

On the dark side of social capital revisited: a game-theoretic approach*

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Abstract

This study revisits the concept of social capital (SC) and examines its negative aspects, particularly focusing on the unequal distribution of its benefits and opportunities. We review multiple facets of SC explored in the existing literature and propose a simple game as a unifying theoretical framework. In our model, players choose whether to actively or passively engage with their social networks, conceptualized as individual resources. We classify the resulting situations into those where SC is fully utilized by society, those that resemble capitalistic exploitation, those where the privileged free-ride on the disadvantaged, and those where social dilemmas concerning SC arise. Furthermore, we discuss the possibilities and limitations of policy interventions aimed at promoting the utilization of SC.

Keywords: social capital, dark side of social capital, capitalistic exploitation, free-riding, social dilemma

JEL classification codes: A12, D61, D63

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