





NRE² BUILDING RURAL CAPACITY IN THE NEW ECONOMY

The Connectedness of Community as an Element in Policy


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Conseil de recherches en sciences humaines du Canada



UJ Project

“The Connectedness of Community as an Element in Policy”

- Connectedness is about people working together to get things done.
 - Not just knowing someone.
- Key questions then become:
 - Why do people work together?
 - How do they organize themselves to do so?
 - How can such coordination be facilitated?
- Answering these questions has been the preoccupation of sociologists, political scientists, and social psychologists for many years now.
 - Currently reflected in the discussions about social cohesion and social capital
- They are also the preoccupation of those of us working on the NRE Project over the last 8 years
- I will present some of the insights and results from this research as they relate to issues of government policy, co-ops, and the social economy

- Acknowledgements:
 - Social Sciences and Humanities Research Council of Canada
 - The Rural Secretariat of Agriculture and Agri-food Canada
 - Rural Citizens in our field sites
 - NRE Team
 - The Connectedness of Community as an element in policy

“Bill Reimer, New Rural Economy Project, Concordia University The Connectedness of Community as an Element in Policy

This would be to fit into a session entitled "Framing Policy for Community and Local Initiative" with the following description:

"In this session, the presenters and participants will identify focal points for a policy-oriented perspective on economic challenges facing communities and the possibilities offered by the third sector. Key questions include: How does or can community figure in policy? What is the significance of organizations and networks?

What kind of social capital do Canadians have to work with, and how may their values and attitudes condition policy interventions and institutional forms?"

There would be another presentation addressing primarily the latter two questions and looking more specifically at co-operatives.

What I think we will want is a short paper or PowerPoint in advance

-- a 10-15 minute presentation designed to provoke discussion -- and 15-20 minutes discussion of each paper.

Overall conference title is likely "Communities Under Pressure: The role of co-operatives and the social economy," in which the above section would be introductory and would not have to focus too specifically on co-ops or social economy."

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Connections and Networks

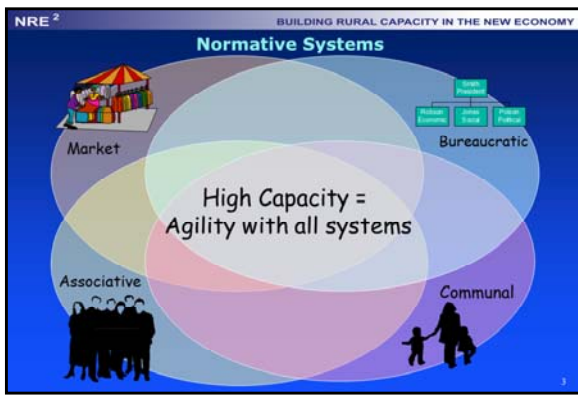
- Structure: With whom are you connected?
- Content: What brings you together?
- Norms: What guides your relationship?

How can policy enhance or inhibit the formation of connections?

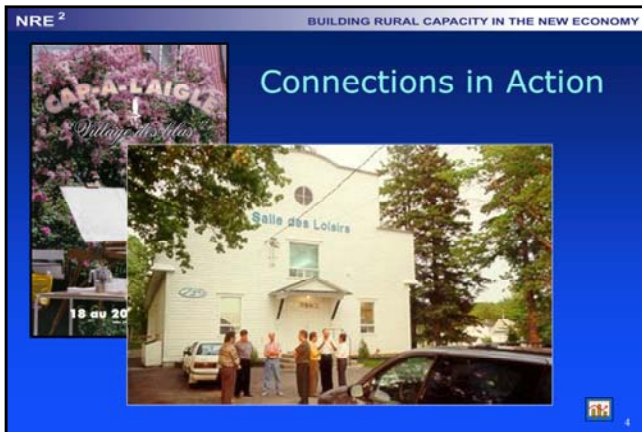
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Connections and Networks – What do they involve?

