

Social Capital as Social Relations: Implications for Community Development

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ABSTRACT

This paper discusses an interpretation and analysis of social capital that is integrated into a framework of social relations. We argue that social capital is organized in four fundamental types of social relations: market, bureaucratic, associative, and communal. Each type of relation is distinguished by its own norms, rules of engagement, institutions, and control mechanisms. As a result, the processes by which social capital is created, maintained, and used will vary by each type. Using national community and household data collected as part of a research project on rural Canada (*The New Rural Economy Project of the Canadian Rural Revitalization Foundation*), propose measures of the four types of social capital, and examine their characteristics. The analysis demonstrates how the four types are differentially interrelated and have various effects on household outcomes. It also shows how the external context of the field sites significantly conditions the relationship between the types of social capital and household incomes. Finally, we conclude with some implications of these results for community development theory and practice.

Social Capital as Social Relations: Implications for Community Development ¹

Introduction

Discussions of social capital have been a preoccupation of researchers, policy-makers, and community practitioners alike. The concept resonates well with social scientists seeking the integration of economic and social factors, both to enrich the analysis of economic outcomes (Knack and Keefer, 1997; Putnam, 2001) and to elaborate the relations between them (Granovetter, 1985; Woolcock, 2001; Castle, 2002). It resonates with policy-makers as they seek direction to justify and enhance programs for economic and social development (ISUMA, 2001; Schuller, 2001) and it is attractive to community development practitioners in their search for understanding and innovations in social action. In the process, it has generated a large body of literature debating its meaning and merits. Much of it is theoretical in nature, however, with little attention paid to its implications for applied objectives. We address this lacuna by proposing a social-relations based measurement of social capital and examining its implications for rural community development.

Social Capital: constructing a framework²

Coleman (1987; 1988) and Loury's (1977) original formulations of social capital contain two elements found in most elaborations since that time: it is interpersonal and it is useful for production and/or consumption. Unfortunately, much of the subsequent discussion regarding the concept has not taken advantage of these theoretical roots. Instead, authors have shown a preoccupation with its role as capital, the exploration of rather indirectly associated indicators, or a tendency to vagueness. In the process, they stimulate criticism on both theoretical and

empirical grounds (Glaeser et al., 2000; Woolcock, 2001). The result is a plethora of definitions and uses with little basis for deciding between them (Policy Research Initiative, 2003).

Our approach to social capital avoids this problem by rooting the concept firmly within a concern for rural revitalization and the importance given to social capacity as a key element in that revitalization.³ From this perspective, capacity refers to the ability of people to organize their assets and resources to achieve objectives they consider important. Social capital is one type of asset or resource that can be used to achieve these valued outcomes. In our framework it refers to the relationships and networks that facilitate collective action. Such an interpretation fits well with Woolcock's (Woolcock and Narayan, 2000; 2001:13) emphasis on collective action as a basic component of social capital and reflects our emphasis on a network as opposed to functional definition for the concept (Bourdieu, 1986; Adler and Kwon, 2002; Policy Research Initiative, 2003).

We also recognize that a strict economic interpretation will add an important condition on this definition: that social capital be used to "satisfy the requirements of production or consumption functions" (Castle, 2002:334). As *capital*, it is a part of a production process that reinvests in future production. As *social capital* it refers to forms that are reflected in organizations, collective activities, networks, and relationships.

Since social capital is embedded in social relations, its identification becomes particularly difficult, for it may be considered as the means by which an asset is created and the asset itself.

For example, as I prepare a business plan with my partners, I am simultaneously building social capital and using it. With each successful transaction, I am reinforcing the social capital that was there and at the same time, making use of the social capital for productive ends. Thus, we find in the literature, that social capital is treated as stock in some cases (networks, institutions) and flow in others (social participation, collective action) (Policy Research Initiative, 2003).

To avoid this confusion, we will treat social capital as a stock that can be drawn upon primarily, but not exclusively, for economic ends (Woolcock and Narayan, 2000). Although this goes beyond the narrow interpretation of ‘capital’ it is consistent with many of the interpretations used in the literature and recognizes the multi-functional nature of social relations – relations that must be developed and nurtured in a variety of contexts. As a result, understanding social capital requires an understanding of social relations: their formation, transformation, vulnerabilities, and resilience (Adler and Kwon, 2002). It is through this focus that we are able to develop indicators of social capital and explore its implications for social actions.

We propose that social capital can be best understood as a feature of four fundamental types of social relations: market, bureaucratic, associative, and communal. They represent four relatively coherent ways in which people organize their relationships to accomplish tasks, legitimize their actions, distribute resources, and structure their institutions. Since such relations stand as the basis for social capital, our framework should begin there (Polanyi, 1944; Fiske, 1991; Evers et al., 1994).

