Does investing in identity work? 
An examination of the ethnocentric social capital theory from an oriental perspective

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Abstract

The central thrust of this paper questions the notion of ‘investing in identity’ in the current approach to social capital, and challenges the assumption that the poor can draw upon their identities as productive resources to alleviate poverty. This paper argues that the mainstream social capital model is largely based on the economic model of rationality, which assumes that individuals are rational, and consciously construct social identities with purposive reasons. This perspective, however, neglects agency, subjectivity and the power dimension in the process of identity building. This paper also questions the ethnocentric nature of social capital thinking which plays down the influences of culture and context. Drawing upon the structuration theory of Anthony Giddens, and based on my ethnographic research on Chinese migrants in Hong Kong, I challenge the ‘Hong Kong-derived Chinese identity model’ by Gregory Guldin. Using the concept of ‘acknowledgeable agents’, I argue that the construction of ethnic identity amongst migrants is far more complicated, and agents may use their hyphenated identities to seek room for manoeuvre. I also highlight the transformative, fluid and fragile nature of identity to suggest that the notion of ‘investing in identity’ is problematic because which and what identities, and where and how to invest, are not properly addressed. Taking agents’ subjectivity into account, disinvestment, rather than investment, in identity may be a more desirable livelihood strategy adopted by migrants. Finally, I draw attention to the dark sides of identity, and point out that without a clear understanding of the existing structures of interaction, investing in identity may result in poverty aggravation and further exclusion of the poor.

Introduction

Social capital, being regarded as an asset of the poor, has gained currency in development thinking in the past decade, since it is claimed to be a solution to
poverty and collective-action problems. Identity matters in the social capital model because it facilitates, as well as constrains, social interactions in everyday lives. It is believed also to affect trust formation and group participation. The notion of ‘investing in identity’, then, has attracted wide attention because it suggests that individuals can use their identities to draw upon relational resources and to make claims on productive assets. By encouraging investment in identity, pro-social capitalists claim to help the poor to build a dense web of support networks and reinforce the norm of reciprocity.

The underlying assumptions of social capital theory, however, are seldom challenged, and the notion of ‘investing in identity’ is problematic. The mainstream approach to social capital remains largely based on the economic model of rationality. It takes an instrumental and functional view on identity, and assumes that individuals are rational, thus consciously mobilising their identities to maximise the returns. Does it make the investment in identity difficult, though not necessarily impossible, if the nature of identity is fluid, intermittent and changeable? Is disinvesting, rather than investing, in social relations a more desirable livelihood strategy for adoption by the poor? Do pro-social capitalists over-emphasise the productive dimension of identity, while playing down its dark side, which may cause further exclusion of the poor?

Another concern is that social capital theory is an ethnocentric concept which attempts to offer a universal and generalised claim. It would be interesting to explore the extent to which the concept of identity is influenced by the factors of culture and contexts.

In doing so, this paper draws largely upon my 12-month ethnographic research on Chinese migrants in Hong Kong in 2001-2. Through analysis of my observations and interviews, I intend to explore the complexity of ethnic Chinese identity and social capital mobilisation. The discussion of identity in this paper is largely focused on ethnic identity, although this inevitably interacts with other dimensions of identity, such as gender, sex, age and religion in everyday lives.

In the following pages, I shall examine the notion of ‘investing in identity’ in current social capital thinking. Then, I shall contest Gregory Guldin’s hierarchical Hong Kong-derived Chinese identity model by highlighting the multiple, complex and fluid nature of identity. In the third section, I question the notion of ‘investing in identity’ by querying whether we fully comprehend in which identities to invest. By exploring migrants’ subjectivity, I shall demonstrate why disinvesting in social relations may be a more desirable livelihood strategy. Lastly, I shall put agency into structures and draw attention to the dark side of identity.

**The notion of ‘investing in identity’ in social capital thinking**

Identity is, as suggested by Alkire and Deneulne (2002 p.63), ‘a power drive behind behaviours’. There is a general belief that social capital theory is identity-blind because James Coleman, Pierre Bourdieu and Robert Putnam, the three social capital protagonists, have rarely mentioned identity in their