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C. Flora, NCRCRD

Forms of Capital Within Communities



Increased use of the knowledge, skills, and abilities of local people (*human capital*)

- Identify capacities
- Enhance capacities
- Recombine capacities

Strengthened relationships and communication (social capital)

- Increased interactions among unlikely groups within the community
- Increased interactions among unlikely groups outside the community
- Increased availability of information and knowledge

Improved community initiative, responsibility, and adaptability (social capital)

- Shared vision
- Building first on internal resources
- Looking for alternative ways to respond to constant changes
- Loss of the victim mentality

Sustainable, healthy ecosystems with multiple community benefits (*natural capital*)

- Human communities plan and act in concert with natural systems
- Ecosystems are used for multiple community benefits
- Those with alternative uses of the ecosystem seek common ground

Appropriately diverse and healthy economies (economic capital)

- Reduced poverty
- Increased business efficiency
- Increased business diversity
- Increased community residents' assets

Capitals As Assets and As Outcomes

Assets—4 capitals

Capacity

Desired Futures

Four capitals:

- Social
 - Bridging
 - Bonding
- Human
- Natural
- Economic
 - FinancialBuilt)



Improved community initiative, responsibility, and adaptability
Sustainable, healthy ecosystems w/multiple community benefits
Appropriately diverse and

healthy economies



Ideal Balance



Relation of Community Sectors Before State Decentralization



Under Economic Dispersion

Community Sectors Before State Decentralization



Under Economic Concentration



Dimensions of Social Capital: Implications for Community Building

Community resists change; often groups within the community don't trust each other and do not cooperate 	Community change driven by community-determined goals and linked to external resources	
Rich solve problems with financial capital Poor have few options	Change driven by goals of outsiders, often mediated through local bosses (<i>clientelismo</i>)	

Bonding

Study of 99 Iowa Non-Metro Communities, 1994-1998

Dependent Variables—Economic Development: **Self-Development (Count variable)** \blacktriangleright Historic/cultural site for tourism (67%) \blacktriangleright Downtown revitalization (66%) \geq Retain/expand local business (61%) \succ Find buyer for local business (53%) **Industrial Recruitment (Guttman scale)** ≻Organize recruitment committee (59%) ► Develop industrial park (31%)

Economic Development Regressed on Social

Infrastructure, 99 Iowa Communities, 1994-98

Social Infrastructure Indicators	Self Dev.	Ind. Recruit.
Population size (1990) (Control)	<u>.32</u>	<u>.29</u>
LogPop w/20 mile radius (Control)	14	05
Whole community group (Symbols)	01	08
Community inclusiveness (Symbols)	01	07
Citizen input scale (Symbols)	.26	.18
Linkage scale I (Quality of Linkages)	<u>.21</u>	<u>.30</u>
Linkage scale II (Quality of Linkages)	<u>.16</u>	.03
Business supportiveness (Resource Mobil.)	<u>.39</u>	.10
Organizational activism (Resource Mobilization)	<u>.19</u>	.06
Fundraising capacity (Resource Mobilization)	<u>.19</u>	.15
R Square	<u>.63</u>	.51

Sample of U.S. Nonmetro Communities

% of economic development projects with at least one --



ESI and Locally Initiated Economic Development in Non-metro US

> Jan Flora, Jeff Sharp, Cornelia Flora, and Bonnie Newlon

Significant ESI Indicators

- <u>Legitimacy of Alternatives</u>: newspaper stimulates information flow regarding local issues
- <u>Resource Mobilization</u>: financial institutions contribute to community projects
- <u>Network Qualities</u>: number of horizontal/vertical linkages within and outside community

Social Reconnaissance, Social Capital:

Field Research by a Student Team to Inform a Participatory Community Development Project

Jan Flora, Brent Hales, Peggy Petrzelka, Vern Ryan, Jeff Zacharakis-Jutz, and Sandy Trca-Black

Core Organizations in Riverside



Reputational Leaders by Religion



Reputational Leaders by Gender



Reputational Leaders by Age



Old Guard vs. Newcomers



Riverside Residents' Assessment of Social Capital

Acquaintanceship

٠	% of adults you know by name in R	+
•	% of close friends living in Riverside	+
•	• Can usually find someone to talk to in River T. +	
Pe	eople in Riverside are	Trust
•	friendly/unfriendly	+
•	supportive/indifferent	+
•	trusting/not trusting	+
	Con	nmunity Action
•	Concern about the community	-
•	People work together successfully	-
٠	Existence of community spirit	-

Two Patterns for High Social Capital:

- Bonding without bridging
 - Predominance of strong local ties
 - High boundary maintenance
 - Exclusion of "nondeserving" groups;
 - enemy orientation against internal and external groups
 - Single answer focus
 - Lack of transparency
 - Fruits of action accrue only to certain groups

• Bridging with bonding

- Weak but dense ties with outside
- Mixture of strong and weak ties within community
- Permeable and open boundaries
- Legitimization of alternatives
- Inclusion of those who are different
- Process tends to be participatory
- More likely to be successful at community improvement that benefits all

Preliminary results of case studies in rural Iowa

- Community that was high on bonding social capital and low on bridging social capital has following characteristics:
- Considerable infighting among different groups of community leaders
- Relatively high poverty rates
- Was reasonably effective in community action; where there was consensus, things got done; when consensus was lacking, project was stymied
- One entrepreneurial family was clearly dominant in community
- Active leaders in community projects had much higher incomes than was true for comparable leaders in two other communities