

Social Capital: a Rural Perspective

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- Acknowledgements:
- The Arkleton Centre for Rural Development Research
- The Canadian Rural Revitalization Foundation

What We Have Done

- Macro analysis using census and survey data
- 32 field sites – a 'Rural Observatory'
 - Local economies (SMEs, Coops, Entrepreneurship)
 - Social capacity (governance, 3rd sector, services, communication)
 - Social exclusion (social cohesion)
 - 1995 Household Interviews (20 sites)
- Web Site (nre.concordia.ca)
- Over 100 documents: books, papers, reports, flyers

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What We Have Done

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- We are learning about:
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How can rural communities (re)vitalize?

- By challenging the conditions that have contributed to devitalization
- By organizing their assets and resources to do the things they consider important

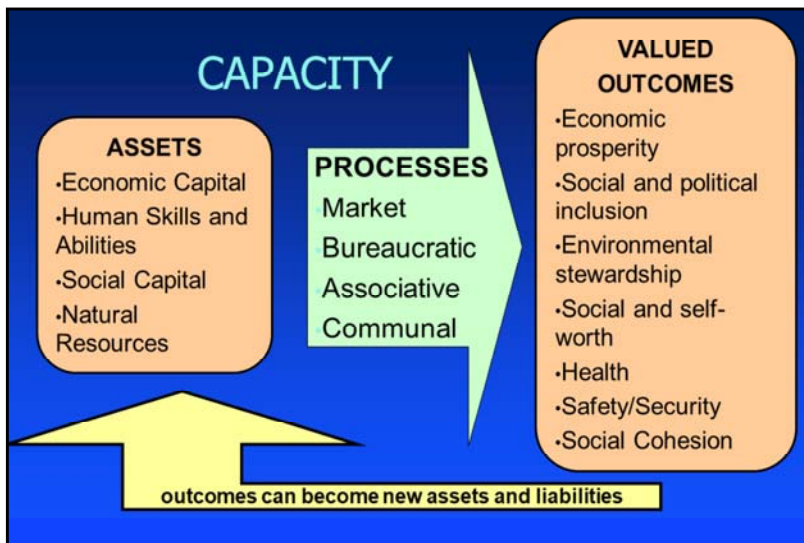
This ability to organize is:

Capacity

Capacity transforms **assets** into valued **outcomes**



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(Re)vitalization occurs when capital and resources are (re)organized to produce desired outcomes. The ability of rural communities to do this in an appropriate and successful fashion is what we refer to as the community's capacity.

Capital

- Human-made assets used for productive purposes



Social Capital

- A type of asset or resource (stock)
- Potentially used for achieving individual or collective outcomes
- Social assets invested in future production

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Social Capital

- A subset of social behaviour
 - i.e. that which is used for productive purposes
- Identified in terms of production
 - Therefore, may vary according to the type of production considered
 - In most cases we are considering economic production
 - Other types of production may be included, however
 - e.g. household objectives or outcomes
 - Recreational or social outcomes (choirs, baseball leagues, bingo)
 - Emergency outcomes (fire, flood, ice storm control or recovery)
- Usually dependent on social cohesion
 - In order to be productive, coordination is required
 - This may be accomplished through:
 - Market relations
 - Bureaucratic relations
 - Associative relations
 - Communal relation

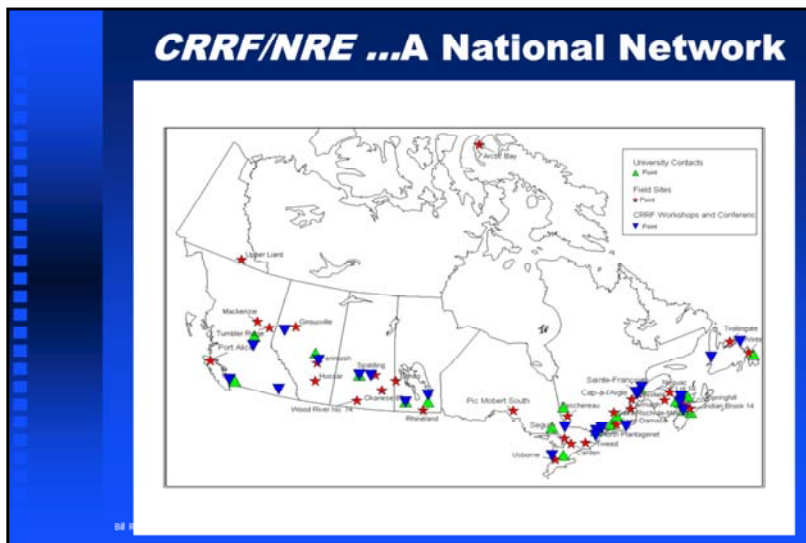
Social Capital is Capital: that part of production that is reinvested into future production

