Social Capital Workshop
June 2003

Concepts, Measurement and Policy Implications

Canada

Contents

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June 2003

Report of Findings

Report of Findings
from the Interdepartmental Workshop on Social Capital
June 19, 2003

Background

Earlier this year, the Policy Research Initiative (PRI) launched an interdepartmental research project entitled Social Capital as a Public Policy Tool. The objectives of this project are to understand the potential of social capital to affect public policy outcomes in Canada; to develop and build consensus around an analytical and measurement framework that will have practical applications for various federal policy departments; and to transfer lessons learned and policy recommendations to key players in the policy and research communities.

Members of the interdepartmental working group on social capital met on March 26, 2003. At that time they indicated that an important early step in the project would be to gather input from departments as to the directions an analytical and measurement framework should take. As a result, an interdepartmental consultation workshop was organized for June 19, 2003.

The one-day workshop was designed to solicit structured input from informed federal policy researchers and managers. Representatives from 15 departments and agencies attended, and in total there were about 50 participants. In advance of the workshop, the PRI prepared and circulated a set of background papers (which follow this report) and discussion questions around three themes:
- conceptualization of social capital;
- measurement of social capital; and
- policy implications of social capital.

This report presents key messages that emerged from the workshop. As many of the same messages were raised repeatedly across the thematic areas, the findings below are not broken down by discussion questions. Rather, they reflect an attempt to distill and synthesize key elements that arose from the discussion as a whole. These findings will guide the production of a discussion paper presenting an analytical and measurement framework for federal policy research and development on social capital, and recommendations for the use and integration of social capital in the Canadian policy agenda.

Findings
…on the definition and measurement of social capital

A leaner definition of social capital may be more widely useful.

- While social capital may contain multiple dimensions with complex interconnections to the wider social, political, economic, and cultural environment, it may not be helpful to attempt to capture all these elements in a single definition.

- A leaner definition would lend itself to being operationalized in many different ways, depending on the issue in question.

- There was some degree of consensus (with a vocal dissenting minority) that social capital should be defined primarily in terms of networks of social relations.

- It is these networks that convey social capital and provide their members with access to various kinds of resources and supports.

- Other more qualitative dimensions of social capital associated with how these relations work (i.e., network-specific values, norms, and trust) may or may not be important to study depending on the specific issue at hand.

Policy questions should drive the way we operationalize a theoretically informed approach to studying social capital.

- Those aspects of social capital we wish to study and measure cannot be determined in the abstract but will depend on the policy questions of interest. A conceptual focus on networks provides a means of ensuring consistent measurement across a variety of policy applications.

- We must ensure that government efforts to research and operationalize social capital are connected to federal policy and program objectives.

- Immigrant integration and diversity, health, economic participation, and social inclusion were among the policy areas identified at the workshop as likely to benefit from a social capital perspective.

Context matters.

- Social capital networks are dynamic, not static; they can be quite episodic and context specific. (A network that forms around one issue or activity may or may not continue to be active after the original issue or activity is concluded.)

- Specific manifestations of social capital may be highly useful in achieving certain outcomes, while of limited value or even counterproductive in achieving others.

- For example, bonding social capital (homogeneous ties inside the group of belonging) is crucial for new immigrants in "getting by" on a day-to-day basis, but may later be less useful than bridging social capital (linkages to groups and institutions outside of the ethnic community) for "getting ahead."

- Similarly, different dimensions of social capital (e.g., levels of trust within the network or the gender of the network members) may be critical for determining outcomes in one area, but of only marginal importance in others.

- The potential impact of social capital on various outcomes will vary depending on the ways in which its effects are enhanced or diminished by the wider social, political, economic, and cultural environment.

- Organizations and institutions may play an important and varied role in facilitating or hindering the development and operation of social capital.

Greater care is necessary when studying social capital at higher levels of aggregation.

- As social capital is a highly context-dependent phenomenon, the validity and reliability of measures of social capital and its impact are much greater at the micro-level (e.g., among individuals in particular networks or within specified neighbourhoods).

- Depending on the policy issue at hand, it may however be desirable to study social capital at higher levels of aggregation (e.g., region, province, nation).

- Serious concerns exist about many of the present approaches around the world to studying social capital at the national aggregate level.

- The ability to link micro and macro spheres is conceptually possible if, in both cases, we start with a common framework based on individuals and the networks of social relations of which they are a part.

Specific and generalized trust should be distinguished.

- This is a particular example of the same issue.

- Trust between members of a specific network is an important feature that allows that network to function and endure.

- We cannot assume that this necessarily translates into more generalized trust.

- As a result, the emphasis on measures of generalized trust as a proxy for social capital may be misplaced.

- The widely used "classic question" on trust is poorly designed. There is evidence from the United Kingdom that the answer given by respondents will vary enormously depending on the wider theme of the survey in which it is included (i.e., a health survey that includes the classic trust question gets dramatically different results from a crime survey).

Distinctions must be made between social capital's core components, its determinants, and its outcomes.

- Mixing up these components is the source of much of the confusion in the literature and in policy discussions about social capital.

- We may wish to end up talking about any or all of these depending on the policy question and specific context, but they should be kept analytically distinct.

- We need to better understand the actual mechanism of social capital formation (i.e., "what's inside the black box").

- Other dimensions of social life that are often (but inaccurately) categorized under the broad banner of "social capital" (e.g., generalized trust, civic and social participation, attitudes, etc.) are important and can be the object of study in their own right.

…on the policy implications of social capital

Social capital is a possible means to an end, not an end in itself.

- We should not be thinking about a national strategy to build social capital or a policy statement to increase the social capital of Canadians for its own sake.

- Social capital itself is best understood as a means or process for accessing various forms of resources and support through networks of social relations.

- The idea is to place emphasis on the possible role of social capital, as a resource and a process, in facilitating the achievement of broader policy objectives, such as immigrant integration, economic participation, or improved education and health outcomes.

Social capital is not a panacea.

- More social capital will not necessarily always lead to better outcomes; while there are high levels of social capital in certain First Nations communities, for example, its presence is not sufficient to overcome extreme poverty.

- Social capital can sometimes also facilitate negative or perverse outcomes.

- Social capital alone may not always be enough to achieve objectives, but it may be a useful complement or reinforcement for other policy tools and resources in achieving policy/program objectives. For example, it is particularly relevant in the area of immigrant integration where it can complement other integration tools such as language training.

- We may not be able simply to switch social capital on or off by itself and produce desired outcomes. Rather, we must appreciate that it is only one element in a wider world of complex social processes.

Steps could be taken to better integrate a social capital lens into the development and implementation of federal programs and policies.

- A social capital lens in policy/program development and implementation could start with raising awareness across government about its potential role in achieving (or obstructing) policy objectives.

- While many policies and programs are already incorporating elements of social capital (e.g., social capital-building practices, such as inter-community partnerships, are often used as funding requirements), there could be more systematic tracking of the use of social capital in achieving program outcomes.

- To this end, the government can be more active in developing and refining measurement tools and indicators to register the presence of social capital and assess its impacts on program outcomes.

- Identifying the effects of social capital on existing program outcomes could facilitate their reproduction in other program areas.

- We must ensure that programs and policies across government do not work at cross-purposes in the ways in which they incorporate or affect social capital; seemingly unrelated government interventions (e.g., in areas of transportation, housing, etc.) might actually undermine social capital resources that other programs are counting on to achieve their objectives.

Appendix A – Discussion Questions, June 19 Social Capital Workshop

On Conceptualization

Social capital involves networks of social relations that can facilitate outcomes. This said, we must consider the best way to define and conceptualize social capital more precisely, given the differences in approach in the literature.

*   Specifically, should norms generally, and trust in particular, be considered an integral component of social capital itself — or are they only complements and/or potential outcomes?

*   Similarly, should the resources or abilities of each of the members of a social network be considered a part of social capital, or only a complement?

*   Can we conceptualize social capital in a way that has a consistent meaning at both the micro-levels of individuals, families, and neighbourhoods, and at the macro-levels of cities, regions, and nations?

*   Are there other potential configurations of social capital we might identify beyond bonding, bridging, and linking that would be helpful for public policy research and development?

On Measurement

The United Kingdom and Australia have adopted the Organization for Economic Co-operation and Development (OECD) definition for framework development and measurement:

> networks together with shared norms, values and understandings that facilitate cooperation within or among groups.

*   Is this the operational definition that should be adopted to guide measurement in the Canadian context?

*   What are the key components of social capital that need to be operationalized and measured?

*   What is the appropriate unit of analysis/measurement?

*   What levels of aggregation are needed (e.g., geographic areas, population groups)?

*   What outcome measures are most important?

On Policy Implications

- What policy areas could benefit most from a social capital perspective? Are there any particular policy issues that can be informed by additional research on social capital?

- What programs in the federal government (or other levels of government) already affect the accumulation of various forms of social capital, even if not articulated in these terms?

- Is there a need to develop a more consistent and integrated approach to the use of social capital for policy across the federal government?

- There are several ways of incorporating a social capital perspective into policy. These range from
    - viewing social capital formation as a primary policy objective;
    - including social capital as a tool, among others, for achieving mainstream policy objectives; and
    - using a social capital "lens" in policy development and implementation.

- In light of these various models, what are the prime opportunities for action?

- What are the potential jurisdictional issues/implications?

Appendix B – Workshop Program
INTERDEPARTMENTAL WORKSHOP ON SOCIAL CAPITAL
Thursday, June 19, 2003
Willson House, Meech Lake

09:00-09:15   Welcome and introduction (Jean-Pierre Voyer, PRI) (in plenary)

09:15-11:00   Plenary Panel –
Conceptualization, Measurement, Policy Application:
Can We Come to Grips with "Social Capital"?
- Rosalyn Harper, Office of National Statistics, UK
- Kate Johnson, CIRANO, QC
- Ralph Matthews, Resilient Communities Project, UBC
- Jo Anne Schneider, Catholic University of America, USA

11:00-11:15   *Break*

11:15-11:30   Presentation of Workshop Objectives – Participants will break out into three groups and will review three key backgrounders for the discussion paper

11:30-12:15   Breakout Workshops 1
(Conceptualization – Group A; Policy Implications – Group B; Measurement – Group C)

12:15-13:15   *Lunch*

13:15-14:00   Breakout Workshops 2
(Conceptualization – Group B; Policy Implications – Group C; Measurement – Group A)

14:00-14:45   Breakout Workshops 3
(Conceptualization – Group C; Policy Implications – Group A; Measurement – Group B)

14:45-15:15   *Break*

15:15-15:45   Preliminary reporting from workshop rapporteurs (in plenary)

15:45-16:45   Moderated general discussion (in plenary)

16:45-17:00   Wrap-up and next steps (in plenary)

Social Capital Workshop
June 2003

Conceptualization

Background Paper

Introduction

Interest in the concept of social capital has exploded over the past decade in academic and public policy circles alike. Understood roughly as networks of social relations and their associated norms that may be called on to facilitate action, social capital is said to be both beneficial as a resource for individuals and for community well-being. The concept has been applied to a host of issue areas, from families, education, and troubled youth to public health, economic development, and democratic renewal, to name but a few.

The seemingly immense versatility of this concept, given the range of topics and the variations in levels of analysis to which it has been applied, has been both a source of much of the excitement and much of the criticism. Skeptics worry that the concept has been stretched and pulled in so many directions that it has become all things to all people. Certainly, the diversity of approaches to studying social capital, and the lack of agreement around a single, rigorously articulated conceptualization, pose a tremendous frustration for those attempting to operationalize social capital for evidenced-based public policy development. In the face of this disagreement, the interdepartmental project, Social Capital as a Public Policy Tool, launched by the Policy Research Initiative seeks, among its objectives, to determine how best to conceptualize social capital for the purposes of public policy development in Canada.

This background paper is intended to serve as a basis for consultation with federal public policy researchers and managers on this issue. To this end, the paper is divided into several sections. Section one addresses the definition of social capital, looking at the concept's core intuition and why it is considered to be social capital, then presenting an overview of three seminal definitions by Pierre Bourdieu, James Coleman, and Robert Putnam and, finally, outlining some of the approaches along which the concept has been developed in recent years. Whether any of these approaches best forms a basis for analyzing social capital remains an open question.