Market relations are those based on the exchange of goods and services within a relatively free and information-rich context. The classical economic market, for example, is envisaged as individuals bringing surplus goods, searching for those things they desire, and striking an exchange that is mutually acceptable (Swedberg, 1991:21). This may take the form of barter, where goods or services are exchanged for other goods or services, or it may involve the mediation of money, where goods and services are exchanged with the help of some currency. To exchange in this way, people must have control over some goods or services, be willing and able to equate them to a common standard or currency, and be confident that the exchange will be completed in a dependable manner. Distribution within this system is primarily based on principles articulated by classical economics for free markets: supply and demand, pricing, transaction costs, and information flow. The creation and maintenance of social capital within market relations requires access to tradeable goods or services, adequate information about markets and prices, good negotiation skills, and a high level of mobility.

Bureaucratic relations are those based on a rationalized division of labour and the structuring of authority through general principles and rules. They are the 'rational-legal' relationships originally explored by Weber: impersonal and formal, with the distribution of resources based on status positions rather than productivity (Gerth and Mills, 1967:196f). Individuals relate to each other through the roles they are assigned rather than individual characteristics. Distribution within this type of relationship is primarily based on the allocation of rights and entitlements through the application of general principles or policies articulated in formal charters or legal

documents. As with any formal system, they are usually backed up with law and access to enforcement related to law.

Social capital embedded in bureaucratic relations is created and maintained through the formulation of objectives and the organizational structures established to reach those objectives. The charters and by-laws of government and corporate organizations are key points of reference for identifying the allocation of rights and entitlements. The level of social capital, therefore, is strongly related to the ability of institutions to enforce those rights, either formally or informally (Stinchcombe, 1968:149ff). At a more individual level, social capital maintenance requires individuals and groups to meet the personal and collective conditions of formal structures. This includes the cognitive ability to operate in terms of roles and generally applied principles, the facility to frame individual and collective interests in terms of those principles, and sensitivity to the manner by which formal organizations operate – even at an informal level.

Associative relations are primarily based on shared interests. Individuals come together in order to accomplish goals and express concerns that are common to the group (Olson, 1977; Gunn and Gunn, 1991:156). Clubs, social action groups, internet chat rooms, spectator events, hobby groups, and food banks are examples of these relations. They are often characterized by focused objectives, informal structures, and short-term lifespan, but they can address more long-term objectives by being transformed into more formal structures.

Social capital embedded in associative relations is likely to be highest where information about others' interests is easily available, interests merge, where the symbols of commitment to the goals are clear, and where there is considerable contribution to the goals on the part of members. The classical measurement of social capital in terms of volunteer group participation and charitable giving is primarily sensitive to this type of social capital.

Communal relations are based on strongly shared identity. Membership and collective action is often tied to ascribed characteristics of birth, ethnicity, or location (Fiske, 1991:258ff; Benokraitis, 1997). Family, friendship, gang, and clan relationships are common examples of such relations (Whyte, 1993). The rights and obligations of members are strongly associated with this identity, largely developed and maintained by custom (Hamilton and Biggart, 1992). Goods or services are usually distributed to members according to custom, age, gender, or heredity rather than general principle or ability to pay.

Communal relations require a high level of trust and loyalty, especially where exchanges are long term or the 'objects' of exchange are unclear. For that reason, they are often associated with strong markers of inclusion and exclusion such as rituals, symbols, rites of passage, and ascribed characteristics (Cooley, 1922). Social capital based on communal relations requires a long time to develop, but it is also relatively resistant to erosion and forgiving of abuse.

Each type of social relation operates with considerable internal coherence. Norms of behaviour, values, perspectives, and ways of operating surround each of them, legitimize specific actions

and justify particular resource distributions. In some cases, these norms become formalized in law with associated methods of enforcement. As a result, people come to depend on the secure operation of the system for access to resources and services – often, but not always reflected in the trust they attribute to the relations (Stolle, 2003). Threats to the operation of the system will activate resistance and those who benefit from it are likely to champion its survival and expansion. In this respect it can become self-regulating in a weak or strong sense.

On the other hand, each type of relating is not isolated from the others. All four of them usually operate in a specific situation, although only one or two may be dominant. This may be seen in an environmental action group such as Greenpeace, where associative relations became transformed into bureaucratic ones as the members reorganized themselves into a formal organization with the norms and regulations to enforce them. In this case, the bureaucratic and associative relations reinforced one another. In our field sites, citizens often draw heavily on their local businesses, volunteer groups, and families (market, associative, and communal relations) to construct infrastructure (arenas, recreation facilities, or tourist facilities) that contributes to their social capital stock.

Mutual enhancement between these types of relations is not always assured, however, since there are many points where their basic structures and processes differ (Coase, 1991). Those looking to recruit members for voluntary associations are often confronted with supporters who refuse to participate in the more bureaucratic aspects of the association. People are often enthusiastic about baseball, card-playing, or meal-preparation in a voluntary group, but quickly lose interest

as demands are made on them to prepare a grant proposal or a statement justifying their financial expenditure. In these cases, the motivation and norms surrounding the associative relations are undermined by the requirements of bureaucratic-based relations.

