

Social Capital & Capacity Building

Discussion Paper prepared for ZCAM ODP Retreat, September 14-15, 2006

Background

This paper was prepared for the ZCAM ODP to help its members reflect on whether and how their activities at the Initiative level are producing social capital. By Initiative-level activities, we mean the activities and resources sponsored by ODP that are binding among and between the individual ZCAM ministries, Foundations and program partner organizations. The ODP also provides an array of resources directed to specific organizations, such as technical assistance and grants but our focus for this paper is social capital formation across all the participating organizations at the Initiative level.

To one extent or another, individual ZCAMs, Foundations and partner organizations are also generating and leveraging social capital in their work at the individual organization level. We hope this paper will encourage each organization to consider how its work is creating social capital and perhaps become more intentional in doing so.

Social capital refers to the norms and networks that shape the quality and quantity of a community's¹ social interactions. There is growing evidence that networks associated with social capital help mitigate poverty and contribute to sustainable human, community and economic development.

In many respects, the design of ZCAM ODP embraces and recognizes the importance and key concepts associated with social capital and the value it creates. ZCAM ODP is predicated on the belief that by cultivating new connections among ZCAM organizations and leaders and providing opportunities for conversations to produce new knowledge and practice, ZCAMs will not only improve in their own right as individual organizations, but will leverage individual contributions to a collective whole that exceeds the sum of the parts—doing more, together, better.

This paper briefly outlines key elements of social capital formation and poses questions for discussion by members of ZCAM ODP.

WHAT IS SOCIAL CAPITAL?

Whereas physical capital refers to physical objects and human capital refers to the properties of individuals, social capital refers to connections among individuals—the social networks and the norms of reciprocity and trustworthiness that arise from them. (Putnam, 2000)

¹ We use the word “community” here to refer to any collection of individuals organized or not organized, by geography and/or shared identity.

Social capital consists of the stock of active connections among people: the trust, mutual understanding, and shared values and behaviors that bind the members of human networks and communities and make cooperative action possible and productive. (Cohen and Prusak, 2001)

Social capital works and grows through multiple channels:

- Information flow depends on social networks—learning about jobs, issues, community activities, candidates running for office and more.
- Norms of reciprocity (mutual aid) rely on social networks, for example people coming to one another's aid in times of need, cooking meals or providing transportation, or holding equal expectations for one another, such as safe streets, good schools or access to housing.
- Collective action depends upon social networks and fosters new networks—think of the role that the black church played in the civil rights movement or the connections between environmental groups and consumer boycotts.
- Broader identities and solidarity are encouraged by social networks—through networks, individuals translate an isolated "I" into a powerful "we."

DIMENSIONS OF SOCIAL CAPITAL

In 2000 three dozen community foundations (including the Houston Endowment), other funders, and the Saguaro Seminar of the John F. Kennedy School of Government at Harvard University² joined together to conduct the Social Capital Community Benchmark Survey. This survey queried 30,000 Americans about their patterns of civic and community activity and their connections to others. From the findings, civic leaders and scholars identified the following dimensions of social capital:

- "Social trust" (whether you trust others)
- Inter-racial trust
- Political participation in conventional politics
- Participation in protest politics
- Civic leadership
- Associational involvement
- Giving and volunteering
- Faith-based engagement
- Informal social ties
- Diversity of friendships
- Equality of civic engagement at a community level

Questions to Consider:

1. To what extent has ZCAM ODP generated social capital and how?
2. Are there existing social networks that could or should be leveraged by ZCAM ODP to generate social capital that would advance ZCAM mission and goals?

² The Saguaro Seminar is a project to expand what is known about levels of trust and community engagement in order to develop strategies to increase that engagement.

SOCIAL CAPITAL RECYCLES ITSELF

Unlike financial capital, social capital is not expended when it is drawn upon. Instead, drawing upon social capital “stock” generates even more social capital, while not using it depletes the available stock. This phenomenon encourages individuals and organizations to imagine innovative ways to “recycle” existing social capital stock to create new stock of different forms. For example, the political movement for women’s suffrage emerged in part from non-political literary circles.