The second section examines the types of outcomes, both positive and negative, which social capital is said to generate. The paper then turns to some of the different types of social capital that have been identified, particularly the important distinctions between bonding, bridging, and linking social capital. As networks of social relations are the basic fabric of social capital, this paper then reviews some of the different approaches to studying these relations, in particular the debates over whether norms and attitudes are an intrinsic component of social capital. The final section reminds us that social capital will vary depending on the characteristics of the wider environment in which the networks are embedded.

What Is Social Capital?

The readiness of so many scholars and researchers to explore the concept of social capital is based, in part, on the intuitive sense that it seems to make for most people in terms of their personal experience. As Woolcock and Narayan (2000: 3) put it "…the basic idea of social capital is that a person's family, friends and associates constitute an important asset, one that can be called on in a crisis, enjoyed for its own sake, and leveraged for gain." Whether you are looking for support in hard times, looking to spend a night on the town with friends, or seeking a lead for a new job opportunity, who you know matters. The authors also note that what is true for individuals is also true for communities: those with a stronger stock of social networks are better able to negotiate the various challenges they face. Conversely, those individuals or communities with fewer connections have less support and less means of getting things done. Put another way, the sources of social capital lie in the structure of social relations developed over time (within which an actor is embedded) or which are embedded in a community.

Thus, we can see that who we know has a host of implications for our well-being. The question then arises as to why this phenomenon has been termed "social capital." Indeed, there remains a debate as to whether or not it is a form of capital. In general, we think of capital as a stock of assets which can be accumulated and which may be employed to generate future wealth. Adler and Kwon (2002: 21-22) noted several reasons for considering social capital as capital. It is said to be a form of capital because, like physical or human capital, it is a (potentially) long-lived asset that is not costless to produce or acquire (requiring at least time and effort if not money), but rather may be invested with the expectation of a future flow of benefits. As with physical and human capital, it may be a substitute for, or a complement of, other forms of capital. For example, "superior connections" may enable an individual with limited financial and human capital to become successful.

On the other hand, social capital also differs from other forms of capital in several ways. Most important, as Grootaert and van Bastelaer (2002) noted, this is the only form of capital that cannot exist in a Robinson Crusoe economy, at least until Friday arrives on the island. That is to say, unlike other forms of capital, social capital is not located with a particular actor, but rather within the actor's relations with other actors. Adler and Kwon (2002) further suggested that unlike other forms of capital assets, the investments in social capital are not readily quantifiable, even in principle (although see the work of Johnson 2003). As Uphoff (2000: 1) argued, the challenge of understanding social capital is to avoid taking the analogy to other forms of capital too literally, while at the same time being open to exploring the similarities for any insights they may offer.

Woolcock and Narayan (2000: 228-229) noted that while the study of the importance of social relations has a long intellectual history, the first use of the term "social capital," as it is used currently, can be traced to a West Virginian school superintendent, Lyda J. Hanifan writing in 1916. The term subsequently disappeared for several decades, and then was independently reinvented several times in the 1950s, '60s, and '70s, as in the works of Jane Jacobs (1961) and Glenn Loury (1977). However, there is growing consensus that the truly seminal contributions to the definition and conceptualization of social capital have emerged since the 1980s in the work of three figures: Pierre Bourdieu, James Coleman, and Robert Putnam (Field, 2003: 13). Each of these scholars has brought a distinct approach to the concept, and each approach has its strengths and weaknesses.

Pierre Bourdieu

Although Bourdieu was the first of these leading figures to produce a systematic analysis of social capital, the explosion in studies of the concept owes more to the later work of Coleman and Putnam. Nevertheless, an increasing number of authors have rediscovered the importance of his conceptualization in recent years (see, for example, Portes, 1998; Foley and Edwards, 1999; Morrow, 2001). In his 1986 article, "The Forms of Capital," Bourdieu argued that social capital is "the aggregate of the actual or potential resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition or, in other words, to membership in a group" (p. 249). In his conceptualization, social capital consists of both the social relationships an individual may use to claim access to the resources of those they are connected to, and to the amount and quality of those resources. He contends that a network of social connections is not a natural given or even a social given, but rather, as with physical or human capital, is the product of deliberate, instrumental strategies of investment — the production and reproduction of social capital requires an unceasing effort (or investment) of sociability. Drawing on a neo-Marxist tradition, Bourdieu is concerned with how social capital interacts with other forms of capital to reproduce social inequalities. He noted, for example, that building useful networks of social capital comes much more easily to individuals possessing high levels of other forms of capital. Such people "are sought after for their social capital and, because they are well known, are worthy of being known…they are known to more people than they know, and their work of sociability, when it is exerted, is highly productive" (p. 250).

Foley and Edwards (1999: 143) contended that one strength of Bourdieu's contribution that sets him apart from Coleman and Putnam is the clarity and coherence he offers in how we might measure or weigh social capital: Bourdieu (1986: 249) wrote: "the volume of social capital possessed by a given agent… depends on the size of network connections he can effectively mobilize and on

the volume of the capital (economic, cultural or symbolic) possessed in his own right by each of those to whom he is connected." Foley and Edwards (1999: 165) also welcomed the way in which Bourdieu's approach demonstrates that the location of a social network within a broader socio-economic context has important implications for the ways in which those networks may or may not be able to link their members to various resources. As Field (2003: 19) noted, Bourdieu's concern to explain the connections of social capital to inequality and power are a helpful corrective to Coleman and Putnam. On the other hand, Field also contended that Bourdieu's one-sided account on the merits of social capital for its holders fails to capture the potentially negative elements of social capital, at least for those who have high volumes of it.

James Coleman
A leading American sociologist at the time of his death in 1995, Coleman has been more influential in the development of social capital than Bourdieu, particularly in North America. While Bourdieu is concerned with how social capital might be used by elites for self-replication, Coleman demonstrates that social capital can be an important resource for non-elites, particularly in his longitudinal studies of educational outcomes in state and Catholic high school students in deprived communities. Coleman (1990: 302) defined social capital as

> a variety of entities having two characteristics in common: they all consist of some aspect of a social structure, and they facilitate certain actions of individuals who are within the structure…. Unlike other forms of capital, social capital inheres in the structure of the relations between persons and among persons. It is lodged neither in individuals nor in physical implements of production.

The forms of capital he identified include obligations and expectations, information potential, norms and effective sanctions, authority relations, appropriable social organization, and intentional organization. In contrast to Bourdieu, Coleman argued that social capital is not a product of deliberate investment, but a by-product of other activities.

Coleman's rather vague definition and the "laundry list" of forms — a list that arguably conflates determinants, sources, and outcomes of social capital — has been lamented by Portes (1998) for having opened the way to confusion and contradiction in the wider social capital literature. Coleman has also been criticized for his conservatism, with his emphasis on the primordial role of traditional family structures and religious participation to generate strong social capital.

Nevertheless, he deserves much credit for introducing the concept to North American audiences and opening it up to empirical scrutiny. Coleman's accounts of how social capital is generated by rational actors, and how it might be used to enforce and support family expectations for their children in tightly bonded communities, have been highly influential. So too has been his account of how trust and reciprocity actors could rationally invest in social capital (through the repeated creation and fulfillment of outstanding obligations within a specific network). It is important to note that his concern with trust is not the "generalized trust" about which much of the political science literature has been concerned. Instead, Coleman's work explores how specific norms of reciprocity and trust are created among members of a particular social network, but outside of that context they have little or no value. His oft-cited example on this point is that of the norms of trust built up within a specific network of diamond merchants to facilitate commercial dealings, but the trust is not extended by the network members to dealings outside of that network (Edwards and Foley, 1998).

Robert Putnam

If Coleman's contribution has been influential in the field of social theory, Robert Putnam's impact on the development of the social capital literature has been truly monumental. Putnam is said to be the most widely cited social scientist of the 1990s. The oratorical skill of this Harvard political scientist, combined with his knack for linking the concept to a number of major public policy concerns, have played a pivotal role in the popularization of social capital. While Bourdieu and Coleman focused their approaches to social capital at the level of individuals and families, Putnam sought to explore the concept as a property of large aggregates. His original, seminal study of social capital examined the comparative effectiveness of regional government in Italy — *Making Democracy Work* (1993). In that volume, he defined social capital as "features of social organization, such as trust, norms and networks, that can improve the efficiency of society by facilitating coordinated actions" (p. 167). His work truly seized hold of the academic and public imagination alike when he then turned to study the state of civic engagement in the United States in a short 1995 article "Bowling Alone," later turned into a full-length book treatment of the topic by the same title (2000). He contended that America's social capital is in a state of long-term decline, thanks to a reduction in associational activity as a result of a generational shift, the rise of television, and increased time spent commuting. Putnam placed great emphasis in particular on the role of that type of associational activity that repeatedly brings relative strangers together face-to-face thereby instilling habits of co-operation, solidarity, and public-spiritedness, which he saw as spilling over into general social reciprocity and trust. He argued that the decline in social capital (as measured by associational activity) matters, because it is linked to various indicators of well-being including health, education, and prosperity. He

showed that states with higher measures of social capital correlate with states with better indicators of well-being.

Putnam's work has met with a number of criticisms. His early work in particular was criticized for being ethnocentric and gender blind (in its depiction of the 1950s as a golden age of social capital), and for his failure to acknowledge the dark side of social capital that can lead to negative outcomes. His 2000 book does go some way to address these concerns, however, devoting an entire chapter to the potential negative outcomes of social capital (although overall the book continues to stress its positive potential). Similarly, in this work he has also sought to address concerns that he has been merely observing changing, rather than decreasing, patterns of association. (For example, he has examined participation numbers in some youth organizations, and does not include the Girl Guides whose numbers have steadily increased over the 1990s as they have revamped their organization; others point to the activities of on-line communities and political consumerism). Nevertheless, these criticisms still abound.

Perhaps more important, however, have been criticisms of the link he draws between associational life and general social trust. Unlike Coleman, Putnam is explicitly concerned not simply with how trust is generated within network relations, but rather how this in turn spills over into general social trust that facilitates the effectiveness of collective action through institutions of governance. Putnam has been criticized for unduly narrowing the understanding of social networks through his emphasis on associational life, and for failing to demonstrate empirically that associational life does in fact create higher levels of general social trust that in turn create better government. (Indeed, some empirical work seems to refute any causal link.) Similarly, some charge him with losing rigour and precision in his conceptualization of social capital as a macro-phenomena of large aggregates divorced from the specific micro-level context of individuals and their networks (UK, 2001: Foley and Edwards, 1999; Edwards and Foley, 1998; Portes; 1998).

Following in the Footsteps
Recent years have witnessed a veritable flood of studies of social capital from across the social sciences and the public policy community. In the process, the understandings or approaches to social capital have been stretched and pulled in so many directions as to make an overview of trends in the literature daunting indeed. Nevertheless, several authors have attempted to do just that. Within the extensive literature on social capital and economic development, Woolcock and Narayan (2000: 229-239) distinguished between four approaches to the study of social capital:

- the communitarian view, which principally considers social capital in terms of the state of associational activity within a community, assuming that more social capital is better while ignoring its perverse effects;
- the networks view, which examines how different combinations of social capital (such as bonding and bridging) can generate both positive and negative outcomes;
- the institutional view, which argues that the vitality of community networks are the product of the political, legal, and institutional environment; and
- finally their preferred approach, the synergy view which attempts to connect the network and institutional approaches by recognizing the potential complementarity of state institutions to social networks, and the impact of institutional performance on networks embedded in those institutions. (See the discussion of these approaches in the background paper on measurement.)

Adler and Kwon (2002: 19-21) divided recent approaches somewhat differently, noting that some approaches to social capital focus on the relations an actor maintains with other actors. A second group focuses on the structure of relations among actors within a collectivity, and a third set focuses on both types of linkages. Foley and Edwards (1999) offered yet another overview of different approaches to social capital in the current literature. In their review of 45 studies from across social science disciplines, they described the field as being roughly evenly divided between those who consider it as a dependent variable and those who treat it as independent. Similarly, they argued that the field is roughly evenly divided between those who operationalize the concept principally in terms of norms and values, and those who use more social structural understandings.