Rural communities often face particular difficulties with respect to these types of tensions. Traditionally, their social capital has been deeply embedded in associative and communal types of relations. The distribution of resources, norms of congeniality, expectations for appropriate behaviour, and interpersonal norms have reflected the primacy of these relations – where status is more often attributed to helping neighbours than closing a lucrative deal, or occupying a public position is respected so long as it doesn't mean treating your community members as if they were 'just a number'. These types of self-organization have been very effective for small communities up to now.

In contemporary society, however, associative and communal types of relations are less effective for accessing resources. It is now market and bureaucratic relations that have become dominant. As rural people are required to compete in this context, they are disadvantaged so long as they fail to develop agility with each type of social relation. The penalty is to be left out of the allocation of resources and services. Our field sites have reflected this in the gradual loss of control over their local assets to bureaucracies (often external) that organize their social capital in the formulation of laws, policies, and organizational structures that do not include a place for local interests, family allegiance, or traditional (often local) obligations.

Measuring Social Capital

Our research in rural Canada provides a valuable opportunity to explore this approach to social capital in an empirical context. Since 1998 we have been collecting information relating to social capital in 20 field sites from all parts of rural Canada (Reimer, 2002)⁴ This includes information regarding their history, economic enterprises, voluntary and third sector organizations, public institutions, major events, governance structures, and a variety of social action activities. In the summer of 2001 we conducted randomized, structured interviews in 1995 households from those field sites. The survey gathered information on the demographic and labour force characteristics of the household, use of public and private services, major changes they faced and the responses they made to those changes, social cohesion, and informal economic activities. The result is a database that allows us to conduct hierarchical analysis at the household, field site, and regional levels while linking the sites to important national and global conditions. The multi-level nature of our data allows us to avoid two limitations of the individual-level data most often represented in the literature.

First, researchers frequently use participation in voluntary organizations to measure social capital. These indicators assume that the *use* of particular social resources is equivalent to the *availability* of those resources. From our perspective this difference is very important. Rural people may have access to social capital that they do not use (Woolcock and Narayan, 2000). In fact, considerable effort on the part of community development programs is directed to identifying and learning to use social capital that goes unrecognized or misdirected. Since we

have site-level in addition to individual-level data it is possible to distinguish the *availability* of social capital from its *use*.

Second, using site-level data makes it possible to represent the organizational manifestations of social capital. For example, the social capital embedded in a school, hospital, or food bank is often overlooked because their existence is difficult to infer from information provided by individuals. We argue that such organizations (both formal and informal) are key repositories of social capital. They consist of highly coordinated social relations, strong (often formalized) norms, and well-structured mechanisms of social control – all features of social capital. It is, however, not the infrastructure of these organization in which we are interested, but the social relations that they represent.

Measuring the Availability of Social Capital

Operationalizing the organizational manifestations of social capital required two other specific assumptions. Since all four types of relations are found to varying degrees in most organizations, we classified each of them according to their predominant type of relation. In addition, we required a criterion for identifying the availability of the institution to the local population. Several of our field sites have access to hospital or higher education facilities, for example, but only after lengthy travel. In order to identify the organizations that were nearby, therefore, we included only those that were within 30 minutes travel. This period of time not only reflects a common perception of proximity, but it translates well across ages and into an urban-based

context. This latter feature holds promise as we move to compare rural and urban conditions in the future.

Availability of market-based social capital. Using the site-level data, we identified the organizations in which market relations predominate (cf. Table 1). Enterprises and commercial businesses are among the most obvious. They represent the organization of financial, labour, and commercial markets for both owners and workers. Rural sites that have a large number of such enterprises were considered to be relatively high with respect to market-related social capital. We included in this total, organizations such as credit unions and micro-financing groups since they provide training and resources that reflect market relations as well as those of an associative nature. We added to these, the number of media and communication tools that are oriented to market-types of social relations since an important component of market relations is the access to information that is required for making choices.

**** Table 1 about here ****

Availability of bureaucratic-based social capital. Proceeding from a similar rationale, we used the number of bureaucratic organizations as key items for a second indicator of social capital. Our data allow us to identify a large number of formal and informal organizations in each site. When selecting our list for this measure, we concentrated on those that operate on the basic principles of bureaucracy as identified above: relations based on roles, entitlements based on general categories, and objectives formulated as general principles. All of them require the participants to be skilled in dealing with the forms, appointments, regulations, and

communication mechanisms that they require. These included a wide range of organizations, from schools and hospitals to nursing homes and government offices. Media sources relating to bureaucracies were also included in the index.

Availability of associative-based social capital. The index for associative-based relations was constructed using the list of voluntary and social services offered in each field site (within 30 minutes). Services that were likely to be largely organized on associative principles were selected. In some cases a group was considered to be organized in such a way that more than one type of social relation played a major role (e.g. co-ops). In these cases, the organization was added to the totals for both types of indexes. Media facilities providing communications related to voluntary associations were also included.