Activities
individual

Productive
Activities
reinvested
social

- Social Assets become Social Capital depending on how they are used
- Only the part that is reinvested into future production

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- Researchers are associated with more than 20 universities and institutes
- 32 field sites chosen (5 dimensions of comparison)
- Program of workshops and conferences – over 13 years, about 25 locations
- International collaboration
 - 2 sites in Japan
 - Colleagues and centres in USA, UK, the Netherlands, Germany, Italy, Mexico
- Invitation to work with us

Social Capital is Social: based on coordinated social action

- Coordinated through expectations and norms
- Enforcement formal or informal
- Reflected in:
 - Institutions
 - Organizations
 - Networks
- Bridging vs. Bonding

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Stats Canada: Relationships, networks and norms that facilitate collective action.



We have found it useful to think about capacity in terms of 4 ways by which it is organized.

- They are distinguished because they are supported by 4 different ways of relating to others – along with distinct, rules, sets of values, legitimation structures, and bases for the distribution of assets
- Sometimes reinforcing one another, and sometimes conflicting
 - (S) Market relations
 - (S) Bureaucratic relations
 - (S) Associative relations
 - (S) Communal relations

Market Relations

- e.g. commodities, labour, housing markets
- rights and obligations determined by supply and demand
- Information, tradable assets important
- contractual relationships
- Trust: honour agreements



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•**MARKET** relations

- (S) predominate in contexts where there is the exchange of commodities, labour, finances, housing, etc.
- (S) rights and obligations are determined by supply and demand
- (S) fundamentally based on contract relations
- (S) Capacity is reflected in the ability to:
 - Identify bankable projects (those that generate assets)
 - Anticipate demand
 - Take risks
 - Make deals (contracts)
- self-organization for market relations requires access to information about the market, ability to anticipate demand, willingness to take risks, having resources or services to exchange*
- most often found in conditions where:*
 - easy entry and exit to these relations, easy access to information*
 - requires constraints on the extent to which participants can deceive, renege on promises, or otherwise limit free exchange*
 - works best with a high level of certainty, openness, absence of opportunism (Granovetter and Swedberg, 1992:61), and a willingness and ability to find mutually satisfactory exchanges*
 - “works best” means it produces equality and fairness*

Bureaucratic (Legal) Relations

- e.g. governments, corporations, legal institutions
- rights based on authority and status
- universally applied rights and obligations by roles
- Trust: protection of rights



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• **BUREAUCRATIC** relations

- (S) predominate in government, corporate, legal, and other bureaucratic institutions
- (S) organized on the basis of authority and status
- (S) reflected in formal, universally applied rules and division of labour
 - ‘identified as a number’
 - the rules identify the status rights and obligations of people in various positions - (eg. President, Directors, Project Leader, Secretary, Labourer). Reflects the organization of roles, not people
- (S) Capacity is reflected in the ability to:
 - Identify objectives
 - Break down the objectives to its constituent parts and necessary activities (rationalize tasks)
 - Integrate them over time and actions
 - Negotiate arrangements – often where ultimate goals are vague (requiring deferred gratification)
- Authority systems work best where there are clearly defined goals, stable environments, and high levels of legitimation for the rationalization of tasks*
- “works best” means reaching goals and conducting instrumental tasks*
- self-organization requires the ability to formulate these goals, rationalize tasks, and revise the rules as a means of changing the status and eligibility rights of participants.*

Associative Relations

- e.g. religious, recreation, farm, environmental, internet groups
- rights based on shared interests
- collective rights take precedence over individual
- Trust: support objectives



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•**ASSOCIATIVE** relations

- (S) predominate in groups such as churches, recreation groups, farm organizations, clubs, environmental groups, and other voluntary associations. They may also include networks which are geographically disbursed - e.g. Internet networks
- (S) organized on the basis of shared interests
- people organize themselves into these relations for many reasons: recognition, respect, camaraderie, or to share in the resources or benefits of the collective activity
 - Cornelia Flora: people are willing to be involved when it is clear that something they value will get done
- (S) collective interests take precedence over individual interests
- they are responsive to the changing interests of the community
- they provide a strong force for social cohesion since they often overlap in membership. People in the amateur theatre group also meet on the baseball diamond, or at church.
- (S) Capacity is reflected in the ability to:
 - Identify these interests
 - Work with communication tools
 - Developing networks to locate people with similar interests
 - Work with symbolic representations to attract and encourage people's commitment to the goals
- they predominate where interests are focused (including natural disasters or social crises), people interact frequently, and where charismatic leaders are found*
- self-organization requires the ability to identify interests and maintain them through various techniques of boundary maintenance (symbols, rituals, secrecy, stigmatization)*

