

Inequality in Social Capital

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lation and adaptation to exploitation work differently when all parties are intimately connected to one another (as within households) or when most do not even know the others (as within transnational firms).

*Conduct mobility studies by tracing site-to-site channels and their social operation.* For example, examine how specific sets of households place their children in particular schools, then how those schools channel their graduates to various economic niches.

*Within organizations, compare mobility systems and their barriers with daily social relations.* For example, determine to what extent sociability clusters within job ladders, and how the presence of mobility barriers among interacting co-workers (e.g., mobility barriers between nurses and doctors) itself affects the quality of social relations among them.

*For hierarchies posited a priori, substitute matrices of relations among positions derived from empirical observation.* For example, study mobility, social interaction, and flows of resources among jobs to identify closely connected or structurally equivalent jobs. Let asymmetries in these regards measure inequalities among jobs.

*Move studies of inequality away from wages to other varieties of advantage and disadvantage.* For example, document and explain inequality in nonmonetary perquisites, health, information, security, nutrition, material possessions, land, political influence, and financial wealth. Then investigate causal connections (in both directions) between these advantages and wages.

*Study creation and transformation of boundaries and categories directly.* For example, investigate how effective boundaries among racial and ethnic categories are changing in different republics of the former Soviet Union.

*Clarify causal relationships between individual and categorical variation in performances and advantages.* For example, inquire to what degree and how membership in distinctive ethnic-religious categories

a) homogenizes experiences, propensities, and capacities, b) governs inequality-generating interactions with members of other categories, and c) thereby affects subsequent performance and rewards for performance in ostensibly open competitions.

*Trace interdependencies between political systems and nonpolitical inequalities.* For example, study how much material inequality is compatible with maintenance of democratic institutions, under what conditions, and why.

*Integrate studies of inequality and of political contention.* For example, compare and contrast the forms of bargaining that occur within relations of exploitation with those that occur in legislatures.

*Crack the problem of historical-cultural particularism.* For example, establish whether distinctive mechanisms and processes generate racial inequality as a function of variation in racial categories' previous histories or embedded beliefs, representations, and practices.

Informed readers will immediately complain that this program doesn't look very new—that students of inequality have been pursuing one or another of these concerns for more than a century. They will be both right and wrong. The program actually returns to major concerns of such old-time greats as Adam Smith, Karl Marx, Georg Simmel, and Max Weber, all of whom looked at inequality in categorical and relational terms. In that sense, the program is reactionary. It reacts to the static individualism of more recent work on inequality, and yearns for long-lost dynamic, relational thinking. Let us take it dialectically: That earlier body of thought serves as our thesis, the individualism of recent investigations as our antithesis, a renewed relational realism as our synthesis. Searching for just such syntheses, students of inequality can move much more confidently into the twenty-first century.

## Inequality in Social Capital

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Recently, social scientists have used notions of capital (e.g., human capital, cultural capital, and social capital) as organizing concepts to understand the mechanisms that affect life chances of individuals and the well-being of communities

(Schultz 1961; Becker [1964]1993; Bourdieu 1980; Lin 1982; Coleman 1988; Burt 1992; Portes 1998). While the basic definition of capital employed in these theories is consistent with that in Marx's "classic" analysis (Marx 1867),

the orientation and, therefore, theoretical attention have moved from a class-based perspective (where capital is invested and accrued by the bourgeois only) to an actor-based perspective (where the actors, whether individuals or communities, invest and accrue such resources). We may call these theories of capital the *neo-capital* theories, in contrast to the Marx's classical capital theory (Lin 1999a; Lin 2000).

The principal explanation shared by the various capital theories posits that investment and mobilization of capital will enhance the outcomes desirable to individuals or communities. Analysis can be conducted at the macro level (for groups, organizations, and communities) and at the micro level (for individuals). Here, I focus on inequality among social groups; the proposition may be stated as follows: that *inequality in different types of capital*, such as human capital and social capital, *contributes to social inequality*, such as socioeconomic achievements and quality of life.

Among these neo-capital theories, social capital has gained much attention for its intriguing potential to explain a host of performance and satisfaction outcomes, ranging from participatory democracy and community cohesion to organizational persistence and socioeconomic status attainment (Coleman 1988; Putnam 1993; Portes and Sensenbrenner 1993; Lin, Ensel, and Vaughn 1981; Burt 1997). I focus here on social capital, and on one type of instrumental outcomes—inequality of socioeconomic standings among social groups. I begin with a brief summary of how social capital may be defined and measured.

