Aires (Zibechi 2013). The attempts to eradicate Villa 31, e.g. during the Argentine military rule have created a gap between Villa 31 and the city of Buenos Aires, a gap that has grown bigger over the years by the governments shifting position between wanting to act in a developmental manner to abandoning the idea all together (Woolcock 1998; Bernardez 2018). The recurring macro-economic shocks have contracted private consumption, investment and growth in Buenos Aires and constantly tip the trend in poverty and shared prosperity in the fragmented city (World Bank 2019). The analysis illustrates that a combination of the economic, political, and social have created the negative externalities such as exclusion, high poverty levels (55 %), lack of social-, and basic services, lack of linkages and bridges, and high levels of inequality (Rocca 2017). The government's failure to create inclusive growth has stigmatized the area and the city's population and mainstream media has made this stigmatization worse by labelling the villa as a ghetto, creating prejudice against the residents "as dirty immigrants" and blaming them for city

issues of violence and drugs (Caselli 2015a, p.88). Understanding the disadvantaged position of the villa requires a look at both the social, economic, and political factors in an overall framework since all three aspects have contributed to the creation of the negative barriers that urban planners face in the transformation of Villa 31 (Woolcock 1998, p.165; Blunden 2004; Rocca 2017). The combination of a lack of government presence, economic instability as well as social exclusion and discrimination have led to poverty, unemployment or informal employment, and high levels of insecurity and crime – the many failed efforts to integrate the villa have caused further social isolation and broken the bonds with the rest of the city (Kaztman 2001, p.164; Bernardez 2018).

In connection to the abovementioned positive effects of social capital, it is important to highlight how the negative sides of sociability, caused by political, social and economic factors such as failed policies, government neglect, social stigmatization etc., can cause social capital to radiate negative externalities, something Portes refers to as social “bads” (Portes in Haynes 2009, p.14). As illustrated earlier, the lack of bridges and linkages to the city of Buenos Aires have generated close intracommunity ties in Villa 31, which provides the residents with some form of protection in times of crises. However, negative sociability is common in poor areas since e.g. government neglect of an area causes crime and insecurity levels to rise and trust in governmental institutions to fall (Gittell & Videl 1998, p.8; Bernardez 2018). This concept is called “anti-social capital”, which means bonds of human relations and networks are used to create e.g. gangs in the absence of institutions, an issue that has to be removed by government and urban planners before starting any development-, and transformation process because it hinders the government’s ability to create opportunities for policy interventions (Woolcock 1998, p.165; Bernardez 2018, p.7). An example of anti-social capital in Villa 31 is the presence of gangs that function as informal “security” and exposes the residents to threats and violence (Bernardez 2018). This has caused the levels of trust in the government to fall since the residents have experienced an increase in the presence of anti-social capital following the government’s neglect of the area – such neglect leaves open space for crime and gangs to take over as the areas “caretaker” (Gittell & Videl 1998, p.8; Bernardez 2018). The Barrio 31 program is seeking to reverse the low levels of trust in outsiders and it therefore started the transformation by removing fear of coercion from criminals, bribes and extortion from informal “security” agents by enhancing the presence of police in the area and shutting down criminal headquarters (Fukuyama 2001; Bernardez 2018, p.7). This strategy was a way to convince and assure the residents of the government’s dedication to the area and that change was coming for real this time (Bernardez 2018, p.7). Removing the negative barriers will automatically start a process of

phasing out negative externalities and increase social connectivity, which is the main source to keep criminal activity to a minimum and rebuild trust (Sampson, Raudenbush & Earl, in OECD 2001, p.55). It illustrates the importance of social connectivity in solving development barriers or negative externalities and it further proves Putnam right in his argument that, social capital has a key role in outcomes of sociability. However, social capital should be complemented by improvements in intellectual-, human-, and financial capital to channel positive community energies in a synergistic manner that can discourage criminal behavior and/or anti-social behavior and create improvements in health, child welfare and overall individual well-being (Woolcock 1998; OECD 2001, p.54, Putnam in Haynes 2009). The many negative barriers in the villa today have shaped the villas positive and negative externalities and they determine the villas continuing presence in Buenos Aires to this day. The analysis can conclude that there is more to the barriers of development in Villa 31 than an imbalance in social relations and that numerous economic and political factors have contributed to the exclusion and social stigmatization of the area as well (Memolo 2017, p.1).

