Chapter 1
Wasta as a Form of Social Capital?
An Institutional Perspective

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Introduction

When *wasta* is called social capital, it is usually not without a touch of irony, based on a tacit assumption that the use of personal ties is divided into negatives and positives, or an honest and dishonest version of the practice. The less-than-noble system assumed has many names, usually in a local and often euphemistic jargon: *blat* in Russian, *Vitamin-B* in German, or *wasta* in Arabic.

The underlying assumption is that the utilization and employment of personal connections gives certain people advantages that they would not otherwise merit, thereby creating an unjust and inefficient allocation of funds, services, and/or positions.

Berger et al. (2014, pp. 3–4) summarized the scarce literature on *wasta* as follows:

- The intercession of a patron in support of another in an attempt to obtain privileges or resources from a third party (Cunningham and Sarayrah 1993; Loewe et al. 2008).
- *Wasta* is a type of favoritism that grants one with advantages, not because of merit, but because of the tribe they belong to. *Wasta* is personalistic and most often originates from family, tribal relationships, or close friendship (Smith et al. 2012b).
- *Wasta* entails social networks of interpersonal relations entrenched in family and kinship attachments. It implicates the exercise of control, influence, and information distribution through political, business, and social networks (Hutchings and Weir 2006b).
- In Arab countries, "succeeding or failing may depend heavily on the scale and scope" of *wasta*.

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Unsurprisingly, the more positive version of connection usage in order to get ahead, be successful, or avoid retribution is universally defined as professional networking. While still focused on human relationships and (mainly) career networks, such networking is widely considered a beneficial form of social capital. Its connotation is of being meritocratic and fair, justly honoring a person's abilities and efforts. Moreover, its importance appears to have grown exponentially in a globalized digitized world that can otherwise render an individual lacking in orientation and quite full of uncertainty, providing more choices and options that he or she can optimally manage. Social media platforms (*LinkedIn, Xing, Glassdoor, Bayt*) have been specifically launched to meet this online career networking need. Universities now routinely offer alumni programs that promise graduates a network of professional contacts and mentors upon graduation. Additionally, programs that foster entrepreneurship consider not only the necessity of connections and networking abilities but also the importance of mentoring to further enable entrepreneurial success.

Hence, there is a growing awareness of the importance of human interaction vis-à-vis professional success and stronger career pathways. Until relatively recently, the notion that strict individualism—and the illusion that gains made due to a successful career—stems from an individual's efforts alone has been modified to include the importance of rediscovered connections introduced into economic theory through the back door. Pure meritocracy has been tempered and given way to the recognition that connections do matter—and matter a lot. Thus far the perspective on traditional networking appears to have remained constant, economic theory having failed to alter this advantage. With few noteworthy exceptions (Tlaiss and Kauser 2011), *wasta* has kept its negative image and is rather studied as a specific Middle Eastern phenomenon than as part of networking theory or social capital literature.

This chapter aims to show that rather than being antithetical, social capital and *wasta* actually overlap quite considerably, and more than Western proponents of professional networking who chaff at their understanding of *wasta* might care to admit. The authors have determined that social capital and *wasta* often share the same attributes, often to an amazing extent, and even argue that *wasta* is included fully in the concept of social capital. Thus, the main differences between detrimental or beneficial effects of networking do not seem to lie with the particular nature of the network nor the country it takes place in, but rather with the network's overall purpose.

Rather than focusing on the all too frequent idea of counteracting *wasta* to strive for an illusionary society of pure meritocracy (which, it ought to be noted, has basically been eradicated in Western democracies anyway), the awareness of the positive potentials of *wasta* may help to address its latent concepts in a more focused and precise manner. At times it is necessary to subtly modify the practice of *wasta* and channel it towards a more beneficial direction when astray, by addressing its intent and specific circumstances. With such a more precise grasp of purpose, *wasta* could even help address current employment problems in the

Arab—particularly Gulf—world without a need to drastically alter the social fabric of a society in its stead.

This chapter will contrast two entirely different concepts: first, the academic concept—which largely focuses upon social capital—is well studied and densely theorized at the *expense* of addressing *wasta* and, second, the vague and more popular received wisdom that tends to embrace the misunderstood ill-defined notions of *wasta*. There are, in the end, no definitive theories of *wasta*. Comparing the two requires common sense to fossick behind the academic nimbus that may be a hindrance to understanding their similarities. Nevertheless, theory can prove helpful in removing this mantle: by its sheer ambiguity, it often betrays the context and intention of the author. This chapter will therefore mostly develop the perspective of economic institutionalism on networks, social capital, and related topics such as collectivism and individualism. It will become clear that this academic approach to developing a theory of social networking is highly dependent on the context of the author's topic. There is no final judgment on networking as being either bad or good. Therefore, accepting the vagueness of the concept and the multiple underlying trajectories, it becomes extremely difficult to find a clear-cut differentiation between social capital and *wasta*.

Backgrounds, Contexts, and Definitions

Social Contexts: Individualism Versus Collectivism

To contrast *wasta* and social capital to find out where they coincide, it is crucial to understand the type of societies they are usually attributed to and set them in their proper perspectives (Allik and Anu Realo 2004; Triandis 1995). Although *wasta*, like other types of negatively classified networking systems, is attributed to collectivist societies, social capital has mostly been studied in the context of Western, more individualist societies. Putnam, for example, makes clear that his findings rely on evidence solely from the USA and that they may not be applicable to other countries (Putnam 2000). Bourdieu approached his assumptions from his years in Algeria, which may have resulted in a vision of social capital that was a more complex concept that might have otherwise been observed (Calhoun 2006).