Availability of communal-based social capital. The index for communal-based relations focused on social characteristics associated with family life. Family structure is a key feature of communal relations for it usually serves as a centre of reciprocity and multi-lateral obligations. Although the definition of communal relations goes well beyond family, it is very difficult to create indicators for the less visible relations such as those found in ethnic groups, clans, gangs, or other very close-knit groups. To reflect the level of this type of social capital we used information regarding the number of daycares and retirement homes within 30 minutes of the site, religious institutions, and the number of community-integration events in the site. This latter variable reflects the number of events such as festivals, community picnics, or celebrations that

bring the site people together on a regular basis. In many cases, they are held only once a year (sometimes over a weekend or a whole week), but they may also be held more frequently.

Measuring the Use of Social Capital

Just because the various forms of social capital may be available, does not mean that they are used by the local population. Our second measure of social capital focuses on this distinction to examine the use made of the available social capitals. In this case, we turn to data from the NRE household survey, conducted in 1995 households across 20 of the field sites. As part of this survey, one adult member of the household was randomly chosen and asked to provide information regarding their own and their household's characteristics (Reimer, 2002). From this information, we are able to construct indicators for the use of social capital according to the following decisions (cf. Table 2).

**** Table 2 about here ****

The use of market-based social capital was measured using information regarding the employment, Internet use for market-based relations, the extent of market-based services used, participation in market-based associations or organizations, and the extent to which market-based social supports were used by the household members.

Following a similar approach, we identified the extent to which household members make use of bureaucratic relations for obtaining information, services, social support, or social action. The use of associative-based social capital was measured using information about the sources of

information, services, social support, and social action used by the household members.

Communal-based social capital was measured by identifying the family and close-friend sources of information, services, and social support that were used by the households. We combined it as well with information regarding the extent to which goods and services were exchanged among the family and friends of the households.

Results

Figure 1 provides data regarding the distribution of 19 NRE field sites by the indexes for the four types of available social capital. It shows clearly how both the total and types of social capital vary among the sites. The site with the highest level of social capital, for example, (located at the left hand side of the figure) has the largest component of its social capital provided through associative-based social relations. On the other hand, the fourth site from the left is dominated by market-based social capital. It is special since much of the market capital is available through a large number of small businesses – services catering to the local forest industry and small operations directed to tourism, both of them highly seasonal. On average (indicated at the right hand side of the figure), market-based capital is highest of the four types represented. Associative-based relations are next, and communal-based relations are the lowest.

**** Figure 1 about here ****

In Figure 2, this analysis is repeated with respect to the use of social capital. Figure 4 provides the results of this analysis for the 20 NRE available sites. Once again, we see how there is variation across the sites, both with respect to the amount of use in each type of social capital

and in the relative distribution of types across sites. This variation is less than the previous analysis regarding the availability of social capital (cf. Figure 1).

**** Figure 2 about here ****

The four types of social relations are not necessarily correlated since they represent independent ways in which social capital is generated or maintained. On the other hand, there may be some empirical relationship between them since the first three (market, bureaucratic, and associative) are frequently rooted in enterprises or organizations that are likely to be found in geographical proximity. Those sites with a large proportion of enterprises, for example, are likely to have a large proportion of education or health institutions per population. Some inter-correlation is also expected since we have included several of the same communications media in our indicators for market, bureaucratic, and associative relations. Correlation coefficients for the 19 sites with complete information on social capital are provided in Table 3.

**** Table 3 about here ****

It is clear from these results that the availability of market, bureaucratic, and associative social capital are strongly related in our NRE sites. This is not the case for communal-based relations. It also shows that there are few compensation effects. If a site is low in one of these types of social capital, it is likely to be low in the others – a possible reflection of the dynamic processes contributing to community decline or growth (Bruce and Halseth, 2001). These relationships remain even when the size of the site is controlled.⁵

Table 4 provides an indication of the correlation between each of these indicators insofar as the use of social capital is concerned. As with the indicators of available social capital, the various types of use all show positive relations, although the levels are generally lower as would be expected from the larger sample size. The strongest relationship is found between the use of bureaucratic and communal-based social capital, although bureaucratic and associative are also relatively strongly related.

**** Table 4 about here ****

As we will see in subsequent analysis, the relatively high correlations between bureaucratic and communal-related, and bureaucratic and associative-related social capital are likely due to medicare and other welfare state structures of Canadian society. Under conditions of health, education, or family-related stress, Canadians frequently turn to a combination of family and state supports (Statistics Canada, 1991).

The availability of social capital in a site does not always mean it will be used, however. In fact, Table 5 shows how weak the relationship is between the availability of social capital in a rural site and the use of that capital. All of the correlation coefficients are small, especially with respect to communal types of capital. Only associative-based social capital shows a relatively large correlations between availability and use.

