

# HABERMAS'S THEORY OF COMMUNICATIVE ACTION AND THE THEORY OF SOCIAL CAPITAL

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## I. INTRODUCTION<sup>1</sup>

I am bringing together two clusters of ideas I think are important. One is the thought of the German writer Jürgen Habermas, a prominent philosopher whose ideas are meaningful to many of our colleagues who are what I'll call "planning academics," that is scholars who teach planning in universities. The other is a cluster of ideas on social capital and social networks.

Habermas is a contemporary philosopher with a worldwide reputation. One of his best-known ideas is *communicative action*, in which actors in society seek to reach common understanding and to coordinate actions by reasoned argument, consensus, and cooperation rather than strategic action strictly in pursuit of their own goals (Habermas, 1984, p. 86). However, it's not only his *general* fame that makes him relevant to social capital and networks. There are other reasons more specific to geography and regional science. One is that many geographers, sociologists, and

planning theorists appeal to his ideas in their work (though not many economists do). Prominent examples are scholars who apply Habermas's ideas to a general (but not Marxist) critique of late capitalist societies, to analysis of mass movements, and to normative assessments of planning practice (see for example Healey 1997, Forester 1985, 1992, Miller 1992, 2000, Barnes and Sheppard 1992).

Another reason is that Habermas provides a theoretical basis for a view of planning that emphasizes widespread public participation, sharing of information with the public, reaching consensus through public dialogue rather than exercise of power, avoiding privileging of experts and bureaucrats, and replacing the model of the technical expert with one of the reflective planner (Argyris and Schön 1974, Schön 1983, Innes 1995, Lauria and Soll 1996, Wilson 1997). In this view, the legitimacy of democracy depends not only on constitutional processes of enacting laws, but also on "the discursive quality of the full processes of deliberation leading up to such a result," as Stephen White (1995, p.12) puts it. John Dryzek notes Habermas prompts the policy analyst to work on conditions of political interaction and design of institutions rather than merely the content of policy proposals, and Habermasian ideal institutions rule out "authority based on anything other than a good argument" (1995, pp. 108-110).

A third reason, from almost the beginning of an understanding of Habermas's communicative action one sees the possibility of a connection to social capital. Communicative action is individual action designed to promote common understanding in a *group* and to promote *cooperation*, as opposed to "strategic action" designed simply to achieve one's personal goals (Habermas 1984, especially pp. 85-101, 284-8). Habermas does not use the term "social capital," but a reader can see possible

connections while reading what he says about other things. Some planning theorists believe a desideratum of planning is the encouragement of communicative action to facilitate the production of social capital. The relevance to planning is suggested by Habermas's statement: "In the case of communicative action the interpretive accomplishments on which *cooperative* processes of interpretation are based represent the mechanism for *coordinating* action ...." (1984, 101; italics "coordinating" in original, italics on "cooperative" added).

He is one of the most renowned philosophers and social theorists of our time and undoubtedly the best known German philosopher. His stance as a "critical theorist"—the most famous of the "Frankfurt School"—and his ideas of communicative action and the "public sphere" are known to many intellectuals in a variety of disciplines. There are many books and essays, and extensive traffic in messages on electronic mailing lists, expositing, interpreting, and criticizing him, and scholars apply his theories to politics, law, law, philosophy of science, education, theology, literary studies, even the performing arts (Singer 2000). No ivory tower theorist, he is a highly visible public intellectual and participates in many public discussions in Germany and in elsewhere in Europe. He is known as an advocate of reform and democratization of universities in Germany. After a series of lectures by Habermas in China, a leading Chinese philosopher, Jin Xiping, noted that translations of Habermas were available in China far more readily than ones of Heidegger or Derrida, and said, "Almost everyone knows Habermas as the last great social critic" (Calloway 2001). "He is comparable to Hegel [in] his enormous, positive, intellectual achievement ...."—this from James Marsh, who is also one of the sharpest critics (Marsh 2000, p. 565). Habermas is also known as a

scholar who is thoroughly steeped in the thought of philosophers and social scientists who preceded him, and for extensive use of sociology and Anglo-American philosophy in his work. Perhaps of special interest to scholars in regional science is his reliance on but also and criticism of Max Weber.

The literature on social capital that is dominant in the social sciences today does not say much about links to Habermas. Therefore, it seems worthwhile to investigate possible connections, and also to compare a Habermasian approach to some examples of the more dominant approach. This paper is organized as follows: Section II is a brief biographical sketch of Habermas, then Sections III through VI describe and comment on important parts of his social theory, being on social actions (Section III), details of the theory of communicative action (Section IV), the theory of the lifeworld and how it complements the theory of communicative action (Section V), and the muted legacy of Marx (Section VI). Section VII presents preliminary conclusions on the relevance of Habermas to theories of social capital, and Section VIII describes two important recent models of social capital formation from economic theory. Section IX concludes.

**Note on Citations and Quotations.** Habermas's most important book for present purposes is *The Theory of Communicative Action*, first published in German (*Theorie des Kommunikativen Handelns*) in two volumes in 1981 and in English translation in 1984 (first volume) and in 1987 (second volume). The two volumes are entitled *Reason and the Rationalization of Society* and *Lifeworld and System: A Critique of Functionalist Reason*, respectively (*Handlungsrationalität und gesellschaftliche Rationalisierung* and *Zur Kritik der funktionalistischen Vernunft*, respectively). I'll refer to the work simply as *TCA*, and the two volumes simply as *1* or *2*, leaving it understood I'm referring to the English translations published in 1984 and 1987, respectively. In quotations of Habermas, all italics are in the original unless I state explicitly that I've added them. German words in brackets are Habermas's originals left in the translation by the translator.

## II. BIOGRAPHICAL SKETCH AND THE LEGACY OF CRITICAL THEORY

Born in 1929 in Düsseldorf, Habermas studied at the Universities of Göttingen and Zurich and received a Ph.D. from University of Bonn in 1954. In the later 1950s he studied at the Frankfurt Institute for Social Research, where he assisted Theodor Adorno, and he eventually became a prominent member of the "Frankfurt School" of philosophy. This School from the 1920s onward had advanced social theory of capitalist societies—eventually widely known as "critical theory"—based on Marxism but also incorporating sociology, psychoanalysis, and existential philosophy. Major scholars in the School, who feature in many of Habermas's writings, included Adorno, Max Horkheimer, Erich Fromm, Herbert Marcuse, and Walter Benjamin. After WWII many members of the School abandoned orthodox Marxism, while remaining critical of capitalism. Habermas became the most famous of the critical theorists, and as I will explain briefly later he has indeed been careful to show how his work is "critical theory" but not orthodox Marxism.

He was acclaimed as a leading scholar in Germany already at the age of forty (Braaten 1991, p. 1). He has held teaching positions at Heidelberg and Frankfurt; from 1971 to 1984 he was Director of the Max Planck Institute, and from 1984 has been Professor of Philosophy at the University of Frankfurt. He has visited and lectured in the U.S. frequently.

