

Understanding Social Capital for Community Development Policy

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- Relationship between human and social capital
- What is social capital?
- Why is it important?
- Why is it important to rural and northern issues?
- Why is it important to policy?

Human Capital and Social Capital



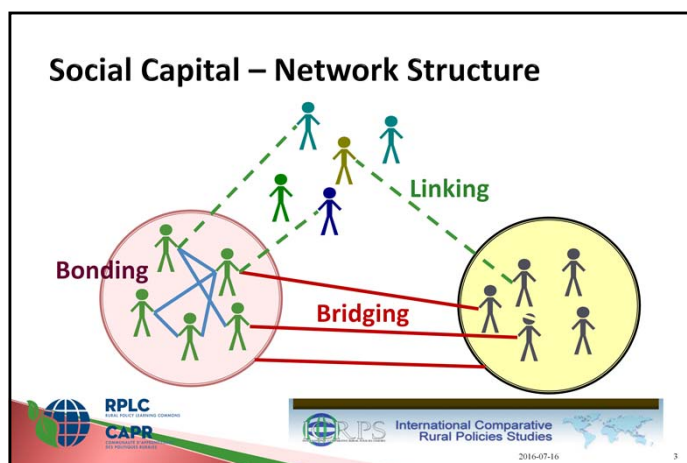
The image shows a woman with long dark hair, wearing a grey top and black pants, sitting cross-legged on the floor and using a laptop. She is surrounded by a network of human icons (stick figures) connected by dotted lines, forming a circular pattern around her. This visualizes the concept of human and social capital.

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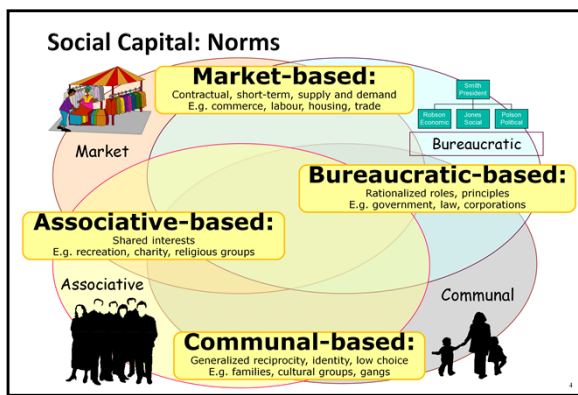
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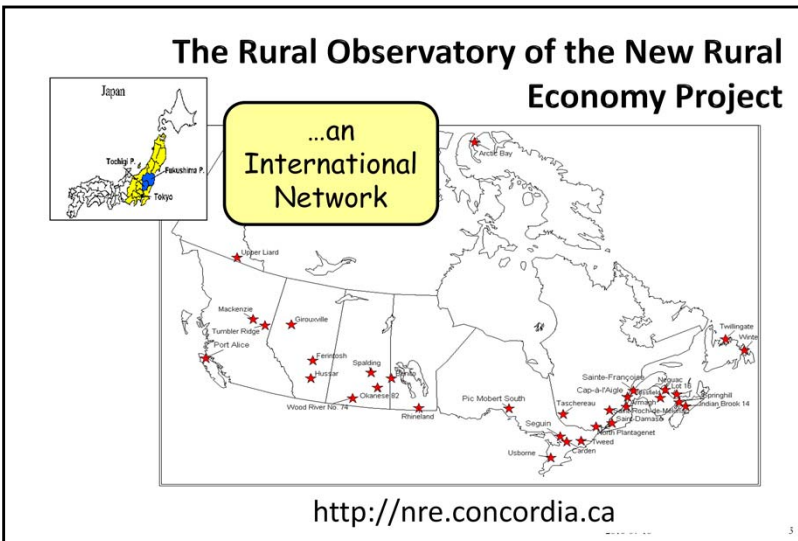
- What is the relationship between human capital and social capital?
- Both are forms of capital: Something produced that can enhance a person's capacity to perform useful work.
 - Human capital: focuses on individual (*) talents and skills – along with their development. Human capital increases or decreases an individual's capacity to survive and thrive.
 - Social capital: focuses on the networks (*) in which individuals are involved – and their potential to enhance or decrease an individual's capacities – or community capacity if this is the focus of attention.
- Significant debate among economics regarding the meanings and definitions of capital – along with the various forms it can take.
 - I am not going to go into them at this point, so I invite those of you who are interested to explore them using some of the references in this session material.
- Instead, I would like to focus on some of the key concepts and relationships which will help you understand the value of social capital insights for community development and policy (especially in a rural and northern context).