With the proliferation of attention and study to the concept of social capital have come a number of criticisms. As Woolcock (2001: 13-14) noted, this concept has been criticized for being weak on substance, owing its popularity simply to good marketing. Nevertheless, he rejected this argument, suggesting that the study of social capital would have long since collapsed under its own weight if there were not a sufficiently rigorous empirical foundation supporting it. The downside of the successful marketing of the concept has been that some people have attempted to latch onto the popularity of the term by employing it willy-nilly in their own work, even when they have only a vague understanding of how the term has been developed by specialists. Nevertheless, Woolcock contends that a coherent and rigorous core is emerging. In particular, he notes an increasing consensus around a definition of social capital as "the norms and networks that facilitate collective action" (2001: 13). Indeed, the increasingly popular Organization for Economic Co-operation and Development (OECD 2001: 41)

definition is quite similar, defining social capital as "networks together with shared norms, values and understandings that facilitate co-operation within or among groups."

The Effects of Social Capital: Positive and Negative

A common criticism of the work of Bourdieu, Coleman, and Putnam alike is that in their presentations of the consequences or effects of social capital they failed to consider sufficiently its negative potentials. As the field has developed, however, a more careful weighing of its effects has taken hold.

Adler and Kwon (2002: 29-30) pointed to three major benefits of social capital: information, influence, and solidarity. Social networks facilitate the flow of information. Social scientists can catch up on the latest research in their field through everyday interaction with their colleagues. Job hunters can draw on their contacts to get a scoop on new employment opportunities. Community ties can provide newly arrived immigrants with information critical to their integration into their new society. Social networks can also bring power and influence, as in Coleman's example of the "Senate Club" in the United States whereby some senators are more influential than others, because they have built up obligations from other senators and may use this credit to get their legislative agenda passed. Finally, they point to the potential of social capital to generate solidarity. In particular, strong social norms and beliefs associated with a closely bonded social network can encourage compliance with local rules and customs and thus reduce the need for formal controls.

Against these benefits, we might identify a number of negative potential outcomes. Clearly, some social networks, such as terrorist cells or Mafia operations can use their social capital for destructive and undesirable ends. Portes (1998: 15-18) identified four further examples of negative consequences: exclusion of outsiders from resources controlled by network members, excess claims on successful members by free-riding and less diligent fellow members where groups are characterized by high levels of solidarity, restrictions on individual freedoms (particularly in closely bonded networks), and the downward levelling of norms, which may block members of an historically oppressed group from participation in mainstream society.

While researchers have only begun to uncover the conditions that lead to variations in positive and negative outcomes, it is clear that, in part, this may stem from various configurations of different types of social capital. It is to the categorization of these different types that this paper now turns.

The Forms of Social Capital

The social networks that form the basic fabric of social capital may be configured in a number of different ways, with different configurations having their associated strengths and weaknesses. The identification of three forms of social capital has proven to be especially helpful in understanding the sources and outcomes of social capital: bonding, bridging, and linking.

Putnam (2000: 22-23) particularly emphasized the distinction between bonding and bridging social capital. Bonding social capital refers to the relations within homogeneous groups, such as within fraternal organizations, among ethnic enclaves, or in fashionable country clubs. Putnam likened the strong ties formed within dense homogeneous networks as "sociological super glue," and suggested they are best suited for providing the social and psychological supports its members need for "getting by" in their day-to-day activities. However, this strong in-group loyalty can also be especially prone to a number of the negative outcomes identified by Portes in the previous section, as in exclusion of outsiders or a stifling of the freedoms of network members.

Bridging social capital, in contrast, is much more heterogeneous, cutting across diverse social cleavages. Putnam suggested that this form of social capital is useful in connecting to external assets and for information diffusion. This conception draws on the importance of "weak ties" first identified by Mark Granovetter in the 1970s. Such weak ties to diverse sources may actually prove to be more valuable to individuals seeking to "get ahead" than stronger ties to relatives and close friends, depending on the context (as in a job hunt). Putnam was careful to point out, however, that bonding and bridging should not be understood as either/or categories, but rather as "more-or-less" dimensions along which different networks might be compared.

A number of scholars have found the category of linking social capital to be helpful as well. While this linking might be considered by some as a form of bridging, Woolcock (2001: 13) argued that bridging social capital has been largely treated as a horizontal category of interrelations, whereas linking social capital better captures an important vertical dimension of social capital. Thus, linking social capital refers to ties between different strata of wealth and status. Woolcock suggested such networks are key to leveraging resources, ideas, and information from formal institutions beyond the community (which is particularly important for economic development).

While these distinctions have proven useful to many, they should not be taken to represent an exhaustive typology. Other categorizations of social capital may

prove useful for analysis depending on the context. For example, Adler and Kwon (2002: 18) stressed the importance of distinguishing between social networks based in market relations, those based in hierarchical relations, and those based on social relations. Given the variety of forms different networks may take, analysts have only begun to explore the potential analytic uses of different categorizations.

Approaches to Social Networks

Beyond the emerging consensus that the fabric of social capital is composed of networks of social relations, Adler and Kwon (2002: 22-23) noted that there remains considerable disagreement as to the specific aspects of social networks that should be considered to be social capital. Studies of the social networks of social capital are divided into two camps: those that emphasize solely the formal structure of the ties that make up the network, and those that also include a consideration of the content or quality of those ties.

The structural approach is lead by proponents of social network analysis. As a field of its own, social network analysis goes back several decades. Its scholars have developed a number of methodologies for studying the powerful effects generated by the pattern or structure of relations within a network. Seibert et al. (2001) provided a helpful overview of some of the major approaches of this field: weak tie theory (Granovetter 1973), structural hole theory (Burt 1992), and social resource theory (as exemplified by the work of Nan Lin). While these approaches vary in terms of their assessment of which patterns of relations are most helpful for which outcomes, they nevertheless all suggest that it is the pattern or structure of relations that is responsible for producing (or not) key outcomes.

However, while the structural pattern of relations within social networks may in and of itself produce important effects, it is not clear that the content of those relations can always be safely set aside from consideration. Adler and Kwon (2002) noted that several studies have demonstrated, for example, that whether a manager's work ties are infused with norms of friendship or are simply utilitarian can have very different effects on that manager's promotion rates. For many then, the norms and attitudes associated with network relations are as fundamental an element of what makes social capital an asset as the pattern of the relations within a network. Inclusion of such norms would be consistent, for example, with the OECD definition of social capital cited above. In fact, the OECD (2001) argues that norms of trust are both part of social capital (a component of social networks) and an outcome of social capital.

Unfortunately, the willingness to include norms, particularly those of trust and reciprocity, within the conception of social capital has also led to considerable

debate and confusion in the social capital literature. In terms of measurement, attempting to assess the content or quality of relations within a social network is a far more daunting task than assessing the pattern or structure of those relations. Further, the consideration of norms and attitudes as indicators of social capital in the absence of any identified connections to particular networks is deeply problematic, although all too common in the literature. We should be wary, in particular, of using measures of generalized social trust as indicators of social capital. Whether or not generalized social trust is an outcome of social capital is an empirical question that has yet to be demonstrated satisfactorily. In the end, we must carefully consider whether norms and attitudes should only be considered as potential determinants and/or outcomes of social capital, or whether together with the structure of relations within a network they constitute social capital itself.

Finally, the question of what Adler and Kwon (2002: 26) call "ability" or the competencies and resources of the different members of the network, occupies an uncertain place in conceptions of social capital. A narrow approach (e.g., Portes 1998) contends that such competencies or resources are a complement to social capital, while a broader approach includes these resources as part of social capital itself (as suggested by Bourdieu 1986). Supporters of the broader view would argue that the concept of social capital supposedly an accumulated asset is meaningless in the absence of a sense of how valuable various ties might be. If you need medical advice, you will only have an applicable "social capital asset," if you have a connection to someone with the medical knowledge you need. On the other hand, some might argue that including resources as part of social capital itself could make the concept impossibly broad for measurement and analytical purposes.

The Importance of Context

Some conceptions of social capital may be accused of having an ahistorical quality to them, one that fails to consider the contexts within which specific networks are embedded. However, the wider social, political, economic, and institutional context can play a profound role in shaping both the form and the capabilities of various social capital networks. Foley and Edwards (1999: 154), noted that, for example, a neighbourhood's social capital might be reinforced, or alternatively undermined, by various forms of social infrastructure, such as in local realtor activity, reporting by the area's newspaper, or a community-policing program. Veenstra (2001: 77) contended that those power imbalances that belong to the deepest structures of society (as for example in class or gender relations), and their associated norms, are frequently not consciously recognized by actors in their interactions, yet may exert a powerful influence over the forms of social capital actors invest in or call on. Because of patterns of power relations in the

wider environment, social capital is unlikely to be distributed equitably or evenly, and its use value will vary. For example, one could think of the differences in both the potential sources and the potential uses of social capital open to women in 1950s Canada as opposed to Canadian women today. Although it may seem an incredibly obvious observation, many approaches to the study of social capital fail to recognize that we should not expect to find that prevalent patterns and forms of social capital in one location are to be consistently observed across time and space.

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Social Capital Workshop
June 2003

Measurement

Background Paper

Introduction

As noted in the other background papers in this series, the notion that participation in groups and social networks can have positive consequences for individuals, communities, and societies seems to resonate strongly with researchers from a number of disciplines and within the policy communities of several countries. The potential is that, with the right type and level of information, a social capital lens could prove highly informative for the development or adjustment of programs and policy in areas such as economic development, labour market participation, immigrant integration, multiculturalism and diversity, youth in transition, crime prevention, health outcomes, Aboriginal communities, and civic participation.

So far, however, social capital has proven to be a difficult concept to operationalize for public policy development. This stems, in part, from difficulties in adequately defining and measuring social capital, in distinguishing among various forms of social capital (e.g., bonding, bridging, and linking), and in assessing its impact on other performance indicators. This in essence forms the rationale for the Policy Research Initiative (PRI) interdepartmental project, Social Capital as a Public Policy Tool. The objectives are to develop a rigorous framework for the measurement and analysis of social capital, and to assess and provide recommendations regarding its usefulness for policy purposes.

In this background paper, we focus on measurement issues related to social capital. Specifically, what are the various frameworks or approaches to measuring social capital? In light of existing theory, what exactly should we be trying to measure and at what levels? What information sources are, or will soon be, available? What is being done internationally? What should we be collecting in the future? The paper addresses these questions and then poses a further set of questions intended to stimulate discussion.

With the information gained through consultations, the PRI social capital project will develop a discussion paper that sets out a proposed analytical framework. This framework will be presented, critiqued, and refined over the coming months, with an assessment of options for future data collection being carried out in parallel. At the end of the process, we will be in a position to make concrete recommendations for future data collection. At the same time, the development of a theoretically informed framework will offer consistency in applying concepts of social capital to key public policy questions across the federal policy research community.

Toward a Coherent Approach to Measuring Social Capital

What we choose to measure will depend on how we define social capital and the framework within which that definition is conceptualized. Variations of the concept are being used in different contexts, rarely with an explicit theoretical framework. In terms of official data collection, the approach so far has been an inclusive one, with information being collected along various dimensions of social capital found in the literature. Although such a multi-faceted approach is effective in accommodating various definitions, the risk is that we perpetuate a muddying of conceptual waters and hinder the potential utility of the concept.

The United Kingdom Office for National Statistics (ONS) (UK, 2003b) has developed a thematic typology to organize its data holdings on social capital. Statistics Canada has conducted a similar exercise that organizes its data holdings along these dimensions (Bryant and Norris, 2002), and this makes for a reference point for readers interested in seeing what official data resources related to social capital are available. What follows are brief descriptions of these thematic categories, adapted from Bryant and Norris.

Theme 1: Social Participation, Social Engagement, and Commitment: This first theme involves actions, such as participation in voluntary organizations, involvement in social clubs or groups, political action and civic engagement, providing help to others, and having a sense of belonging to one's community.

Theme 2: Level of Empowerment: The second theme deals with life satisfaction and the perception of control people have over their lives and the happenings around them. This theme also looks at the level of self-esteem and confidence of the respondent and how that self-assurance allows a person to lead a satisfied lifestyle, possibly through the development of social networks and ties that lead to social capital.