- Have several key elements
 - (S) Structure: With whom are you connected (individuals, groups, institutions)?
 - (S) Content: What is the topic or issue that brings you together? Why did you establish the connection?
 - (S) Norms: What are the rules (formal or informal) that guide your relationship?
- (S) When thinking about how policy may affect or contribute to connections, each element is important.
- I will focus on the last one, however (norms)
 - Underdeveloped
 - Have turned out to be important for government-community relations
 - Therefore – for policies and program implementation

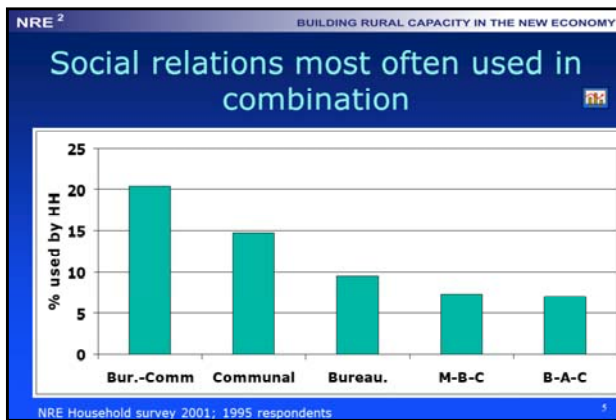


- Norms are the expectations, institutions, rights, obligations that guide our social relations
 - The rules (formal and informal, explicit and implicit) that govern to some extent the way we conduct ourselves in those relationships and what we expect of others
 - They constitute a basic element of trust
 - Social relations are characterized by incredible variation and innovation in the systems by which we relate, but
- We have found it useful in our research to think about the normative structures of social relations in terms of four broad types
 - (S) Market relations (e.g. commerce, labour markets, housing markets, trade)
 - Based on supply & demand, contracts
 - Supported and controlled by trade agreements, competition legislation, labour law, better business bureau, and the courts
 - They are the norms that guide us when we shop for groceries, seek employment, or negotiate the purchase of a house
 - (S) Bureaucratic relations (e.g. government, corporations, law, formal organizations)
 - Based on rationalized roles, authority and status, generalized principles
 - Controlled by legislation, corporate law
 - They are the norms that guide us when getting our driver's license, meeting a doctor, or for most of us, relating to colleagues or students
 - (S) Associative relations (e.g. baseball, bridge clubs, environmental groups, meals on wheels, voluntary associations)
 - Based on shared interest
 - Controlled by civil law, municipal by-laws, social norms, and informal sanctions
 - They are the norms which guide us when going to worship, organizing a protest, or playing neighbourhood hockey
 - (S) Communal relations (e.g. families, friendship networks, gangs, cultural groups)
 - Based on blood ties, generalized reciprocity, favours
 - Controlled by informal norms, legislation, family law, and government support agencies
 - They are the norms which guide us when we are planning dinner, a wedding, or a summer vacation with relatives.
- All types are implicated in most relationships, but some more predominant than others in specific cases or for particular types of organizations
- These systems are not always compatible, but they can be organized in such a way that they can reinforce one another for particular purposes and at particular times
- (S) Hypothesis 1: High capacity communities are those that show the ability to function and integrate all four types.



Our field work research provides numerous examples of the ways in which these various types of normative systems and their connections operate.