BRIDGING SOCIAL CAPITAL & BONDING SOCIAL CAPITAL

Robert Putnam, a leading scholar in the social capital field and author of the seminal work *Bowling Alone*, describes the differences between two forms of social capital, *bonding social capital* and *bridging social capital*.

Social capital may be categorized in many ways, Putnam explains. “One important way is the degree to which the connections reinforce similarities among individuals, or pan differences. Alliances between people who are more alike than they are different are called *bonding* social capital....Connections between people who are different along some important dimension—such as race, socioeconomic status, or gender—are referred to as *bridging* social capital. Although both bonding and bridging networks are valuable, we believe that Americans should put a special emphasis on creating *bridging* social capital. Research shows that building connections across groups is especially valuable for everything from getting a job to securing important social and political rights. For example, a recent study concluded that decent wages and working conditions for immigrant farm workers were secured only after organizers brought together an ethnically, religiously and socio-economically diverse group of people to work on the issue. Creating bridging social capital will become even more critical as the nation grows more crowded and diverse and seeks to maintain social harmony and prosperity.”³

Putnam notes in his work that criminal gangs create *bonding social capital* while choirs and bowling clubs create *bridging social capital*. The distinction highlights how social capital may not always be beneficial for society though it is always an asset for the individuals and groups involved. Horizontal networks of citizens and groups that enhance community productivity and cohesion are positive social capital assets whereas self-serving exclusive gangs and hierarchical patronage systems that operate at cross purposes to societal interests are a form of negative social capital that burdens society.

A study conducted for the World Bank on how local associations build social capital for the benefit of poor communities found that membership composition makes a big difference in the results. There is greater benefit to

Questions to Consider:

1. To what extent do you think ZCAM ODP has brought together individuals or organizations with diverse or similar characteristics?
2. How does or could the diversity or similarities benefit the individuals and organizations involved?

³ Saguario Seminar. (2000). Better Together. Retrieved on 7/17/06, from <http://www.bettertogether.org/thereport.htm>

individual members in the associations with a more diverse set of member characteristics, such as education, economic status and occupation. This diversity promotes useful exchanges of knowledge and information, and a greater ability to take on shared risks in projects due to the range of incomes. In contrast, groups with more homogeneous demographic and social characteristics, such as kinship and religious groups, have greater impact in collective action to benefit the community as whole.⁴

How is ZCAM ODP Currently Building Social Capital?

- By convening board members of the ministries for meetings and educational events.
- By fostering the exchange of information and ideas among the ZCAM thrift shop managers.
- By building a sense of trust and creating a collegial network of mutual support among ministry E.D.s.
- By sponsoring opportunities for deep thinking, reflection and sharing among the diverse members of the ZCAM ODP—funders, program partners, ministry E.D.s—at an off-site retreat.
- There are many more examples. What would you add to this list?

ROLE OF SOCIAL CAPITAL IN IMPROVING THE LIVES OF THE POOR

A growing body of research suggests that where trust and social networks flourish, individuals, neighborhoods, businesses and even nations prosper economically. Social capital can help to allay the insidious effects of socioeconomic disadvantage.

A recent study concludes that social capital gaps in four areas are relevant to persistent racial gaps in poverty: job search networks, neighborhood collective efficacy, ethnic social capital and school friendship networks.⁵

Public health researchers are finding that access to quality health care is positively associated with community social capital. In a community with high social capital—high trust, civic engagement and reciprocity norms—it is more likely that there will be some accountability mechanisms to protect access to care for vulnerable populations.⁶

4 Grootaert, C. (2001). Does Social Capital Help The Poor? A Synthesis of Findings from The Local Level Institutions Studies in Bolivia, Burkina Faso and Indonesia. Local Level Institutions Working Papers, no. 10. Washington D.C.: The World Bank.