### **Social Capital: Definition and Measurement**

Social capital may be defined as *investment and use of embedded resources in social relations for expected returns* (Lin 1999a, 2000). Social capital is conceptualized as (1) quantity and/or quality of resources that an actor (be it an individual or group or community) can access or use through (2) its location in a social network. The first conceptualization of social capital emphasizes resources—the resources embedded in social relations, or *social resources*. The second conceptualization emphasizes *locations in a network or network characteristics*. The general proposition is that social capital enhances the likelihood of instrumental returns, such as better jobs, earlier

promotions, higher earnings or bonuses, and expressive returns, such as better mental health.

Empirical studies have strongly confirmed the proposition that social resources affect action outcomes (e.g., job search, promotion, earnings), and recent reviews of the literature on the effects on attaining socioeconomic statuses of social capital can be found elsewhere (Lin 1999b; Burt, forthcoming; Marsden and Gorman, forthcoming). The proposition that a better position of origin promotes access to or use of better social resources has also received confirmation (Campbell, Marsden, and Hurlbert 1986; Lin and Dumin 1986; Green, Tigges, and Browne 1995). Most studies also have confirmed the less clear-cut hypothesis that the strength of network (weak) ties or locations tends to be associated with better social resources (Lin et al. 1981; Bian 1994; Bian and Ang 1997; Lin and Dumin 1986; Sprengers, Tazellar, and Flap 1988; Lai, Lin, and Leung 1998; Volker and Flap 1999). Some evidence also shows direct effects of network characteristics on socioeconomic standings (Campbell et al. 1986; Huang and Tausig 1990; Lin and Dumin 1986; Bian 1994; Campbell 1988; Burt 1998).

A substantial body of literature thus confirms the effects of social capital (as measured by embedded resources and network characteristics) on socioeconomic attainment. Given these conceptual understandings and empirical confirmations, we can examine why inequality in social capital should exist across social groups, what empirical evidence shows that inequality may exist across gender and racial/ethnic groups, and what agenda should guide future research.

### **Inequality in Social Capital: The Theory**

Obviously, not all individuals or social groups uniformly acquire social capital or receive expected returns from their social capital. While scholars have warned about possible negative effects of social capital (Portes and Landolt 1996), a cohesive and systematic approach to understanding and appreciating the positive and negative effects of social capital is needed. Why do we expect that social groups experience differential capital deficits and/or return deficits? I offer an explanation based on two principles: Inequality of social capital occurs when a certain group clusters at relatively disadvantaged socioeconomic positions, and the general tendency is for individuals to associate with those of similar group or socioeconomic characteristics

(homophily). The first phenomenon reflects a structural process: Social groups differentially occupy socioeconomic standings in a society. Depending on the processes of historical and institutional constructions, each society structurally has provided unequal opportunities to members of different groups defined over race, gender, religion, caste, or other ascribed or constructed characteristics. The second principle, homophily, suggests a general tendency in networking: the tendency for individuals to interact and share sentiment with others with similar characteristics (Homans 1958; Lazarsfeld and Merton 1954; Laumann 1966; Lin 1982). Thus, members of a social group tend to form networks involving other members from the same group.

These two principles, when operating in tandem, produce relative differential access by social groups to social capital: Members of a certain group, clustering around relatively inferior socioeconomic standings and interacting with others in the similar social groupings, would be embedded in social networks poorer in resources as well—poorer social capital. Resource-rich networks are characterized by relative richness not only in quantity but also in kind—resource heterogeneity (Lin 1982, 2000; Lin and Dumin 1986; Campbell et al. 1986). Members of such networks enjoy access to information from and influence in diverse socioeconomic strata and positions. In contrast, members in resource-poor networks share a relatively restricted variety of information and influence.

Any given social group reflects degrees of group demarcation and variation of network resources among members. Cognitive awareness of these resource restrictions may motivate some members of disadvantaged groups to establish social ties with members of advantaged groups, to gain better information and influence. Such ties are facilitated by such institutions as kin and family ties and bureaucratic mentor-protégé ties. And the advantaged may have some in making such ties available—they afford a certain degree of social mobility across socioeconomic strata and reduce the likelihood of class consciousness, class conflict, and social upheaval (Lin 1982). Cross-group ties facilitate access to better resources and better outcomes for members of the disadvantaged group. Nevertheless, such ties are the exception rather than the rule; homophily and structural constraints reduce the

likelihood of establishing such ties for most of the disadvantaged members.