Durkheim, who shaped the notion of individualism, never considered it as an ideal, but a consequence of the need to handle population growth. To Durkheim, growing individualism also came with the risk of a loss of solidarity (Durkheim 1893). However, individualism seems to have grown with modernization and has come to be regarded as a condition that less-developed countries are bound to reach if they aim to develop viable economies and more stable democratic political systems. In Europe, Scandinavian societies rank very highly on common assessments of individualist values. They are also considered role models for many policies wherein women's rights, environmental protection, immigration, and human rights are concerned (The Economist 2013-02-02).

Table 1.1 Individualism and power distance according to Hofstede

Country	Individualism	Power distance
Egypt	25	70
Iran	41	58
Iraq	30	95
Jordan	30	70
Kuwait	25	90
Lebanon	40	75
Morocco	46	70
Syria	35	80
Saudi Arabia	25	95
UAE	25	90
UK	89	35
Norway	69	31

The index only covers these Middle Eastern countries and Turkey.
Source: http://geert-hofstede.com; accessed 2015-04-02

Table 1.1 shows that, according to Hofstede's research, Middle Eastern countries have a tendency towards collectivism. Their rates for individualism are extremely low, especially in the GCC states. By contrast, the UK and Norway rank very highly on individualism. Hofstede defines this category as:

> The fundamental issue addressed by this dimension is the degree of interdependence a society maintains among its members. It has to do with whether people's self-image is defined in terms of "I" or "We". In Individualist societies people are supposed to look after themselves and their direct family only. In Collectivist societies people belong to 'in groups' that take care of them in exchange for loyalty. (http://geert-hofstede.com; accessed 2015-04-02)

The ratings for individualism have furthermore been contrasted with the ratings for power distance, which seems to be indirectly proportional to individualism. In a nutshell, power distance measures the readiness of individuals to accept hierarchies and to comply with decisions made by others. Hofstede summarizes it as follows:

> This dimension deals with the fact that all individuals in societies are not equal—it expresses the attitude of the culture towards these inequalities amongst us. Power distance is defined as *the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally.* (http://geert-hofstede.com; accessed 2015-04-02)

In a way, the connectivity of the two measures does not come as a surprise. The acceptance that life is defined by adherence to a group will most likely also entail that hierarchies within a group or between groups have consequences. By contrast, individualistic societies provide the individual the freedom to choose a way of life they personally deem to be good, as opposed to a life that is shaped by an adherence to a certain group. Being regarded as cultures where status and hierarchies matter less, they seem to give the individual the chance to demonstrate his or her abilities and gain success on the basis of educational achievements and enthusiasm.

Rather than being confined to the fate of a certain group due to family lineage, individualistic societies encourage the possibility of fostering chosen ties based more upon their interests rather than their blood ties. This is, we must agree, a historically new phenomenon. These optional ties, in turn, are the basis for professional networking. Based on the assumption that chosen ties link people with similar interests, abilities, and professional profiles, strengthening and using those ties is likely to cause positive synergies (while positive means first and foremost a beneficial link for those part of these networks). In the case of job recruitment, for example, a personal recommendation of candidates is likely to result in a smaller and more concise set of suitable potential employees, whereas an open call entails much more of a selection process that must be worked through before reaching satisfaction. This may be good for a company but not necessarily for the skilled applicant who spent time and effort applying, without knowing that only those with personal ties would in reality be considered.

The degree of individualism in societies has furthermore been suspected as correlating with increased psychological problems, loneliness (especially of the elderly), high degrees of competition among peers, and increased costs in health care and social security (Ogihara 2014). Although other research has shown that the degree of life satisfaction is not necessarily lower (Veenhoven 1999), it is hard to deny that work previously managed by family members now must be provided by other institutions—a challenge for the state and welfare system. Dependence on the family is replaced by a dependency on the society and the state. "How does it come about that the individual, whilst becoming more autonomous, depends ever more closely upon society? How can he become at the same time more of an individual and yet more linked to society?" asked Durkheim in *De la division du travail* (Durkheim 1893/2007). The freedom of the individual is not free and in fact leaves many behind.

In collectivist societies, on the other hand, life of the individual is shaped considerably by his or her adherence to a group and often further enhanced by status within the group—if it is strongly hierarchical (vertical collectivism). This adherence is rarely chosen or deserved, however, but defined by birth, and into a family or society where the politics, culture, and leaders promote a certain ideology. While personal preferences and goals are often subordinate to what is regarded as the well-being of the family or state, rebellion against these institutionalized values, although possible, can be punished—by ostracization, exclusion, or sometimes imprisonment or worse.

It must be said that purely collectivist and individualistic societies are ideals that hardly ever manifest in reality. In the individualistic society, an individual still remains belonging to certain groups having been born into a family that shapes his or her upbringing, health, education, and career opportunities. Whereas this is normally assumed as typified by European dynastic families, a tendency that has lessened sovereign power in these states, we have seen an unexpected rise in dynastic family power in the USA. This is evidenced by the Bush-Clinton political prominence born from an ever-growing plutocratic system at the expense of democratic opportunities: political power cannot be won without substantial wealth

and name recognition. The fact that family background, gender, and race affect career, income, and even health continues to be proved even within the most "advanced" Western societies. To argue that individual effort is all that counts in an individualist society would be an undue simplification of a complex interplay of factors that is often the precondition of economic modeling (Coleman 1988, p. 95).

As mentioned, these concepts are often used normatively. Collectivism, also called communalism, is often seen as traditional or backward and as inferior to individualism. An individualistic society may have groups with collectivist features (often considered "remnants"), whereas a collectivist society may have individualistic tendencies (usually considered "progressive"). As this relates to the Arab world, economists who have examined how and why the Islamic world fell behind the West economically have often blamed the constraints of communalistic societies for stagnation: "The essence of communalism is that one's rights and duties spring from one's status in the community; the 'good' is the common good of society, which is generally small and considered largely self-contained" (Kuran 2004, p. 139). By contrast, an individualistic society "provides broad personal freedoms concerning activities, occupations, beliefs, and responsibilities; and, in approving of self-determined thought and conduct, it seeks to create the conditions that maximize the enjoyment of such freedom" (Kuran 2004, p. 139).