- At the most general level, relationships among individuals and groups have been analyzed in terms of two general characteristics: their **structure** and the **norms** which guide individuals in those relationships.
 - That is, analysts focus on **Who** is interacting and **how** are they interacting?
- There are many ways in which this has been done.
 - Networks have been represented by their centrality, closure, reciprocity, density, strength, segmentation, and distance, to name a few.
 - I will focus on three of these that turn out to be particularly important for community action and capacities.
- The extent to which the structural links are Bonding, Bridging, or Linking
- Bonding** (*) networks are those connecting people or groups who are relatively similar in their social characteristics.
 - E.g. Family, close friends, neighbours
 - Often used to analyze specific groups as well – and consider characteristics of the relationships within the group (as opposed to those outside the group). This is the pervue of social cohesion studies.
- Bridging** (*) networks are those among people or groups who are dissimilar with respect to important demographic or social characteristics (gender, ethnicity, age, income, status, etc.) – or in the case of specific group studies: those outside the focus group.
- Linking** (*) relationships are sometimes differentiated to identify networks among people who are dissimilar with respect to power (e.g. power to provide services or resources).
 - This concept has been inspired by the identification of the “strength of weak ties” proposed by Granovetter (Granovetter, 1973, 1983): He found it is often the more casual connections we have with people who are quite different from us that are most valuable for the introduction of new ideas, innovations, and opportunities (e.g. finding a job).
- Sensitivity to the distinctions among bonding, bridging, and linking social capital can be highly relevant for rural policy.
 - All forms should be considered to take advantage of social capital analysis and assets.
 - It’s not enough to focus our policy on a specific community, group, or individual alone – but we should consider as well how they are connected to those who are similar to them, to those who are different, and how they are connected (or disconnected) to those with access to important resources.
 - The town of Seguin, ON discovered this when they (reluctantly) invited their seasonal residents to sit on municipal committees in the face of considerable resistance to proposed changes. These seasonal residents not only learned about the importance of these changes – thus reversing their previous reluctance, but were able to bring resources to the municipality via their connections with powerful people in the Ontario government (see reference below).
- But: it is not only the structural conditions that will have an impact on community action.
- Jacob, Benoy, Lipton, Becky, Hagens, Victoria, and Reimer, Bill (2008) “Re-thinking local autonomy: perceptions from four rural municipalities” *Canadian Public Administration*, 51:3 (Sept) 407-427.



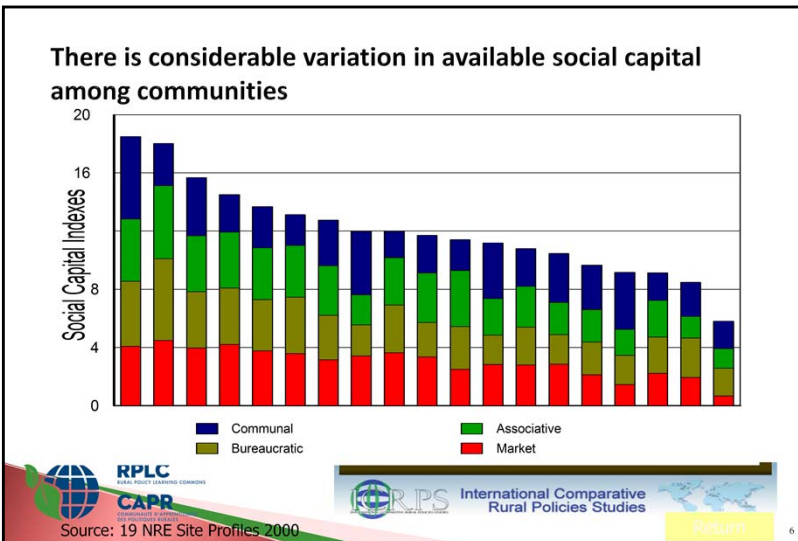
- We need also consider **how** people and groups are interacting with each other.
 - What are the explicit or implicit rules that guide their behaviour?
 - Sociologists refer to these rules as the **norms** that make collective action possible.
- Collective behaviour requires the sharing of particular norms and expectations that must be met in order for trust to develop and action to occur.
- Norms are the expectations, rights, and obligations that guide our social relations.
 - They are often implicit, but can get more formalized in the various organizations and institutions we create.
- These norms show incredible variation and innovation in the systems by which we relate, but
- We have found it useful in our research to think about them as four relatively coherent systems.
 - (S) Market relations (e.g. commerce, labour markets, housing markets, trade)
 - Coordinated action occurs between us because I have something that you want, you have something that I want, and we are willing to exchange.
 - They are formally supported and controlled by trade agreements, competition legislation, labour law, better business bureau, and the courts, but are also reflected in more informal ways when we barter or exchange goods and services.
 - They are the norms that guide us when we shop for groceries, seek employment, negotiate the purchase of a house, or exchange services with our neighbours.
 - (S) Bureaucratic relations (e.g. government, corporations, and formal organizations such as those related to education or health)
 - Coordinated action occurs because we agree on a set of rationalized roles, authority and status, and generalized principles of rights and responsibilities.
 - Formally, they can be reinforced by legislation, corporate law, or organizational by-laws
 - They are the norms that guide us when getting our driver's license, meeting a doctor, or for most of us, relating to each other as faculty members and students.
 - (S) Associative relations (e.g. baseball leagues, bridge clubs, environmental groups, meals on wheels)
 - Co-ordinated action occurs because we share specific interests and are willing to collaborate because of them (e.g. volunteer groups)
 - May be formalized by civil law, municipal by-laws, but in many cases they rely on informal appreciation and sanctions
 - Unfortunately – from an analytical point of view, these are often the only types of relationships that are considered as social capital (e.g. Putnam's focus on civic engagement)
 - (S) Communal relations
 - These guide the co-ordinated action in our families, friendship networks, gangs, and cultural groups.
 - Based on kinship, generalized reciprocity, favours
 - Strongly implicated with identity development and demands for loyalty.
 - Most often controlled by informal norms but we also see their reflection in some family law and government agency policies.
- All four types of normative structures are implicated in most relationships, but some become more predominant than others in specific types of organizations or action.
- These systems are not always compatible, but they can be organized in such a way that they reinforce one another for particular purposes and at particular times.