Theme 3: Perception of Community: The third theme looks at levels of satisfaction regarding community of residence. This includes satisfaction levels with respect to services available, perceptions of crime and safety within a neighbourhood and satisfaction with quality of life, including the existence of noise pollution and cleanliness of the community.

Theme 4: Social Networks, Social Support, and Social Interaction: This theme tends to be the most supported in the discussion of measuring social capital. The focus is on social networks, including contacts with friends and family, support systems, and depth of relationships. Interaction with others is key to this theme, and the benefits from the relationships translate into social capital.

Theme 5: Trust, Reciprocity and Social Inclusion: The final theme concentrates on trust and reciprocity — trust both in people and in institutions. The topic of trust focuses on indicators of perceived fairness of life, including discrimination, trust in others, confidence in institutions and public services, and perception of shared values. Some consider trust to be an indicator of social capital in that it is a resource that we all draw on when building relationships and interacting with others. Although it is unclear whether trust is a prerequisite for social networks and social participation or vice versa, trust is clearly an important related concept.

These categories include diverse sets of concepts (that span determinants, components, and outcomes of social capital) and varying implicit levels of analysis. Ideally, we would develop a coherent and theoretically informed framework that could shed light on how social capital operates by effectively distinguishing social capital's actual components from its determinants and outcomes.

This paper suggests that we will need to make some strategic choices about definitions and levels of analysis for the concept of social capital to be usefully applied in research and in policy development: this is the core of the Social Capital as a Public Policy Tool project. These choices will be made over the coming months in consultation with departmental partners and external experts. But already we would argue that the most rigorous and theoretically informed approaches appear to be those based on individuals, their networks, and the structural and qualitative characteristics of those relationships.

Let us examine a few, representative schools of thought on how social capital ought to be conceptualized and measured. First, we borrow from a typology outlined by Woolcock and Narayan, which identifies the network, communitarian, institutional, and synergy approaches to social capital. (Woolcock and Narayan, 2000). We then examine some measurement frameworks that have been put forth internationally. This puts us in a better position to determine the most appropriate conceptualization of social capital for the Canadian context, and the most likely and potentially fruitful areas for its application to public policy. We can then develop an effective strategy for its measurement.

Communitarian Approaches
The communitarian view takes various forms of participation as its focus. This corresponds mainly with Theme 1 from the ONS typology, and to some extent with themes 2, 3 and 5. According to Woolcock and Narayan, the communitarian perspective considers participation in local organizations (such as clubs, associations, and other civic groups) as inherently good, and more is better. Its

shortcomings lie in the fact that it is difficult to distinguish between "good" and "bad" social capital, and implicitly assumes the benefits of participation will be enjoyed across members of a given community or society. In reality, communities are far from homogeneous, and high levels of participation can actually perpetuate undesirable cleavages.

As indicated in the Statistics Canada inventory of data holdings (Bryant and Norris, 2002), a number of sources provide information on various forms of participation. Information on memberships and participation is an important focus of study in its own right, but whether such participation actually *constitutes* social capital is open for debate.

Network Analysis Approaches
Network analysis examines the structural aspects of social networks. Lin (2001a: 12), for example, defines social capital as "resources accessed in a social structure, which are accessed and/or mobilized in purposive actions." When social capital is viewed as assets residing in networks, the focus is on two main areas. The first involves the resources embedded within a given network, such as money or influence, which can be accessed by other players in that network. A second focus revolves around network locations, where an individual's distance or access to bridges (to key resources) within a network is of interest. Measures of the strength of such ties are important within this approach.

Other network characteristics (e.g., size, density, homogeneity) are sometimes included in network analysis, though measures of these other dimensions are not universally accepted as integral to social capital itself. One model of social capital formation being applied in the Community Employment Innovation Project in Cape Breton uses these dimensions to test the idea that larger, more diverse and more heterogeneous networks are conducive to positive outcomes among individuals (Johnson, 2003).

For network analysts, the focus and point of reference is the individual. Among the methods frequently used in network analysis approaches to social capital are the saturation survey, and the name-generator and position-generator techniques. For a small and bounded case study, a saturation survey approach — where a network is comprehensively mapped out — may be feasible. For broader networks, an individual (or ego) forms the point of reference from which various relational contacts are identified. The name-generator technique asks individuals to identify their various ties and their interrelationships, as well as information about network resources. The position-generator technique asks individuals whether they know people who occupy a predetermined set of positions or jobs (e.g., politician, doctor, plumber), deemed important in providing access to various kinds of resources in a given context. A related method is known as the

resource-generator technique, in which an individual's access to various resources is first determined, followed by the type of contact that offers that access.

Proponents of network analysis argue that this "tight" approach to social capital is the only way to go: "Without anchoring the concept in social networks and embedded resources," it is argued, "chances are that social capital would fade away as an intellectual enterprise for the ever-broadening and confounding definitions and almost utopian expectations of its practical applications" (Lin 2001a: 23). Critics, however, contend that network analysis is too narrowly focused and ignores important qualitative and contextual dimensions that are fundamental to understanding and explaining social phenomena.

Institutional Approaches
Institutional approaches focus on the political, legal, and institutional environment as the main determinant of social relations in a community or society. Research and measurement efforts in this area tend to examine the quality of institutional infrastructure.

This school frequently features qualitative case studies that examine historical and cultural experiences of states and civil societies, and the interactions between them. Another methodology within the institutional approach uses quantitative information to study the relationships among government structures and actions, cleavages within civil society, and economic performance. Institutional approaches tend to examine the institutional prerequisites needed to facilitate social capital formation (including the historical and cultural context) and relate these factors to indicators of social interaction (e.g., voting, participating, belonging) and economic outcomes (e.g., economic output, employment), usually at a macro level.

This approach is particularly common in development contexts. But as Woolcock and Narayan (2000: 235) pointed out, it lacks a microeconomic component. "In providing broad statistical evidence for the importance of social capital, the subtlety, richness and enormous variation gleaned from case studies of individual countries and communities is lost."

Synergy Approach
Finally, Woolcock and Narayan (2000) outlined a "synergy" view of social capital that integrates elements both from network and institutional approaches. With this approach, synergy between government and citizen action is a function of complementarity (mutually supportive relations between public and private sectors) and embeddedness (the nature and extent of ties connecting citizens and

public officials). The synergy view, therefore, focuses on the types and combinations of community capacity and state functioning.

From this perspective, the main task for those interested in measuring social capital is to identify the nature and extent of a community's social relationships and formal institutions, and the interaction between them.

Social Capital Measurement in Other Jurisdictions

United Kingdom

The UK has been very active in investigating the policy implications of social capital and in developing a framework for its measurement. Like Woolcock and Narayan, the ONS suggests that social capital is a multi-faceted concept, and that a single measure cannot provide a complete picture. The ONS has adopted the Organization for Economic Co-operation and Development (OECD) definition of social capital as its operational definition:

> networks together with shared norms, values and understandings
> that facilitate cooperation within or among groups.

In adopting this definition, the ONS indicates that social capital is a collective resource rather than an individual one, with "resource" being defined as a stock or supply that can be drawn upon. The definition focuses on formal and informal networks, and the ONS acknowledges and distinguishes between bonding, bridging, and linking social capital within such networks. More subjective elements are also embraced in the definition as "shared norms, values and understandings." Including the term "groups" again emphasizes the collective resource nature of social capital, which can be drawn upon by individuals or by groups.

An adaptation of the typology being employed by the ONS has already been outlined above. Again, these dimensions relate to social participation, social networks and social support, reciprocity and trust, civic participation, and views of the local community. The ONS has categorized its existing data holdings according to this typology, has conducted an analysis of these various survey questions, and has identified gaps. As a result of this work, a pilot questionnaire for a community perceptions study is being tested in the field.

Australia

Australia too has been active in efforts to conceptualize and measure social capital. The Australian Bureau of Statistics (ABS) developed a proposed measurement framework in 2000, and has since consulted widely on this framework. The ABS proposed an initial working definition, but has now settled

on the OECD definition. The work of the ABS also incorporates bonding, bridging, and linking social capital. The framework first places social capital in a relational context of other forms of capital (natural, produced economic, and human capital). The framework then focuses on social capital as networks (their type, structure, composition, qualities, and transactions), while acknowledging environmental influences (cultural, political, legal, and institutional), and distinguishing between positive and negative outcomes of social capital.

Indicators are being developed with a view to supporting evidence-based decision making. Key issues in selecting or developing indicators involve the unit of analysis and appropriate levels of aggregation. On these issues, the individual has emerged as the most appropriate collection unit (through household surveys), with responses of individuals to be aggregated up to higher levels, such as broad geographic areas or population groups. In the short term, local communities will not be feasible as units of analysis, but efforts will continue on developing information at this level. Once the proposed framework has been adopted, indicators that reflect the elements of that framework are to be developed. The focus of the ABS will be on broad level indicators that can be compared across sub-populations, sub-national geographic areas, other countries, and over time, while also serving as benchmarks for local studies.

A comprehensive framework for measuring social capital has also been developed by researchers at the Australian Institute of Family Studies and is being implemented in their Families, Social Capital and Citizenship project (Stone, 2001). For the Institutes's purposes, "social capital consists of networks of social relations which are characterized by norms of trust and reciprocity" (Stone, 2001: 4). Accordingly, social capital is operationalized by focusing on the structure of social relationships (i.e., networks), as well as qualitative elements of those social relations (i.e., norms of trust and reciprocity). These are recognized as the core components of social capital, and are distinguished from social capital's determinants (e.g., personal, family, and community characteristics; attitudes and values; resources) and its outcomes (dimensions of well-being at various levels and the quality of civic life). The framework goes on to offer a rigorous treatment of the elements of these core components and options for their measurement. Subsequent work has tested the validity of these various measures (Stone and Hughes, 2002).

New Zealand
A proposed framework for the measurement of social capital in New Zealand takes a somewhat different approach. Drawing largely on the work of James Coleman, as well as holistic, Mäori notions of social capital, the framework involves four major components:

- behaviours (what people do);
- attitudes and values (what people feel);
- population groups (what people are); and
- an overarching organizational component (social structures within which the previous components operate).

This forms the basis for organizing various suggested measures and indicators, along with suggested methods and sources for constructing these. The framework was published by Statistics New Zealand (Spellerberg, 2001) to stimulate discussion, but has not been officially adopted or implemented.

Ireland
In a recently published report, Ireland's National Economic and Social Forum (2003) adopted the OECD definition of social capital, citing its flexibility and broadness that draws attention to social connections as community resources. Also in their view, the OECD definition is compatible with a policy approach that views social capital as a group resource, and focuses on social inequality and exclusion. Social capital, therefore, is seen as a set of resources inherent in communities, networks, and relationships.

In the statistical profile included in the report, indicators are offered and cross-tabulated along several variables, including gender, age, education, employment status, and size of locality. These are organized under the following themes, which correspond roughly to the ONS (UK) typology: community engagement/volunteering, community efficacy, political/civic participation, informal social support networks/sociability, and norms of trust and reciprocity. While its emphasis is on developing an overall policy framework, the report also recommends that a social capital module be incorporated into the Central Statistics Office's Quarterly National Household Survey.