Today most of the developing countries, many of which are predominantly Muslim, are considered collectivist, whereas the developed West is thought of as individualistic. In the former, self-expression and secular rational values are rated considerably lower than in Western countries. Inglehart also finds that wealthier Muslim countries show a higher propensity towards self-expression values, which, however, still remain much below the same propensity in developed countries (Inglehart 2007). This is not the case for the GCC states that are covered by Hofstede's index. On the contrary, the rich GCC states show the lowest scores of individualism. For instance, Saudi Arabia has one of the highest GDPs and high per capita income in the world, yet it is routinely noted for being the least accepting of individual expression, human rights, and personal demands for greater freedom. Other research (Gorodnichenko and Roland 2011) has found empirical evidence for the hypothesis that individualistic societies offer more incentives for personal achievements, thus demonstrating higher rates of innovation and economic growth. Within the GCC states, the difficulties in creating economies that are less dependent on oil income are usually attributed to resource curse effects, although the strong collectivism exhibited in such societies could contribute to the difficulties. Greif (1994) analyzed organizational patterns and interactions of the eleventh- and twelfth-century Genoese and *Maghribi* traders in the Mediterranean and found that the rise of individualism among the Genoese traders, as well as the development of institutions for conflict solution, helped them to drive the collectivist *Maghribi* traders out of the Mediterranean.

Individualistic societies have a clear, demonstrated advantage in the current economic global climate. Although one may argue as to which came first, individualistic societies nevertheless need formal "second parties" that can enforce certain rules, and thus they require an institutional environment that facilitates anonymous exchange.

Any individual is guaranteed rights that do not depend on group adherence. A merchant can look for an employee outside of his family or clan and may find someone with better skills, and because there are established legal institutions that balance any lack of personal trust he may find in somebody not of his family, the system works to counter and mitigate any hesitation. Furthermore, people in individualistic societies feel less social pressure to adapt to historical norms and are more prone towards innovation or new methods of entrepreneurship. This in turn would have, at least initially, been a break from traditions or would have threatened the existence of certain other groups or professions (Greif 1994, 942ff). On the contrary, strong social beliefs in a communalistic society can preclude innovation: not because of a conviction that innovation may be a negative but because of a respect for social norms. Although they may disagree in private, individuals in a communalistic society may defend such beliefs in public. Kuran calls this phenomenon "preference falsification" (Kuran 1997).

In a way, the individualization of society has come to be regarded as a requirement for modernization and as a one-way development. This evokes modernization theories such as Rostow's *Stages of Economic Growth* (1962) where individual social mobility is among the preconditions of economic ascent he concludes will finally free underdeveloped countries from their underdevelopment. Despite almost two centuries since the introduction of industrialization in Europe, individual social mobility has nevertheless failed to produce a perfect society independent of birth and family networks. In fact, with the gap between rich and poor widening, this failure looks likely to intensify further, to erode any dreamt-of utopian individualistic nation through Western democratization. This ought to be reason enough to challenge the role of individualism as a precondition for modernization.

Theoretical Background: Limits of Neoclassical Theory

From the viewpoint of neoclassical economics, *wasta* and social capital are both market distortions that contradict the basic assumptions of a perfect, symmetrical information structure and profit maximization opportunity for the individual. If the cooperation of two individuals is a win-win situation that allows them to maximize their profits, neoclassical economic theory could consider networking, or social capital, as a "social" version of an oligopoly or monopoly due to imperfect competition. However, if an individual fails to maximize his or her profits—whether employer or employee—and merely adheres to family expectations, this would be against the idea of the *homo economicus*. What is more, modern economics lately strives to become scientifically measurable. Even if we suppose for simplicity's sake that the measurement of one person's human capital is sufficient, this still poses an ongoing challenge to the methodology.

Given that neoclassical economics continue to dominate, challenged as it may be within economic academia, this bias is something we need to keep in mind. While social capital continues to be investigated and has become the focus of theories and methods and thus established as a real academic subject, it seems that local variations

of *wasta* are left unobserved, failing to be looked at in a more systematic way. This only contributes to the conception of something retrogressive and inhibitive.

In a way, the advantage of choosing a new employee from within the family, even if somebody from outside would be better qualified, is something neoclassical theory tends to neglect: networks of trust lower or even abolish transaction costs. There is no need to explore the market, to collect information, to communicate with strangers, or to take the risk that an unknown applicant will be uncommitted to the potential position because he may have applied for many jobs in order to land just one. Such tasks are time-consuming and costly. From a neoclassical perspective, this uncertainty is not supposed to play a role. In reality, however, it is paramount; therefore, there are transaction costs. Even more difficult to explain is why an employer would recruit an individual whom he knows to be inept for a job, while recruiting a better candidate would not cause that much more in the way of higher transaction costs. Here, it seems that we border on the question of culture, trust, nepotism, and maybe even altruism, all which fail to be explained by the avoidance of transaction costs. Clague points to this lacuna in neoclassical economics:

> Many economists have felt that a phenomenon has not been properly explained unless it emerges from a model based exclusively on rational self-interest. If the analyst appealed to altruistic motivation, or if she said that choices were constrained by cultural norms, that was regarded as an unsatisfactory explanation (Clague 1997, p. 16).