- Local, regional, national, and global connections contribute to the revitalization of rural communities
- They play an important role in the institutional linkages within communities and between rural and urban as well
- To access the resources and services of these various types of networks, however, it is necessary to develop the capacity to function well in these different types of social relations
- I will illustrate how these processes work by way of a few examples from our sites
 - (S) Cap a l'Aigle:
 - When the municipal council was looking for a community development project, they turned to an informal group of lilac lovers
 - The Associative networks locally developed by the lilac group provided the knowledge and motivation.
 - It also provided international networks with lilac enthusiasts from around the world.
 - The municipal council put this together with its expertise in bureaucratic and market relations to establish an annual festival which now draws people from around the world.
 - Festival provides a source of income, further networks, information, social cohesion, and identity that has inspired and facilitated other projects.
 - (S) Ste-Françoise:
 - When faced with the prospect of a pig farm close to the village, municipal leaders were able to use their associative, communal, and market-based networks and skills to negotiate a deal with the farmer involved.
 - They provided land that was farther from the village in exchange for an agreement to locate the farm there.
- By recognizing these different types of strengths and the complementarities between them, numerous options are opened for business, policy, and local action
 - [Public utilities or transportation companies might contribute their organizational skills or networks to facilitate access to markets for local entrepreneurs or municipalities]*
 - Municipal, provincial, or federal governments may invest in communal relations (family, community facilities and events) to compensate for policies that undermine associative ones (e.g. greater mobility)*
 - Businesses may better recognize the economic benefits of investment in associative or communal relations (directly or through the sharing of facilities or expertise)]*
- Primary thing to note: All forms are necessary in a complex, changing environment - The more agile a group is in being able to use all systems, the greater will be their capacity - especially under conditions of change. Each of them forms a basis for people working together.



Our research allows us to examine the extent to which these various systems are used – on their own and in combination

- (S) These data shows us an example of how they are used to deal with household crises and changes
 - The data are from our household survey – asked people for the major change in their household and how they dealt with it
 - As part of this we identified to who they turned for help
 - Graph represents the sources of this support with respect to the 4 types of normative structures
 - (S3) Note 1: Communal and bureaucratic most often used
 - Note 2: Often used in combination
 - (S2) Note 3: Market and Associative used next frequently – and most often used in combination
- Policy-makers – Government (primarily bureaucratic-based relations)
 - Bureaucratic-based often used in combination with others (Communal, then Market, then Associative)
 - People don't just 'go to' the doctor or the hospital – they are encouraged by their family, driven by their friends, or even covered for by their working colleagues
 - Multiple types of relations are involved
 - Programs of access that don't take account of this are going to be less successful, exclude vulnerable populations who don't have these types of networks, or place additional burdens on those who use the services
- Co-ops
 - Seldom see Market and Associative in combination
 - Associative requires shared interest
 - Market includes an important focus on personal interests and gain
 - Unstable alignment (cf. business club rules regarding the discussion of specific business decisions and strategies)
 - Co-ops are familiar with this – plus have worked out many ways to manage it
 - Sometimes appealing to the common interests of the population, sometimes to a more idealistic communitarianism, and sometimes to self-interest – depending on the groups to which the appeal is made, the challenges faced from competitors, or the value-context of potential members
- I wish to elaborate a bit more on the Bureaucratic-Associative relationship since
 - It is particularly problematic in rural communities and the third sector
 - It is a key element of policy formulation and application
 - We have focused on this

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Bureaucratic Norms and Connections

- Bureaucratic
 - Fairness and Accountability
- Associative
 - Commitment to shared interest
- Partnerships can be problematic

Bureaucratic Accommodation



- Multiple venues for communication
- Associative-appropriate competition procedures
- Support for proposals and accountability
- Long term funding for capacity-building

Bureaucratic norms can be particularly challenging for groups based on Associative ones.