Communal Relations

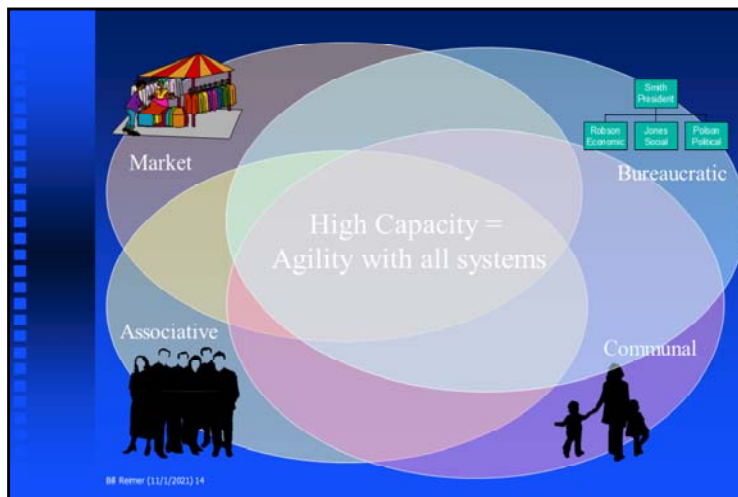
- e.g. families, kinship, friends, gangs, tribes
- rights based on reciprocity and favours
- commitments form to groups or individuals
- Trust: support person



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Communal relations

- (S) predominate in families, kinship, tribal groups, gangs, close friends
- (S) rights and obligations are based on favours and services previously granted or anticipated
- these obligations are often established in elaborate ways: I owe you a favour because your daughter helped me repair my fence.
- (S) commitments form to individuals or groups, not to particular interests
- they are most likely to emerge under conditions of proximity and frequent and long-term contact - facilitated by ascriptive characteristics
- they require a high level of trust and the expectation of loyalty
- they often survive and sometimes flourish under conditions of uncertainty
- (S) Capacity is reflected in the ability to:
 - Communicate frequently
 - Share common experiences (multiple contexts)
 - Create new common experiences
 - Recognize and respect social boundaries
- self-organization requires frequent contact, the ability to develop trust and maintain boundaries (e.g. through symbols, shame, identity)*



- (S) The systems are interrelated (S)
 - (S) Several of our research sites relied primarily on associative relations in the face of school closings. In some, the citizens learned how to articulate, lobby their case on the basis of bureaucratically recognized principles, and got their school back.
 - the Hutterite community next door to one of them uses communal relations intensively (family supported by religious belief) and combines them with bureaucratic relations (again legitimized by religion) to successfully compete using market relations (have even been able to expand while others fail).
 - In this case, the three systems reinforce one another
- Each is supported and enforceable by socially recognized institutions (entitlements, laws)
 - market relations supported and controlled by trade agreements, competition legislation, labour law, and the courts
 - authority relations controlled by legislation, corporate law, and the better business bureau
 - associative relations controlled by civil law, municipal by-laws, social norms, and informal sanctions
 - communal relations controlled by legislation, family law, government support agencies, and public norms
- Primary thing to note: (S) All forms are necessary in a complex, changing environment - The more agile a group is in being able to use all systems, the greater will be their capacity - especially under conditions of change


Measuring Social Capital - NRE

- Social capital is an asset or resource (stock)
- All social action and relations are potential social capital (flow)
- Not all people have access
- Indicators:
 - Community/Site level
 - Individual/HH level (focus on USE)
- Trust: focus on enforcement (formal or informal)

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NRE Sample Frame Dimensions

- exposure to global economies
- stability of the local economy
- adjacency to metro regions
- social and institutional capacity
- leading or lagging status



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- Dimensions for Comparison

- exposure to global economies**

- internationalization of markets
- communication and transportation technology
- reduction and changes in trade restrictions