United States
As in other countries, various sources in the United States have collected information related to social capital, but without a co-ordinated framework for doing so. These sources include the National Crime Victimization Survey, the Adult Education and Lifelong Learning Survey, the American Community Survey (starting in 2003), the American Time Use Survey, the General Social Survey, and the American National Election Survey. More recently, the federal government has been working with Robert Putnam to develop a supplement to the Census Bureau's Current Population Survey to measure selected dimensions of social capital.
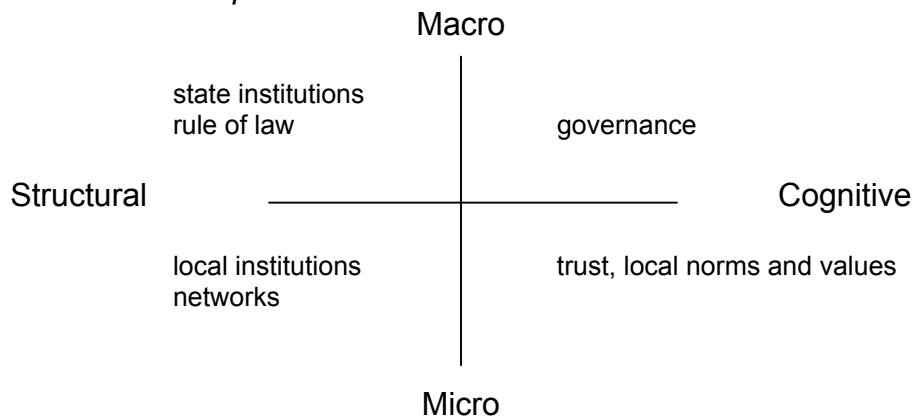
Outside of government, Robert Putnam's work with the Saguaro Seminar on Civic Engagement in America has developed the Social Capital Community

Benchmark Survey. It involved a nationally representative sample of 3,000 adults, in addition to local samples of 26,700 adults. The main survey was conducted in 2000, with smaller panel studies conducted in 2001 and 2002. Using indicators derived from Putnam's definition of social capital (social networks and the associated norms of reciprocity and trust that arise from those networks), the survey represents the largest-ever study on the civic engagement of Americans, examining connections between family, friends, neighbours, and civic institutions on a local and national level.

The World Bank

The World Bank launched its Social Capital Initiative (SCI) in 1996 to "assess the impact of social capital on the effectiveness of development projects, and to contribute to the development of indicators for monitoring social capital and methodologies for measuring its impact" (Grootaert and van Bastelaer, 2002). Various measurement strategies were implemented in the dozen projects funded by the SCI. From these, a framework emerged that focuses on two dimensions: the scope of social capital (micro, meso, and macro) and its forms (cognitive and structural). A third dimension (Woolcock and Narayan, 2000) distinguishes between bonding, bridging, and linking forms of social capital.

Dimensions of Social Capital

```
                              Macro
                               |
          state institutions   |
          rule of law          |      governance
                               |
Structural  _____|_____  Cognitive
                               |
          local institutions   |      trust, local norms and values
          networks             |
                               |
                              Micro
```

Source: Grootaert and van Bastelaer (2002).

The Organization for Economic Co-operation and Development

The OECD has been involved in efforts to develop internationally comparable indicators of social capital. With the ONS (UK), it organized the International Conference on the Measurement of Social Capital in London in September 2002. The country reports presented and the discussions that took place represented an important exchange of information among members of the international policy research community interested in social capital measurement.

A follow-up workshop took place in Budapest in May 2003. The objective was to develop guidelines for internationally comparable indicators of social capital along the following four dimensions: social participation, social networks and support, trust and reciprocity, and civic participation. The input from this workshop is being developed into a draft set of guidelines for the internationally comparable measurement of these dimensions of social capital. A proposal to develop a social capital module for inclusion in the International Social Survey Programme for 2006 is also being pursued.

Social Capital Measurement in Canada

As already noted, the Canadian experience in social capital measurement is well documented by Bryant and Norris (2002), who described various data holdings along the five dimensions used by the ONS. (van Kemenade, 2003, also takes stock of available data sources.) Among the most directly relevant sources is Cycle 17 of the General Social Survey (on Social Engagement). This survey asks various questions of interest to social capital researchers, across several dimensions of social capital. It will be capable of producing estimates reliable at the provincial level, and will support analysis of these indicators of social capital for specific population groups and other important factors. Therefore, a statistical profile of various dimensions of social capital across Canada will soon be available. (The survey is currently in the field; results will be available in spring 2004.)

The Longitudinal Survey of Immigrants to Canada (LSIC) collected extensive information about the social networks and supports of newcomers to Canada. The LSIC completed its first wave of data collection in 2002 and initial baseline results are expected later in 2003. Subsequent cycles of the survey will carry an expanded module on social contacts and will answer some important policy-relevant research questions about how new immigrants adjust to life in Canada. Other useful "official" sources include other cycles of the General Social Survey, the National Survey of Giving, Volunteering and Participating, the National Population Health Survey, the Canadian Community Health Survey, the Ethnic Diversity Survey, and the Adult Literacy and Life Skills Survey.

Another source worth mentioning has been developed by University of British Columbia researchers. The Equality Security Community Survey (funded by the Social Sciences and Humanities Research Council) is a random sample, telephone survey of over 5,000 Canadian adults dealing with civil society and the formation of social capital. It included an oversample of individuals in Canada's main immigration destinations (Toronto, Vancouver, and Montréal), as well as an oversample of people living in several BC sawmill communities.

Future Data Development

Despite the availability of a number of surveys, existing data sources will unlikely be able to meet all our policy research needs. The concepts employed across sources have been developed independently and often without clear theoretical underpinnings. So what information would we collect in an ideal world? This will depend on the operationalization and framework we develop. Early indications suggest a need for micro-level data that existing sources cannot provide. By this we mean detailed information on the nature and extent of personal networks, their characteristics, and the resources accessed through these contacts. Moreover, being able to track changes in social capital over time through longitudinal measurement would be critical in making the connections to different kinds of outcomes (e.g., economic, social, health). This level of information linked to specific outcome measures over time would provide policy researchers with an extremely powerful set of analytical tools.

It may also be important to collect thematically targeted information, either for specific populations (e.g., youth, recent immigrants, Aboriginal peoples), or for particular policy domains (e.g., labour market, health, justice). Various sources that are both thematic and longitudinal already exist, and may lend themselves to incorporating additional content related to social capital. These other sources include the National Longitudinal Survey of Children and Youth, the Youth in Transition Survey, the Longitudinal Survey of Immigrants to Canada, the Survey of Labour and Income Dynamics, and the National Population Health Survey. Finally, preliminary thinking also suggests that a social capital module might also be adapted to a special, occasional add-on to an existing, large-frame survey (e.g., Labour Force Survey, Canadian Community Health Survey), thus enabling researchers to track changes in social capital over time, as well as sub-provincial estimates.

A Data Feasibility Study

The PRI/interdepartmental project on Social Capital as a Public Policy Tool is carrying out a feasibility study that will assess options for future data collection. With a theoretically informed framework, this could potentially lead to a module of questions that could be adapted and consistently incorporated into existing survey vehicles, or possibly form the basis of new collection activities.

Work is already well underway in terms of taking stock of existing sources and questions related to social capital. A series of expert consultations and data workshops will also inform the development of options for future data collection. For example, the interdepartmental consultation workshop on June 19, 2003 included a major focus on concepts and measurement issues. In addition, the PRI-OECD conference, The Opportunity and Challenge of Diversity: A Role

for Social Capital? (Montréal, November 2003) will include a set of workshops on data sources and research issues, and will involve policy and academic experts.

In parallel with content development activities, the feasibility project will undertake a detailed analysis of methodological options (i.e., frame, sample, survey design) for future data collection. Options to be explored include:

- examining existing surveys and frames to assess the feasibility of finding adequate samples of the populations of interest, with a view to
  - including a social capital module as part of existing longitudinal surveys, and
  - administering a social capital module to a subset of respondents of other survey frames;
- exploring the possibility of linking to administrative databases or other surveys for outcome measures;
- undertaking one or more special surveys dedicated to covering the target populations or policy domains of greatest interest;
- using the census as a frame for an initial post-censal survey, which could then become an ongoing program; and
- alternative approaches, possibly involving smaller scale efforts (e.g., a small sample of Canadian communities).

Measurement Considerations and Consultation Questions

To summarize, we are quite fortunate in Canada to have a number of data sources already (or soon to be) available that will allow relevant analysis of issues related to social capital. Information across these sources, however, has been collected for different purposes, in various contexts, and with a variety of notions of what social capital is. Ideally, we would develop and build consensus around an operational definition, a conceptual framework for understanding social capital's key components, its determinants and its outcomes, and a set of indicators using appropriate units of analysis based on this framework. What follows are a number of considerations that need to be addressed in developing a coherent measurement strategy to inform future data collection.

Defining Social Capital
The United Kingdom and Australia have adopted the OECD definition for framework development and measurement: "networks together with shared norms, values and understandings that facilitate cooperation within or among groups."

- Is this the operational definition that should be adopted to guide measurement in the Canadian context?

- What are the key components of social capital that need to be operationalized and measured?

Selected Measurement Considerations
- What is the appropriate unit of analysis/measurement?

- What levels of aggregation are needed (e.g., geographic areas, population groups)?

- What indicators are needed?

- Do we need longitudinal information to assess causal relationships?

- Do we need indicators of social capital that allow for international comparison?

Priority Policy Issues
Policy priorities will influence data collection priorities. In addition to general information about levels and characteristics of social capital (such as that being collected by the General Social Survey), policy-driven, thematic data collection will also be important.

- What are these policy themes and associated policy research questions?

- If these policy themes imply specific target populations or geographic areas, what are the implications for data collection?

- What are appropriate outcome measures in these policy areas?

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Social Capital Workshop
June 2003

Policy Implications

Background Paper

Introduction

In recent years, considerable interest has emerged in the concept of social capital. This concept appears to be useful for understanding the health of a community or society, and potentially can provide important insights to variations in social and economic outcomes across individuals, communities, and societies.

Social capital, often defined as the norms, networks, and understandings that facilitate co-operative action, has proven to be a difficult concept to integrate operationally into public policy. This stems, in part, from difficulties in adequately defining and measuring social capital, distinguishing various forms of social capital, and assessing its impact on other performance indicators.

This paper is one of three background papers prepared by the Policy Research Initiative in the context of its current initiative on Social Capital as a Policy Tool. The other two focus on conceptual and measurement issues, and will inform interdepartmental policy and research consultations for the development of a discussion paper on social capital. In this particular background paper, we address the following fundamental questions.

• Is there sufficient evidence to warrant policy attention?

• Is there a role for government intervention in the creation and accumulation of social capital? What are some of the key policy areas?

• How should government invest in social capital? How is it already investing?

These questions were the focus of a workshop on the policy implications of social capital on June 19, 2003. This workshop brought together policy-makers, program developers, and researchers from all areas of the federal government. The following paper attempts to provide a basis for discussion through a review of existing work and lessons learned from others on the applicability of social capital in the policy context.

What We Already Know from Current Evidence on Social Capital

On the Effects of Social Capital
Since Robert Putnam's *Making Democracy Work* in 1993, interest in the concept of social capital has grown significantly in both the academic and the wider policy research community. Research work has contributed to our understanding of why social capital might be an important concept in policy-making. For instance, we know there are strong positive correlations between certain indicators of social capital and various social outcomes, such as better care for children, higher

educational attainment, lower crime, and improved health outcomes (i.e., longevity, lower incidence of depression, lower stress, and a better functioning of the immune system) (evidence cited in Putnam, 2000; Foley and Edwards, 1999).

Social capital is often studied in the context of poverty and social exclusion. Studies have shown that various dimensions of social capital (i.e., membership in associations and networks, adherence to norms and collective actions) can have a major impact on the income and welfare of the poor by improving the outcomes of activities and services that affect them. Social networks also play an important role in the re-employment of the long-term unemployed. In a recent Canadian study, the effects of social networks have been found to be more determinant than human capital in influencing exits from welfare among long-term recipients (Levesque and White, 2001).

We also know there is some evidence linking social capital and economic outcomes. The quantity, quality, and diversity of social networks seem to be positively linked with increased labour market participation and improved employment outcomes, such as higher pay and career advancement (Granovetter, 1973; Korpi, 2001; Aguilera, 2002). At the macro level, cross-country comparisons show that levels of interpersonal trust are related to economic performance, as measured by the economic growth and investment to gross domestic product (GDP) ratio (Knack and Keefer, 1997; Fukuyama, 1995). However, authors point out the need to look at additional dimensions of well-being, such as poverty, equality, security, and other health measures, rather than limited indicators of growth, such as GDP per capita, to get a more accurate assessment of the role and contribution of social capital (Helliwell, 2001; Osberg and Sharpe, 2000).

Finally, the effects of social capital (especially the importance of balancing bonding, and bridging forms of social capital), have also been well documented in the areas of urban planning, housing, local development, and neighbourhood renewal. Studies of urban regeneration schemes in the United Kingdom suggest that to succeed, the slow and fragile process of neighbourhood revitalization must be accompanied by building trust between members of local communities through the development of political, cross-sectional, and associational forms of social capital (Hibbit, et al., 2000; Evans, 2003).

