

what makes Democracy Work?

What do choral societies and football clubs have to do with prosperity and good government? **A surprising amount.**

Robert D. Putnam

WHY do some democratic governments succeed and others fail? This is a burning question today in all parts of the world – from Moscow and Mogadishu to South Central Los Angeles. Just when democratic ideals are held in highest global esteem, growing numbers of observers fear that democratic government is faltering in its heartland, America.

Revitalizing democracy will require an answer to this question: what makes democracy work? I want to suggest one possible reply, by recounting two stories and a parable. Each seems distant from our immediate concerns, but all three are thought-provoking for those of us concerned with civic life in our communities.

A botanist who wants to study plant growth might plant genetically identical seeds in different pots of soil, water them differently, and watch to see which flourish and which wither. A political scientist wishing to study similarly the development of political institutions would need somehow to implant the same organization – as conceived on paper – in different political, economic and cultural contexts, and watch the results.

That sort of research is ordinarily impossible, but in

1970 Italians laid the groundwork for precisely this experiment by creating a new set of regional governments all along the Italian peninsula. All had the same formal structural organization, and all had important powers and much money to spend – nearly one-tenth of the entire GNP of Italy. But the soils in which these identical organizations were implanted were very different. Some regions in Italy were economically backward, while others were as economically advanced as anywhere in the world. Some regions were traditionally Catholic, some deeply communist, some essentially feudal, and so on. For nearly a quarter-century my colleagues and I have closely observed this experiment in democratic regional governance.

It soon became clear that despite their identical form, these various regional governments worked very differently. As we had expected, some of them proved to be utter failures – inefficient, slothful, corrupt. Others, however, were very effective – creating industrial parks, jobs programs, family clinics, innovative day-care centres, environmental programs and the like. Citizens in these latter regions enjoyed better government than many Americans.

My colleagues and I measured the effectiveness of the

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regional governments in many ways. For example, in each region a local confederate wrote to the education agency, "My younger brother has just graduated from high school and would like to attend a vocational educational program. Please send the application." Then we counted how long it took for a reply to arrive. If the letter remained unanswered, we telephoned the ministry and counted how many calls were necessary. And if that failed, we visited the ministry personally and counted the number of visits that were necessary to obtain the application.

We used this and many other objective measures of government performance, from cabinet stability to budgetary promptness to legislative innovation. We also asked thousands of Italians about their regional governments, and we discovered that their evaluations were consistent with ours. We and Italian voters agreed on which governments were working well and which were failures. This is the starting point for my first story: Some of the new governments flourished while others withered. Why?

We considered many possible answers: wealth, education, party politics, urbanization, social stability, and so on. None of these answers fits the facts; none was directly correlated with government performance. The right answer surprised us, though it likely would not have surprised Alexis de Tocqueville, that astute 19th-century French observer of democracy in America: what best predicted good government in the Italian regions was choral societies, soccer clubs and co-operatives. In other words, some regions were characterized by a dense network of civic associations and an active culture of civic engagement, whereas others were characterized by vertical patron-client relations of exploitation and dependence, not horizontal collaboration among equals.

Some regions of Italy have a rich network of community associations. Their citizens are engaged by public issues and take an active role in politics. They trust one another to act fairly and obey the law. Social and political networks here are organized horizontally, not hierarchically. In these 'civic' communities, democracy works. At the other pole are the 'uncivic' regions, where the very concept of citizenship is stunted. Engagement in social and cultural associations is meagre, and the social structure is hierarchical. Public affairs is someone else's business, not mine. Laws are made to be broken, and people live in fear. Trapped by these vicious circles, nearly everyone feels exploited and

unhappy — and democracy fails.

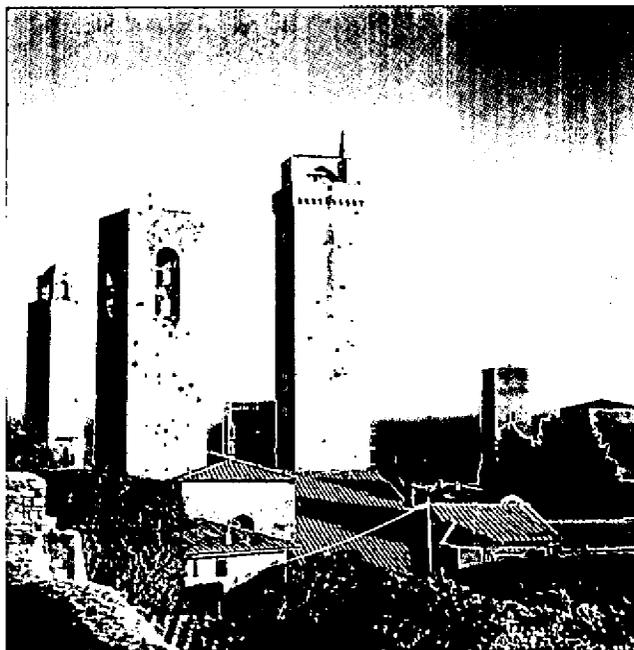
So that is the first story: Why are some communities governed so well? — choral societies. The correlation between civic engagement and effective government is virtually perfect. Before we consider the implications of that discovery, however, let me ask a second question and tell a second story. The question is obvious: if the civic fabric is so important, why are some communities civic and others not? To answer that question, we need to enter a time machine and return to Italy around AD 1000.