Asking why people cater to their networks and adhere to certain norms within them, sometimes to their own detriment, we therefore need to widen the theoretical approach. This approach must take into account transaction costs and, in particular, should explain why people accept rendering a service to another merely because this person is from his or her own group, without any (short-term) benefit from such. New economic institutionalists have extended economics to this end, trying to integrate the neglected factors of transaction costs, uncertainty, and asymmetric information into economic theory. While not contradicting the mechanisms of neoclassical economics, it cannot be denied that they have complicated economics in such a way that makes the common economic models impossible. Ever since the rise of endogenous growth models, economic modeling struggles with the operationalization of the intangible aspects of human capital. For social capital, the intangible dominates. It is not or only partly located in an individual, but between individuals (Coleman 1988, pp. 98, 100), and this clearly breaks the mold of quantitative economic analyses. Furthermore, social capital has remained a blurry and contested concept or even a renaming of an old concept. Whether it is positive or negative largely depends on its definition, and whether or not it benefits the individual or the entire society is equally unclear.

Just as the literature hailing civil society as the pillar of democracy, the literature hailing social capital is often normative and attempts to eclipse the potential for negative uses or abuses, trying to narrow the definition or the scope of application in order to exclude negative effects. Regarding Palestine, for instance, Jamal (2009)

demonstrated that civil society groups—the embodiments of social capital—actively support authoritarian regimes just as much as they can fight for human rights. The contexts, therefore, matter a lot.

Social Capital: Two Sides of the Same Coin

The attempt to define social capital has filled entire books. Putnam, for example, finds that the notion of social capital must have been invented at least six times independently over the last century, each time making claim that social ties would make life more productive (Putnam 2000, p. 19). The importance of social ties seemed so obvious for all to see that the lack of an economic concept just had to be filled. The usual remark that relationships "have value" says nothing about value for *whom* and whether value for one person is to the detriment or benefit of society (Siisiäinen 2000).

While Bourdieu and Coleman have a very inclusive approach—where social capital also includes vertically organized, non-chosen groups—Putnam put forward a more normative view of social capital and hailed it as a foundation for civic engagement and a functioning democracy. This normative approach also entails a more narrow definition of the nature of networks. Hierarchical groups, for Putnam, turn people into subjects and not citizens. An inclusion in those groups, therefore, fails to have a positive effect on society:

> Dense but segregated horizontal networks sustain cooperation within each group, but networks of civic engagement that cut across social cleavages nourish wider cooperation.… If horizontal networks of civic engagement help participants solve dilemmas of collective action, then the more horizontally structured an organization, the more it should foster institutional success in the broader community. Membership in horizontally ordered groups (like sports clubs, cooperatives, mutual aid societies, cultural associations, and voluntary unions) should be positively associated with good government (Putnam et al. 1993, p. 175).

Apart from his study of American society, Putnam had conducted research on Italian networks, mainly on the stark contrast between the wealthy north and the poor south of Italy, and found differences in the kind of relationships and forms of organizations accordingly. In the south, hierarchical family networks form the basis of the *Mafia*, which is combined with the strong role of the equally hierarchical Church. In the north, Putnam found the citizens equally well organized, although in their own chosen networks, such as sports clubs and choirs (Putnam et al. 1993).

Coleman described his idea of social capital in his paper, *Social Capital in the Creation of Human Capital* (1988). While conveying a positive view of the importance of social capital for the individual, he did not define it as either good or bad for society. To him, social capital can include aid organizations *as well as mafia* clans. It is noteworthy that Coleman explicitly refers to the Middle Eastern context:

The *souk* and the networks of salesmen who provide each other with clients are equally social capital to Coleman. For Coleman, social capital:

> [I]s not a single entity but a variety of different entities, with two elements in common: they all consist of some aspect of social structures, and they facilitate certain actions of actors— whether persons or corporate actors—within the structure. Like other forms of capital, social capital is productive, making possible the achievement of certain ends that in its absence would not be possible. Like physical capital and human capital, social capital is not completely fungible but may be specific to certain activities. A given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others (Coleman 1988, p. 98).

Bourdieu links social capital to both cultural capital and economic capital. He points out that these forms are interdependent and can often be transformed: social capital can be transformed into tangible, economic capital due to better access to resources. A person's cultural capital—her knowledge, skills, and education— depends upon the people who conveyed these qualities to her. Social capital is therefore an important element for the reproduction of social classes. The networks at the basis of social capital can be families, tribes, social classes, or any other institutions. The important aspect is that these relations are maintained and institutionalized. Coincidental and chosen relationships, such as those between neighbors, can become binding if they are institutionalized, but a formal membership in a more rigid group (family) does not necessarily increase a person's social capital unless this membership is confirmed by symbolic and material exchanges. For most people, the reproduction of social capital entails working upon relationships, and some—perhaps those with a well-known surname—are sought after by others to such an extent that they do not need to take care of relationships by themselves (Bourdieu 1983, pp. 191–197). In the context of Bourdieu's work, social capital can be considered as the lubricant that allows for the reproduction of classes and inequalities that leaves those without it with fewer chances for success.

With the definitions of social capital as divided as we have seen, the differences with regard to *wasta* become increasingly blurry. Starting from different backgrounds, both concepts nevertheless tend to move towards a middle ground. While even the proponents of social capital have had to admit that it can be used for bad purposes, more recent literature examining *wasta* demonstrates multiple positive effects. The starting position, however, is the negative reputation of *wasta*.

Wasta: Different Tone Same Content?

When attempting to define the term *wasta*, it is necessary to clarify exactly what we are speaking about and referring to in practice. Today, most definitions simplify the meaning to perhaps "favors," when in fact we would argue that it is closer to favor-*itism*. A short and neutral definition of *wasta* is usually that of employing connections or perhaps an intermediary to reach certain goals or to speed up certain processes. This is still insufficient however: intercession might remove the concept of brokerage for a fee, yet it still infers the involvement of a third person at least.