4.2.5. Sub-conclusion:

The constant government shift between neglect and failing policies in Villa 31 along with weak institutions and social organizations in the suburbs of Buenos Aires have led to negative social, political, and economic outcomes (Bernardez 2018). The villa residents struggle to find opportunities of progress that can improve their current living conditions but the area cannot fully develop or integrate itself into the larger urban fabric of Buenos Aires without outside help to remove the negative barriers (Urban Sustainability Exchange). The integration is dependent on the facilitation of ties that can connect the area to spatial and demographic divides (bridging) and power differentials (linking) that can overcome the areas social and structural issues (Woolcock in World Bank 2005). Formal restructuring of the area without improving the residents' social-, human-, intellectual, and financial capital will make it a lot harder to integrate the residents into the formal economy (Urban Sustainability Exchange). The negative externalities in Villa 31 are due to a mix of social, political, and economic factors, which illustrates that using social capital alone as a miracle cure to explain poverty or development issues is not ideal but that it works well to criticize the role of economics in development – a role that should be debated when well-intended redistribution have failed in the past and in worst case scenarios made the problems worse (Fraser in Blunden 2004). The fact that the population of the urban slums in Buenos Aires increased by 50 % instead of declining after the country's economic recovery is a strong signal that economic growth and a conventional economic angle to poverty, inequality and social dilemmas should not be the only

explanation to urban issues today (Memolo 2017). This supports Woolcock's argument of a person being incapable of gaining full benefits from having a booming bank account if that person has no access to a network that can offer information, corrections, and dissemination (Woolcock 1998).

The intracommunity ties described in the chapters above illustrate how strong social ties work as a substitute for other types of capital in Villa 31 since they lack the ties that can connect them and provide them with skills and resources to attain other types of resources (Blunden 2004). Further, that the marginalized villa residents have enough political influence to be fairly organized on their own, which is useful in defending themselves against crisis, unwanted strangers or misbehavior from government institutions (Blunden 2004). Internal self-determination and social cohesion partly help the disadvantaged residents avoid bad outcomes e.g. ill-health or effects of poverty but overcoming the issues of social, political, and economic exclusion is impossible without government involvement (Blunden 2004). In solving these issues, it is important that the marginalized residents actively participate in a process of social solidarity that offers them support in the transition on conditions that *they* determine by giving them a voice in their own future, and this process has to entail a synergy between the horizontal and vertical networks and not either or (Blunden 2004). The urban transformation process should begin with the Argentine government: (i) harnessing the positive aspects of the areas existing social capital and build on that; (ii) using up or overcoming negative aspects; and (iii) initiating, nurturing and sustaining mutually beneficial relations between Villa 31 and its urban surroundings (Portes & Sensenbrenner in Woolcock 1998). The Barrio 31 program aims at removing any negative social, economic and political barriers by creating inclusive growth in a synergistic manner between the government and the villa, as well as, enhancing the residents' radius of trust by facilitating vertical "weak ties" and by combining a top-down approach with a more people-centered approach that can provide the residents with skills and resources that empowers them in reaching their full potential (Putnam 1993; Woolcock 1998; OECD 2001; Claridge 2018).

4.3. Social capital & urban development

Argentina is considered one of the most urbanized countries in the world with nine out of ten living in cities or towns, making cities an important part of achieving sustainable development (Rocca 2017). However, the World Bank has concluded, through a recent study, that Argentina is not benefitting from the advantages normally associated with urbanization e.g. economies of scale or efficient labor markets (Rocca 2017). Rambling urbanization, insufficient municipal resources,