Early medieval Italy, and indeed all of Europe in those years, was a very unpleasant place to live, because social life was anarchic. The risk that a peasant's grain might be stolen was so great that he grew only what he could eat himself. The risk that one would be robbed on the way to market was so high that no-one went to market. Life, as Hobbes would later put it, was "nasty, brutish and short," because civic order was absent. That is why these came to be known as the Dark Ages.

Then, in two different parts of Italy, two very different solutions to this problem of social order were invented almost simultaneously. In southern Italy, a roving band of Norman mercenaries settled down and created the first feudal monarchy in Europe. It was a clever system. The peasants were protected by the knights, who took their cut of the agricultural production in return for maintaining order. The knights were kept in line by the barons, who took their cut. And the barons huddled under the king at the top.

This simple vertical system turned out to be very effective in imposing and maintaining social order. It was now safer to get grain to the market. The economy began to grow, and soon the Norman kingdom of southern Italy was the wealthiest, most advanced realm in Europe, with the first public university, the first civil service, and a rich flowering of art. King Frederick II was called *Stupor Mundi* — "the wonder of the world" — because he and his predecessors had created order out of chaos. His rule was authoritarian, but it was much better than no rule at all.

Meanwhile, in a band of cities stretching across north central Italy, from Venice to Bologna to Florence to Genoa, a very different solution was invented to address the same problem of social order. Instead of the vertically-structured system of king, barons, knights and peasants, however, small groups of neighbours in the north began to form mutual self-protection pacts. Each member agreed that if any of them was attacked, the others would defend him. These



The Towers of San Gimignano, Tuscany, Italy

groups came to be called "tower societies", named for the towers they built for refuge during times of trouble. Members of these tower societies even wrote contracts describing their mutual obligations, which was in some sense odd since no courts existed to enforce the agreements.

The new system worked well. Neighbouring tower societies formed alliances, and soon towns began to grow. Town governments were actually formed out of these horizontally-organized mutual aid associations. So successful was this idea of horizontal collaboration that the principle began to spread to other spheres of social activity. In economic life, guilds were invented — associations among equals for mutual professional benefit. In religion the same pattern evolved. Whereas in the hierarchically-organized South, the Pope appointed the bishops, who in turn appointed the priests, in the communal North, local parishes elected their own leaders. Soon, a dense interlocking web of horizontal associations evolved — tower societies, guilds, neighbourhood associations, religious fraternities, and even choral societies. These communal republics soon created remarkably advanced systems of government, with the medieval equivalent of professional city managers, modern laws, marketable public securities, and so on.

And then, the third most important economic invention in history appeared. Ancient Egypt and Rome had the first two: markets and money; but even they failed to develop this third innovation — *impersonal credit*. Impersonal credit exists when I lend you money, even though I do not know you personally. You use it to build a factory or to buy a ship to sail to distant markets, and then you return the money to me, with a bit extra for my troubles. Impersonal credit was invented in these city-states of medieval northern Italy.

Impersonal credit is astonishingly valuable because it allows those with money to lend to others who can use it more effectively, so that everyone is better off — more jobs, more production, more goods, more wealth. Large-scale commerce and industry could not exist without impersonal credit, because without it capital could not be accumulated and invested efficiently. The invention of impersonal credit enabled northern Italians to create by far the most advanced economy in the world. Italian bankers provided credit throughout Christendom, and virtually all the largest cities in Europe were to be found in Italy.

Impersonal credit requires trust — etymologically, the word 'credit' comes from the Italian verb, 'to believe'. Trust

among northern Italians rests on that uniquely close-knit fabric of civic life described above. When a resident of a communal republic obtained a loan, he, in effect, 'mortgaged' his connections to all other citizens. Civic connections formed a kind of collateral, enabling northern Italians to trust one another. The communal republics were built to a surprising degree on trust — not perfect and unconditional trust, of course, which is why lawyers and courts were needed. To an unprecedented degree, however, this society was based on impersonal trust and generalized reciprocity. The root of social trust was civic engagement.

This horizontal social organization was fantastically efficient, not merely at bringing public order, but also in enabling northern Italy to become by far the wealthiest, best governed place of its era. By comparison with the rest of early medieval Europe, southern Italy, with its feudal

monarchy, seemed advanced, but by comparison with the rest of the world, including southern Italy, the communal republics of the North soon gained a kind of dominance that Victorian England or post-war America never dreamed of. With their new wealth, northern Italians began to invest in art and high culture. The Renaissance was a direct consequence of the economic boom, which was a direct consequence of credit, which was in turn a direct consequence of the trust expressed in tower societies and choral societies. Civic engagement paid handsome dividends.