Still this is not adequate, however, as *wasta* does not in and of itself require an intermediary. It is necessary to explain, therefore, the encapsulation of intent within its usage.

Primarily, the explanation of "favoritism" should also specify a preferential treatment that is somehow connected to officialdom, and often politics. That is, in this sense *wasta* is akin to *political* or "official" favoritism, or pull. Moreover, it is important to clarify that this is separate to *satheeg*, meaning the superficial (and often naïve) political or official favoritism, sometimes involving bribery or kickbacks (also referred to as *baksheesh*, particularly in early travel diaries of Arabia). This latter term involves the negative connotation so often found in the scarce literature on the subject, whereas the standard understanding of *wasta* has no negative or particularly positive inference, as much as scholars and many journalists would like to claim. The common descriptions of *wasta*—almost uniformly containing the negative undertones connoted by *satheeg*—also predictably invoke the usually "archaic" or "quaint primitiveness" of its origins within tribal structures.

Tribal structures first rely upon *haq* before *wasta*. *Haq*, however, is quite often intermingled with *wasta*, although the former specifies "birthright"—frequently assumed to be a definition of *wasta*—and is often translated as "law" (which is instead *qanoon*). *Haq* within tribe is unquestionably essential within its hierarchical structure, but this is not necessarily vertical in nature. Common in history are examples of the top-down leadership of the tribe overturned by a lateral force within the *sheikhly* ruling family, as it has been in European noble families. Tribes extend by *bayt* (family unit), *dar* (extended household), and *gabila* (clan), all connected by *fakhd* (common lineage within the *gabila*). They are thus the "limit" to kinship, although relationship connectivity with allied neighboring tribes amounts to mutual survival and economic growth. Instances of marriage abound wherein a wife from one tribe who entered the ruling family's house of another (retaining her own family name and tribal identity), once widowed, maintained or took greater power not of birthright or vertical recognition, but force of personality—normally due to demonstrated economic ability—and in effect superseded the new de facto ruler (usually but not always the eldest son). This then should extend the conversation to the assumption of birthright as expressed by nepotism, which we would argue is a separate concept to *wasta*, and well understood. Nepotism connotes the negativity of *satheeg* intermingled with *haq* and should therefore remain distinct. Thus, we wish to be clear and extend the definition of *wasta* to more precisely mean: neither positive nor negative officially related favoritism, which may or may not require intercession by another.

Wasta can be found in all aspects of Arab society: education and university admissions, job applications, government services, even court decisions, and most certainly in marriage arrangements. For the betterment of society, or for its ill, *wasta* is a mechanism that is essential in the daily operations of the Arab world: a tradition that is deeply ingrained is not seen as universally negative, does not necessarily adversely affect society and is unlikely to disappear. Instead, it is more important for those evaluating the Arab world to understand its merits and adapt accordingly.

To sum up this discussion of definitions, we can draw the following picture. The broader and more neutral definition of social capital by Bourdieu and Coleman allows for social capital to be an asset for the individual and for society but does not omit the fact that the individual can also use it to the detriment of the society. In these concepts of social capital, *wasta* can be fully included. Social capital or *wasta* can thereby contribute to the reproduction of social inequality. Whether the networks are voluntary networks or not is not the decisive difference that would account for negative or positive consequences of networking. Both can function in the same way.

Putnam's social capital, in turn, focuses on the returns of social capital and, among them, the returns that benefit the society. Focusing on a positive outcome seems to encourage him to also define the kind of network that is more likely to have a positive outcome: voluntary associations. Ten years ago, civil society would have been an alternative concept of this form of social capital. However, also Putnam acknowledges the "fact that all forms of social capital, indeed any form of capital, can be used to ends that are in some instances destructive" (Putnam 2001, p. 3). In *Bowling Alone*, he points equally to the bad side of social capital, mostly within white, male networks in the USA (Putnam 2000, 350ff).

From this perspective, *wasta* could indeed be viewed as the negative complement of Putnam's good social capital. It is almost by definition based on family networks, clans, or sects, regarded as paramount in Arab societies, and is, at least in the literature, mostly described as problematic. It would preclude identification with the state and the political system in place and give priority to kinship ties, thereby not only reproducing inequalities (strong versus weak families) but also weakening state institutions and the efficient allocation of human capital in the economy.

What, however, allows us to identify one kind of networking with predominantly bad consequences and the other with predominantly good consequences? Where is the crossroads that divides one from the other? Is it the nature of the network or the nature and morals of the individual that uses the network, or is it to be found in the circumstances of the respective society? Is it simply that *wasta* is only what the other uses, yet when we use it, it is considered social capital?

In our opinion, the judgments passed against networking often rely on biased assumptions and weak comparisons. In the next sections, we will look at networks on the basis of the following:

1. The problem is not the use of networks in and of themselves, but the need to do so in the absence of other trustworthy institutions and a lack of fair treatment.
2. A supporting factor is the failure to see abilities of the individual disconnected to his or her affiliation to a family, class, or tribe.
3. The nature of the network does not allow for a conclusion as to whether the network is used for positive or negative purposes. The Western class structure is no less permeable than the Arab tribe. Both cater to their own members.
4. Social capital has a long history of research that aims to define and measure it in order to integrate it into academic economic theory, whereas *wasta* remains an anomaly.

The Search for a Real Difference

Nature of the Network and Structure

The first tacit assumption behind an apparent difference between positive or neutral social capital and "bad" *wasta* is that one is merited only by birth and therefore unearned, while the other one is achieved, earned, and therefore meritocratic. In addition, there is a tendency to assume that people who achieved a position because of their family ties perform lower than people chosen on the basis of their application. This holds true for both the West and the Middle East (Mohamed and Mohamad 2011).