On the Determinants of Social Capital
Recognizing the importance of beneficial forms of social capital has created a desire for better understanding the determinants of social capital. There are wide variations in levels of social capital between countries, regions, and individuals. Macro-level trends in social capital characteristics by country suggest a decline in the United States and Australia, an increase in the Netherlands, Sweden,

Germany, and Japan, and mixed trends in other Organization for Economic Co-operation and Development (OECD) countries (OECD, 2001). While family relations, and learning institutions are important building blocks for social capital, history, culture, gender, social, and institutional structures (including forms of voluntary organizations) also play key roles in the access to social capital. Economic inequalities and social class, which increase the social distance between individuals, residential mobility at the neighbourhood level, work intensity, poor transport and urban infrastructures, have all been associated with lower levels of social capital by disrupting supportive social networks.

Putnam (2000) attributed the decline of social capital in the United States, in part, to demographic shifts (less civic-minded generations of baby boomers and baby busters), entertainment television, pressure to work long hours, the proliferation of suburbs, the car-focused culture, and the absence of community space. However, some suggest that the United States could simply be experiencing a transformation of social capital rather than a decline. Reduced family size, information technology, and other trends could be leading to a shift in favour of bridging social capital instead of more traditional forms of bonding social capital (UK Performance and Innovation Unit, 2002). Whether we are experiencing a decline or transformation of social capital, there is a wide consensus in the literature that well-directed efforts to help people remain connected are likely to become more important than ever, particularly in light of the potential implications for civic participation, the relationship between civil society and government, and the evolution of democratic institutions.

We also know from the literature that we cannot assume that all forms of social capital are beneficial. A number of potentially negative effects of social capital have been identified. For example, a distinction is made between social capital as a "public good" and as a "club good," where members of the latter group use their membership to promote self or group interests (such as in the case of "old boys networks") and act as a barrier to the inclusion and mobility of others. Strong bonding social capital may also result in reduced contacts between communities (i.e., geographic concentration of ethnic minorities) and lead to potential adverse consequences, such as reduced access to the labour market and other opportunities. Finally, there is also a form of "criminal capital" characterized by the high level of bonding within criminal or terrorist organizations, street gangs, etc. that encourages and values criminal activity instead of positive co-operation. As indicated by Kerns and Forrest (2000), there is considerable social capital in ghetto areas, but the assets obtainable through it seldom allow participants to rise above their poverty.

This has implications for the design of policies, which cannot simply be aimed at maximizing any type of social capital without discerning the positive from the

negative aspects. A recent paper by the UK Cabinet Office identifies examples of policies that may have had unintended harmful effects though their impact on social capital. These include community development programs, such as housing projects, that failed to consider the importance of building links with the wider community and, as a result, reinforced exclusion and deprivation by isolating participants even more. Other studies highlight examples of labour market and social security policies that fail to recognize the importance of informal networks and contacts in the search for work and exits to social assistance (Levesque and White, 2001). In recent work by the OECD, the need for policies that encourage a right balance of bonding with bridging and linking forms of social capital is clearly emphasized.

Applying Social Capital to Policy

We have a reasonable understanding of the possible determinants and consequences of social capital. How can this knowledge be translated into action? Little has been done to integrate social capital explicitly into policy-making. Discussions with departments have indicated there is a need to find out more about what works in creating or facilitating social capital. A clearer and conceptually rigorous framework for defining and analyzing social capital can enhance the usefulness of this concept for evidence-based policy.

Definition and Measurement Challenges
While there is growing policy and political interest in social capital, there are only a few examples where the evidence from social capital research has been concretely applied. Lack of agreement in concepts, terminology, and measures makes it difficult for policy-makers to judge where interventions are needed to affect social capital and to assess the effectiveness of different policies in promoting social capital.

Measurement difficulties are due, in part, to definition problems and the lack of specific tools designed to measure this concept. Often, studies focus indiscriminately and imprecisely on a range of approximate items (voting trends, trust in government, hours spent volunteering) using existing large cross-sectional data sets. Not all measures of social capital have the same relationships with outcomes, and contradictory results are sometimes obtained for different measures. For example, while a significant positive relationship exists between trust and economic growth, membership in formal groups is not associated with improved economic performance. Different findings obtained when measuring the effects of social capital in different contexts indicate important explanatory variables might also be missing from the analysis.

Further, there is some evidence to suggest that measures of social capital may need to be tuned to specific national or regional contexts. For example, in European countries, such as Germany, measures of trust are not as strongly associated with educational attainment as has been observed in the United States. ECOTEC (2001) pointed to a number of aspects of social capital in the European context, which are said to differ from the US model including different histories of citizenship, differently constituted models of political discourse and activity, linguistic fault lines, greater expectations of state intervention, and examples of chronic inter-communal hostility based on local social capitals (e.g., Northern Ireland).

The difficulty in establishing the direction of causality when measuring social capital has also contributed to confusion around this concept. For example, as described by the OECD, economic inequality can be both a cause and consequence of inequality in access to social capital. Schooling and education have been found to be important predictors of the types and levels of social capital individuals are able to accumulate throughout their lives. Alternatively, educational attainment is also greatly influenced by social capital (family relations, community networks, and linkages with the education system). Trust has been found to be both an outcome and determinant of democratic stability. As many have argued, however, the presence of correlations is still an important finding that provides a useful contribution to policy discussions (Jenson and Beauvais, 2002), and the fact that there is evidence of correlation is sufficient to warrant policy interest and action (Helliwell, 2001).

The Need for a Clear Policy Rationale
Why should the government intervene in the development of social capital? A main argument raised in the literature is that how we associate with each other and under what terms has serious implications for our well-being and the development of our societies (Woolcock, 2001; Helliwell, 2001).

As indicated by Robert Putnam (2001), a society characterized by generalized reciprocity is more efficient than a distrustful society. Facilitating the building of social networks can lead to higher levels of trust and a better capacity to mobilize efforts to respond to social change, and manage risks, shocks, and opportunities, such as natural disasters, plant closings, and domestic violence. Under a social capital perspective, the capacity of different communities to manage risks and opportunities effectively, and to develop and grow is not only explained by cultural, physical, and human factors, but also by structural and relational factors. Political, institutional, and legal arrangements provide the context in which social capital works (OECD, 2001). The quality and structures of institutions can affect the capacity of individuals and groups to develop linkages

with mainstream institutions and with structures of power and control beyond their communities.

Communities that have difficulties accessing broader networks may tend to rely more on internal bonds for coping. While this can help provide the crucial support networks needed by those in difficulty, it can also create situations where private interests take over the access to public resources. Enabling the development of certain forms of social capital, such as bridging and linking, has the potential to facilitate the access to, and circulation of, information and resources that are essential for development and growth.

Equity and efficiency arguments have been raised for explaining government intervention in the development of social capital (UK Performance and Innovation Unit, 2002). Interventions to promote social capital (directly or indirectly) may help reduce negative externalities (i.e., exclusion of certain groups) associated with the accumulation of certain forms of social capital and facilitate investments in more beneficial kinds of social capital. Social capital may also contribute to improving information flows, therefore reducing transaction costs. Governments can also promote a fair distribution of social capital in such a way that access to high-quality social capital (i.e., social networks with access to broad information channels and linkages to structures of power) is achievable by all. Reduced access to certain forms of social capital by certain groups may negatively affect social mobility and reinforce social inequities. The social capital developed by communities or groups will most likely be based on the sharing of common needs or interests, and may reproduce the traditional "fault lines" that exist in societies (gender, race, religion, socio-economic status), potentially reinforcing barriers between groups. According to the OECD, governments could benefit from considering the importance of bridging social capital in policies that encourage the inclusion of various groups in educational programs, employment, and more mixed residential arrangements, for example.

While there might be specific advantages to the development of social capital for the achievement of policy-related objectives, the decision to "invest" in social capital (or to intervene in the development of social capital) also depends on the perceived usefulness and appropriateness of government intervention in this area. For some, institutionalizing or regulating various social arrangements and relationships (for example, through the funding of certain types of associational activity) may be viewed as an intrusion of the state in a sphere that has traditionally belonged to civil society. For others, a focus on social capital may be seen as a convenient justification for a retreat from social spending and a way of displacing responsibility from the state to individuals and the voluntary

sector.[1] By definition, a focus on social capital implies that people use their own social resources for addressing their own needs and aspirations. Some may view this as a way of placing the burden of social problems on the back of those experiencing those problems. Proponents of the concept argue that facilitating the acquisition of social capital could be an important step for building the confidence of excluded groups who have the possibility of initiating and influencing change on their own.[2] It all depends on how the building of social capital is approached. Those who have studied the effects of initiatives aimed at building social capital in local settings have strongly emphasized the importance of respecting the cultural, historical, and socio-economic context and existing institutional arrangements when designing interventions.

Social capital is not a panacea and more of it is not necessarily better (Woolcock, 2001). There are aspects of social capital that are not necessarily helpful for the advancement of social outcomes. However, the relationship between certain aspects of social capital with outcomes policy-makers are concerned with, such as improved health, greater safety, social inclusion, and economic participation, has been well established in research. To a certain extent, social capital can prove to be the missing link for explaining why in some cases interventions aimed at improving social and economic outcomes for individuals and communities have succeeded while, in other cases, the same interventions have failed despite similar circumstances.

Adopting a social capital lens could provide useful insights into the importance of social relationships and the social fabric for the social well-being and adaptation of individuals and communities. In addition to inserting a more long-term perspective into policy-making, social capital can prove to be a useful tool for complementing other policy concepts and instruments (such as increasing stocks of human and financial capital), which cannot address by themselves the complexities of the modern world (Schuller, 2001).

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[1] For a more detailed discussion on the role of the state and civil society in the development of social capital, see Van Kemenade (2003).

[2] In a 2001 report (ECOTEC, 2001) on social capital, the European Network of Foundations listed five reasons why social capital may contribute to wider policy goals, by:
- creating a social environment more conducive to the implementation of social programs;
- providing policy-makers with ways to interact with local communities and make them partners in the regeneration process;
- encouraging self-help of many types;
- providing additional ways to deliver goods and services (i.e., by supporting locally organized and owned enterprises to deliver housing or social services); and
- helping to combat social problems, such as crime, isolation, and alienation, and by increasing contacts and understanding between people.

How Can Government Invest in Social Capital?

In practice, how feasible is it for government and stakeholders to affect social capital? Uncertainty about the usefulness of social capital research in the policy context can also be explained by the fact that governments may not be able to intervene easily in the creation and enhancement of beneficial forms of social capital. The development of effective social networks can take time and, given the complex role of historical and cultural determinants in the formation of different forms of social capital, it might be difficult to influence how it is accumulated and used. Alternatively, it might be just as easy to disrupt or destroy existing sources of social capital if care is not taken when designing policies that affect where people live, and work, and how they connect with each other.

Possible Approaches for Integrating Social Capital into Policy: A number of approaches have been proposed in the literature for integrating social capital into the policy context. While local and regional levels of government seem to be particularly well positioned to influence access to and development of social capital, many different stakeholders throughout government and the voluntary and private sectors can play an important role (OECD, 2001). According to Woolcock (2002), it is important to consider that different types of interventions (policy, program, or practice) at different levels (macro, meso, or micro) can be helpful and/or harmful to social capital and all can be influenced by social capital (Woolcock, 2002).

Possible approaches can be divided into a number of models, depending on the level of centrality of social capital in policy and program objectives. Not all these approaches are necessarily relevant to the Canadian federal policy context. However, they reflect a broad spectrum of possibilities that range from viewing social capital formation as a primary policy objective, viewing social capital as a tool, among others, for achieving mainstream policy objectives, to using a social capital "lens" in policy development and implementation.

- *View social capital formation as the primary policy objective.* In this approach, social capital is the main target of intervention and, therefore, considered as an end in itself. Programs or policy statements would be developed to encourage nurturing, safeguarding, or working with social capital. For instance, this would be the case if there was a strong desire to raise levels of interpersonal trust and civic participation through increased social connectivity or, to establish safeguards of existing sources of social capital in communities. In this context, the policy objective or the primary guiding principle is to develop or enhance the social capital of a population.