- (S) Bureaucratic norms require fairness in competition for resources and accountability in their use.
 - E.g. Fair competition and accountability principles require the public posting of opportunities, relatively lengthy and demanding proposal evaluation procedures, high levels of transparency, and extensive financial reporting with evidence
 - This is a legitimate expectation of the public and one that political-based bureaucracies ignore at their peril
- (S) Associative require commitment to the shared interests of the group
 - E.g. People get together because they are interested in playing cards, baseball, exchanging information about lilacs, angry about plans for a garbage dump near their community, concerned for isolated or abused women, or feeling the need to worship the same Spiritual Beings
 - It is a powerful motivator – one that will get people working together in spite of cold, rain, poverty, oppression, or personal sacrifice.
 - It is not one that blends well with the open competitions and financial accountability requirements of bureaucracies
- (S) Partnerships between bureaucracies and volunteer groups are therefore problematic
 - Bureaucratic demands divert people from the shared interests that motivate them
 - Writing proposals, failing and trying again, running meetings, justifying representativeness, and preparing appropriate financial records and reports are not usually what drives people to participate
 - The modification and limitation of the group interests to meet the demands of the funder is often seen as a distortion of the group objectives and co-optation of their interests and energy
 - Exacerbates the usual challenges of membership and motivation found in most Associative-based organizations
- Recognition of these differences, can go a long way to establishing and maintaining good Bureaucratic-Associative connections, however
 - When recognized as a legitimate concern of bureaucratic-based organizations, the burden of the competition and accountability processes can be taken off of the volunteer groups
 - (S) In most cases, this is relatively easy for government bureaucracies since they usually have the greatest power and resources in the relationship
 - (S) E.g. Ensure that information about competitions and funding opportunities are communicated through multiple venues with adequate time (not relying only on Internet)
 - (S) E.g. Establish competition procedures that are appropriate for informal, non-bureaucratic groups – such as low demand letter of intent -> small fund for the proposal development process
 - (S) E.g. Provide finances and mentoring opportunities for training in proposal development, financial record-keeping, and report writing (support market-bureaucratic-associative based collaboration)
 - (S) E.g. Core funding for social infrastructure over the long term to build bureaucratic capacity (follow up successful pilot projects)

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Connectivity and Social Capital

- Available social capital is not always used
 - Opportunities for community development 
- Building one type of social capital often affects other types
 - Indirect and concerted programs may be more effective
- Context matters
 - Local consultation and control are critical 

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- Much of our research using this perspective on the normative structures of social relations has been conducted with a focus on social capital.
- Social capital is about social connectivity.
- I will mention three of the findings coming from this research since they provide useful contributions and caveats to the development of the policy implications.
- (S) Available social capital is not always used
 - Social capital in many of our communities therefore remains as a potential asset for community development and an important target for policy and programs
- (S) Building one type of social capital often affects the other types.
 - For example, increasing available bureaucratic-based social capital is more strongly related to increases in the use of Associative and Market-based social capital than Bureaucratic
 - This opens opportunities for indirect methods of building capacity.
- (S) Context matters
 - Where one is located (with respect to urban centres), whether the economy is local or global, whether it is stable or fluctuating – affects the strength and sometimes the direction of the relationship between availability and use of social capital.
 - This reinforces the concern for place-based and locally-sensitive policies and programs.

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Implications for Policy and Programs

- Build and facilitate networks
- Respect and work with partners' norms
- Work with and support existing networks
- Increase local and regional control and resources

What are some of the implications of these findings?

1. Networks, Alliances, Partnerships, Social relations are
 - Critical for functioning in the New Economy, but
 - Complex to establish, maintain, and use
 - (S) Policies are needed that build and facilitate networks, overcome the obstacles to them, and are sensitive to their special characteristics
 - Special attention should be given to the key points at which government and third sector connect (boundaries):
 - Communication and knowledge transfer (How do we learn about what each other is doing?)
 - Fairness (Gov't – this is reflected in generally applied principles; Co-ops and third sector it is bundled into members and non-members – potentially of different types)
 - Accountability – Gov't is currently driven by fiscal considerations and secondarily election politics; Third sector – very uneven, sometimes formal, sometimes charisma
 - These need special attention – not to make them look the same, but to build bridges
2. Networks operate within normative structures
 - (S) Policies need to respect and work within these norms. This means being sensitive to these variations and opportunities – don't assume that all of your potential partners operate with the same ground-rules as you.
 - So it becomes important to identify the key differences and formulate policies and programs that respect and work with them – rather than try to convert them to your own
 - E.g. pay for additional costs of your own
 - Research on these differences and potential bridges is needed as well
3. Available social capital is not always used and not always used directly
 - Policy
 - (S) Work with existing networks rather than duplicate
 - Recognize and use indirect methods and combinations of use (build on local strengths)
 - The 3rd sector has much more credibility than government – and the closer you get to the local level the greater is this confidence – so it is in the interests of governments to collaborate with 3rd sector groups when implementing programs.
4. Context matters
 - Local conditions can modify the impacts and use of social capital and programs
 - Our work has found the key importance of local governance arrangements – government, business, third sector collaboration
 - But not always easy to learn
 - (S) Policy
 - Provide the means for local governance: resources and authority
 - Local governments and groups indicate to us that they often have the authority, but not the resources: financial and human.
 - Experiment with new ways to provide this governance
 - Ways that can meet your objectives without undermining the strength of the others
 - Flexibility and innovation in connections is critical to operating successfully in the New Economy – not just within the rural Context