The concepts of loyalty and honor appear to us to be the main quantifiers that can be used to link family networks and purely professional networks. Coleman argues that a closed structure assures members that their efforts are pooled for the benefit of all and that recipients are thus predisposed to act favorably in return—a "tit-for-tat" for the group. Hence, the family as a structure closed by blood ties or marriage should qualify very well for such a closed structure, while more informal (often online) career networks would not. However, this ought to be clarified further still. We feel that while Coleman is correct that the good of the group plays a significant role, as expressed in the Arab culture, this loyalty extends to clan, kin, tribe, and state, not just in the current generation, but to ancestors past. Thus, we can restate that the good of the group (tribe)—the collectivist—is actually of greater paramounce in the Arab world. Ironically, the limitations of Arab tribal structuring would, in Coleman's view, increase its qualification as a functioning social capital system than would a loose business network in the West.

Family ties are also used extensively in the West for networking in addition to professional ties and acquaintances. The scope may vary in that it probably does not concern the extended family any longer, but the core family is not only a place where social capital is transferred but also where other forms of capital are passed on from generation to generation (Bourdieu 1983). It is noteworthy that many a successful company in Europe (as found in Germany, Italy, and the UK) is still family-owned, with company leadership having been passed from generation to generation, with seemingly little disadvantage to the successor chosen from within the family. Sanchez-Famoso et al. (2014) found that, in Spain, family social capital contributes to innovation as much as nonfamily social capital. The non-tribal yet strong family social capital successes are furthermore on the increase in the Arab world, exemplified by, for example, Bahrain's Kanoo family investment enterprises, Kuwait's Bukhamseen family corporation, and Saudi Arabia's Al-Rajhi banking family.

Although Arabs are often thought of as untrusting of those outside of their family, tribe, or clan, this differs extensively depending upon the context. From our own personal experience, foreigners can be very much included in the *wasta* network, although the effort might be weakened or exclude certain matters. This is not the main problem with the trajectory underlying the differentiation behind those

"chosen" and privileged by birthright. This trajectory somehow holds that family networks have more detrimental effects than networks based on chosen, most oft-used professional ties.

One of the suspected downsides of networking is to finding people in positions where they make for a poor fit and thus performance expectations are low. A classic example may be the father who wishes his son to become a physician, paying for private university tuition because the son would not qualify for a public one. After a mediocre graduation, the father may use his contacts to leverage his son into a job above his grade quality and better than he otherwise would have garnered independently. In this case, is the professional network really less detrimental than the family network? We find that they often interplay. Without a professional network of some kind, a family network would little help. This becomes even more clear when professional networks become the basis for family networks when, for example, physicians intermarry. Purely professional networks can put people into positions they do not deserve. Although a doctor may still practice as a doctor, he may attain a management position that is better paid, but where he fails to contribute positive effects.

The next question is whether or not there is a difference between the scope of inclusion between family networks and professional, self-chosen networks. To what degree are often disadvantaged people in society included or not? A purely professional network would only benefit and cater to its own kind: the old boys' networks and alumni of certain universities or even colleges may connect more easily with one another to help secure jobs, get clients, or be promoted. These used to be male-only clubs, and helping a wife or daughter into a career position might have been regarded as unseemly, as it would be to help somebody "from outside" the core network. In fact, men would hesitate to mingle family and career to, for example, use their professional connections for female family members. Research has shown that such networks—in spite of being based on professions open to everybody—are often racial and gendered and still remain (McDonald 2011). It would be nice to consider that this gender bias has been eliminated in the West, but statistics prove that while mitigated, there is a considerable lag in equality in reality.

As patriarchal as Arab families might be, being part of the family qualifies for inclusions within the network, no matter whether male or female. This holds especially true for the *sheikhly* family of a tribe. Should a male ruler have been assassinated and imprisoned, met an untimely death, or was unable to rule, oftentimes we find examples in the anthropological literature of wives, mothers, and daughters who step in, albeit only as the real decision-makers and not official leader of the tribe. The fact that they are next of kin in some instances matters more than their sex: when René Mouawad was elected President of the Republic of Lebanon in 1989 and assassinated shortly upon election, his wife Nayla followed in his footsteps, triggering her own career in Lebanese politics.

It seems that although professional networks create a class that caters to and reproduces itself, family networks try to look after everybody within the group. Large families in the Gulf include members in across all strata of society, and a gifted but poor son may easily approach an uncle able to help him more than his

father could. Someone from a socially disadvantaged family in the West, however, is unlikely to know someone of actual help unless he or she is discovered by a teacher or is fortunate enough to secure an endowment.

Clearly there is a risk that the attempt to provide every family member with a job may result in the wrong people in the wrong place. Normatively this would not allow much inefficiency and the risk would be short-lived. One also has to consider the detrimental consequences of people not having jobs: unemployment benefits and welfare are unproductive, and there is a greater risk of allegiance to the most disadvantaged and disappointed fringes of society; both ultimately increase dangers and long-term costs to the society. It is noteworthy to recall that as families (not to mention tribes) are bigger in the Middle East, there is also a wider pool from which to select the most able member for a particular job. An engineer father with four children is likelier to have one child suited for engineering than the father of one; if not, he may find a nephew or niece to follow in his footsteps.