My concern in this paper is his theory of communicative action, and I concentrate heavily on *The Theory of Communicative Action* (originally published in German in 1981 and in English translation in two volumes in 1984 and 1987<sup>2</sup>). However, in passing I

note another phrase often associated with Habermas is the “public sphere” (Habermas 1989). In the public sphere citizens engage in rational discussion, and Peter Hohendahl notes that in doing so they resist the encroachments of the state and the economy on their private lives; the public sphere "is an essential part of the lifeworld in which people interact and make sense of their lives.... political discourse is understood as a form of communication that is not exclusively defined in terms of interests" (Hohendahl 1997, pp. viii-ix; Hohendahl 1982, ch. 7 is an extensive discussion of the theory of the public sphere; see also Kellner 2000).

In reading Habermas, especially *The Theory of Communicative Action*, one is nearly overwhelmed with his great pains to show he is building upon but also distinguishing his theory from those of noted social scientists and philosophers of the past, especially Max Weber, George Herbert Mead, Emile Durkheim, Karl Marx, and Talcott Parsons. He has hundreds of pages of detailed summary and criticism of them and others. One thing that makes reading Habermas difficult and challenging is the constant interweaving of long summaries of past thinkers and criticisms of their thought with his own contributions. Another thing that makes it difficult to read is the sheer complexity of language. Sometimes one thinks the text is “so oblique that meaning skid[s] entirely off the page,” as Geraldine Brooks said of a 19<sup>th</sup> century writer (2005, p. 62).

### **III. SOCIAL ACTIONS**

Habermas distinguishes four kinds of action by individuals in society (*TCA1*, pp. 85-86):

--teleological action, with strategic action as a subset;

- normatively regulated action;
- dramaturgical action;
- communicative action.

All four are actually "models," he says, a word he uses again and again.

***Teleological Action.*** The actor makes a "*decision* among alternative courses of action, with a view to the realization of an end, guided by maxims, and based on an interpretation of the situation" (*TCA1*, p. 85). In the subset called *strategic* action the actor anticipates what other actors directed by goals will do, and a model that lies behind decision theory and game theory (*ibid.*). Certainly it seems to be what we might call the meat and potatoes of standard economics. However, while here strategic action is a subset of teleological action, later in the book Habermas uses "strategic" as more or less synonymous with teleological.

***Normatively Regulated Action.*** Actors in a social group pursue common values or norms of the group, "fulfilling a generalized expectation of behavior" (*ibid.*; "expectation" is in the sense of entitlement). This model of action underlies role theory in sociology (*ibid.*). Talk of values and norms suggests this kind of action is *social capital in action*, as it were. In some places in *TCA* Habermas suggests that often this action is performed almost automatically, in rote fashion, from second nature, out of deeply entrenched shared habits and regarded as unproblematic by the actors, rather than in a calculated instrumental way, and I think this idea is important for social capital theory (see discussion in Section V below). One significant remark on this model helps us to understand *teleological* action better: normatively regulated action "does not refer to the behavior of basically solitary actors who come upon other actors in their

environment, but to members of a social group who orient their action to common values" (*TCA1*, p. 85). That suggests teleological action *is* by "basically solitary actors," but obviously the phrase refers not to solitary behavior per se but to the formation of goals and values.

***Dramaturgical Action.*** Sometimes an actor is neither solitary nor a member of a social group, but is interacting with people who are "constituting a public for one another, before whom they present themselves. The actor evokes in his public a certain image, an impression of himself ...." (*TCA1*, p. 86). He has privileged access to his own intentions, desires, etc. but can monitor or regulate public access to them. There is a "*presentation of self* " (ibid.), not spontaneously but stylized, with a view to the audience. Habermas says dramaturgical action in one sense is an extension of teleological action, but teleological action in a certain style, a remark perhaps confusing because it casts doubt on why we should distinguish dramaturgical action as a separate model.

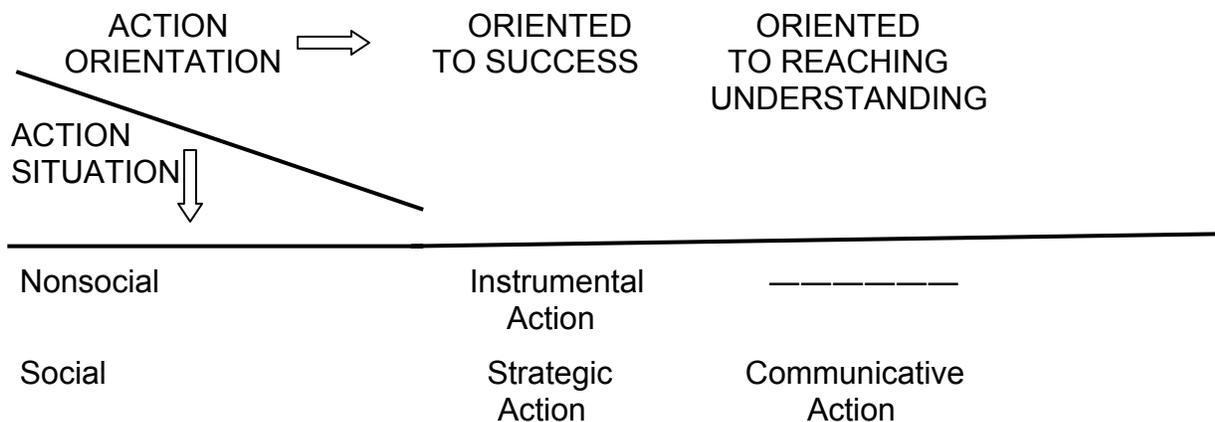
***Communicative Action.*** Here two or more actors establish a relationship and "seek to reach an understanding about the action situation and their plans of action in order to coordinate their actions by way of agreement. The central concept of *interpretation* refers in the first instance to negotiating definitions of the situation which admit of consensus. ..." (ibid.). Habermas credits George Herbert Mead (1934) and Harold Garfinkel (1967) for helping give paradigmatic significance to communicative action.

The phrasing clearly opposes "communicative" to "teleological," but isn't *all* action really "teleological" in some sense? Habermas anticipates this criticism some pages later by admitting that yes, all action, even communicative action, has some teleological

structure, since all actors pursue particular aims of their own. But the mechanisms of *coordination* are different. The teleological specifies coordination as the "interlacing of egocentric calculations of utility" (*TCA1*, p. 101), so that the relative importance of conflict and cooperation depends on the self-interests. But it's the only kind of action that "*rests content* with an explication of the features of action oriented directly to success...." (*ibid.*). The other three actions are different: Normative specifies coordination as the "socially integrating agreement about values and norms instilled through cultural tradition and socialization ...." (*TCA1*, p. 101), dramaturgical specifies coordination as consensus between "players and their publics" (*ibid.*), and, most important for present purposes, in communicative action "the interpretive accomplishments on which *cooperative* processes of interpretation are based represent the mechanism for *coordinating* action ...." (*ibid.*, italics added on "cooperative").