### **Gender and Race/Ethnicity Inequality in Social Capital**

The literature supports the general understanding that social capital is differentially distributed across different social groups. Here, I focus on gender and racial/ethnic groupings in a brief review of the evidence.

Significant differences appear in the social networks and embedded resources between females and males. Moore (1990) shows that men's networks, when compared to women's, consisted of fewer kin and more nonkin, and included fewer neighbors but more co-workers, advisors, and friends. Women's networks, in contrast, incorporated a larger proportion of kin overall as well as more different types of kin, but fewer different types of nonkin. Most gender differences in network compositions disappeared or diminished when variables related to employment, family, and age were controlled. However, some gender differences remain: Women had a larger number, higher proportion, and greater diversity of kin ties in their personal networks than did men, even in social structural positions similar to those of men. Campbell and Rosenfeld (1985) confirmed in their study that males had larger networks than females.

The gender differential in network diversity and size is due partly to the fact that males and females participated in organizations with different embedded resources. McPherson and Smith-Lovin (1982) showed that men belonged to larger organizations when compared with women in similar categories, whether in work status, age, education, or marital status. They also found that men were located in core organizations which were large and related to economic institutions, while women were located in peripheral organizations which were smaller and more focused on domestic and community affairs. Men and women had almost exactly the same number of memberships, but the dramatic differences in the sizes and types of their organizations exposed men to many more potential contacts and other resources than women. Men's positions in the voluntary network were much more likely to provide access to information about possible jobs, business opportunities, and chances for professional achievement. Women's positions were more likely to expose them to information about the domestic realm.

Beggs and Hurlbert (1997) also found that males tended to be affiliated with associations with mostly male members. Brass (1985) found that women were not well integrated into men's networks, including the organization's dominant coalition, and vice versa. Women whose immediate work groups include both men and women were exceptions.

Gender-based differential associations reflect structural constraints, at least in part. Munch et al. (1997) showed that society's definition of child rearing as a female activity placed men and women in different structural positions with respect to flow of information and other resources in social networks. Having a child had no statistically significant effect on men's network size, but was a significant negative effect on women. In particular, women whose youngest child was age 3 or 4 displayed significantly smaller networks than do their counterparts with adult children.

Thus, the effect of child rearing on network size is significant and gendered. The reductions in women's network size and contact volume ranged from social support to access to information. During child rearing, the proportion of men's networks that consisted of contacts with friends declines, while the proportion of contacts with women and kin increased. During early child rearing, men's social contacts were redirected toward women and family. Child rearing affected men's networks primarily by temporarily increasing their kin composition. It draws men into greater contact with other family members, especially spouses and female kin.

Such gendered differential associations and networks may explain why males and females have different access to different hierarchical positions in society. Consistent evidence shows sex segregation in occupational contact networks—males associate in networks with other males and females associate with other females in the occupational networks (Hanson and Pratt 1991; Green et al. 1995; Marx and Leicht 1992; Straits 1998). Campbell (1988) documented differences between the job-related networks of women and men in a sample of recent job changers in four white-collar occupations. Women knew persons in fewer occupations than did men; their networks were negatively affected by having children younger than six; and they often changed jobs in response to their spouses' mobility; men's networks were unaffected by these constraints.

Marsden (1987, 1988) similarly suggested that women use networks less because women's networks have more kin, fewer co-workers, and more other women.

It is quite clear, then, that males have larger networks, are affiliated with larger associations, and enjoy the benefits in associations with other males—gender homogeneity, since males occupy higher positions in hierarchical structures (Moody 1983). In contrast, females are affiliated with disadvantaged networks—smaller and less diverse networks, more female ties, ties lower in hierarchical positions. Since their associations and networks also tend to be homogeneous, there is likewise a network closure and reproduction of resource disadvantages among females.

The exception is that family ties tend to be gender-heterogeneous (Marsden 1990; Hanson and Pratt 1991): Family members consist of both males and females. Thus, family ties may help overcome some network disadvantages for females because they may access male family ties. However, family ties also tend to be homogeneous in resources. Thus, depending on the resources embedded in a family, these family ties may or may not actually provide better access for females.