- What difference does social capital make for community development and rural-related policy?
- Why are the distinctions of structure and norms important for rural policy?
- My answers to these questions rely on research insights from the study of social capital and related networks – largely through an 11-year study with 32 field sites throughout Canada – (*) and 2 in Japan: the New Rural Economy Project.
- In the interest of time I will identify a selection of these insights and point you to the research behind them for your exploration at a later time.
- What have we learned about social capital and its implications for rural community development and policy?

•Reimer, Bill (2013) "[Rural Policy Changes in Canada.](#)" Presentation to the Leslie Harris Centre, Memorial University of Newfoundland, July 31.

[<http://billreimer.net/workshop/research/files/Reimer4HarrisCentreSynergySession20130731.pdf>]



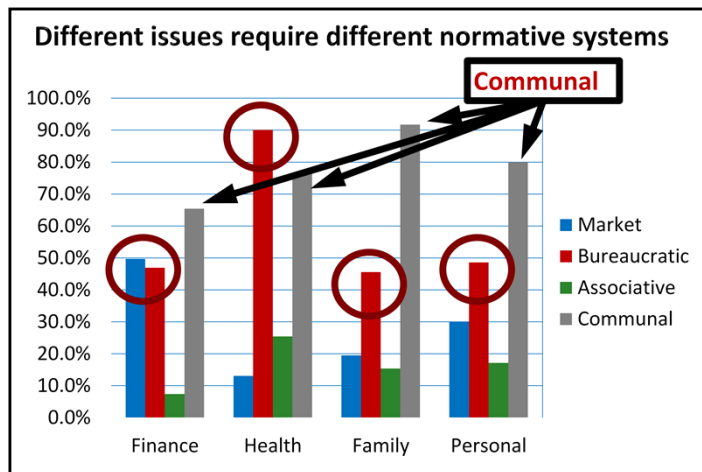
- Finding 1: There is considerable variation in available social capital within and among communities
- This graph represents the levels of various types of social capital in 19 of the field sites of the NRE project [<http://nre.concordia.ca>].
 - Heights represent the total social capital available
 - Colours represent the types of normative relations that condition this social capital
- Each site has its relative strengths and weaknesses with respect to the amount and types.
- There is potential in this insight for useful information that can inform policy and local action
 - Measuring and identifying the variation in the types of relations: allows us to see ways in which we can build on the strengths of particular communities to enhance the types of relations in which they are weak.
- To do this we need to understand:
 - How do the different types of social capital relate to each other?
 - Do they reinforce or inhibit each other?
 - Under what conditions?
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- NOTE: Indexes standardized to national range (z-scores + 3)
- Average = 3
- 19 field sites

AVAILABLE Social Capital is not always USED

	AVAILABILITY of Social Capital (Site-level)				
USE of SoKp (HH-level)	Market	Bureau.	Assoc.	Comm.	Total
Market	.12	.08	.21		.15
Bureaucratic	.22	.13	.35		.29
Associative	.20	.09	.28		.22
Communal	-.18	.09	.07	.05*	
Total	.19	.12	.32		.25