- stability of the local economy**

- fluctuating economies make planning more difficult

- adjacency to metro regions**

- access to markets, services crucial
- transaction costs important

- social and institutional capacity**

- important part of community capacity to deal with problems and issues they face
- formal and informal resources and skills

- leading or lagging status**

- outcome focus
- OECD inspired
- several socio-economic characteristics of the sites

- To operationalize the dimensions we used the **Census Subdivision** as the unit of analysis

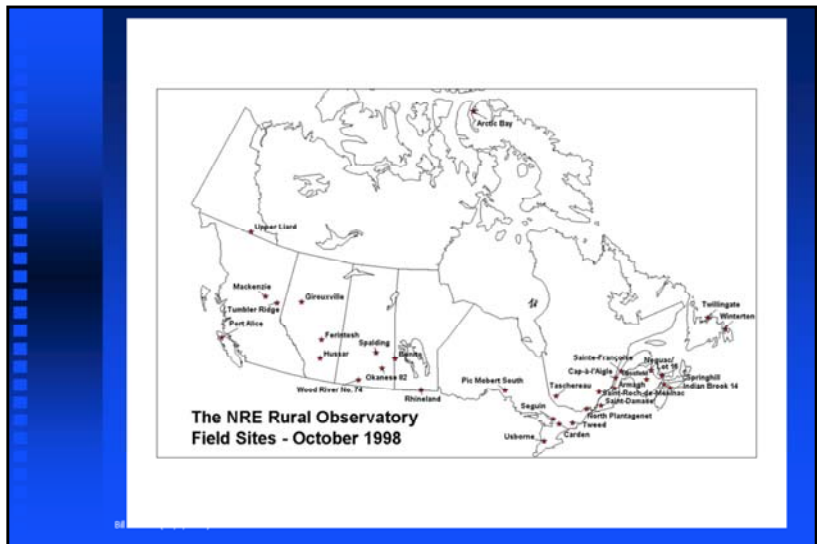
- closest approximation to 'communities' which was easily available

- used it as a point of departure for the analysis:

- identifies a site
- field work in the site is used to determine the local meaningful boundaries (where people work, shop, play)

The NRE Sample	October 1998			Cell	Lagging	Cell	Leading
Low Global Exposure	Stable Economy	Not adjacent	Low capabilities	0	Twillingate, NF	1	Arctic Bay, NT
Low Global Exposure	Stable Economy	Not adjacent	High capabilities	2	Springhill, NS	3	Girouville, AB
Low Global Exposure	Stable Economy	Metro adjacent	Low capabilities	4	Indian Br 14, NS	5	Okaneese2, SK
Low Global Exposure	Stable Economy	Metro adjacent	High capabilities	6	Tweed, ON	7	Cap a L'Aigle, QC
Low Global Exposure	Fluctuating Econ	Not adjacent	Low capabilities	8	Neguac, NB	9	Upper Liard, YT
Low Global Exposure	Fluctuating Econ	Not adjacent	High capabilities	10	Benito, MB	11	Lot 16, PE
Low Global Exposure	Fluctuating Econ	Metro adjacent	Low capabilities	12	Pic Moberg S, ON	13	N.Plantagenet, ON
Low Global Exposure	Fluctuating Econ	Metro adjacent	High capabilities	14	Ferintosh, AB	15	Carden, ON
High Global Exposure	Stable Economy	Not adjacent	Low capabilities	16	Beletherre, QC	17	Port Alice, BC
High Global Exposure	Stable Economy	Not adjacent	High capabilities	18	Armagh, QC	19	Humphrey, ON
High Global Exposure	Stable Economy	Metro adjacent	Low capabilities	20	St.RdeMekdnac, QC	21	Mackenzie, BC
High Global Exposure	Stable Economy	Metro adjacent	High capabilities	22	Winterton, NF	23	St. Damase, QC
High Global Exposure	Fluctuating Econ	Not adjacent	Low capabilities	24	Blissfield, NB	25	Tumbler Ridge, BC
High Global Exposure	Fluctuating Econ	Not adjacent	High capabilities	26	Spalding, SK	27	Wood River, SK
High Global Exposure	Fluctuating Econ	Metro adjacent	Low capabilities	28	Ste. Francoise, QC	29	Rhindand, MB
High Global Exposure	Fluctuating Econ	Metro adjacent	High capabilities	30	Hussar, AB	31	Usborne, ON