**** Table 5 about here ****

There are some hints here regarding potential opportunities for the use of various types of social capital based on the availability of organizations supporting them. We find, for example, that the

availability of associative-based organizations (e.g. voluntary organizations) increases the likelihood that bureaucratic-based social capital will be used. This may point to the ways in which such voluntary associations act as bridging mechanisms for integrating people into social services (Statistics Canada, 1991). A similar effect may occur with respect to their role for market-based relations, but at a smaller level. These data suggest, for example, that building associative-based social infrastructure is likely to have a greater impact on the use of other forms of social capital than the availability of bureaucratic, market, or communal infrastructure. These results also caution us with respect to any analysis confounding the direct measurement of social capital and its use. Unfortunately, much of the published work on this topic includes a significant dependence on use measures (usually associative-based), sometimes mixed with those that indicate more institutional characteristics. Without a more detailed analysis of the relationships between the two, we are likely to find continuing controversy as a result of the empirical work.

These data beg the question regarding the types of outcomes that social capital is likely to have in the rural context. Putnam (2000) and others have provided considerable evidence that social capital is related to a variety of outcomes, but their analysis is largely dependent on associative-based social capital. Our data allow us to explore this issue with a more extensive examination concerning other types of social capital.

Table 6 provides a summary of this exploration for household incomes, employment, government dependence, and poverty. It illustrates, for example, that variation in the levels of

income and employment are most strongly related to variation in the use of market-based social capital – even while education, household size, and the other types of social capital are controlled. This fits with our expectation since market-based social capital should be reflected in capacity to operate in labour markets with the income payoffs that this entails.

**** Table 6 about here ****

The data also show that bureaucratic and communal-based social capital are negatively related to incomes. This is most likely a reflection of the increased use of government support programs (e.g. employment insurance, old age support) or assistance from family members among those with low incomes. This conclusion is supported by the regression results for the government transfer and poverty columns, where the use of bureaucratic-based social capital shows the strongest relationship to such transfers.

This table demonstrates how the type of relationship on which the social capital is based has different impacts of the outcomes. In all cases, there are both positive and negative effects from the four types of relations we have identified. Social capital measures based on one indicator, therefore, are likely to be insensitive to the important variations among types that are found here. Building capacity in associative-based social capital, for example, is likely to have a small negative impact on employment, for example, once market-based social capital, education, and household size are controlled, whereas, this impact may be positive on income. Extrapolating programs for community development using simple indicators for social capital should therefore be done with caution.

Caution is also required for other reasons. Our analysis shows that the context of the field sites affects many of these relationships in important ways. The fields sites in the NRE sample frame are selected to facilitate comparisons on five key dimensions: exposure to the global economy, the stability of the local economy, proximity to urban centres, and the level of institutional development (Reimer, 2002).⁶ This framework allows us to examine the relationships between the types of social capital and outcomes under these various contextual conditions. Table 7 illustrates these results by focusing on the first column of Table 6 (household income).

**** Table 7 about here ****

Table 7 shows that market-based social capital and education are consistently the most important variables for explaining household income variations, but beyond these two, the impacts show different effects. For households in site that have relatively low exposure to the global economy, associative-based social capital has no significant effect on incomes, but for those that are integrated into that economy, associative-based social capital is the third most important variable. This suggests, for example, that programs directed to building the capacity of volunteer groups will have limited impacts on income when the communities have relatively isolated economies, whereas they may be quite effective in those that are globally connected.

Similarly, communal-based social capital appears to be important in sites with fluctuating economies whereas it is insignificant in those where the economy is rather stable. In fact, communal-based social capital appears unrelated to household incomes in sites with stable economies, those that are adjacent to urban centres, or those showing high levels of institutional

capacity. On the other hand, it appears quite important for those sites that are distant from urban centres or have low levels of institutional capacity.

Summary and Conclusions

This analysis has important implications for community development, at both theoretical and practical levels. Theoretically, it highlights the central role of social relations for social capital and builds on that perspective to demonstrate how the concepts might be measured. In doing so, we introduce an important distinction between the availability of social capital and its use. Social capital may be reflected in organizational maintenance, but this does not always mean it is used by local populations. Our data allow us to measure these two forms independently and to explore the extent to which they are related. In the process, it creates opportunities for local development by making visible the potential gap between availability and use.

Our framework also identifies how social capital reflects not one, but at least four different but interdependent types of social relations. By distinguishing market, bureaucratic, associative, and communal types of social capital, we introduce new understandings of the processes underlying social capital, and open new questions about its impacts and contributions. This approach also contributes to the measurement of social capital – a critical step for examining its manifestations and moving beyond the narrow reliance on associative-based indicators so often found in the literature.

By highlighting the differences between these four types, we improve our understanding of community dynamics and create opportunities for community development that might easily be overlooked. Bureaucratic-based social relations can undermine associative-based ones, for example, unless the points of tension can be addressed. Our framework points to bureaucratic demands for role-driven resource distribution and accountability as two areas where such tension is most likely to occur. Once identified, these issues can be dealt with through programs designed to overcome the obstacles (e.g. funding for RFPs and accountability demands), thereby increasing the synergy for sustainable action inherent in bureaucratic and associative-based relations.