limited coordination and planning, and other social, economic and political factors have been a hindrance to the development of economic-, and social prosperity, causing the economy to stall with high costs on public service provision, employment accessibility and social inclusion (Woolcock 1998; Rocca 2017; World Bank 2017, p.43). The difficulty of sustaining development in Villa 31 has been twofold. For one the issue lies in the decade long selection of a top-down development approach, however, there is also the issues of the country's high levels of inequality, the lack of equal social safety nets, the endemic poverty, and the weak uniform laws that are indiscriminately enforced (Woolcock 1998, p.182; Cortés & Kessler 2013). Such factors strip the community of integration, linkages, integrity and synergy and without them, the prospects of development policies cannot be known, which means that there is an inseparable connection between social relations and development (Woolcock 1998, p.182). The above analyses verify how social relations and development go hand in hand but that the conventional development models have the flaws of lacking a social aspect, which has caused exclusion of project beneficiaries and the inability to create bridges between project beneficiaries, the governmental institutions, and the larger urban fabric of Buenos Aires (Fukuyama 2001, p.7; OECD 2001, p.40; Simpson 2013). Urban development-, and integration projects from around the world have supported this claim by illustrating how goal achievement lies in the investment of human potential and the creation of social relations (Fukuyama 2001, p.7; OECD 2001, p.40; Simpson 2013). Using a bottom-up development strategy is argued to be more pro poor and it provides urban development policies with the ability to invest in the organizational capacity of the poor by creating bridges that foster trust and build social cohesion between the beneficiaries and their urban surroundings (Woolcock & Naranya 2000, p.242). This type of strategy is fairly new to the Argentine government, which means that the Barrio 31 project is a "pilot project" launched after decades of using top-down approaches to urban development (Urban Sustainability Exchange). Since all paths are highly diverse, it is recommended that: approaches to urban sustainable development are adapted to fit a country's priorities, objectives and their particular challenges and opportunities (Department of Economic & Social Affairs 2013).

4.3.1. Top-down or bottom-up development in addressing urban integration?

The top-down approach has been used for almost 70 years in Argentina but it has never succeeded in turning urban slums into well-integrated urban neighborhoods in Buenos Aires (Simpson 2013; Bernardez 2018). The top-down approach has failed in Argentina for two main reasons: (i) it has neglected the integration of the urban poor into society; and (ii) it has assumed that the

improvement of urban infrastructure automatically causes spatial-, and social integration (Kaztman 2001, p.164; Simpson 2013, p.5). The latest development approaches used in Villa 31 have, even though with good intentions in mind, left the residents out of the transformation process because top-down management half-heartedly took on the task of improving infrastructure in the villa, thinking it automatically would make the area cease to be a slum (Bernardez 2018, p.4). Structural changes cannot affect levels of poverty and social integration if there is no investment in the residents' ability to integrate into the new community (Memolo 2017, p.4). If urban planners fail to invest in the residents, whilst providing them with new housing, it will make them incapable of integrating well into the new community and it will break internal bonds (Simpson 2013). Since their low levels of education and informal job situation remain unchanged, it makes them incapable of paying rent or fitting in and instead forces them into new slums (Simpson 2013, p.17; Memolo 2017, p.4; Jane in Bernardez 2018, p.4). With the top-down approach having trouble handling the social-, and human aspect in development, it has caused the Argentine government to seek inspiration from projects that have used a bottom-up approach or included a participatory element (World Bank 2019). A participatory element and bottom-up approaches are argued to, increase productivity (individual and collective) by having social relations as the main component of productivity. Cooperation fosters trustworthiness and norms of reciprocity, which are two factors needed for people to associate and work together for a common purpose (Ponthieux 2004, p.9). An example of this is the course-of-action strategy of the Barrio 31 program; by combining the structural and the social it has impacted social-, educational-, and economic rights of the residents, leading to 17 completed infrastructure projects; to 1,100 people being enrolled in courses of economic development; and to 400 people being pre-selected for labor insertion opportunities etc. (Urban Sustainability Exchange). This progress shows that social capital has been a missing key in conventional development and these results are in stark contrast to earlier projects in Villa 31 that were criticized by villa residents as provision of "useless" infrastructure e.g. plazas and sports facilities whilst their demands were overheard (Memolo 2017, p.2). What the Barrio 31 program does different is that it provides the residents with a voice in their own development and offers an investment in their social-, and human-, capital through e.g. workshops, education, employment training to prepare them for the structural improvements and the changes they might bring (Memolo 2017, p.4). Further, it makes the residents capable of taking advantage of opportunities and empowers the resident by enhancing their confidence and organizational competences (Woolcock in World Bank 2005, p.228; Memolo 2017, p.4). The program makes the Argentine government able