The synthesis report of the World Bank Social Capital Initiative (Grootaert et al., 2002) pointed out that investing in social capital is more difficult than investing in human capital, where a number of time-tested approaches are available, such as building schools, training teachers, developing appropriate curricula, etc. Comparable recommendations for investing in social capital have yet to emerge.

- *View social capital as a tool, among others, for achieving broader policy objectives.* In this approach, social capital is one of several dimensions for achieving more mainstream policy or program objectives. Integrating social capital dimensions into public policy objectives can be one lever for action, among others, rather than the main focal point of the intervention. In this context, explicit measures or activities to facilitate the development of positive forms of social capital would be included in the program design. This could translate, for example, into measures for encouraging the creation of supportive networks and community structures to help prevent or fight health problems, as part of broader health policies. Other approaches could include building bridging activities that require the mixing of young people from different backgrounds as an integral part of youth volunteer or employment program design.

  This approach encourages the systematic inclusion of social capital into policies and programs and requires that social capital indicators be carefully defined. The monitoring of these indicators is important to account for and isolate the social capital-specific effects in the overall program evaluation. Appropriate measurement improves the value gained from experiences and allows the replication (or not) of social capital effects in other programs or situations.

- *Use a social capital "lens" for better understanding the various localities, situations, and communities where action is taking place and where policy efforts are concentrated.* This approach would be used to integrate information about social relationships and structures into program design and implementation. The focus would be to raise the awareness of policy-makers and decision makers about the potential impacts of new interventions on sources of positive or negative social capital already existing in communities. This could include efforts to ensure that existing community associations or networks are actively involved in the design and delivery of interventions that concern them. Alternate approaches could include efforts to ensure that existing institutional arrangements and structures of social support are taken into account before attempting to introduce new initiatives.

In a series of recommendations for incorporating the concept of social capital into development policy, Woolcock and Narayan (2000) stressed the importance of viewing development interventions through a social capital lens. Assessment of new program proposals and implementation plans should look at the potential effects the intervention could have on the social capital of poor communities. Given the importance of social networks as a primary resource for managing risk and vulnerability in poor communities, development interventions (whether related to the development of dams, irrigations systems, local schools, or health clinics) should find a way to complement these social resources, rather than substitute for them.

According to Grootaert et al. (2002), analytical tools are already sufficiently developed to register the presence and forms of social capital in a community. Including this information in project design can lead to the development of activities that, at a minimum, do not affect existing social networks and norms. In assessing program options, program developers should be able to use information on the existence and forms of social capital in the community to select the design that will maximize the leveraging role of social capital in influencing project outcomes. This evaluation criteria for selecting program options can be included early on in the project design phase to facilitate implementation and lower project costs.

In parallel, governments can continue to advance knowledge on the effects of social capital on policy outcomes by pursuing research in this area through broad surveys and social experiments. Investing in research can indirectly affect the development or the use of social capital, by producing information on how social capital develops and manifests itself across individuals, groups, communities, or regions, and on how social capital interacts with other forms of capital and resources. Social capital data could be used, for example, to gain a better understanding of the targeted populations and of the communities, localities, or regions affected by public interventions.

According to Morrow (2001), information on social capital complements individual models of health (or labour market participation, etc.) by introducing a social dimension into the analysis. This information can be used to inform policy development by identifying factors that can help explain why, for example, certain individuals or communities are able to adapt or do better with a given set of resources than others.

Existing Policy Interventions that Already Affect Social Capital: Many policies and programs are already affecting social capital. In pursuing these policies, efforts can be made to recognize the opportunities for enhancing social capital and to avoid actions which might cause damage. For example, the social

capital benefits of programs aimed at creating volunteering capacity, could be enhanced by the use of funding criteria that encourage effective use of volunteers. Similarly, focus could be placed on measures that encourage the involvement of various stakeholders, such as employers or educational institutions, in facilitating community activity.

In intervening to influence social capital formation, the solution does not reside in maximizing social capital at any cost. Certain types of social capital are more adapted to certain situations or contexts than others. A recent study on the impact of ethnicity on people's participation in community networks provides a good illustration. Campbell and McLean (2001) found that policies could not simply call for increased community participation of socially excluded groups in the absence of specific measures to address obstacles to participation. They found that without such efforts, the best-intentioned attempts to promote social capital in the interests of reducing ethnic inequalities can result in failure.

Depending on the conceptual approach chosen to define and measure social capital, programs that have an influence on social capital are likely to include interventions that affect one or more of the following dimensions:
- development or mobilization of social networks, social support structures, and local associations;
- strengthening of ties among existing communities and social institutions/organizations;
- promotion of civic engagement (volunteering, civic participation); and
- development or access to information channels and links with political or economic power brokers and institutions.

The social capital literature identifies a range of interventions that can contribute to building social capital even if they are not articulated in these terms. A number of programs and projects in Canada are already potentially contributing directly or indirectly to the development of one or more components of social capital (although the social capital aspects of these programs are not specifically identified in the objectives or results). The following provides only a few examples.

Individual level
- Parent support programs through the building of social networks
  e.g., Health Canada Community Action Program for Children; Aboriginal Head-Start; Nova Scotia Family Mosaic Project (social support/networks for lone-mothers living in poverty).

- Volunteering projects for youth
  e.g., Youth Volunteer Corps of Canada; Youthfluence (network of young people to bridge the gap between youth and decision makers, build resources and networks within the youth community, and make their voices heard) initiated by Citizenship and Immigration Canada and funded by several, federal partners.

- Mentoring programs for youth
  e.g., HOST mentoring program for new immigrants (Citizenship and Immigration Canada).

- Labour market information networks
  e.g., Skills for Change labour market information programs for foreign-trained professionals, funded by HRDC and province of Ontario.

Community level
- Social housing projects
  e.g., Calgary Homeless Foundation projects, funded by HRDC.

- Community self-help, lending circles for small-business creation
  e.g., Calmeadow Foundation Canadian micro-credit programs in Vancouver, rural Nova Scotia, and Toronto and offering peer-group lending programs that target newcomers, minorities, women, people trying to get off social assistance, and those who are the least advantaged in their access to credit.

- Promoting the development of the social economy
  e.g., Quebec social economy support fund.

- Community information and communications technology networks
  e.g., CapacityNet (interactive on-line workspace, supporting a province-wide network of self-employment developers), SEDI – Social Enterprise Development Innovations; School-Net & VolNet, (Industry Canada).

National level
- Civic education programs
  e.g., educational materials in the area of citizenship education produced/funded by Canadian Heritage and Elections Canada; Exchanges Canada (Canadian Heritage).

- Citizen forums, youth parliaments
  e.g., Citizens' Dialogue on Canada's Future: A 21st Century Social Contract, CPRN, funded by several federal departments.

- National volunteering or civic engagement initiatives
  e.g., Our Millenium Project, Community Foundations of Canada; Community
  Partnerships Program and Canada Volunteerism Initiative, to encourage
  Canadians to participate in voluntary organizations; improve the capacity of
  organizations to benefit from the contributions of volunteers; and enhance the
  experience of volunteers (Canadian Heritage).

Social Capital in Practice: Examples of Current Initiatives and Lessons Learned

Several countries and organizations at the international, national, and local levels
are experimenting with the use of social capital in policy and program
development, through various types of research projects and initiatives. These
range from practical interventions at the local level that explicitly incorporate the
notion of social capital as a tool to achieve desired project outcomes, to larger-
scale initiatives that use the concept of social capital in the context of broader
social inclusion policy goals. A review of these different initiatives and key
lessons learned, by policy area, is presented in Appendix A.

Integrating Social Capital into the Canadian Policy Agenda

What particular policy areas at the federal level could benefit from the use of a
social capital lens, or from using social capital as an instrument for achieving
desired outcomes? Is there a need to develop a more consistent and integrated
approach to the use of social capital in the federal government? What are some of
the possibilities for action and what are the potential jurisdictional
issues/implications?

These are important questions that will help guide policy recommendations for
the use and integration of social capital in the Canadian policy agenda. These
recommendations will be presented in a subsequent discussion paper on social
capital.

Consultations with policy-makers, researchers, and expert advisors can help
identify:
- current understandings of social capital across government and
  dimensions of social capital that are of particular interest to departments
  (i.e., size and density of networks, membership in organizations, civic
  participation, etc. at individual, community, or national level), for the
  elaboration of a cross-government analytical framework;

- key policy areas that could benefit the most from a social capital perspective and policy issues that may be informed by additional research on social capital;
- existing efforts to build or research social capital within federal departments;
- perceived policy interest as well as feasibility and challenges related to the application of social capital in the Canadian policy context and at the federal level in particular;
- past or existing programs in federal government (or other levels of government) that already affect the accumulation of various forms of social capital, even if not articulated in these terms; and
- preferred models or approaches for addressing social capital in public policy (i.e., through formal or informal recognition of social capital implications in policy/program development, impact evaluations, etc.).

Based on these consultations, next steps could include recommendations to:
- develop a government-wide research agenda on social capital;
- develop proposals for new initiatives to test, pilot and assess the viability of these ideas (i.e., though the use of social experiments for evaluating the effects of social capital in practice); and
- examine various options for incorporating the concept of social capital into relevant policy and program areas.

Social Capital in Practice: Examples of Social Capital Initiatives and Lessons Learned

Poverty Alleviation and International Development
Efforts to apply the concept of social capital in international organizations have primarily been associated with poverty alleviation strategies in the context of international development.

In 1996, the ***World Bank*** launched the Social Capital Initiative (SCI), a large empirical exercise, with the financial support of the Government of Denmark. The objective was to assess the impact of social capital on the effectiveness of development projects and to contribute to the development of indicators and methodologies for monitoring social capital. Results of the 12 case studies undertaken as part of the SCI were released and synthesized in 2002 in a number of working papers and publications. Findings from studies provide evidence that social capital is a "pervasive ingredient and determinant of progress in many types of development projects and an important tool for poverty reduction" (Grootaert and van Vastelaer, 2002).

Using three sets of proxies to measure social capital (membership in local associations and networks, indicators of trust and adherence to norms, and collective action) these studies show that social capital can have a major impact on the income and welfare of the poor by improving the outcomes of activities that affect them and by affecting the movement of information useful to the poor. Many aspects of social norms and practices perpetuate poverty by creating barriers to upward mobility and reducing people's abilities to build assets. However, local social capital developed in credit associations for example, create income opportunities for people who have difficulty accessing financial support from the mainstream system. When poor households are part of networks and associations, this increases their ability to cope with income fluctuations and overall insecurity.

According to World Bank researchers, social capital often matters more than technical or economic features of project design. Efforts at stimulating social capital have worked in enough settings to warrant pursuing strategies for investing in social capital.

In 1998, the ***International Labour Organization*** (ILO) established a program called STEP Strategies and Tools against Social Exclusion and Poverty. One baseline document that serves as a guide for international projects to combat poverty and social exclusion uses the concept of social capital. The STEP

program promotes setting up micro-health insurance organizations. Initiatives are based on the recognition that empowerment of local organizations and communities and the creation of linkages and networks between individuals are as important as the financial assistance itself in ensuring the social security of participants.

The *Inter-American Development Bank* has also recently launched the Social Capital, Ethics, and Development Initiative. The objective is to be a catalyst in awakening interest in ethics, development, and social capital in governments, businesses, labor unions, universities, religious communities, non-governmental organizations, and organizations of all kinds that work for the collective well-being of societies. It is hoped that mobilization of joint efforts in these crucial fields will raise the quality of the debate on development, enrich policy frameworks, increase the likelihood of broad consensus on actions, and contribute to the adoption of codes of conduct based on desirable ethical criteria.

Economic and Social Inclusion
In 1998, the *European Commission* launched the Local Social Capital Pilot Project, under Article 6 of the European Social Fund. The pilot was managed by the Commission under the direction of the Employment and Social Affairs Director General and comprised 30 projects in 12 member states. The overall objective was to promote employment and social cohesion through bottom-up initiatives. Specifically, the project was to test a method of decentralized delivery and explore the relevance of local social capital. About 3,350 micro-projects were supported through the 30 community grants. Targeted groups included marginalized people with multiple disadvantages, including women, young people, immigrants, and persons with disabilities. The initiative was apparently successful in enhancing the capacity of community organizations (in helping individuals increase their employability skills, etc.), through the building of local social capital. In *Spain*, the 2001-2003 Action Plan for Social Inclusion (part of the EU Social Inclusion Agenda), explicitly includes the development of social capital as a main tool to attain social inclusion of excluded populations (however, no specific definition of social capital is provided).