The four-fold framework can be used to identify innovations in social capital building as well. Our data analysis shows how the availability and use of these four types are all positively related. As a result, we presume that building social capital can be done in more ways than improving the level and nature of voluntary associations since they represent only one type of social capital. Once we understand this point, the value of market, bureaucratic, or communal-focused strategies may become apparent. Communities with strength in communal-based relations, for example, could use this strength to build their social capacity in other areas – thus increasing their general capacity and resilience to stresses.

Our framework also highlights the dynamic nature of social capital. It is a characteristic based in social relations, but these relations are always changing and they may be used for a variety of objectives. As a result, an organization, group, or network might at one point be used for

learning and pleasure, while at another point it may serve as a basis for a business venture. This venture might in turn, contribute to an increase in social cohesion that augments the social capital that generated it in the first place.

Our analysis also points to the importance of considering place-specific conditions in the application of development policy. Using our four sample frame dimensions we have shown how the impacts of social capital are different under variations in the local economy, its connection to the global economy, its proximity to urban centres, and its institutional development. On the one hand, this suggests that general policies are likely to be varied in their impacts, and on the other it directs attention to some of the local conditions that are important. Taking into account these conditions, general policies that are sufficiently flexible can be directed in strategic ways to increase the likelihood of success.

The importance of context should also caution practitioners of community development and policy-makers regarding the limits of local action for revitalization. All four of the context dimensions we considered are largely beyond the control of local people. Yet they all affect the local dynamics and the potential for local outcomes. In this respect, community development must include regional, national, and even international factors.

This analysis is preliminary and in some ways only suggestive. Although the number of sites considered is a significant improvement on existing data analysis, it is still rather small for generalizations – particularly with respect to the site-level data and hierarchical analysis. It is

also an analysis at one point in time. This creates considerable uncertainty for the causal inferences that underlie many of our claims. We are developing a longitudinal database to overcome this limitation, but the results will not be ready for a few years.

A closer analysis of the social capital measures is also in order. One of the advantages of our long-term work in the field sites is that we are able to compare the general, aggregated figures with the more detailed information from each of the sites. As a result, we will be able to explore the details behind the social capital measures in our data. The high level of market-based capital in a few of our sites, for example, may be tied to the particular organization of enterprises or entrepreneurial culture that we find in those sites.

In spite of these qualifications, we feel confident that our long-term, comparative, participatory approach to research has provided a valuable context in which to examine the complexity inherent in the analysis of social capital in particular and community development in general. Not only has it provided the comparisons necessary to identify the complexity of this development, but it has ensured that we are confronted with data and perspectives from multiple levels and sources – thereby providing a strong empirical basis for our confidence.

ENDNOTES

1. These ideas reflect the contribution of many people in the New Rural Economy Project (NRE) of the Canadian Rural Revitalization Foundation (CRRF). I thank them for their insights and inspiration. Whereas I have borrowed liberally from their ideas, the particular formulation here is not an official position of the NRE or CRRF. Tara Lyons and Angela Briscoe were particularly helpful with the data analysis. Primary funding support for this project has been provided by the Social Sciences and Humanities Research Council of Canada.
2. A more extensive theoretical discussion of this framework can be found in (Reimer, 2002). Our objective in this paper is to focus on the operational and empirical aspects.
3. This framework is the result of collaboration between many NRE researchers. Important contributions have been made by L. Peter Apedaile, Tom Beckley, Diane Martz, Solange Nadeau, Sara Teitelbaum, Moses Geepu-Nah Tiepoh, and Ellen Wall.
4. The NRE project is a five-year research and education initiative involving over 30 researchers, 13 universities or institutes, policymakers, and rural citizens. It includes a program of conferences and workshops, macro-level analysis using census and survey materials, community-level analysis, household-level analysis, and an extensive dissemination program to researchers, policymakers, and rural people (<http://nre.concordia.ca>).
5. On the assumption that larger sites are more likely to have a greater number of organizations, we calculated these values for small (55 to 255 households), medium (255 to 520 households), and large (605 to 1930 households) sites. Although the correlation values shifted (with communal-related getting smaller and others getting larger) the overall pattern remained.
6. The fifth comparison (leading or lagging status) is considered an output. It reflects levels of socio-economic performance.