to create, nurture and sustain social relations between the villa and the larger urban fabric of Buenos Aires and working closely with the residents in the transformation process has illustrated how social relations are favorable mechanisms in building participatory societies and a more sustainable equitable economy (Memolo 2017; World Bank 2017; Woolcock 1998, p.185). Connecting the villa to the larger urban fabric and providing them with access to public services are crucial to the well-being of the residents and the provision of various forms of capital can further unlock the existing social capital in Villa 31 (Woolcock 1998, p.173; Bernardez 2017, p.10). Creating social connectivity to the rest of Buenos Aires is a way to ensure a successful integration since social relations are the glue that makes a city functional (Woolcock in World Bank 2005, p.231). The strategy can further overcome the biggest social issues in Villa 31 such as crime and low levels of trust by creating social cohesion and cooperation that can facilitate and reinforce efficient institutional performance (Woolcock 1998, p.185). Cooperative relationships between the villa and the government institutions shift the villas trust from being in-ward looking to out-ward looking, which is an important aspect for development to proceed and be sustainable (Fukuyama 2002, p.32).

4.3.2. Combining the top-down and bottom-up in a synergistic model of development in Villa 31

In the context of how the social aspect positively has impacted Villa 31, there is however, a problem with making social capital into a developmental miracle cure (Claridge 2018). Social capital has become the main component and engine in modern-day urban integration and has by social capital theorists been argued to be the best way to explain past failed development attempts (Claridge 2018). Using social relations as a tool of empowerment by involving residents in the development process and having them actively participating in their community transformation means that development is viewed from a help-to-self-help angle where human potential can be enhanced through the provision of horizontal and vertical networks of trust and cooperation (Fukuyama 2001, p.7; OECD 2001, p.40). This has made the bottom-up approach considered more pro poor than the conventional development approach but some social capital theorists argue that, sustainable development requires a synergy between the two frameworks (Woolcock & Narayan 2000, p.236). The following will illustrate the strengths and weaknesses to these arguments.

In the process of transforming Villa 31, the Argentine governments method can be viewed as a combination of a structuralist view to development, combined with an interventionist view since the aim is to make up for the negative effects of capitalist progress that clearly fostered winners and

losers (HUB Cymru). The aim of the Barrio 31 program is to help the “biggest losers” in reaching their potential through a participatory approach that can empower individuals and social groups to be their own agents of change (HUB Cymru; Urban Sustainability Exchange). The Barrio 31 program has combined the bottom-up approach with the conventional aspect of development, making the social aspect an alternative strategy to compensate for and explain past development-, and urban integration failures in Villa 31 (Bernardez 2018, p.5). The Barrio 31 program strategy looks at the villa with “eyes on the street”, meaning urban planners actively interact and listen to the villa residents, which help them to be aware and understand their high amounts of social capital, entrepreneurial spirits, vibrant urban community, and their strong social networks (Bernardez 2018, p.5). This has inspired urban planners to create a strategy that acknowledges the residents previous fights for improvements and then use this information along with how they believe the area can be improved (Bernardez 2018, p.5). The local focus and neighbor involvement have empowered the residents to take charge of their own development and have been key in integrating all the functions required for transforming the neighborhood –security, housing, jobs, infrastructure, education, and health- in a far more systemic and dynamic process than ever before – a process that guarantees sustainability, as well as, “thrivability” (Laszlo in Bernardez 2018, p.8). The Barrio 31 program follows a “city doctors” approach in housing, urban renewal and sustainability, which means they are seeking to unleash social capital and turn the antisocial capital around (Bernardez 2018, p.8). Not only are the residents empowered they are also set out to realize their human potential through the facilitation of horizontal and vertical networks of trust and cooperation and the creation of community-, health-, and educational centers (Fukuyama 2001, p.7; OECD 2001, p.40). It is a program that holds the promise to urban integration of *“finding the key to unlock the vast reservoir of social capital [...] liberating their entrepreneurial energy and turning it into much needed social performance”* (Bernardez 2018, p.10). Urban planners are actively involving the residents in the Barrio 31 program through consultations with families and individuals in order to build relationships with the project beneficiaries (World Bank 2019, p.73). One example of this is the creation of “stations” adjacent to the villa, in charge of day-to-day operations, a lesson learned from the World Bank financed “Vietnam Urban Upgrading Program” where significant amount of time is used to create active involvement of communities where prior foundations of community engagement is nonexistent (World Bank 2019, p.73). By sharing knowledge between people, communities and countries both nationally and internationally, it is possible to learn from each other’s successes and mistakes instead of repeating them (Simpson 2013, p.27). The results from