Inequality in social capital is also evident across racial and ethnic groupings. Martineau (1977) analyzed survey data drawn from a heavily (85%) black neighborhood in South Bend, Indiana. The findings demonstrated that blacks in the urban area had a higher rate of informal ties with relatives (78% if respondents have relatives in the city), friends, and neighbors. Marsden (1988), using 1985 GSS data, found that network diversity and size decreased from whites to Hispanics and to blacks. Sex diversity is highest in the networks of whites, and this difference persists when kin/nonkin composition is controlled for (1988: 129). He also found that whites had the largest networks (mean size 3.1), blacks the smallest (mean size 2.25), and Hispanics and others were intermediate. Notably, black respondents cited fewer kin and fewer nonkin than whites did, and their networks had a lower proportion kin than those of whites.

Even among blacks, this hierarchical differentiation remains. Black elites tended to form social ties through participation in churches and social clubs. The black upper class (Drake 1965), composed mainly of professionals and well-to-do

businessmen who have got higher education, create a closed social world of their own. Their specific universe of "discourse and uniformity of behavior and network are maintained by the interaction on national and local levels of members of Negro Greek-letter fraternities and sororities, college and alumni associations, professional associations, and civic and social clubs" (1965: 782). Although they expected to integrate into the mainstream white society, they rarely totally succeeded. However, the upper-class blacks maintained "some types of contact—though seldom any social relations—with members of the local white elite; but whether or not they participate in occupational associations with their white peers depends upon the region of the country in which they live" (1965: 781). The black middle class covered a wide income range, and the cohesion of this class "came from the network of churches and social clubs to which many of their members devoted a great deal of time and money" (1965: 782). Although they did not expect to integrate into mainstream society, they did not want to send their children to ghetto schools, either.

Similarly, Portes and associates have advanced the enclave-economy hypothesis arguing that ethnic economic enclaves afford opportunities for entrepreneurs and laborers to gain a foothold in the economy and labor market (Wilson and Portes 1980; Portes and Stepick 1985; see also Breton 1964). While the hypothesis has been challenged and revised (Sanders and Nee 1987; Portes and Jensen 1987), the basic premise that such a market is largely built on kin and ethnic networks has been generally acknowledged. More recently, Portes and Sensenbrenner (1993) have linked ethnic ties to mutual assistance to illustrate the utility of social capital in the context of an ethnic community.

Because immigrant groups or enclaves tend to be poorer, these groups are thus disadvantaged in social resources. That these disadvantages are embedded in the social capital resource of white and black networks can be seen more clearly from the fact that black children adopted by whites tend to access better social resources, which produced higher achievement outcomes (Moore 1987). Blau (1991) pointed out that social isolation of blacks from whites contributed much to the poor performance of black children in a society in which whites dominate and determine the content and standard of mainstream culture. Similarly, Montero (1981)

found that education and occupational attainments weakened ethnic ties among Japanese Americans. Breton (1964) found that years in residence made a difference in the likelihood of immigrants in Canada to use ethnic ties and embedded resources. Longer residence reduced such ties among immigrants.

Besides these structural constraints, people in lower socioeconomic status tend to use local ties, strong ties, and family and kin ties. Since these ties are usually homogeneous in resources, this networking tendency reinforces poor social capital. Green et al. (1995) found that poor job seekers were more likely than the nonpoor to call on communal ties such as friends and relatives. Portes (1998) shows that ethnic immigrants tended to use kin and ethnic ties to access resources. To the extent that these immigrant networks contain less resources than nonimmigrant networks, the immigrant group members are disadvantaged in the resources they can access.

### Research Agenda

While the evidence is consistent and significant that minority groups and females tend to be embedded in social networks deficient in resources or in social capital, several issues demand greater research attention.

*Lack of Evidence for Return Deficit.* Individuals with better socioeconomic origins (e.g., parental socioeconomic status or previous job standings) are more likely to access better social resources in social networks and/or find contacts with better social standings. Thus certain gender (female) and racial/ethnic groups, occupying inferior positions in the social hierarchy and accessing worse resources in social networks, should attain lower statuses in their careers. However, few studies provide direct data to assess relative returns of social capital for males and females or for different racial/ethnic groups.

Ensel (1979) found that male job seekers were much more likely to reach higher-status contacts than were females. Further, women were more likely to use female contacts in job searches whereas males overwhelmingly used male contacts. When women did use male contacts, their disadvantage in reaching higher-status contacts as compared to men was significantly reduced. Males, being positioned advantageously in the hierarchy, had better social capital. Second, female disadvantages in mobilizing male contacts—and thereby accessing better

social capital—accounted partly for their inferior status attainment.