This principle works in ruling families in the Gulf where succession is still a family decision. With a dozen potential heirs apparent, the likelihood that at least one of them is fit for head-of-the-family status increases. The fact that families are generally perceived differently in the Middle East and West therefore dilutes some of the arguments, which maintain that family networks must lead to less efficiency at work. Yet if we look at theory, another feature is highlighted more: the hierarchical versus nonhierarchical network. Here we refer again to Putnam who theorizes that once a group has a strong vertical hierarchy, there are few positives. Tribal hierarchy, however, cannot be dismissed as something akin to the Mafia of Italy or the serfs of Medieval Europe. To an outsider it may indeed appear that this is so, but within the tribe there is far greater flexibility than a straight top-down benefit. Slaves of the old ruling families might have had far greater power than a regular member of the tribe and were often considered so important they would be addressed as *sheikh* by other tribe members in recognition of his position as one who could legitimately speak on behalf of the true *emir* (ruling prince).

In fact, the mechanism to prevent inequality within Gulf tribes was effectively enforced by the strength of the *shura* (consultative council system) wherein major decisions were always made by ruling family members in full consultation with the elders and wise men. The basic structure of the tribe is one of *fakhd* (lineage), but with the *'aynin* (eyes) of the tribal sheikhs, leaders, and emirs playing paramount roles in decision-making. This demonstrates the existence of a wider and more encompassing "peak of the dynastic pyramid" that is otherwise generally understood when considering tribal structures, in part because it is known within the tribe that emirs are historically of minimal lineage, in that their leadership extends back for an average of five generations. Moreover, the title of *emir* is an achieved status that must be maintained by continual proof of worthiness. According to Cole and Musil, tribes were in fact far more egalitarian than generally assumed, and their rulers "followed the egalitarian ideals of the tribe" (Cole 1975, p. 116). In Marlowe's *Hierarchy and Egalitarianism in Islamic Thought*, the interplay between perceived stratification and hierarchy within tribe with the Qur'anic injunction (49:13) that all are equal was examined. She found that "Arab tribal society…appears to have been

in certain important respects strongly egalitarian" and "coexisted with observable inequalities in the actual distribution of power, wealth and social esteem" (Marlowe 1997, pp. 4–5, 174).

When analyzing the hierarchy of tribes, there is an overwhelming default presumption that they are exclusively a male-dominated vertical lineage system. This is incorrect, as has been mentioned already above. Expounding upon women's roles within the tribe—in a horizontal position of power hierarchy—we can recall the mid-nineteenth-century case of *Turkiyyah*, the widow of *Emir Sattam bin Hazaa al-Sha'alan* of the Ru'ala tribe of Northern Arabia. So powerful a woman, she was considered a chief in her own right, their children even taking her name (Ibn Turkiyyah) instead of her husband's. When Sattam died and his brother Nuri became emir (and would be so noted for being the Ru'ala's most formidable leader in its history), *Turkiyyah* nevertheless retained full "power of the tent" over and above her own sons. She received the same considerable income per month ($90) as if her husband were still leader, continued to entertain lavishly every night, brought the men into the tent with the women, and after dinner would boldly go into the men's tents and sit and monopolize the conversation. "And no one—not even Nuri—dared to argue with her" (Musil 1927, pp. 216–217).

Nonhierarchical promotion is, despite misinformed portrayals of the Arab world, very much in evidence today. When the Emir of Qatar, Hamad bin Khalifa al-Thani, abdicated the throne in 2013, he did so in favor of his *fourth* son Tamim, and not his eldest. Sheikha Mozah, the wife with whom he appears with in public and abroad most frequently, is the second of his three wives. Further examples exist of princes holding high positions despite their having nonroyal mothers, and the limits of family patronage can be flexible. King Abdullah bin 'Abdul 'Aziz's heir apparent was Crown Prince Muqrin whose mother was a non-Saudi called *Baraka Al Yamaniyah*. When Abdullah died, Muqrin's half-brother King Salman replaced him by appointing his full brother Nayef as heir and then elevated his younger son Muhammad bin Salman as third in line to the throne.

Nature of the Institutional Background

Often overlooked in regard to *wasta* is the fact that it is not simply employed to secure privileges or speed-up matters, particularly bureaucratic; it is often used to get things *at all*, such as those entitled to by law. This holds true for too many government services such as passport applications, birth certificates, marriage licenses, or other necessary confirmations. With *wasta* one might receive them at no cost or in trade for a return service; without *wasta*—more noticeable in countries and large cities where family connections have been watered down—often one has to pay a civil servant's "breakfast" (euphemism for a bribe in Baghdad). With neither *wasta* nor money for bribery, a passport will not be ready and birth certificates for children will not materialize.

What is really to blame here? Is it *wasta* or the political and legal institutions of the respective society? Which came first, the chicken or the egg? As the example of *Turkiyyah* demonstrated, the relative purchasing power of gold in the desert afforded far more than basic sustenance: it afforded substantial power arguably enhanced by the employment of manipulating the structure within the tribe. Yet, was this due to her personality, position, economic shrewdness, or adeptness at optimizing *wasta*?

We determine that *wasta* is an effective method to deal with weak institutions. The family network functions as a "state within a state." It is the first and preferred instance due to the arbitrary, weak, inefficient, and authoritarian nature of the official state. However, the fact that there is so little trust for official institutions—often undermined by family institutions—also precludes them from becoming stronger. It is a vicious circle that only a long process of regulations in bureaucracy and trust building in government can hope to break. Fighting *wasta* when the institutions remain weak and unreliable would only produce stalemate and dissatisfaction—and perhaps only amplify corruption.

Inefficient bureaucracy may be exemplified with the implementation of the recent intensification of e-governance in the GCC states. With the new *enjaz* system in Saudi Arabia and the auto-generated number from one particular desk in the Ministry of Foreign Affairs, even the best *wasta* fails, unless, of course, one has a particular contact in Riyadh with the ability to make a phone call and contact the respective overseas embassy to initiate a direct order to issue the visa. This is *wasta* in action but applies to non-Saudis attempting to get *in* to the country, thus not easily utilized by many foreigners. While e-governance may have been introduced to speed up and make more transparent various processes, the opposite has happened. *Wasta* had made a level playing field possible to a degree, ironing out many shortcomings of bureaucracy but only for those who knew how it worked. With e-governance, the ability to intervene has been reduced, but processes have become even slower and more miasmatic than before. As long as the institutions of the state remain weak and arbitrary, it seems that the only alternative of *wasta* is bribery (*rashwah*).