> (r) (N=1849) Unless otherwise indicated 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 HH Survey 2001)

- Finding 2: Available social capital is not always used. This becomes apparent once we build independent indicators for each of them.
- This table from our field sites provides the correlation coefficients between the four types of social capital as it is **Available** (top) and as it is **Used** (side).
- If each available type is well used, we would expect to find relatively high correlations in the diagonal cells.
- However, we find they are relatively small (.05 to .28)
- Possible Implications:
 - Building infrastructure for SoKp may not always guarantee its use.
 - We see this in the underutilized arena's, boarded up businesses, and empty schools in many of our communities.
 - Use of one type of social capital may also depend on the availability of social capital in other normative systems.
 - The community of Nelson, BC was able to circumvent the limitations of bureaucratic norms by making use of its associative and market-based capacity. In the end, they created a Trust that supports international regional development projects within the whole watershed of the Columbia River as it passes through south-eastern BC.



•Finding 3: Different community and household issues require capacity in different types of normative systems.

•This graph shows the use of different normative systems of social capital for 4 of the most frequent types of changes facing households in our field sites: Finances, Health, Family, and Personal issues

- We see that (*) communal-based supports show a very high % of use across the various types – but beyond that the relative use of other types of support vary
- Finances: Market and Bureaucratic-based (*) supports are used at about the same level
- Health: Bureaucratic-based (*) supports are the highest used – with Communal-based supports a close second (Note Medicare in Canada)
- Family and Personal: Bureaucratic-based supports are the second most frequent type of support used
- Associative-based supports (Green) are less important than Communal and Bureaucratic – but still play a role for Health, Family and Personal issues

•Implications for rural policy?

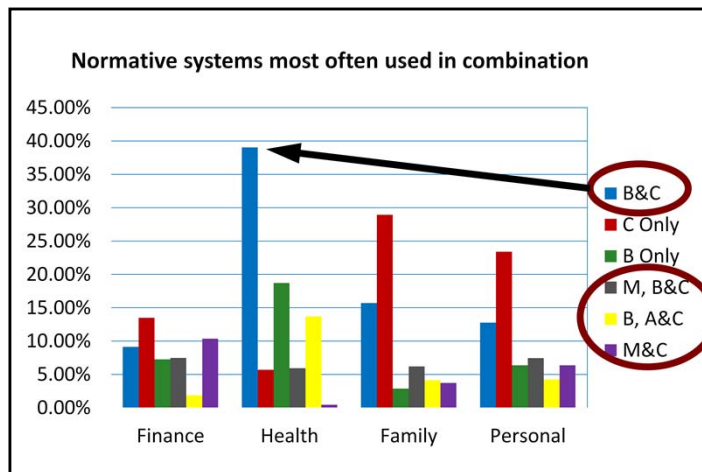
- Building capacity in various types of normative systems is important for providing social support in these communities.
- Supporting communal-based social capital is critical for all types of issues. We often neglect this in our analysis and policies in spite of its importance throughout.
 - For example, in BC First Nations communities, the suicide rates among Indigenous youth have been dramatically reduced by building their communal-based social capital through celebration of their culture and traditions (see reference below).

•Chandler, Lalonde, Sokall, Halllet, (2003:43) *Personal Persistence, Identity Development, and Suicide: A Study of Native and Non-Native North American Adolescents.*

•

•Social Support options in chart

- Finance: financial, employment, legal
- Health: health, home care
- Family: parenting, living arrangements
- Personal: education, personal achievement
- Other



- Finding 4: The different types of social support are most often used in combination
- In this graph, we see that this is most dramatically the case for Health – where Bureaucratic and Communal supports (*) are most often combined.
 - This is not surprising if we think about how people get access to hospitals, clinics, doctors, and other health services – especially in rural areas.
 - Family members are often needed to provide transportation, look after children, or even encourage one to go see a doctor when illness strikes.
- Of the most frequent sources of support, Market and Associative are seldom used on their own (*). As was hinted in the previous slide, it is Communal-based social capital that most often is used in combination to deal with Financial, Health, Family, or Personal issues.
- This has important policy and community development implications
 - Focusing on one type of social capital alone will seldom be sufficient to ensure its effective use.
 - Business development plans that don't take into account the potential conflicts with bureaucratic, associative, or communal norms are likely going to meet with failure.
 - We have seen this in the case of entrepreneurial programs that don't consider the double or triple demands on women.
 - It was only after repeated failures to solve their problems using Market-based approaches with local multi-national industries that citizens in Mackenzie, BC, turned to their Communal and Associative-based capacity to enhance their community services and quality of life.