Again on this theme of coordination, he says, "The concept of communicative action is presented in such a way that the acts of reaching understanding, which link the teleologically structured plans of action of different participants and thereby first combine individual acts into an interaction complex, cannot themselves be reduced to teleological actions" (*TCA1*, p. 288).

Habermas later introduces a different and simpler typology, which distinguishes social action according to two "orientations": orientation to success and orientation to reaching understanding. The following figure is one of the most quoted bits of Habermas:



Instrumental action is oriented to success; strategic action is the special case when the actor tries to influence the decisions of a rational opponent. In contrast, "a communicatively achieved agreement has a rational basis; it cannot be imposed by either party, whether instrumentally through intervention in the situation directly or strategically through influencing the decisions of opponents .... what comes to pass manifestly through outside influence ... cannot count subjectively as agreement. Agreement rests on common *convictions*" (TCA1, p. 287).

I go on now to more extended comments on communicative action and especially how it differs from teleological action.

#### IV. COMMUNICATIVE ACTION

Habermas spends a great deal of time on language, and how the use of language differs in the different models of action. The very word "communicative" right away signals concern with language. In 1986 he said: "I am of the opinion that social pathologies can be understood as forms of manifestation of systematically distorted communication ...." (1991, p. 226), and went on to say that if that is the case then one

must be able to use a theory of communication to analyze the normal patterns of undistorted communication.

Nevertheless, he takes pains to emphasize the communicative model does not equate *action* with *communication* in the mere sense of speech. Language is a medium of communication, but communication is a broader concept, and "communicative action designates a type of interaction that is *coordinated through* speech acts and does *not coincide with* them" (*TCA1*, p. 101). Yet in *TCA* Habermas devotes so much space to analyzing speech per se a reader may be tempted to conclude communicative action is not much more than "talk." Indeed, I think the emphasis on language is a significant obstacle to relate his ideas to conventional models of social capital in the social sciences.

On the other hand, defining "human" as essentially linguistic is an idea of long standing. Charles Taylor says, "We could take as our motto [the German poet] Hölderlin's phrase, 'Since we have conversed we are.' ... Habermas attempts to understand society from the vantage point of language....society is to be explained by referring to the structures of discourse" (Taylor 1991, p. 23). Taylor points out the approach is very different from an atomistic conception of society and has clear implications for the role of the individual in society: the individual's plans are limited by "what has been handed down by the linguistic community. ... The notion of a self-centred individual *presupposes the community* and consequently a framework of customs and norms within which s/he acts" (p. 24, italics added).

Some philosophers say Habermas is so concerned with language because he wants to use modern philosophy to support his views on democracy and participation,

and to put the latter on a firmer scientific basis than can be provided by theories of instrumental rationality. David Rasmussen says Habermas's strategy is to "retrieve the project of modernity through a highly specialized form of the philosophy of language" (1990, p. 17), his project is to show that "language as communicative discourse is *emancipatory* ...." (p. 18, italics in original), and "his task is to rehabilitate the project of modernity by reconstructing it *vis-à-vis* the theory of communication, i.e., communicative action, communicative reason" (p. 4). Certainly one needs to understand that a concern for emancipation is consistent with Habermas's brand of critical theory. Maeve Cooke notes

Habermas's picture of everyday communicative action thus has important implications for critical social theory .... In presenting social order as a network of cooperation involving commitment and responsibility, it opposes models of social order that take interactions between strategically acting subjects as fundamental, for example, models grounded in decision or game theory .... it situates reason in everyday life.... (1998, p. 5)

It is not surprising other philosophers criticize Habermas for the emphasis on language. Lenore Langsdorf (2000) argues his theory is not sufficiently applicable to real-world communication, because communication is much more than language, and she questions whether the theory really can be the basis for communicative rationality. She believes it is unfortunate the theory privileges language as a form of communication and privileges discourse (argument in which the speaker must give good reasons for his/her claims) as a use of language (pp. 31-32). The emphasis on language "disables the usefulness of Habermas's theory for theorizing actual communicative activity in its own right ... rather than as equated with language use for epistemic [seeking knowledge] goals" (p. 32).

Langsdorf's comment may remind one of the possibility, raised by Michael Sonis (2005) and others, that reliance on communicative action for coordination privileges those actors who have a special facility in argument by communication in social situations.

Whatever one concludes about the value of such a concern with language, Habermas's many comments on how language differs in the action models help show us how communicative action differs from teleological action. He argues that in the first three models language is "one-sided" (*TCA1*, p. 95): In teleological action it's aimed at "getting someone" to do something, and the action is "communication of those who have only the realization of their own ends in view" (*ibid.*); the speech act is what is called perlocutionary. In normative action it's a medium to transmit cultural values and a consensus "that is merely reproduced with each additional act of understanding," and the action is "consensual action of those who simply actualize an already existing normative agreement" (*ibid.*). In dramaturgical model it is the medium of self-representation to an audience. By contrast to such one-sidedness, communicative action "is a medium of *uncurtailed* communication .... that takes all the functions of language equally into consideration" (*ibid.*).

Also, he says communicative action use of language is, in some sense, primary, and strategic or instrumental use of language is parasitic on the communicative action use. When a speaker uses language strategically, he or she manipulates language and instrumentalizes the listener for his own advantage; "... the use of language with an orientation to reaching understanding is the *original mode* of language use, upon which ... instrumental use of language ... [is] parasitic" (*TCA1*, p. 288). Habermas repeated

the argument in later writings after *TCA*. For example, if a speaker achieves success by concealing information from the hearer—"leaves the hearer in the dark" (1998a, p. 224)—it is parasitic because the hearer is assuming the speaker is using language for the purpose of reaching understanding (Habermas's phrasing at 1998b, pp. 301-302 is very similar).<sup>3</sup>

## V. LIFEWORLD

Another major subject of *The Theory of Communicative Action* is the "lifeworld" and the relationships between lifeworld and communicative action, the two being highly complementary. Habermas makes fairly clear what the lifeworld is in traditional societies and how it is changed—how it is *rationalized*—during the course of modernization and capitalist development, but is less clear on what the resulting lifeworld is by the late stages of modernization.

The term "lifeworld" comes from the philosopher Edmund Husserl and was elaborated by Alfred Schutz. Habermas says:

Subjects acting communicatively always come to an understanding in the horizon of a lifeworld .... formed from more or less diffuse, always unproblematic, background convictions .... [it] serves as a source of situation definitions that are presupposed by participants as unproblematic .... The lifeworld also stores the interpretive work of preceding generations. (*TCA1*, p. 70)

He also uses phrases like "prereflective," a set of "taken-for-granted background assumptions," "naively mastered skills," and "[it] enters *a tergo* [literally, from behind] into cooperative processes of interpretation" (*TCA1*, pp. 335, 337). He quotes Wittgenstein, who said the "certainties" present in one's worldview are "so anchored that I cannot touch [them]" (Wittgenstein, 1969, ¶103, p. 16, quoted at *TCA1*, p. 336).