In *Ireland*, the government's National Economic and Social Forum established a project team in 2002 to clarify the concept and use of social capital in policy discussions, situate the debate on social capital in an Irish policy context, identify priority areas where it might have policy potential and provide recommendations for policy development purposes. The report, drawn from an extensive consultation process, identified several areas of specific policy applications: statistical measurement, mainstreaming, active citizenship and community development, work–life balance, lifelong learning, spatial planning and overall co-ordination of policy thinking and planning in relation to social

capital. The report concludes that social capital, with a focus on social networks, participation and civic values, can provide a useful framework for developing new policy responses and that it should be linked to the pursuit of an equality agenda. The policy potential of social capital should relate to and reflect the specific local context. While it should not be seen primarily as a top-down approach arising from government initiative, emphasis should not be placed exclusively on bottom-up approaches, with responsibility emerging only from practical local experiences.

Key recommendations for policy work include:
- developing a stronger empirical base;
- developing a better understanding of how various interventions can assist public policy goals;
- promoting initiatives, which assist communities, groups, and individuals to develop their own capacities and solutions to local level problems;
- finding ways to better take into consideration mutual respect, social inclusion, and adaptation of provisions to meet local needs; and
- encouraging the integration and mainstreaming of social capital as a resource in support of social inclusion and equality.

The forum also commissioned a survey of social capital and developed a statistical profile of social capital in Ireland. The data show that social capital is unequally distributed across demographic and socio-economic groups. (The young, and people living in disadvantaged areas, both rural and urban, generally have the lowest levels of social capital.)

Neighbourhood Revitalisation and Housing
In the *United Kingdom*, urban regeneration policy is increasingly focused at the neighbourhood scale. Tackling problems of poverty and social exclusion in deprived areas is one of the government's top priorities. There are general concerns that poverty is being spatially concentrated and that deprived areas are cut off from the benefits of a prosperous economy. In January 2001, the government launched the Neighbourhood Renewal Unit, led by the Office of the Deputy Prime Minister. The unit incorporates the former Poverty and Social Exclusion Unit and is responsible for the National Strategy Action Plan which has set ambitious targets for "redressing the balance between England's poorest communities and the rest of the country over the next 10 to 20 years…using the power of partnership between all sectors" (Social Exclusion Unit, 2001).

Responsibility for implementing the strategy is shared among several departments and gives prominence to the role of social enterprises and the development of local social capital in combatting social exclusion and tackling crime and anti-social behaviour in disadvantaged areas (under the lead of the

Department of Trade and Industry and Home Office). Policy responses identified for building social capital include civic regeneration, volunteering, and community self-help, through initiatives such as "time banks." Time banks facilitate the exchange of various kinds of services, such as gardening, companionship, help with shopping, computer tuition and literacy skills, and have been declared exempt from tax and welfare benefit consideration (UK, 2001).

As a consequence of the National Strategy for Neighbourhood Renewal, the Office for National Statistics (ONS) has been involved in defining and measuring social capital by collecting data and reporting on social capital trends in the United Kingdom. The ONS is also developing a survey module on social capital to be used and integrated into various existing survey instruments.

The government's Cabinet Office Strategy Unit, (formerly the Performance and Innovation Unit) has also been interested in promoting the building of social capital. A major policy paper was released in 2002, followed by high-level internal seminars on the policy implications of social capital.

The role of social capital has also been examined in local-level housing and neighbourhood renewal policy initiatives in *Minneapolis* and *New York*. Important lessons have been drawn from these projects. In one case, the positive effects of building social capital (such as increased trust, higher safety, etc.) in a new community-driven housing project were rapidly eroded by the presence of other funding supports which undermined efforts to build cross-cutting ties for neighbourhood co-operation. In the second case, attempts to move families from high-crime, high-poverty neighbourhoods in central-city Yonkers to much safer, middle-class neighbourhoods did not create greater interaction with whites in the new neighbourhood, beyond the public housing complex. In fact, this reinforced "ethnic isolation," as families maintained their social ties to their original neighbourhood, and continued to go to their old churches across town, despite the distance. Evidence from these urban experiences highlighted the importance of taking into consideration existing sources of social capital and social distances related to race, poverty, and religion, when making housing policy choices (Briggs, 1997).

Closer to home, in Ontario, the *Social Planning Network of Ontario* developed and implemented a research initiative called the Social Capital Formation Project. The project includes three case studies in different regions of Ontario aimed at developing bridging social capital for low-income residents. One study consisted of a breakfast program for poor children turned into a universal nutrition program, involving the development of relationships, networking, and collaborative partnerships between groups who do not normally communicate

with each other. It also included a study of community gardens in low-income housing complexes that looked at cross-community linkages for collective benefit via a community garden network. The author concluded that social capital can be present in communities but not activated or mobilized for any particular community or larger collective purpose. Mobilizing social capital for cross-community or policy-level changes requires intermediary organizations and a greater commitment of resources. Initiatives that mobilize and activate social capital in communities promote a strong sense of social inclusiveness across diverse groups existing in communities (Clutterbuck, 2002).

Immigration and Ethnic Diversity
A number of case studies, often at the neighbourhood level, have looked at the effect of social capital in the context of immigrant integration and ethno-cultural diversity. The *Network of European Foundations* commissioned a number of case studies exploring social capital, inter-group relations, and ethnicity. These took place in deprived urban, multicultural areas in Brussels and East London. Researchers found that these urban communities were characterized by great fragmentation at the overall population level. However, the general lack of social connections was often combined with strong social capital pockets within particular ethnic groups. Social capital in these circumstances offers support, but may be restrictive on members of the group (intense social control) and inhibit the creation of links with other groups and the host community. The project tested a number of interventions for building bridging social capital between various stakeholders inside and outside the community, which enabled them to seek collective solutions to local problems. The study found that by bringing together individuals and groups that had no pre-existing tradition of co-operation, this contributed to the development of new habits for people to work together, which, in turn, led them to finding solutions to their problems more quickly and efficiently.

Social capital and social inequalities among residents of multi-ethnic deprived neighbourhoods has also been the subject of case studies within the context of health prevention research in the United Kingdom, as described in the next section.

Health
The *Health Development Agency's* Social Action for Health Research Programme in the United Kingdom is looking at how social capital could serve as a framework for the design and evaluation of community level health promotion interventions and policies. The program has helped create a wide research base that is looking at how social capital works within certain groups and at methods of measuring it.

One study found that two aspects of social capital (trust and civic engagement/perceived citizen power) appeared to be higher in the "high health" community and two other aspects (local identity and local community facilities) appeared to be higher in the "low health" community. It is argued that certain aspects of social capital (diverse and geographically disperse networks) might be more health-enhancing than others. One lesson drawn from this study is that the mere provision of community facilities is not enough to constitute social capital: attention needs to be paid to the processes whereby such facilities are established and run. Greater participation by, and representation of, ordinary citizens in the conceptualization and implementation of such facilities is an important element of success (Campbell, et al., 1999).

Other case studies commissioned by the HDA looked at the advantages and limitations of social capital in health-related outcomes of members of ethnic groups, adults, children, and youth of deprived neighbourhoods in various parts of the UK. Some key considerations for area-based policies relate to the "spatial" evolution of social capital. People's stocks of social capital reside in a range of non-local as well as local networks and associations. A "community" is not necessarily defined by people as a tightly bound, easily identifiable geographical location. This is particularly the case for children and youth, where school and family are "communities" and important sites of social interaction. According to Morrow (2001), tools for analyzing social environments need to be dynamic and able to accommodate the way families, children, social networks, institutions, norms, etc. evolve over time (over the life course) and spatially (neighbours come and go, etc.).

The Minister of Public Health in the UK gave her strong support to the concept of social capital as a result of the research conducted by the Health Development Agency. The findings from these studies will inform the implementation of a range of existing and emerging government policies and programs to address the determinants of inequalities at national and local levels. These include New Deal for Communities, Neighbourhood Renewal, Healthy Living Centres, Local Strategic Partnerships, and the Healthy Communities Collaborative Partnerships.

The relationship between social capital and health has also been examined by *Health Canada* in a series of research papers released in 2002-2003. These papers have provided a review of the literature and analysis regarding the conceptualization, measurement, and policy implications of social capital in the context of health policy. On the measurement side, Health Canada was involved in the development of social capital measures and survey questions for the General Social Survey Cycle 17 on social capital (social participation). The Department includes a social capital page on its Web site, providing summaries

of research work and activities relating to social capital, social inclusion, and health issues.

Social Economy/Local Economic Development
In Canada, the *Social Research and Demonstration Corporation* is conducting a research project in Cape Breton entitled Community Employment Innovation Project (CEIP), funded by Human Resources Development Canada and the Nova Scotia Department of Community Services. The project involves the creation of social capital in a community revitalization and employment program. People who are receiving Employment Insurance (EI) or income assistance (IA) payments are encouraged to take a community wage in lieu of their regular benefits in return for participating in projects sponsored by groups and individuals in their community. Communities have a role in generating meaningful work experiences for people who are unemployed that will also possibly provide benefits to the communities themselves.

The building of social capital will be encouraged at two levels. First, community members are required to establish a volunteer community board to mobilize community support and to plan and set priorities for the kind of projects to be undertaken by the project participants. CEIP is expected to bring together people, who normally would not have met, to work together in the realization of various projects. At the second level, CEIP is affecting the social capital development of individual participants (job seekers). Participants are recruited and assigned to work in the selected communities for a maximum of three years. During this period, they will work in teams and develop skills through varying work assignments. The creation of social capital, through network connections, is an expected outcome of the CEIP to be evaluated through periodic assessments of the project.

Other work on social capital funded by the European Commission, particularly under the *European Research Agenda - Framework V Research Program* examines the contribution of social capital to the development and sustainability of social enterprises and the social economy in poor and deprived local communities. Pilot projects were conducted in eight European locations as part of the CONSCISE Project (The Contribution of Social Capital in the Social Economy to Local Economic Development in Western Europe) to examine ways in which social enterprises use and build social capital. Key findings from the evaluation report, released in the spring of 2003, include raising the awareness of social capital dimensions by doing a "stocktake" of it as part of community development interventions; enabling interaction between diverse groups; supporting social enterprises with high potential for generating social capital; and ensuring that a balance is maintained between bonding and bridging social capital. Encouraging the right balance between various forms of social capital is

important for preventing exclusivity in local development at one extreme (through excessive bonding social capital), and the risk of diluting local social cohesion and the potential loss of commitment on the other. Contextual features, such as local political structures, isolation, social homogeneity, small population, levels of human capital, were found to be important for examining the relationship between social capital and the local social economy.

Public authorities in *Hong Kong* have also been interested in the concept of social capital in the context of local and community development and have established the Community Investment Fund to support local partnerships through the building of social capital. The objective of the fund is to encourage mutual concern and help among people, to further develop the community support network, and to promote community participation. One expected outcome of this fund is that this will enhance support for the vulnerable through a strengthened community network and enhanced cross-sectoral co-operation.

Civic Renewal
Following the events of September 11, 2001, the *US federal government* re-focused its efforts to strengthen community cohesion and to measure social capital directly. Recent policy initiatives associated with social capital are mostly related to increasing community involvement, volunteering, and public trust through programs such as Freedom Corps, the Homeland Security Grant Program and proposals for expanding civic education (Hudson et al., 2002).

The publication of Robert Putnam's Bowling Alone in 2000, the Harvard University Saguaro Seminar Series on Civic Engagement in America and the subsequent Social Capital Community Benchmark Survey have further contributed to the government's interest in measuring the concept of social capital. The Saguaro Seminar Series proposes five institutional arenas in which the building of social capital can take place: the workplace, the arts, politics and government, religion, schools, youth organizations, and families. According to representatives of the US Department of Education, social capital seems to have become a national research priority. Current efforts focus on the development of a short module of questions that can be added to existing surveys.

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