- The Distribution of CSDs by the 32 types of cells
- Sample procedure
 - randomly selected one site from each cell
 - took it to our regional partners and discussed:
 - the accuracy of the classification from the basis of their knowledge
 - existing research activities related to the selected sites
 - strategic opportunities arising from the selection
 - If changes were warranted
 - make substitutions from within the same cell
- Very positive response from all types of partners



NRE Site Interviews – 2000

(enterprises, co-ops, 3rd sector, leaders, events, institutions)

- Market relations:
 - Number of jobs
 - Number of enterprises
 - Business networks: participation, interest (local, regional, national, international)
 - Information sources
 - Labour relations within community
 - Sources of financial capital
 - Commercial enterprises
 - Business climate in community
 - Aspects of informal economy

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NRE Site Interviews – 2000

(enterprises, co-ops, 3rd sector, leaders, events, institutions)

- Bureaucratic relations:
 - Number of institutional services and access points (local, regional, national, international)
 - Information sources
 - Implications of loss of service
 - Relative importance of institution/service

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NRE Site Interviews – 2000

(enterprises, co-ops, 3rd sector, leaders, events, institutions)

- Associative relations:
 - Number of associations
 - Association networks (local, regional, national, international)
 - Communication tools and techniques
 - Funding levels and sources
 - Implications of loss of association

NRE Site Interviews – 2000

(enterprises, co-ops, 3rd sector, leaders, events, institutions)

- Communal relations:
 - Family structure and changes
 - Migration
 - Ethnic and religious heterogeneity
 - Social support services
 - Informal economy-related production

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NRE HH Survey – 2001

(1995 Households in 20 Sites)

- Market relations:
 - Employment (with location)
 - Use of market-related sources of support
 - Market-related Internet activity
 - Use of market-related services (with location)
 - Participation in market-related organizations (with location)
 - Informal economy (market-related)
 - Assessment of local business leaders

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NRE HH Survey – 2001

(1995 Households in 20 Sites)

- Bureaucratic relations:
 - Employment (with location)
 - Use of bureaucratic-related sources of support
 - Bureaucratic-related Internet activity
 - Use of bureaucratic-related services (with location)
 - Participation in bureaucratic-related organizations (with location)
 - Informal economy (bureaucratic-related)
 - Assessment of political leaders (all levels)

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NRE HH Survey – 2001

(1995 Households in 20 Sites)

- Associative relations:
 - Use of associative-related sources of support
 - Associative-related Internet activity
 - Use of associative-related services (with location)
 - Participation in voluntary associations (with location)
 - Assessment of voluntary groups

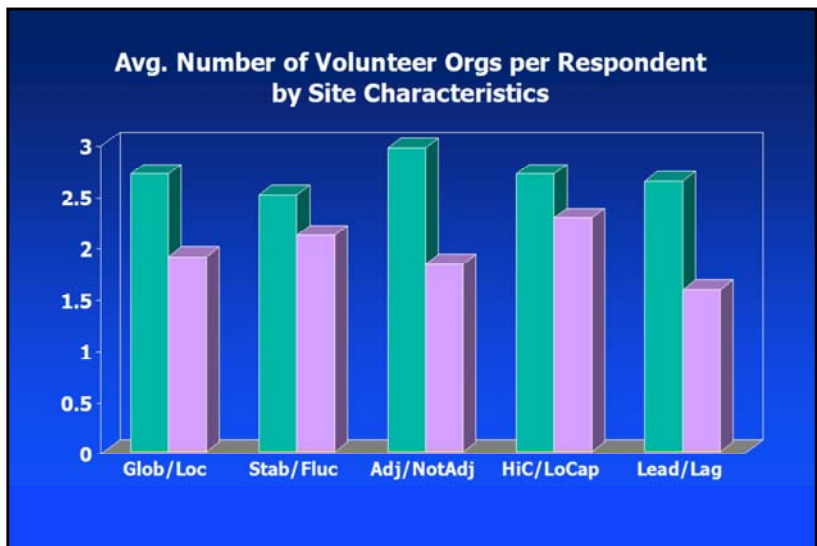
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NRE HH Survey – 2001

(1995 Households in 20 Sites)

- Communal relations:
 - Employment (with location)
 - Use of communal-related sources of support
 - Communal-related Internet activity
 - Use of communal-related services (with location)
 - Informal economy exchanges

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Rural Perspective

- Location (institutions, services, networks)
 - Within or beyond 60 minutes
- Community characteristics
 - Proximity to urban centres
 - Institutions
 - Services
 - Transportation
- Nature of relations (4 types)
- Outcomes (see list above)

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A Project of the Canadian Rural
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