Why is Social Capital important for Rural?

- ▶ Untapped potential for capacity-building
- ▶ More accurate reflection of capacity-building action
- ▶ Strategic focus for community action



- These are only a few of the ways in which social capital has shown itself to be important for community wealth, welfare, and action.
 - I invite you to look at some of the items in the session materials to explore others, but at this time I would like to consider answers to the question:
- Why is an awareness of social capital important for rural development and policy?
- (*) First, it makes us sensitive to untapped capacity for action: both individual and collective
 - Our analysis illustrates how there is more potential than used social capital in most communities.
 - Learning how to recognize and use it increases the asset base for communities
 - *We have found that Associative and Communal-based social capital is relatively strong in rural communities – although it is often overlooked or discounted because of the priority given to Market and Bureaucratic-based capacities when getting access to resources.*
 - *Successful communities are those that use their Associative and Communal-based strengths to build their Market and Bureaucratic ones.*
 - Cap à l'Aigle: used a local lilac enthusiasts club and its family-based B&B's to market itself internationally as the Village of Lilacs and now hosts an annual festival that brings visitors from around the world.
- (*) Second, social capital analysis provides a more accurate reflection of the process whereby individuals and collectivities take action
 - Human capital is important, but doesn't occur or get translated into action or access to resources without a social context and networks.
 - An individual's education, for example, is more than an individual characteristics. It depends on collective and institutional action from family, friends, community groups, schools, and mentors.
 - It also depends on a social context where education is valued.
 - *Think of all the people and networks that have supported you to get to this ICRPS event – including those who supported your early education.*
 - That is why the focus on entrepreneurs, innovators, and leaders alone is misguided
 - Each of these types of people depend on others in order to be entrepreneurs, innovators, and leaders.
 - *Thus – ask: Who got them to that point? Who supports them now? Who recognizes and makes use of their initiatives? Who are they able to lead – and why?*
 - *The advertising industry is well aware of the importance of networks. They have paid more attention to the research on networks, early adopters, and opinion leaders than most policy-makers.*
 - Social capital is directly relevant for community and collective action. Not recognizing this leads to unsustainable policy.
 - Providing health care facilities without paying attention to how people get there means they will be inefficiently used.
 - **Health care** depends on family supports, education policy, and transportation policy.
 - *Disaster relief must consider local social capital assets to be successful.*
 - *In the Barriere, BC fire it was the local quad squad (4x4 enthusiasts) and horse-owners associations that were critical in saving people and animals.*
 - The Market-focused activities of labour management need Associative and Communal capacities to work.
 - The communities of Southern Manitoba used their Mennonite legacy and connections to turn this rural area into an immigration region that rivals rates in downtown Toronto.
 - Enterprise and community development needs all 4 types of social capital.
 - Illustrated nicely in one of our rural Japanese field sites where a small group of women interested in herbs were able to utilize their voluntary association, family, agency, and business networks to create a local restaurant specializing in herb-based dishes. It now attracts customers all the way from Tokyo. (see reference below)

• Reimer, Bill, Lyons, Tara, Ferguson, Nelson, and Polanco, Geraldina, (2008) "[Social capital as social relations: the contribution of normative structures](http://billreimer.ca/research/files/ReimerEtalSocialCapitalAsSocialRelationsPublicV01.pdf)" *Sociological Review*, 56:2, pp 256-274. <http://billreimer.ca/research/files/ReimerEtalSocialCapitalAsSocialRelationsPublicV01.pdf>

- Measurement Issues
- Trust
- Alternatives

The Social Capital Lens

- ▶ Directed to Bonding, Bridging, Linking networks?
- ▶ Implications for Market, Bureaucratic, Associative, Communal-based normative systems?
- ▶ What normative capacities are required?
- ▶ How can we build the weak capacities from the strong?



- So when you consider a policy, program, or potential initiative, here are some questions to ask from a social capital point of view.
- (*) In what ways is it directed to bonding, bridging, or linking networks? To what extent does it rely on, enhance, or inhibit them?
- (*) What implications does it have for Market, Bureaucratic, Associative, or Communal-based normative systems? Have you considered them all?
- In what ways does it rely on, enhance, or inhibit these various types of systems?
 - For example, does it assume competence in one or the other systems on the part of the communities or groups considered? Is this a reasonable assumption?
 - Or does the policy create tension among the various systems? In doing so, which types of persons or communities are likely to be marginalized?
- (*) What normative capacities are required to make the policy or program successful?
- (*) How can weak capacities be built from the strong?

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