A vital argument for Habermas is that in the course of history the lifeworld must be "rationalized." Rationalization is part of social evolution and necessary for an emancipated society (*TCA1*, p. 74). As usual, rationalization is a process in which claims of validity increasingly are exposed to criticism and discussion rather than accepted merely on faith. When the cultural stock of knowledge is strong it may be that the "need for understanding is covered *in advance* by an interpreted lifeworld *immune from critique*" (*TCA1*, 70, first italics in original, second added; there is similar language at *TCA1*, p. 340). However, eventually religious dogma and political autocracy decline. "The authority of tradition is increasingly open to discursive questioning ... the latitude for interpretation and the need for reasoned justification increases; the differentiation of individual identities grows, as does the sphere of personal autonomy" (McCarthy 1984, p. xxiv). For Habermas, communicative action is crucial in the rationalization process:

socially integrative and expressive functions that were first fulfilled by ritual practice pass over to communicative action; the authority of the holy is gradually replaced by the authority of an achieved consensus .... a freeing of communicative action from sacrally protected normative contexts. The disenchantment and disempowering of the domain of the sacred [goes along with] a release of the rationality potential in communicative action. The aura of rapture and terror that emanates from the sacred, the spellbinding power of the holy, is sublimated into the binding/bonding force of criticizable validity claims .... (*TCA2*, p. 77)

That is why the theory of the lifeworld is complementary to the theory of communicative action. The "lifeworld can be regarded as rationalized to the extent that it permits interactions ... guided by ... communicatively *achieved* understanding" (*TCA1*, pp. 337, 340).

Now, rationalization does not mean inevitably that the lifeworld loses its

power. It might remain a powerful force even as rationalized, with communicative action the predominant model of social action. But the actual result in modern capitalist societies is different: the lifeworld loses power at the expense of powerful forces Habermas calls "system." Examples are the monetization of transactions, markets, law, and bureaucracy. Originally designed to reproduce the lifeworld materially, these grow increasingly complex, uncoupled from the lifeworld, and accomplish more and more of the coordination necessary in society. The lifeworld "gets cut down more and more to one subsystem among others" (TCA2, p. 154). In earlier stages of rationalization, it is communicative action that has the functions of "cultural reproduction, social integration, and socialization" (TCA2, p. 374), but eventually systemic forces squeeze it out. The lifeworld survives, but has become *colonized* by system, and *colonization of the lifeworld* is one of his metaphors most quoted by social scientists and planning theorists.

One should keep the lifeworld in mind when thinking about normatively regulated action (henceforth, I'll use "normative action" as shorthand). As mentioned earlier, when he took pains to distinguish teleological action from the others Habermas said normative action specifies coordination as the "socially integrating agreement about values and norms instilled through cultural tradition and socialization .... (TCA1, p. 101). "Cultural tradition and socialization" suggests the lifeworld at work. Recall also when he described the role of *language* in the three models he said in normative action language is a medium to transmit cultural values and a consensus "that is *merely reproduced* with each additional act of understanding," and the action is "consensual action of those who simply *actualize an already existing normative agreement*" (TCA1, p. 95, italics added). Again, we see the working of the lifeworld. It appears the

lifeworld, once rationalized by communicative action, can support *normative* action that is somewhat automatic, unproblematic, from second nature, based on shared values and trust, and it can do this without privileging religious dogma or political autocracy. Habermas does not actually say exactly that, but I hope it is a reasonable inference and not simply legerdemain on my part. If so, *the lifeworld is an important source for investment in and manifestation of social capital.*

From a different perspective, Patricia Wilson, in describing implications of the new protocols of planning for planning *education*, says academia is adopting the reflective model in its own practice, but traditional pedagogy is not adequate for teaching community-building: “The student cannot acquire these skills by being told about them .... students can be coached to discover and to appropriate them for themselves, through a combination of experiential learning and reflective dialogue—what Schön calls reflection-in-action” (Wilson 1997, p. 755, quoting Schön 1987, p. 92). Perhaps one can rephrase this as an argument that planning students must discover the lifeworld of their public.

Of course the lifeworld is related to Habermas’s critical theory. He says the Marxist critique concentrated on *production* relations as deforming the lifeworld, but another critique of modernity and bourgeois culture blamed particular ways the lifeworld was rationalized—they are what caused loss of meaning, anomie, and alienation. His own “guiding idea,” he goes on, is this: on the one hand, “the dynamics of development are steered by imperatives issuing from problems of self-maintenance, that is, problems of materially reproducing the lifeworld,” and, on the other hand, “this societal development draws upon structural *possibilities* and is subject to structural *limitations*

that, with the rationalization of the lifeworld, undergo systematic change” in the learning processes they depend on (partly quoted, partly closely paraphrased from *TCA2*, p. 148).

Max Weber also described the rationalization of society, and long sections of *TCA* are summaries and critiques of Weber. Habermas uses Weberian language familiar to social scientists concerned with community, but makes clear how he departs from Weber: rationally regulated action (*Gesellschaftshandeln*) replaced communal social action [*Gemeinschaftshandeln*], but *Gesellschaftshandeln* includes both action oriented to success and communicative action. The “communicative rationalization of everyday action and the formation of systems of purposive-rational economic and administrative action [are] *complementary* developments [but are also] *counteracting* tendencies (*TCA1*, p. 341).

Steven White is helpful here: “the central problem” for Habermas is to show that instrumental or strategic understanding alone is inadequate for rationalization, and “the historical process of increasing Weberian rationalization ... [is] a threat to the full potential of human beings to bring reason to bear on the problems of their social and political existence” (White 1988, p. 25).

In commenting on Habermas’s theory as critical theory, Charles Taylor notes that for Habermas system theory represses “the discursive structure of social life,” and system represses “processes of reaching understanding in favour of systemic forms of integration” like the market and bureaucracy (1991, p. 29). The result is a widespread feeling of a loss of freedom and a loss of meaning in life. That is not inevitable, not “an irreparable result of the process of modernization .... [the ills] do not ineluctably arise

owing to the dissolution of older world views ... of a religious or metaphysical nature” (ibid.). If society had replaced the older world views by “free and non-dominative processes of understanding,” then there would continue to be meaning to life: “It is the domination of meaningless mechanisms which therefore creates the experience of meaninglessness” (ibid.).

In one of the most colorful passages in *TCA*, Habermas refers to the irony of the process of enlightenment:

the rationalization of the lifeworld makes possible a heightening of systemic complexity, which becomes so hypertrophied that it unleashes system imperatives that burst the capacity of the life-world they instrumentalize. (*TCA2*, p. 155)

There is a parallel intellectual development in the social sciences:

The social system escapes from the intuitive knowledge of everyday communicative practice, and is henceforth accessible only to the counterintuitive knowledge of the social sciences developing since the eighteenth century. (*TCA2*, p. 173)

These words are representative of what critics see as the “scold” in Habermas.

The uncoupling of lifeworld and system is partly due to the interposition of “media” between actors. Money, obviously, but also power, including bureaucratic power, which helps explain “the bankruptcy of state Socialism—that is, of the attempt to replace the directive function of money by extensive administration ....” (1997, p. 141).

These media replace language in language's function of coordinating action, so that media-steered interaction replaces communicative action (*TCA2*, pp. 374-5).