Table 1: Indicators for the Availability of Social Capital - 4 Types of Relations

	N	Min	Max	Mean	Std. Deviation
Availability of Market-Based Social Capital					
# of market-based services within 30 min	19	0.0	5.0	1.74	1.76
# of market communication services	19	1.0	8.0	6.00	1.73
log of number of businesses in site	19	1.4	5.8	3.54	1.20
Index of Market Social Capital for site (standardized)	19	0.7	4.5	3.00	1.00
Availability of Bureaucratic-Based Social Capital					
# of bureaucratic-based services within 30 min	19	0.0	31.0	8.79	8.40
# of bureaucratic communication services	19	1.0	3.0	2.68	0.75
Index of Bureaucratic Social Capital for site (standardized)	19	1.9	5.6	3.00	1.00
Availability of Associative-Based Social Capital					
# of associative-based services within 30 min	19	0.0	18.0	6.68	5.20
# of associative-based communication services	19	1.0	11.0	7.58	2.55
Index of Associative Social Capital for site (standardized)	19	1.3	5.0	3.00	1.00
Availability of Communal-Based Social Capital					
# of communal-based services in site - no churches or events	19	0.0	2.0	0.95	0.85
log of number of religious groups	19	0.7	3.4	1.45	0.88
log of number of events	19	0.7	1.6	1.21	0.30
Index of Communal Social Capital for site (standardized)	19	1.8	5.7	3.00	1.00
Index for Total Availability of Social Capital for site	19	5.8	18.5	12.00	3.08

Table 2: Indicators for the Use of Social Capital - 4 Types of Relations

	N	Min	Max	Mean	Std. Deviation
Market-based Use					
log of # of HH members who own a business	1995	.00	2.0	0.31	0.43
log of # of HH members employed FT or PT	1995	.00	2.2	0.73	0.53
log of uses of Internet for market relations	1995	.00	1.6	0.27	0.45
log of market public services used	1995	.00	2.6	1.88	0.20
log of # of market participation groups	1995	.00	1.6	0.05	0.19
log of receipt of income from market sources	1995	.00	1.6	0.79	0.44
summary indicator for market-based use (standardized)	1995	.38	5.6	3.00	1.00
Bureaucratic-based Use					
log of uses of Internet for bureaucratic relations	1995	.00	2.0	0.27	0.49
log of bureaucratic services used	1995	.00	2.7	1.78	0.40
log of # of bureaucratic actions taken	1995	.00	0.7	0.09	0.23
log of receipt of income from bureaucratic sources	1995	.00	2.1	0.74	0.52
summary indicator for bureaucratic-based use (standardized)	1995	.00	6.7	3.00	1.00
Associative-based Use					
log of uses of Internet for associative relations	1995	.00	0.7	0.04	0.16
log of associative services used	1995	.00	1.1	0.20	0.32
log of # of associative participation groups	1995	.00	3.1	0.83	0.82
log of associative actions taken	1995	.00	1.8	0.73	0.52
summary indicator of associative-based use (standardized)	1995	1.6	7.2	3.00	1.00
Communal-based Use					
log of uses of Internet for communal relations	1995	.00	1.1	0.30	0.43
log of types of sharing with family and friends	1995	.00	2.5	1.03	0.62
summary indicator of communal-based use (standardized)	1995	1.25	6.0	3.00	1.00
Index for Total Use of of Social Capital	1995	4.67	21.4	12.00	2.76

Figure 1: Availability of 4 types of social capital by NRE field sites (N=19) Source: NRE Site Profiles 2000

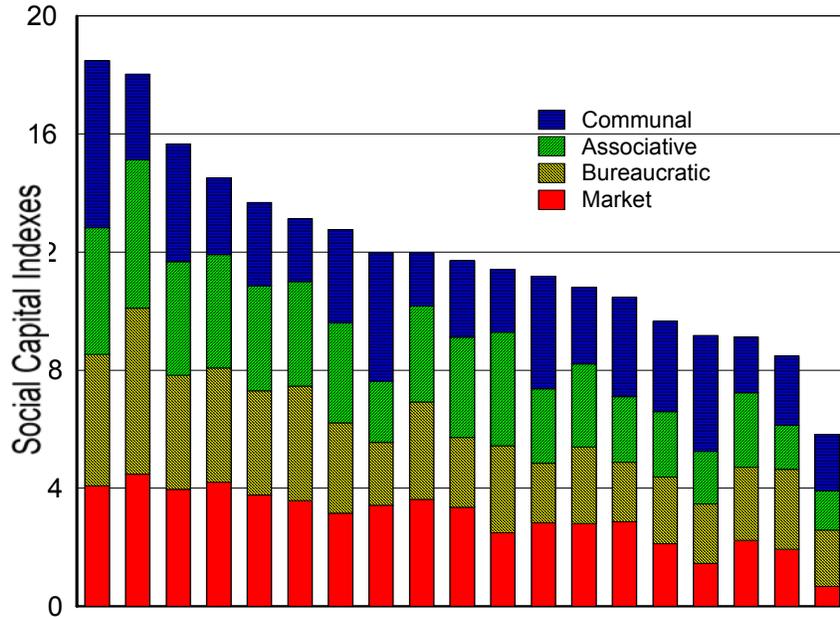


Figure 2: Use of 4 types of social capital by NRE field sites (N=1995) Source: NRE Household Survey 2001