Morality and Time Perception of the Individual

Wasta is a positive or negative depending on the individual and his purpose and initiated for good or bad intentions, deserved or undeserved. Although *wasta* seems to be an expectation, especially within a tribe and particularly when a demand comes from a superior, there is always a personal choice to leave the system as an option. As might be expected, societies marked by a high degree of collectivism and a high-context communication culture make such a choice harder, but it does remain. To illustrate, in Arab communications, for example, there is always a possibility to say "yes" face to face and then do nothing to actualize the commitment or to not promise anything or to claim that it would be done later. While an open "no" may be painful to articulate, the evasive *bukra* (tomorrow) or *insha'allah* (if God wills it)

is the common escape clause—at least in the short run. This is a topic more apt for a psychological or philosophical analysis although a few of its crucial questions involved may be raised here: Why do people apply for jobs they know they are not fit for? Why do some people readily rely on other people's help whereas others try to do everything on their own? Is this a personal trait, or does this stem from one's social environment or social pressures?

Are there societies where a mentality of entitlement limits people's views on what their duties should be? How is the perception of the future within one's society? Is it a society that lives predominantly in the past and the present but does not consider the future? Predispositions aside, an individual's decision may be influenced by many social conditions, including the pressure to provide a family income, the perceived importance of a job, or higher education in pursuit of status. These necessitate long- or short-term planning. The latter may strongly correlate with short-term success to satisfy family members; the former a sense of orientation towards long-term success that affords a position that generates personal satisfaction. Again, a collectivist society may push the individual to make family and tribe happy first.

Providing the primary family income is an important duty of every man in the Middle East. Marriage occurs early and the first children are often born while the father is still a university undergraduate. (Status matters significantly: a lawyer or engineer adds considerably to the social standing of the family, so educational achievement is essential.) In addition to a new wife and family, parents or younger siblings may have to be sustained. Hence, the pressure to provide an income begins earlier than in the West.

In the wealthier GCC states, these pressures are particularly salient. Governments may support young families or the unemployed with subsidies although this is insufficient to meet the increasingly costly lifestyle preferred. Status and wealth have come to matter steadily more, most citizens hoping for a share of oil and gas revenues, and surveys substantiate the sense of entitlement that pervades these societies. Since government careers are the privileges of nationals even if they perform much lower than expatriates, the continuance of the *wasta* system among nationals is guaranteed. Moreover, long- and short-term attitudes manifest in economic performance: without long-term plans, one considers little reason to prepare in advance; without preparation, queues must be jumped to meet goals, expectations, and deadlines. If the society as a whole therefore has no sense of long-term objective based upon cultural norms, this renders its people perpetually reliant upon the *wasta* system of "getting things done"—often at the last minute and at a premium cost.

In fact this has been documented. Individual attitudes towards time are learnt from personal experiences; collectively attitudes towards time influence national destinies. Zimbardo's meta-analysis divided people into six "time perception zones" (past positive, past negative, present positive, present negative, future positive, and future negative), which can be applied to nations and populations to determine how they behave (Zimbardo 2008). Future-oriented people—or nations—are the most

successful as long as there were optimal balances between other zones. Past-oriented people or nations distance themselves from the realities of the present and future planning, are conservative, mistrustful of strangers, focus on collective commitments (cultural or tribal obligations), employ rituals, and as a group tend to be dependent rather than competitive. They also tended to focus on instant gratification rather than long-term gain. Only future-oriented people succeed despite obstacles; they understood that responsibility, efficiency, and hard work optimized future outcomes, whereas distractions and wasted time diminish accomplishments.

Conclusion

In conclusion it is evident that although *wasta* is a concept that academia has neglected and mostly considered negative—in the few cases where considered at all—there is in fact little qualitative difference between *wasta* and social capital. It is more correct to identify the concepts within the constructs of the environment and culture, as opposed to either good and bad or positive and negative. As we have argued, definitions of *wasta* have fallen short, whereas there are an abundance of studies focused upon understanding social capital. In the end, it is the intention of the individual *within their group* that matters most. Given its attempt to generalize a concept that is strongly dependent on the individual, the social capital theory largely omits examining the intentions of the individual and thus fails to grasp the major purpose of the agents of the *wasta* system. This is further complicated by the subtle nuances embedded within the *wasta* tradition, as we have explained, and this merits a fuller treatment elsewhere. Since we found no substantial differences, the academic tendency to project the negative definition to *wasta* is misplaced. Western economies do not have a monopoly upon economic development mechanisms.

Adwan (2008) writes that "Although the origins of wasta […] are more positive than its current use, it has become such an endemic problem that many youths cite it as a main reason they consider immigration." It is, however, important not to mistake the frequent complaints about *wasta* by people in the Middle East as a proof that it is an ill only. When it works against them, people in the Arab world condemn *wasta* as readily as they freely use it when it works to their advantage. The same holds true for social capital in the West. This is frequently a sign of an understandable envy rather than of a foresighted concern that *wasta* may have negative consequences for the entire society. It seems that academia has all too readily listened to those complaints and consequently focused more on the negative occurrences of *wasta*.

The negative attitude towards *wasta* in actuality betrays not only academic neutrality but also reinforces a binary assumption. This chapter demonstrates that while *wasta* may be more of a challenge to define, it is nevertheless in the end quite similar to social capital and should be incorporated into the narrative accordingly.