I am interested in ... in the colonizing incursions of the money medium into communicatively structured realms of life, and the possibilities of damming up the inherently destructive dynamic of the economic system for the sake of environmental imperatives. (1997, p. 141)

These words illustrate Habermas’s concern to “explain, denounce, and seek to

remedy the deforming impact” of the colonization, to borrow Stefan Collini’s (2005, p. 13) words about E. P. Thompson’s concern with the Industrial Revolution.

## **VI. THE MUTED LEGACY OF MARXISM**

There is not much left of Marxism. Habermas’s critical theory has no need for Marxist value theory, and one detects little use of classes as important social groups. In a 1993 interview he noted Marxist theories “were too narrowly based on crisis analyses, so that constructive models are lacking today. All of us are rather at a loss as we confront the destructive consequences of a worldwide capitalism whose productivity we do not want to give up” (Habermas 1997, p. 141). Nor does he avoid harsh criticism of modern socialist systems. On the other hand he admits following Marx in the sense of having a critical theory, critical of social reality and contemporary social sciences. The latter create abstractions of social systems without taking into account the historical constitution of what it is they study. However, critical social theory does not compete with established lines of research, rather attempts to explain their limitations (*TCA2*, p. 375).

Nancy Love puts it well in saying Habermas questioned Marx's concept (inspired by Hegel) of labor as humans' self-creative activity, substituting the notion that social interaction, specifically communicative action, is really the distinctively human capacity. Communicative action has an evolutionary path of its own, which means "class conflict no longer is the motive force in history" (Love 1995, pp. 49-50).

Needless to say, many ardent Marxists are sharp critics of Habermas, and their attack is what one would expect: Habermas essentially acquiesces in, legitimates, and “covers up” late capitalism (Marsh 2000, p. 557); he is content to resist colonization

without challenging fundamental structures; he slights alienation in the workplace while emphasizing alienation due to colonization of the lifeworld, and privileges the public sphere but ignores the workplace as a critical place of participation and democracy; he has none of Marx's radical prophetic side or sense of outrage; he says little about imperialism and so is Eurocentric. "Capitalist pathology is not just colonization of lifeworld by system ... but includes exploitation, tyranny, and marginalization as well" (Marsh 2000, p. 559; Marsh elaborates most of the criticisms listed in this paragraph). From another quarter, geographer Derek Gregory also criticizes "profound Eurocentrism" (Gregory 1998, p. 45), and thinks Habermas is too preoccupied with "coming to terms" with the history of Germany and Nazism and with "redemption of the project of modernity" in the wake of Nazism (ibid.).

## **VII. PRELIMINARY CONCLUSIONS ON HABERMAS AND SOCIAL CAPITAL**

At this point one sees that Habermas's communicative action has great limitations as an approach to social capital. It seems too abstract to help much in identifying actual behavior, and not helpful in thinking about the *household production* that is important both in building local social capital and in getting satisfaction from it (Bolton 1995, 2003). Meaningful social capital investment requires substantial time on the part of households, but social capital also enhances the utility households get when they produce *other* goods. Social capital is both output of and input into household production, which is a special complication compared to many other amenities whose role is likely limited to being inputs.

As for the lifeworld, as I said earlier it's hard to understand just what it is in contemporary industrialized societies. What are the "more or less diffuse, always unproblematic, background convictions" (*TCA1*, p. 70) that guide us in communicative action? Patsy Healey refers to "the lifeworld of personal existence; the daily, weekly and yearly going about and getting on in the life of personal experience" (1997, p. 50), but surely that says too little and too much at the same time, namely in not giving us any help in distinguishing lifeworld from system. Nor is it clear that *colonization* of the lifeworld by purposive-rational institutions like the market has really been as relentlessly steady as Habermas's rhetoric suggests.

For geographers, what is missing is ... well, geography. In the words of Barnes and Sheppard: "the argument is ... abstracted from the reality of a geographically differentiated social world" (1992, p. 19). This seems a problem with Habermas's theory generally. Geographers may well wonder if the effectiveness of communicative action varies with distance, for example. Is it possible to have effective communicative action without close proximity of the actors to each other? How does communicative action differ in "thin" places compared to "thick" places, to use Robert Sack's terms (1997, pp. 7-13)?

Geographers note approvingly that Henri Lefebvre (1991) has two concepts, abstract space and social space, that seem similar to Habermas's system and lifeworld, but are explicitly about the role of space (Gregory 1994; Miller 2000). Byron Miller relies on Habermas for a general theory of new social movements (NSMs), and in fact Habermas is well known as a source of inspiration for NSMs, which include movements

against nuclear armament and for gay rights, environmental protection, etc., as distinguished from class-based movements that challenge the distribution of income. Miller is inspired by the notion that the colonization of the lifeworld is “the impetus giving rise to NSMs that seek to defend, restore, or create new spaces for a communicatively based lifeworld” (p. 30). However, he repeats the frequent comparison that is favorable to Lefebvre, noting Habermas is “theorizing social processes as if they took place on the head of a pin” (p. 32), and also notes that in Lefebvre there is a “commodification and bureaucratization of the social spaces of everyday life that is virtually identical to Habermas’s discussion of the ‘colonization of the lifeworld’” (Miller 2000, p. 12).

One also sees very little attention to social networks and behavior in networks. It is true that in a later book, *Between Facts and Norms* (1996), Habermas refers a few times in passing to networks. Actors are “caught up in networks of communicative action” (p. 324); “the lifeworld forms, as a whole, a network composed of communicative actions” (p. 354) “networks of interaction” occur along with “action coordination” in processes of reaching understanding (p. 35). And, more substantively:

the lifeworld is constituted from a network of communicative actions that branch out through social space and historical time, and these live off sources of cultural traditions and legitimate orders no less than they depend on the identities of socialized individuals....[who] find support in the relationships of reciprocal recognition articulated in cultural traditions .... (p. 80).

But there are no details. That is surprising given that Habermas emphasizes coordination, leading us to expect a theory to pay attention to networks (not necessarily under that rubric). An individual’s choice of communicative versus instrumental action, for example, would seem to depend on the social network situation—on whether he is, or is interacting with, an important node in a network, or is being a node at a structural

hole, providing “bridging” roles in social capital formation as opposed merely to reinforcing “bonding” roles. Indeed, maybe such a position imposes a special ethical *obligation* on an actor? And the precise nature of discourse and reasoned argument would also seem to depend on such things. Thus, both normative and positive theory of communicative action seem to require attention to networks. Furthermore, a big role for the social network is also consistent with the importance of a lifeworld—a person’s networks may function as parts of one’s lifeworld.

On the other hand, Habermas does something many other contemporary theorists don’t: he models individual decisions rather than focusing on community aggregates (such as memberships, average responses on “trust” questions in surveys, etc.). And the role of the lifeworld as a source of social capital in action, in the form of normative action—in a not very self-conscious way—has promise in identifying social capital and the groups and institutions that allow it to flourish.