However, other studies have found no significant difference between men and women of the effects of social capital on job search outcomes. Moerbeek and others (1995), using father's occupation as the indicator of social capital when the father was mentioned as the social contact, found it exerted a positive and significant effect on the statuses of first and current/last jobs for both men and women. Wegener (1991), studying a sample from Germany, found that contact status significantly affected the prestige of the job found for both men and women. Bian (1997), examining an urban city in China, found that helpers' job status (measured by the hierarchical level of his/her work unit) was strongly associated with attained work unit status in the job change. Bian and Ang (1997), studying men and women in Singapore, also confirmed that social resources (contact's status) had significant effects on obtained job statuses. And Volker and Flap (1999) found that in the former German Democratic Republic, the occupational prestige of the contact person had strong and significant effects on the prestige of both first job and current job for men and women.

Thus, then, little evidence supports a relative return deficit for women. And little theory is being advanced to account for the lack of expected return deficit for women. However, clues appear in a recent study conducted in 18 urban cities in China (Lin 2000: Chapter 7). The study found that Chinese women were deficient in social capital (e.g., range, heterogeneity, and ability to rise in network resources) compared to Chinese men. However, social capital was equally significant for men and women in affecting their earnings and income. Further analysis found that women benefited from their accessibility to political social capital (party cadres), and their accessibility was enhanced through kin ties (i.e., spouses, and spouses of siblings). Thus, through kin ties, some Chinese women were able to overcome capital deficit and gain better economic returns. Therefore, family ties and hiring practices (most couples work in the same work unit) afforded some women the advantage of accessing important social capital, which generated better economic returns. These social connections compensated somewhat for the social capital deficiency among women.

No studies have directly examined the effects of social capital on status attainment for blacks or other minority groups in the United States. Some clues can be gleaned from studies of the use of social ties and social networks among the socially disadvantaged. Green, Tigges, and Diaz (1999), analyzing MCSUI data, found that the use of strong ties was negatively associated with annual earnings, significantly for Hispanics. Green, Tigges, and Browne (1995) showed that incomes were lower for those who used within-neighborhood ties or ties to relatives. Elliott (1999) found that the use of nonwhite rather than white contacts was linked to lower wages for his sample of less-educated workers, and that this was accentuated when nonwhite neighbors were the source of job information. Thus, we may hypothesize that certain racial and ethnic groups, due to their disadvantaged social positions, should suffer return deficit from their social capital relative to job-related outcomes.

However, as demonstrated by studies on the return of social capital for men and women, we should not assume that social capital deficiency translates directly into return deficit. Possibly, for a similar level of social capital deficit, returns of social capital remain different for different social groups; or for different levels of capital deficit, social groups obtain similar level of return. On the other hand, a similar-level return does not negate the original disadvantage of capital deficit. If two groups possess differential levels of social capital, a similar level of return of social capital simply indicates persistent disadvantage of one group (i.e., in statistical terms, the intercepts differ while the two slopes may be similar). Again, the hypothesis regarding racial/ethnic differential return of social capital must be examined with rigor.

*Capital Deficit and Return Deficit.* Clearly the number of studies examining the proposition that inequality in social capital affects social inequality is limited, and the literature suffers from inconsistent findings. Future studies may benefit from several conceptual clarifications: We must examine, first, whether different social groups possess different amounts or quality of social capital; second, whether they gain different return from what social capital they have; and third, whether it is possible for members of disadvantaged groups to act to overcome such deficiencies. Inequality in capital among social groups may be due to capital deficit or return deficit or both (Lin 2000). *Capital deficit* refers to

the consequence of a process by which differential investment or opportunities produce the relative shortage (in quantity or quality) of capital for one group as compared with another. For example, families may invest more in male children's human or social capital than in those of female children. Or different social groups may be embedded in different social hierarchies or social networks that facilitate or constrain their members' capital acquisition. *Return deficit* is the consequence of a process by which a given quality or quantity of capital generates differential returns or outcomes for members of different social groups. For example, males and females, or blacks and whites, with a similar quality or quantity of social capital, may receive differential returns in status attainment—such as positions in organizations, occupational prestige, or earnings.