5 Quillian, L. and Redd, R. (2006). Can Social Capital Explain Persistent Racial Poverty Gaps? National Poverty Center Working Papers Series. MI: University of Michigan. Retrieved on 8/2/06 from http://www.npc.umich.edu/publications/workingpaper06/paper12/working_paper06-12.pdf

6 Hendryx, M.S., Ahern, M.M., Lovrich, N.P., & McCurdy, A.H. (2002). Access to Health Care and Community Social Capital. Health Services Research, Vol. 37, Issue 1.

Putnam maintains that in high social capital areas public spaces are cleaner, people are friendlier, and the streets are safer. “Risk factors” of poverty and residential mobility are not as significant as most people assume—rather, higher crime rates occur when people do not participate in community organizations, do not supervise youth and are not linked through networks of friends. (Putnam, 2000)

In a recent article in the Boston Globe, Thomas Sanders, Executive Director of the Saguaro Seminar, reminds us of the social capital gaps seen and unseen in the aftermath of Hurricanes Rita and Katrina. *Social capital* describes the benefits of social networks. Having friends and being involved in groups not only secures jobs—more Americans get jobs through who they know than what they know—but improves one's health, education, and happiness.... [Last fall] our hearts were pained by a sea of black and poor victims, trapped on the Gulf Coast pre-Hurricane without an exit. We notice that they were car-less and lacked money for bus fare, meals, and hotels. But far fewer notice that the poor were equally trapped by a dearth of these social connections, especially crossing economic lines. Specifically, they lacked affluent friends to give them a ride, lacked contacts to negotiate heavily discounted hotel rates, and lacked out-of-town relatives with extra bedrooms.”⁷

QUESTIONS FOR ZCAM ODP REFLECTION & DISCUSSION

Social capital is and has been playing a major role in the development and sustenance of individual ZCAM organizations and the ZCAM ODP. As the ZCAM ODP considers how to build and sustain capacity, it is worth discussing how and why to foster social networks for this purpose:

- How are individual ZCAMs relying on or generating social capital and to what end or for what purpose?
- How can individual ZCAMs better employ networks to generate more social capital?
- Where do you believe ZCAM ODP has been intentional about social capital formation and what has resulted?
- Where do you believe social capital has formed without the initiative specifically intending it to happen and what has resulted?
- How could ZCAM ODP financial resources and ancillary support be redirected to more intentionally generate social capital among participating organizations?
- What are the benefits/potential benefits of the social capital currently being generated by the ZCAM ODP? How are these different from the social capital benefits generated by other groups to which you belong?
- What can you do personally to build social capital within the ZCAM ODP?

⁷ Sander, T. (2005, November 14). A Friend in Need. *Boston Globe*.

RESOURCES

There are many, many books, articles and websites about social capital. The following are good starting points from which to find information about social capital.

Books and Articles:

Cohen, D. and Prusak, L. (2001). *In Good Company. How Social Capital Makes Organizations Work*. Boston: Harvard Business School Press.

Putnam, Robert D. (2000). *Bowling Alone. The Collapse and Revival of American Community*. New York: Simon and Schuster.

Putnam, Robert D. (Ed.). (2002). *Democracies in Flux: The Evolution of Social Capital in Contemporary Society*. New York: Oxford University Press.

Sirianni, C. and Friedland, L. (n.d.). Social Capital. *Civic Practices Network*.
<http://www.cpn.org/tools/dictionary/capital.html>

The World Bank. (1999). What is Social Capital? *PovertyNet*.
<http://www.worldbank.org/poverty/scapital/whatsc.htm>

Websites:

Saguaro Seminar: <http://www.ksg.harvard.edu/saguaro/primer.htm>

Social Capital Gateway, Resources for the study of social capital: www.socialcapitalgateway.org

Better Together: <http://www.bettertogether.org/>

Social Capital Benchmark Survey: http://www.cfsv.org/communitysurvey/docs/exec_summ.pdf