## **VIII. TWO ECONOMIC MODELS OF SOCIAL CAPITAL INVESTMENT<sup>4</sup>**

The advantages and disadvantages of a Habermas-inspired approach to social capital can be shown by comparing it to more conventional social science approaches. I do not have room for a “bestiary of models,” to use a common phrase, so after preliminary observations I’ll confine myself to comparing it to two leading models from economic theory.

One marked difference is that in contemporary social science social capital can have negative as well as positive effects, since tight bonds and group loyalties may accentuate negative features of the group—antisocial behavior, insularity, exclusionary practices, inhibition of initiative (for only a sample of a large literature see Portes 1998,

Portes and Sensenbrenner 1993, Portes and Landolt 1996, Sandefur and Laumann 1998, Putnam 2000, pp. 350-66, Westlund and Bolton 2003 (who even find supporting language in Schumpeter), and Rupasingha, Goetz, and Freshwater 2002 (who remind us Mancur Olson's (1982) "distributional coalitions" that inhibit growth)). Habermas does not describe any negative effects of communicative action.

A similarity is that both communicative action and social capital investment are examples of behavior in society that also affect society. In conventional social capital theory this is implicit in the whole notion of "investment" and "capital" that have benefits for more than the individual actor who makes an investment decision. For Habermasian theory, Charles Taylor discusses how "practice" affects social structures, such as the "linguistic community" (see discussion above). Social structures are renewed by individuals, the structures exist "by virtue of practice" (Taylor 1991, p. 25). Individuals' actions can be explained in terms of social structures, but there is also "innovative practice" by individuals (ibid.) If one ignores this principle, then "A society's norms and customs would ... inevitably appear simply to have been impressed on individuals in the course of socialization" (pp. 24-5), but in Habermas this is emphatically not the case. Practice draws on "background knowledge, namely the horizon of our implicit know-how and pre-understanding. ... [and it] can simultaneously be the source of innovative statements and articulations" (p. 25), but innovative practice changes the background. If one thinks of language as a code, "the code is both deployed and innovated in the course of linguistic practice" (p. 28).

An interesting common feature is that both theories arise in part from criticisms of older theories. Economists' modeling of social interaction is a response—a *disciplinary*

*strategy*—to critics who claim economists ignore the constraints on individual choice imposed by social forces like norms and culture. Quite a few economists cite Granovetter (1985) approvingly for chiding economists for “undersocializing” human behavior. Becker and Murphy urge economists to build models with strong complementarities between social capital and individual choices, because those complementarities are:

the technical way to incorporate into [economics] the claim that social forces have tyrannical power over individual behavior, that individuals are “forced” to conform to social norms, that culture is dominant, and [that there are] other powerful effects of social structure on behavior commonly emphasized by sociologists and anthropologists .... at a more fundamental level social capital changes the focus rather than reduces the importance of individual choice.... it becomes much more important to make wise decisions in selecting peers and other determinants of such capital. (Becker and Murphy 2000, pp. 9-10)

Sociologists, too, have disciplinary strategies in response to criticism: social capital adds individuals’ motivations and independence to theories of social context without throwing out the baby with the bathwater. Many sociologists admit traditional sociological theories oversocialize behavior, and they seek a more balanced social theory. Granovetter (1985, pp. 213-7) and Coleman (1988a, p. S96) both discuss oversocialization and undersocialization and the need for more balance, and both refer to Wrong’s earlier piece (1961) where a sociologist warned about oversocialization in the discipline. That many sociologists are receptive to Gary Becker’s work indicates a felt need in this respect. James Coleman even says explicitly his theory of social capital was “part of a theoretical strategy that involves use of the paradigm of rational action but without the assumption of atomistic elements stripped of social relationships” (1988a, p. S118; see also Coleman, 1993).

It's fundamental, however, that in the economic model social interactions per se do not determine the precise behavior of individuals; individual preferences still play a fundamental role. This is reminiscent of Charles Taylor's point about "practice" being both dependent and innovative.

Nevertheless, there are big differences between a Habermasian approach and more conventional approaches to social capital, as shown by even a cursory look at some of the latter. I shall review briefly two examples, one the model of Edward Glaeser, David Laibson, and Bruce Sacerdote (2002), and one that of William Brock and Steven Durlauf (2001a).<sup>5</sup>

**Glaeser, Laibson, and Sacerdote's Model of Individual Investment in Social Capital.** Glaeser, Laibson, and Sacerdote (GLS) (2002) want to depart sharply from the prevailing theory of social capital by analyzing individuals' investments rather than community characteristics, the dominant concern in sociology and political science. They emphasize the individual who accumulates personal characteristics like social contacts and social skills—one is reminded of Bourdieu's concept of social capital, but we'll see GLS are also concerned with positive externalities for the rest of society. The community's social capital is a function of its individuals' social capital, a function very complicated "because of the extraordinary importance of social capital externalities" (p. F439), though in theory it "incorporates all the cross-person externalities" (ibid.)

In the model, a person builds social capital by devoting—*investing*—time to interactions. His stock of social capital is  $S$ ; the rate of return he earns on  $S$  is a function of the *aggregate* social capital; the rate of return, in utility terms, is  $R(\hat{S})$ , where  $\hat{S}$  = the per capita level of aggregate social capital in some group he interacts with (here

GLS follow Becker and Murphy 2000, p. 12; strictly speaking,  $\hat{S}$  should be the average over all members other than the person in question, but if the group is large the per capita amount is an acceptable approximation). This *rate* of return depends on the amount of  $\hat{S}$ , with  $R'(\hat{S}) > 0$ . GLS mention higher wages, better employment prospects, direct happiness, improvement in one's community, and other things as the cause of these returns; *social networks*, for example, reduce social distance and thus increase information flows, trust, loyalty, and cooperation (pp. F440, F443).

In each period,  $S$  is increased by any investment,  $I$ , but it also depreciates at rate  $1 - \delta$ , so it evolves according to:  $S_{t+1} = \delta S_t + I_t$ . The parameter  $\delta$  is lower (depreciation is faster), the higher the probability the person will leave the community and the more community-specific his social capital. GLS say exit from the community depreciates  $S$  sharply but does not eliminate all returns, so it seems "community" is a subset of a larger group of people in which  $S$  is valuable.

In each period, the individual actor receives benefit:  $R(\hat{S}) \cdot S_t - wC(I_t)$  where  $C(I_t)$  is the time cost of investment and  $w$  is the opportunity cost of the time (measured in utility terms; whether it is the wage rate or the opportunity cost of leisure is a detail). In an initial position the actor takes some level of  $\hat{S}$  as given (this assumes the interaction group is large enough so his own  $S$  has a negligible effect on  $\hat{S}$ ) and plans a sequence of future investments  $I_t$  so as to maximize the present value of the net benefits, subject to constraints imposed by the evolution of  $S$  from period to period. In the solution—which is a *future path*— $I_t$  varies positively with  $\hat{S}$  and  $R(\hat{S})$  and negatively with age, the opportunity cost of time, the rate of time preference, rate of depreciation, expected mobility, and degree of community-specificity of  $S$ .