Sadly, because these cities were so attractive, they also become very crowded,

and thus were tragically vulnerable to disease. In the summer of 1348, for example, half of all Italian townspeople died from the Black Death. And such deadly plagues recurred for several centuries. Moreover, rising foreign dynasties in France and Spain began raiding prosperous Italy. Italian dominance over Europe began to fade.

But for a period of about 300 years, Italy dominated the known world because of these two political inventions — the feudal monarchy in the South and the even more efficient communal republics of the North. And if we draw a map of Italy tracing the incidence of civic engagement in 1300, and then draw a map of Italy reflecting the incidence of choral societies and effective democratic governance in 1993, the two maps are identical.

Now, if we draw a map of Italy in 1993 according to wealth, we will find that communities with many choral societies are also more advanced economically. I originally thought that these fortunate communities had more choral



A view across the Grand Canal to San Giorgio Maggiore, Venice, Italy

societies because they were wealthy. After all, I thought, poor peasants don't have time or energy to spend singing. But if we look closely at the historical record, it becomes clear that I had it exactly backwards. Communities don't have choral societies because they are wealthy; they are wealthy because they have choral societies — or more precisely, the traditions of engagement, trust and reciprocity that choral societies symbolize.

Of two equally poor Italian regions a century ago, both very backward, but one with more civic engagement, and the other with a hierarchical structure, the one with the more choral societies and soccer clubs has grown steadily wealthier. The more civic region has prospered because trust and reciprocity were woven into its social fabric ages ago. None of this would appear in standard economics textbooks, of course, but our evidence suggests that wealth is the consequence, not the cause, of a healthy civics.

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An important moral emerges from these two stories. Economists often refer to physical capital. A screwdriver is a form of physical capital: by investing in a screwdriver, one becomes more productive. About 25 years ago, the economist Gary Becker used the term 'human capital' to refer to the fact that education can have the same effect. Investing in training — 'human capital' — enables one to become more productive.

Some social scientists are beginning to speak of 'social capital' — networks and norms of civic engagement. Conversely, in some modern countries — in America's urban ghettos and suburbs, for example — the last several decades have witnessed a silent erosion of social capital. There are more empty seats at PTA meetings and church masses, for example, and fewer of us spend time on public affairs — particularly political activities. Compared with earlier generations, we are less engaged with one another outside the marketplace and thus less prepared to cooperate for shared goals. This decline in social capital helps explain the economic and political troubles of our own democracy.

These first two stories also frame a final important question: if we lack social capital, how can we create more? This tough dilemma was once posed to me by the reform-minded president of one of the backward regions of southern Italy. After dinner one evening he complained,

"What you seem to be telling me is that nothing I can do will improve my region. Our fate was sealed hundreds of years ago." This is a central conundrum of our time: how can we invest in social capital?

There is no simple reply, but the question must be addressed by every serious public official or community activist in the nation today. Investments in the portfolio of social capital must occur at the local level. A concluding parable — this time not from Italy but from Central America — dramatizes this point.

In many neighbourhoods around San José, Costa Rica, recent immigrants from the countryside live amid social disorganization and crime. In the last few years, however, one such neighbourhood has earned a reputation for being safer and more pleasant, even though its residents are no more affluent. This fortunate area somehow has achieved a strong sense of neighbourhood solidarity. For example, nearly every resident has bought a football referee's whistle, and if a thief is spotted, everyone blows his whistle to alert his neighbours. The neighbourhood has also taken up a collection to buy a local siren and set up a telephone network. If a local widow, for example, becomes distressed at night, one phone call suffices to set off the siren and summon help. This neighbourhood-alert system has cut robberies dramatically — from roughly two a week to roughly one a year.

What makes this neighbourhood different? The founder of the neighbourhood association has a simple answer: *El Ley del Saludo* — 'The Law of the Greeting'. When the association was formed a few years ago, its members agreed that everyone would leave for work five minutes early every morning to have the time to say "hello" to each of his neighbours. This informal norm soon built ties of friendship and mutual solidarity among the previously anonymous residents of the neighbourhood. Once those ties were established, it was relatively easy to agree on practical crime-fighting steps.

As the relative tranquillity of this neighbourhood has become more widely known in San José, people from other neighbourhoods have visited to enquire into the secret of their success. "When we tell them about 'The Law of the Greeting,'" reports the association's founder, "they smile dismissively and ask us where we got the whistles, or how we got a government grant for the siren." These enquirers are, of course, missing the point: the key to collective action is not physical capital, but social capital. 'The Law of the Greeting' represents investment in social capital at its very simplest.

Solving America's social problems requires much more than a national 'Law of the Greeting', but that is not a bad metaphor for the actions, public and private, that are needed. To revitalize our democracy we shall need to begin by rebuilding social capital in our communities, by renewing our civic connections. ■