these projects show how durable change comes from the inside and not from the top down, in a process that supports the residents to grow in a social and economic manner (Bernardez 2018, p.4). This corresponds with Woolcock's (1998) argument that a successful development program facilitates the poor with connections to people outside the community radius that can provide them with valuable resources and information so they can be integrated into the labor-, and product-markets and public services (Woolcock 1998; Woolcock in World Bank 2005, p.228). However, in the process the government and urban planners still face the challenge of maintaining integrity, strengths, and identities of the residents whilst enhancing their capacities (Woolcock in World Bank 2005, p.219). The Province of Buenos Aires has recognized the strong importance of social engagement by carrying out social assessments (focus groups and in-depth interviews) in the neighborhood and argues that there has to be participation of corresponding municipalities to ensure proximity with the community of the selected neighborhood (World Bank 2019, p.73). The Barrio 31 program has been based on knowledge from successful projects but it has further learned from failed projects. It was inspired by the partly failed PAC project in Rio de Janeiro that with good intentions provided the city's favelas with structural improvements but ended up neglecting the people they were meant to help (Simpson 2013; Memolo 2017, p.3). The PAC project invested a large amount in urbanization in the form of large-scale infrastructure inspired by an urbanization model from Medellin, Columbia but it lacked local participation and transparency, which left residents' with the feeling that their voices were overheard (Simpson 2013, p. 15-17). This illustrates the problem of using a top-down approach to development; physical interventions are prioritized over social-, economic-, and human development or simply speaking; it lacks citizen participation (Simpson 2013, p.22). More importantly, top-down bureaucratic intervention underestimates the importance of local knowledge (Simpson 2013, p.22).

Seeking insight in two very different approaches e.g. failed top-down and successful bottom-up, provided urban planners in the Barrio 31 program with an overview of what worked and did not work in using the two approaches in transforming urban slums. If the positive is brought out in both aspects then it is possible to create what Woolcock (1998) refers to as synergy (Woolcock 1998, p.236). A synergistic model is created by combining an institutional view with a network view, which means that the state and the community equally can affect collective goals but that they need each other to deliver the resources that the other one lack—it is according to Woolcock and Narayan this combination that fosters broad-based sustainable development (Woolcock & Narayan 2000). According to Woolcock (2005), the participatory element in development should not

function as a substitute to the conventional framework since it on its own is not an appropriate response to urban poverty (Woolcock in World Bank 2005, p.228). The Argentine government could easily have chosen a bottom-up development model and excluded the top-down aspect, since they have had trouble with this model in the past, but it is however a common mistake for governments to think in “either-or” terms (Uphoff in Woolcock 1998, p.179). Turning back to the argument of social capital being a miracle cure to solving and explaining development issues around the world, it is important to mention how a bottom-up approach can have problems as well if is not combined with a more conventional top-down framework (Simpson 2013; Bernardez 2018). In Bangkok, the bottom-up model has been used in the Baan Mankong Program, which offers a flexibility to solve the issue of housing the poorest (Simpson 2013, p.24). It is a people-led upgrade and it is doing well in what it is supposed to do: having people lead the upgrade, which is in correspondence with the country’s philosophy of a self-sufficiency economy but the large-scale project has had problems tackling structural problems such as city integration (Simpson 2013, p.25). If the Argentine government had sought to use this approach for the Barrio 31 program, the villa residents would have been leading the upgrade entirely, which could have caused the same problems with tackling structural problems such as land disputes or city integration (Simpson 2013, p.24). The fact that both of the approaches come with negative aspects, compared to the positive outcomes of a combined top-down and bottom-up approach, further supports the argument that the approaches need to work in cooperation (Simpson 2013, p.26). However, it further supports the claim that one version does not fit all and that every country needs to find a strategy that works best for them (OECD 2001; World Bank 2017). The Barrio 31 program has so far proved that when a bottom-up approach is included in a top-down approach it ensures the inclusion of priorities of the poor and it secures an appropriate mix of incentives, legitimacy, and sense of ownership (Woolcock in World Bank 2005, p.228; Bernardez 2018). Combining the two is not easy and dream scenarios do not exist in the world of urban poverty, which is why knowledge must be shared, as learning is a step closer to reality (Woolcock 1998; Simpson 2013, p.26). The Argentine experience has although so far proved that sustainable urban development requires a dynamic interaction between the top-down and bottom-up; where bottom-up development and intensive intracommunity ties (integration) coexist with “weaker” intercommunity networks (linkage) and where top-down combinations of state-society relations (synergy) coexist with cohesive corporate ties (integrity)” (Woolcock 1998, p.180).