The overall structure is like human capital investment models, but two distinctive elements are the disincentive effect of expected mobility and the dependence of gross benefits ( $= S \cdot R(\hat{S})$ ) on both the individual's own  $S$  and the aggregate,  $\hat{S}$ . The dependence creates a "social multiplier" (p. F442) of an individual's action: his accumulation of  $S$  is a function of  $\hat{S}$ , which in turn is a function of everybody's  $S$ 's. "When increases in aggregate social capital strongly increase individual investment ... it is likely the aggregate elasticity of social capital with respect to any parameter ... will be much higher than the micro-elasticity of social capital with respect to the same variable (ibid.).

To explain the social multiplier, let me adapt the formulation in Becker and Murphy (2000, pp. 13-14). We have, for each person  $i$ :  $S_i = S_i(x_1, x_2, x_3, \dots, x_n; \hat{S})$  where  $S(\cdot)$  is a general function expressing his steady-state  $S$  as a function of various variables (some suggested by GLS and others that are demand shifters affecting tastes), and also as function of  $\hat{S}$ . Then  $\hat{S} = (1/N) \sum_i S_i$  and the total derivative of  $\hat{S}$  with respect to one of the  $x$  variables, say  $x_1$ , is:

$$d\hat{S}/dx_1 = (1/N) \sum (\partial S_i / \partial x_1) + (1/N) \sum (\partial S_i / \partial \hat{S}) (d\hat{S} / dx_1) \quad (1)$$

The first term on the right-hand side shows a direct effect of  $x_1$  on the person's behavior, the second term shows an indirect effect through the influence of the group.

Further manipulation produces the social multiplier:

$$(d\hat{S}/dx_1) \{1 - (1/N) \sum (\partial S_i / \partial \hat{S})\} = (1/N) \sum (\partial S_i / \partial x_1)$$

$$(d\hat{S}/dx_1) = \left[ \frac{1}{1 - m} \right] (1/N) \sum (\partial S_i / \partial x_1) \quad (2)$$

where  $m = (1/N)\sum(\partial S_i/\partial \hat{S})$  and the term in bold brackets is the social multiplier, and of course it looks similar to the familiar Keynesian multiplier. Becker and Murphy note strong complementarities will make the average change in individual demands  $(= (1/N)\sum(\partial S_i/\partial x_1))$  small, because individuals will feel constrained by social forces, but those same complementarities will make  $m$  large and thus the social multiplier large (2000, p. 14). The parameter  $m = \text{average } \partial S_i/\partial \hat{S}$  is the average response of individuals' social capital to the aggregate social capital. In the GLS model, that average response is returns are high, if the probability of exit from the community is lower, and if the capital is more community-specific, etc.

GLS's attention to the individual is in a way more consistent with Habermas than the exclusively community approaches of other contemporary social science theories, but of course instrumental action in the shape of raw maximization is not. As a dramatic difference, nothing in Habermas suggests communicative action is to be different if the actor expects soon to exit from the community. And GLS do not hint of interactions coming more or less automatically out of the shared values of a lifeworld. But GLS's approach is useful in warning about the complexity of the social capital arising from individual actions, something that makes us pause in considering something as simple as group memberships as a proxy for social capital. In that sense, and also in their explicit use of the term "social networks" (six times, on pp. 443, 444, 452, 456) there is some hint of the importance of networks. A fuller model would of course have the actor's investment in interactions depend explicitly on just whom he is interacting with, and that person's position in the social network. The same can be said of Habermas's theory.

**Brock and Durlauf's Discrete Choice Model.** The literature on social capital is replete with talk of “joining,” partly because data on organization membership have been major sources for empirical analysis. Therefore it's natural to think of individuals' decisions to invest in social capital as a binary choice problem, leading to economic models of random utility and discrete choice, especially since such models are common in analysis of other behavior like labor force participation, college/school enrollment, migration, transportation modal choice, and referendum votes.

William Brock and Steven Durlauf (hereafter, B-D) have been major figures in building such models of social interaction, interaction being more broadly conceived than social capital investment (Brock and Durlauf 2001a,b; Durlauf 2000). They are inspired by the goal of analyzing behavior like school attendance, effort in school, drug use, criminal or antisocial activity, teen pregnancy, labor force participation, language or dialect use, residential location (city or suburb), etc. It's logical to extend the approach to choices whether or not to join a group, to patronize local merchants even if prices are higher, to support historic preservation, and to support public initiatives to establish important nodes in networks, all in situations where the actor's utility depends on how many other persons do the same thing. Durlauf himself said B-D models potentially can allow a more rigorous theory of social capital (2000, p. 24). Often a polychotomous choice analysis seems more appropriate than a binary one. For example, think of three choices: active effort to avoid social interaction; apathy or neglect of participation; active participation.

A discrete choice model is quite different from GLS's continuous choice one, with advantages and disadvantages. On the one hand, it seems reasonable when “joining”

or “membership” is involved, as in much social capital literature both in economics and other disciplines, and economists have developed the econometric analysis of discrete choices extensively in other applications (labor economics, transportation economics, demography, etc.). On the other hand, many interactions clearly should be proxied by continuous variables, especially in a household production framework focusing on commitment of time and money income.

In addition to allowing traditional econometric estimation, B-D models have *equilibrium* properties of interaction, that is, one can derive conditions necessary and sufficient for every person’s choice to be consistent with each other. One of the models is as follows. A person  $i$ ’s utility depends on an additively separable function with three components (Brock and Durlauf 2001a, p. 238):

$$V(\omega_i) = u(\omega_i) + S(\omega_i, \mu_i^e(\omega_{-i})) + \varepsilon(\omega_i) \quad (3)$$

where:

$\omega_i$  is  $i$ ’s binary choice (–1 or 1), and  $u(\omega_i)$  is the private utility from it;

$S(\cdot)$  is the social utility from the choice;

$\omega_{-i}$  is the vector of choices by all other agents, i.e.,  $(\omega_1, \dots, \omega_{i-1}, \omega_{i+1}, \dots, \omega_N)$ ;

$\mu_i^e(\omega_{-i})$  is the conditional probability  $i$  puts on the choices of others;

$\varepsilon(\omega_i)$  is a random utility term, known by  $i$  but not by the analyst.

Note  $\varepsilon$  is a function of  $\omega$ , because some random components depend on which choice is made; for example,  $\varepsilon(1)$  might result from unobservable psychological characteristics relevant only if the person “joins” a group, and  $\varepsilon(-1)$  from characteristics relevant only if she doesn’t (Brock and Durlauf 2000b, pp. 3305-6; Durlauf 2000, p. 10).

B-D note theoretical and econometric analysis is tractable only under restrictive specifications of  $\varepsilon$ , the random utility term, and  $S(\cdot)$ , the social utility term. They assume  $\varepsilon(-1)$  and  $\varepsilon(1)$  are independent and extreme-value distributed, thus justifying standard logit regression models. On  $S(\cdot)$ , GLS of course warned of the complexities of the real world. B-D assume  $\mu$  is a function of the *average* of  $i$ 's subjective expectations of behavior by all other agents, then analyze two different specifications of  $S$  as a function of that average. Note some similarity to GLS here.