The capital deficit explanation focuses on the differential acquisition of capital. One process may be *differential opportunities*: Prevailing social structure and institutions differentially afford opportunities for members of different social groups. Male children are encouraged and rewarded for extensity and heterogeneity of social ties, while female children are constrained or even punished for doing so. Another process may be *differential investment*: For example, families may differentially invest in capital for male and female children. In most societies, families in anticipation of a labor market and economy that provide differential returns for males and females are likely to compete by investing more capital in males than females. Likewise, due to homophily, members of a racial and ethnic group tend to interact with other members of the same group and cultivate and reinforce capital deficit. These two processes create differential capital deficit: Members of certain gender and racial/ethnic groups will acquire less capital in terms of quality and quantity. Capital deficit, in this formulation, is expected to account for the differential placements and rewards received by different social groups.

Return deficit, on the other hand, focuses on the return to social capital—in the labor market, for example. In this case, even when members of different social groups (males and females) have relatively equal capital (quality or quantity), they have different status outcomes in the labor market: Given the same quality or quantity of capital, males will generate greater rewards than

females in the labor market, such as positions in the organization, occupational titles or prestige, and earnings.

Three explanations may be offered. In one, females may not use or mobilize the “appropriate” capital for the instrumental action of attainment in the labor market. For example, they may not use the “best” social ties and thus the best possible social capital in the attainment process, either because they are cognitively unable to identify them or because they hesitate to mobilize such social capital because of perceived lack of resources or capacity to return the favor. Alternatively, the appropriate social ties are mobilized, but for real or imagined reasons, these ties are reluctant to invest their capital on the female's behalf. These ties may suspect that employers might resist female candidates, and thus not take their recommendation or influence seriously. Such wasted influence would be a cost rather than prize for their investment in the candidate. Not “putting out” may also be the cultured or institutionally expected understanding, because even for females and their families less effort is expected from social ties on behalf of females. A third explanation may be the differential responses from the labor market's structure itself: Employers respond differentially to male and female job/promotion candidates even if they present similar human and/or social capital—a bias shared by organizations in an institutional field (a social community in which the organizations share a set of prevailing values and practices [Lin 2000: Chapter 11; and Lin 1994]).

Finally, despite these structural and investment patterns, making connections from ordinary patterns of interaction (among homophilous actors) may overcome some of these deficits. Females may benefit from networking with males, and members of minority racial/ethnic groups may benefit from linkages with members of majority/dominant groups. These connections require nonroutine efforts, perhaps at the cost of reducing one's identity with his/her own group and recognition from group peers.

*The Invisible Hand of Social Capital.* Another puzzling finding regarding return on social capital concerns the effect of mobilizing informal social ties in job searches. Active mobilization of social ties does not seem automatically to enhance better career outcomes. Little research evidence shows that those embedded in resource-rich networks are more likely to active-



ly seek out such resources for job search, job promotion, or other status enhancement actions. In fact, the reverse may be more valid. Consistent evidence demonstrates that disadvantaged social group members may be more likely to use informal methods in job searches. This tendency is found for those less educated (Ornstein 1976; Corcoran et al. 1980; Marx and Leicht 1992), among blue-collar employees (Rees and Shultz 1970; Corcoran et al. 1980; Hilaski 1971; Marx and Leicht 1992), among laborers and construction workers (Falcon 1995; Manwaring 1984; Lee 1987), poorer job seekers (Green et al. 1995), and among African Americans (Corcoran et al. 1980; Campbell and Rosenfeld 1985; Ornstein 1976; Datcher 1983; Holzer 1988; but see Marx and Leicht 1992; Green et al. 1999).

This tendency does not indicate that better-positioned workers do not use informal methods. They do—for example, among professionals (Gottfredson 1979), managerial and technical workers (Granovetter 1974), and Dutch managers (Boxman et al. 1991). Significantly, in job search outcomes nonsearchers seem to do as well as or even better than seekers.

Obviously, certain jobs can be matched to applicants with a greater degree of certainty if the jobs require largely technical skills and knowledge (such as programming or gene analysis). Thus, we should expect that candidates with documented training, knowledge, and experience in technical fields might apply directly to announcements of jobs requiring such skills and knowledge, accounting to some extent for use of formal applications or response to formal media in the matching of jobs and applicants, and by-passing the use of informal methods and evocation of social capital.