4.3.3. Sub-conclusion

The connection between community participation, project impact, and sustainability are crucial for urban development to be efficient (Ruster 2003, p.2). The participatory strategy can overcome urban poverty and achieve successful integration with its ability to provide conventional development strategies with a mix of appropriate incentives, legitimacy, and sense of ownership (Woolcock 2005, p.228). The strategy connects top-down resources and bottom-up capacity-building that create sustainable social relations between the state and its people, meaning that there is a coexistence of intensive extra communities (bonding) with weaker extra-community networks (bridging) and a coexistence between top-down combinations of state-society relations (synergy) and cohesive corporate ties (integrity) to secure dynamic interactions and sustain development (Woolcock 1998, p.180). Overcoming the high reliance on closed tied networks in Villa 31 will lead to openness and to the facilitation of intercommunity ties, which can remove hindrances to development and promote cross class cooperation – making social connections key to on-going development in Argentina (Fukuyama 2002, p.34). The connection of Villa 31 to the larger urban fabric of Buenos Aires and a combination of intra-, and intercommunity ties will widen the residents' social capital, make them more susceptible to change, and provide them with a more diverse portfolio of social and political assets (Woolcock in World Bank 2005, p.227; Fukuyama 2002, p.34). Modern-day successful urban integration in Argentina therefore lies in a combination of a top-down and a bottom-up development approach with the bottom-up approach delivering human scale (people being the protagonists of their development), and with the top-down approach ensuring that the city is understood “in its entirety” since the two models work best in a synergistic manner (Simpson 2013, p.26).

5. Conclusion

The negative social, economic, and political barriers stemming from macro-economic shocks, government neglect, weak governmental institutions, economic crises, discrimination and failed political action have hindered Villa 31 and the villas residents ability to develop, led to growing social stigmatization and exclusion, and left them struggling on the periphery of the city (Caselli 2015a; Bernardez 2018). Urban planners have experienced these negative outcomes as development barriers since they have led to low levels of trust and high levels of crime in the villa. However, they have also had positive outcomes in terms of the creation of strong intracommunity ties that have provided the marginalized residents with political power to be fairly organized on their own

and with human-, and social capital to make them stronger in combating negative social outcomes (Blunden 2004). The fact that the villas social issues stem from a mix of social, political and economic factors prove that the complexity of urban development failure in Argentina is best understood by combining a social, political and economic angle (Fraser in Blunden 2004). However, focusing on a social aspect in analyzing the areas problems offers an alternative angle on economic development and growth (Blunden 2004). The lack of a social aspect in earlier development models has been a main factor in the failure of earlier development attempts since they failed to include the project beneficiaries and instead provided them with structural improvements without investing in the residents (Memolo 2017). For the urban planners on the Barrio 31 program it was therefore key to involve the residents in transforming the area from villa to barrio and in overcoming their social issues, in a synergistic process of social solidarity that linked their horizontal networks with vertical networks outside their community radius (Blunden 2004). By using a social aspect in a conventional development model, the Barrio 31 program so far managed to create progress in the villa by formally improving the areas infrastructure whilst investing in the residents' human-, intellectual, physical-, and financial capital to lower the barriers of unemployment, low levels of education and systemic poverty (Urban Sustainability Exchange). The urban planners are harnessing and building on the positive aspects of the areas existing social capital whilst overcoming negative aspects by creating social cohesion and transcending social divides (Woolcock & Naranya 2000). The program supports the residents during the transition on conditions that *they* determine and it empowers them in reaching their full potential and enhances their radius of trust by offering vertical ties that facilitate the residents with skills and resources (Putnam 1993; Portes & Sensenbrenner in Woolcock 1998; Woolcock 1998; OECD 2001; Claridge 2018). The strategy eases the integration process and helps to overcome the villas social and structural issues by facilitating ties that connects the villa to the spatial and demographic divides (bridging) and power differentials (linking), which ease cross sectors/class cooperation and make the residents more susceptible to change (Woolcock in World Bank 2005; Fukuyama 2002).