Define:  $m_{i,j}$  =  $i$ 's subjective expected value of household  $j$ 's choice of  $\omega$  (I suppress the superscript  $e$ ), and define  $\bar{m}_i = [\sum_{j \neq i} m_{i,j}] / (N-1)$ . (Alternatively,  $\bar{m}_i$  might be a weighted average, different weights applying to each  $j$ .) For large  $N$  we can treat  $\bar{m}_i$  as continuous and define  $S_m = \partial S / \partial \bar{m}_i$ . B-D's subsequent analysis is simplified if  $S$  is such that  $\Delta S_m / \Delta \omega_i$  is a positive constant, where we must define a ratio of discrete changes since  $\omega_i$  is discrete. One specification that meets this criterion, which I'll name BD-I, is  $S(\cdot) = J \omega_i \bar{m}_i$ , where  $J$  is the positive constant value of  $\Delta S_m / \Delta \omega_i$  just described. Durlauf argued  $J$  can be an indicator of social capital in the sense of "the influence which the characteristics and behaviors of one's reference groups has on an individual's assessments of alternative courses of behavior" (Durlauf 2000, p. 24). The multiplicative relationship between  $\omega_i$  and  $\bar{m}_i$  is attractive because, first, it gives rise to a social multiplier, and, second, there is a one-to-one correspondence between  $\omega_i \bar{m}_i$  and another attractive measure, namely  $p_i$ , the share of others who make the same choice as  $i$ :  $\omega_i \bar{m}_i = 2p_i - 1$ . Unfortunately, there is not such a correspondence if there are more than two choices, as discussed below. The

multiplicative relationship between  $i$ 's choice and expected average choices produces the following possibilities:

--S is positive if and only if  $\omega_i$  and  $\bar{m}_i$  are both positive or both negative, that is, social utility is positive if  $i$ 's choice is the same as the majority of others, suggesting conformity per se has social utility;

--S is zero if others' decisions are evenly divided between  $-1$  and  $1$ , so that  $\bar{m}_i = \text{zero}$  (note  $S = 0$  regardless of the sign of  $\omega_i$ ).

--S is negative if  $\omega_i$  and  $\bar{m}_i$  are of different sign, again suggesting it is conformity that is important.

Another possible specification of  $S$ , which I'll call BD-II, is:

$$S(\cdot) = (-J/2) (\omega_i - \bar{m}_i)^2 \quad \text{where again } J \text{ is the constant value of } \Delta S_m / \Delta \omega_i.$$

Compared to BD-I, this form gives  $i$  even more distaste for any deviations from the average, thus reinforcing conformity as the driving force. Now  $S$  is always negative unless  $\bar{m}_i = -1$  or  $1$  (*all others choose +1 or all others choose -1*) and also  $\omega_i$  has the same sign as  $\bar{m}_i$ , in which case  $S = 0$ . In other words,  $S$  is always negative unless all households, including  $i$ , make the same choice. This specification is not attractive for an analysis of social capital, though it is justified for interactions where even small departures from a social norm reduce's one's status severely (see Bernheim 1994, p. 841 for discussion).

As mentioned earlier, a polychotomous choice model seems desirable, but then there is no longer a one-to-one correspondence between  $\omega_i \bar{m}_i$  and  $p_i$ , the fraction of others making the same choice. In fact, a given value of  $\omega_i \bar{m}_i$  is consistent with an infinite number of distributions of choices in the population of others. Several writers

propose using the fraction  $p$  itself as the description of aggregate behavior by others (Brock and Durlauf 2002, Bayer and Timmins 2002). Then the model is one where  $i$  chooses an action,  $\omega_{i,k}$ , from among  $K$  possibilities ( $k = 0, 1, 2, \dots, K-1$ ) and the utility function is:

$$V(\omega_{i,k}) = u(\omega_{i,k}) + Jp_{i,k} + \varepsilon(\omega_{i,k}) \quad (4)$$

where  $p$  refers to  $i$ 's expectation of the fraction of others making the same choice as she does, and  $J$  again indicates the strength of utility from social interaction. One can now derive a standard multinomial logit model from the usual assumptions about  $\varepsilon(\omega_{i,k})$ . However, it is fair to say  $p$  is not as obviously a suitable measure of interactions as was  $\omega_i \bar{m}_i$  in the binary choice case.

The advantages of the B-D models are obvious for empirical work, but consideration of the complexities of real-world social networks suggests they are too simple specifications of the attraction of networks to potential joiners. The discrete nature of action and interaction certainly is not in the spirit of Habermas.

## IX. CONCLUSION

Here I simply repeat some of the points I've already made. Habermas's theory is very abstract and his heavy emphasis on language seems somewhat confining for a general approach to social capital. It is silent on the possibilities of instrumental action in building social capital, and thus on the design of incentives that society might use in harnessing instrumental action. Social networks and behavior in networks are nearly ignored, especially the recognition that communicative action might differ depending on the actor's position in the network. Real-world geography also is missing.

On the other hand, Habermas's approach is like some social science approaches, in being part of a disciplinary strategy in response to criticisms of older theories, and also in focusing on individuals' own decisions rather than community aggregates. What the most useful addition that Habermas can bring, however, is the role of the lifeworld as a source of social capital in action, in the form of normative action arising in unself-conscious and nearly automatic ways from people's deeply internalized and widely shared beliefs about their proper role in society.

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### **FOOTNOTES**

1. Sections II through VII rely greatly on my earlier unpublished paper (Bolton, 2002a).
2. Habermas had worked out and published much of the basic theory well before 1981, however. Langsdorf notes that the crucial distinctions between communicative and strategic action are found in Habermas, 1970 and 1973, both originally published in 1968.
3. Habermas discusses the parasitical use of language in other places as well (for example, 1998b, pp. 303-304, 1991, p. 239). Many theorists regard this claim about communication action use of language being primary and others parasitic as a fundamentally important aspect of Habermas's thought. David Rasmussen writes, "This thesis regarding the primacy of the communicative mode constitutes the major theoretical insight sustaining the entire edifice Habermas has built" (1990, p. 28; there are similar statements on pp. 37-8). However, many criticize the argument: some say the claim is not really scientific and merely reflects Habermas's personal preferences for the communicative mode; some say it is based unscientifically on utopian ideas; some would actually prefer a utopian basis rather than an unsupportable "scientific" basis for practical policy recommendations of the kind that Habermasians espouse (on all these, see Rasmussen, 1990, pp.37-55). Personally I am not convinced that this particular claim by Habermas really is absolutely crucial for the rest of his theory.
4. This section relies greatly on another unpublished paper (Bolton 2003).
5. It is also useful to look at Gary Becker's simple model of social interactions (Becker, 1974, reprinted in Becker, 1996, ch. 8), where he models an individual's decisions on "buying" a general characteristic of people he interacts with; one could think of that characteristic as social capital, though Becker suggested it might be something like Nassau Senior's "distinction." See Bolton (2003b) for a full discussion.

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