However, evidence also shows the following patterns in job searches: that those embedded in resource-rich networks or having more social capital are not more likely than those in resource-poor networks to actively mobilize personal contacts in job search; and that nonsearchers (those who do not actively mobilize social resources) seem to do as well or even better in status attainment compared to searchers who use informal methods (e.g., [higher income] Granovetter 1973; [better job status] Lin et al. 1981; Campbell and Rosenfeld 1985; De Graaf and Flap 1988). These patterns suggest differential effects of social standings and social networks on active mobilization of contacts in job

search. If social capital implicates resources embedded in social networks, why then do individuals or social groups who seek out others (in the informal methods) in a job search not gain added return?

This seemingly puzzling lack of patterns about effects of informal methods (or use of personal contacts) in the job search may be explained by the general nature of information and influence exchanges in social networks. As mentioned before, if resource-rich networks are associated with greater heterogeneity of resources, then we can also assume that a greater amount of useful information is routinely exchanged among members: The greater the valued resources are embedded in a social network, the greater the amount of useful information is circulated among members. One consequence is that embeddedness in resource-rich social networks increases the likelihood of receiving useful information, in the *routine exchanges and without actively seeking such information*. Granovetter (1985) found that nonsearchers had used networks in locating previous jobs, had had experience in managerial (rather than professional or technical) work, and had attended high-prestige colleges. “It stands to reason, then that persons having networks yielding access to substantial job information will be more apt to be presented with opportunities to change jobs without an active search” (Marsden and Gorman, forthcoming). Thus, we may hypothesize that embeddedness in resource-rich networks is associated with routine flow of useful information—the *invisible hand of social capital*. If this hypothesis is true, it explains why nonsearchers, especially among those positioned in resource-rich networks, attain better jobs. Only when such useful information is not available and not forthcoming would activation of social capital become necessary. This occurs when one is embedded in resource-poor networks and, thus, less likely to receive useful information.

Therefore, the active mobilization of social ties in a job search or other instrumental actions is more likely to occur among minority group members and those in socioeconomically disadvantaged networks. This principle also explains why strong ties are less effective for minority group members (Green et al. 1999; Green et al. 1995) and why cross-gender ties are more useful for females and cross-race ties more useful for

blacks (Elliott 1997; Campbell and Rosenfeld 1985).

Future studies should explore the operations of the invisible hand of social capital. For example, we can hypothesize that, after taking into account the technical skills and knowledge of the jobs and applicants, individuals embedded in resource-rich networks should routinely receive information useful in improving their life chances and routinely provide influence (i.e., promoting each other's credentials to third parties) for one another. In contrast, individuals in resource-poor networks are less likely to routinely exchange such information and influence. Note that it is *not* hypothesized that individuals in resource-poor networks do not routinely exchange information and influence. Rather, what is expected to be different is the usefulness of information and influence that they routinely receive. Such relative effects should be found across different social groups, if they are clustered in different structural positions.

### Summary and Discussion

Social groups (gender, race) have different access to social capital because of their advantaged or disadvantaged structural positions and associated social networks. Situated in different positions in the social hierarchy, and given the tendency to interact with other members of the same social group (homophily), members of a disadvantaged group may find themselves deficient in social capital. Inequality in social capital, therefore, can be accounted for largely by structural constraints and the normative dynamics of social interactions.

The research literature, by and large, confirms the disadvantages of females and minority group members in social capital. However, direct studies on the return of social capital for these social groups are very limited, and the results ambiguous. It would be helpful to examine the mechanisms of underlying capital deficit and return deficit separately. Understanding and measurements of the operations of social capital are essential because the usefulness of information and influence in routine exchanges differs among social networks.

For the disadvantaged to gain a better status, strategic behaviors require accessing resources beyond the usual social circles (Ensel 1979) and routine exchanges. Finding sponsors in the firm (Burt 1998); joining clubs dominated by males (Beggs and Hurlbert 1997); finding ties outside the neighborhood (Green et al. 1995); and find-

ing ties across ethnic boundaries (Stanton-Salazar and Dornbusch 1995; Stanton-Salazar 1997) generate better returns for members of disadvantaged social groups. While these actions are exceptions rather than the rule, they do point to the utility of action in overcoming inequality in social capital for some members of a disadvantaged social group.

The research agenda outlined and the empirical study explored here suggest that systematic empirical investigations equipped with specific measures and designs to flush out institutional and cultural variations can advance understanding about capital inequality and social inequality for different social groups, on different social inequalities, and in different communities and societies.

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