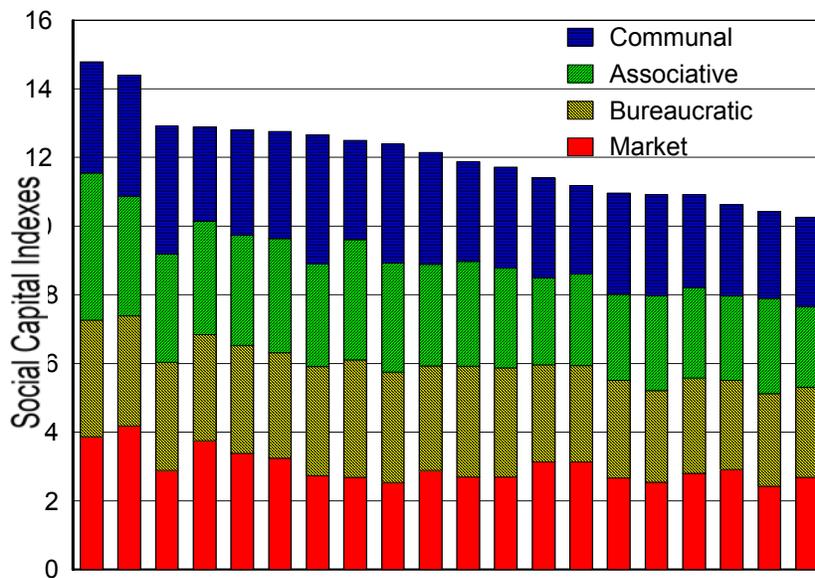


Table 3: Correlations between indicators of Availability of four types of Social Capital (19 NRE sites)

	Bureaucratic-based ⁺	Associative-based	Communal-based
Market-based	.76**	.84**	.29
Bureaucratic-based		.87**	.12
Associative-based			.13

⁺ sums of raw items with skewed variables log-transformed

** Correlation is significant at the 0.01 level (2-tailed)

Source: NRE Site Profiles 2000

Table 4: Correlations between Indicators of Use of types of Social Capital (1995 NRE Households)

	Use of Bureaucratic-based ⁺	Use of Associative-based	Use of Communal-based
Use of Market-based	0.18**	0.28**	0.27**
Use of Bureaucratic-based		0.37**	0.41**
Use of Associative-based			0.29**

⁺ sums of items log-transformed

** Correlation is significant at the 0.01 level (2-tailed)

Source: NRE Household Survey 2001

Table 5: Significant correlations between the availability of types of Social Capital and its use (N=1894)

Use of Social Capital (HH level)	Availability of Social Capital (Site-level)				
	Market-based	Bureaucratic-based	Associative-based	Communal-based	Total
Market-based	.12**	.08**	.21**		.15**
Bureaucratic-based	.22**	.13**	.35**		.29**
Associative-based	.20**	.09**	.28**		.22**
Communal-based	-.18**	.09**	.07**	.05*	
Total	.19**	.12**	.32**		.25**

** p < .01; * p < .05

Availability is measured at the site level (Source: NRE Site Profiles 2000)

Use is measured at the household level (Source: NRE Household survey 2001)

Table 6: Significant R² and beta coefficients for 4 Household Outcomes by Types of Social Capital Used, Education, and Household size (1989 NRE Households)

	HH Income	At least 1 HH member employed FT or PT	At least 1 type of government transfer	Poverty status
Adjusted R²	.37	.58	.29	.05
Constant	(9102)*	(.03)	(.49)	.12
Market-based (log)	.41 (6868)	.70 (.20)	-.34 (-.10)	-.07 (-.02)
Respondent's education	.26 (3029)	.01 (.003)	-.12 (-.02)	-.09 (-.02)
Household size	.13 (2039)	.15 (.04)	.14 (.04)	.15 (.04)
Bureaucratic-based (log)	-.10 (-2445)	-.18 (-.08)	.49 (.22)	.13 (.06)
Communal-based (log)	-.10 (-2387)		-.07 (-.03)	.06 (.03)
Associative-based (log)	.08 (1581)	-.05 (-.02)	-.07 (-.02)	-.10 (-.03)

* Figures in parentheses are unstandardized coefficients (B)

Source: NRE Household Survey 2001

Table 7: Significant R² and beta coefficients for HH Incomes by 4 NRE Sample Frame Dimensions

Social Capital	Economic Relations		Economic Stability		Metro Adjacency		Institutional Capacity	
	Local	Global	Stable	Fluct.	Not Adj	Adj.	Low	High
Adj. R ²	.42	.35	.29	.43	.41	.31	.43	.35
N	765	931	566	1130	1164	532	877	819
Market	.37	.43	.43	.43	.41	.41	.46	.34
Educ.	.34	.16	.12	.29	.29	.21	.20	.30
HH Size	.16	.10	.10	.14	.13	.12	.10	.15
Bureau.	-.12	-.07	-.11	-.10	-.10	-.10	-.08	-.14
Comm.	-.07	-.10		-.11	-.14		-.13	
Assoc.		.16	.08	.09	.12		.18	

Source: NRE Household Survey 2001

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