The Barrio 31 program has provided evidence that a combined social and structural approach is more pro poor than earlier top-down approaches as it links the social with the structural through the creation of bonds between communities and institutions (Bernardez 2018). It has further, proven Woolcock (1998) right in saying that social capital in structural development creates space for participatory development since the bottom-up task of “coupling and decoupling” social groups, establishes a synergy between the developmental institution and the project beneficiaries

(Woolcock 1998, p.182). Further, it illustrates how social capital can be used as a development model but that it is has proven most effective in Buenos Aires to use a combined model of top-down resources and bottom-up people and materials to overcome social-, and structural problems and take advantage of opportunities (Woolcock 1998). Combining the two has been essential for the Argentine government to move towards sustainable urban development – the Barrio 31 program is the start to on-going improvements in project designs, impacts, effectiveness, and sustainability of future projects, which overall can contribute to democratization and poverty reduction (Inter-American Development in Ruster 2003). This program’s use of a combined approach that delivers human scale whilst ensuring that the city is understood “in its entirety” has laid the groundwork for future urban development in Argentina and it has proven that social capital has a key role in the transition of Villa 31 into Barrio 31 by using knowledge sharing between networks and by creating relations based on trust (Simpson 2013, p.26).

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Appendix 1

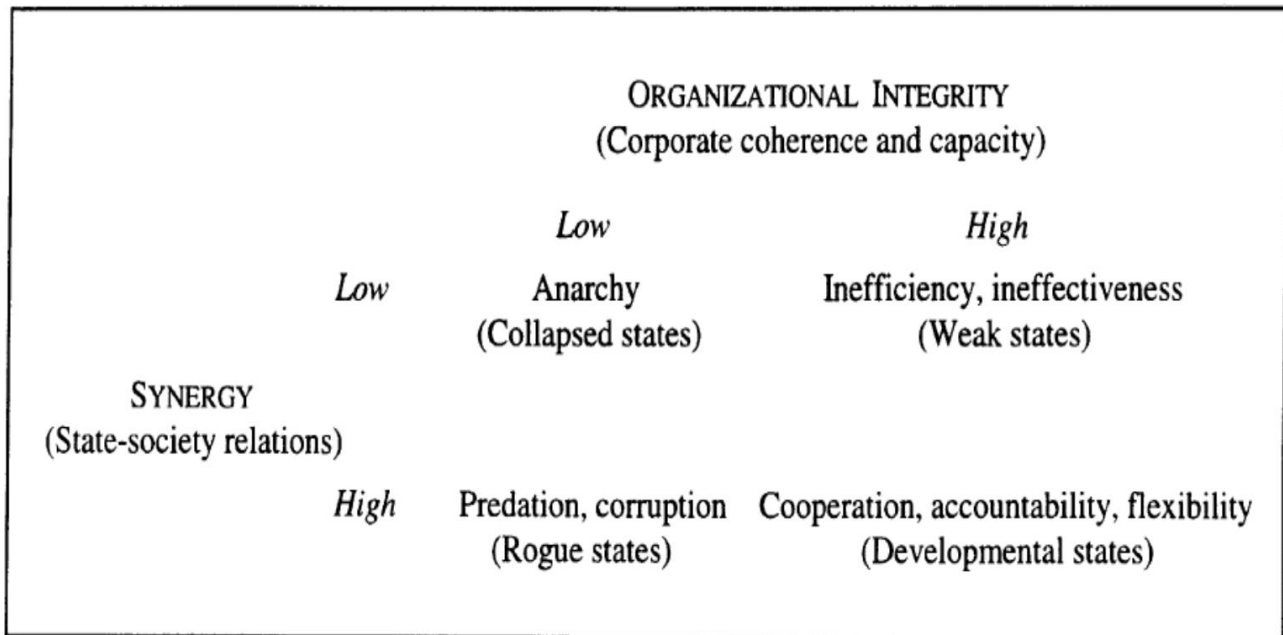


Figure 3. Organizational integrity and synergy in top-down dilemmas of development.