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Correlation between Types of AVAILABLE Social Capital: Site-level

	Bureaucratic	Associative	Communal
Market	.76**	.84**	.29
Bureaucratic		.87**	.12
Associative			.13

(r) 19 sites – raw sums with skewed variables logged ** p<.01
Source: NRE Site Profiles 2000 Return 10

Main Points: [Spearman’s rho: .79**, .81**, .26; .87**, -.02; .09 i.e. same pattern]

- Table represents correlation coefficients
 - Max = 1
 - .76 – the higher the availability of market-based social capital, the higher the availability of bureaucratic
- High correlations between Market, Bureaucratic, Associative
 - If high in one respect, then high in another
 - Except for communal-based social capital
- All positive
 - Little evidence of substitution at the site level
 - If low with respect to one type of relation, then high with respect to the other
- [Reflecting site size?
 - Divided sample of sites into 3
 - Same overall pattern remained except for [see table below]:
 - Reduction of Market-Bureaucratic and Bureaucratic-Associative correlations in medium-sized sites]
- Suggests:
 - Little substitution (compensation for low level sites)
 - Bad news: potential vulnerability for sites – if they are low with respect to one type of relation, they are likely to be low with respect to others [positive feedback loop]
 - Good news: is that social capital in one area can be built by improving it in another area (except for communal)
 - In Hussar, they were weak with respect to capital for a new arena, so they turned to their associative and communal strengths to build their market strength
 - This is encouraging since we are hypothesizing that rural areas are relatively strong in associative and communal types of relations, but weak in market and bureaucratic (the latter 2 are important in the NRE)
- As previously mentioned, we need also to distinguish between AVAILABLE social capital (in institutions) and the USE of social capital

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Measures of Social Capital

•These correlations (r) are with indexes constructed as the sums of the raw scores from each item, but with the skewed items logged (# businesses, #religious establishments, #events)

Site Sizes (values in parentheses = Spearman’s rho):

	Small: N=7; 55-255hhs			Med: N=7; 245-520 hhs			Lrg: N=5; 605-1930 hhs		
	B	A	C	B	A	C	B	A	C
M	.96**(.93)	.90**(.78)	.17(.46)	.70(.64)	.93**(.88)	.04(-.07)	.96*(.98)	.91*(.60)	.13(-.10)
B		.90**(.85*)	.06(.32)		.52(.52)	-.05(-.14)		.99**(.67)	.01(-.05)
A			.01(.31)			.16(.32)			.03(-.30)

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How Do Systems Inter-relate?

Return

	Bureaucratic	Associative	Communal
Market	.18	.28	.27
Bureaucratic		.37	.40
Associative			.29

Correlations between types of social capital used (1995 NRE Households) $p < .01$

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- Our research allows us to examine the extent to which various systems are interconnected
 - Where they are used together
 - Where they seem incompatible (or complementary)
- Results
 - Correlations are consistent and robust
 - E.g. Households that use market-based social capital tend to use bureaucratic-based social capital as well
 - Means: Use of one type is related to the use of another
 - All types of social capital are positively related
 - Means: Strength in one can be used as basis for building another
 - Strongest relations are between Bureaucratic and Communal
- Note results from social support (next slide)

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Available Social Capital is not always Used

Correlation (r)	Available Social Capital				Return
Used Social Capital	Market	Bureaucratic	Associative	Communal	
Market	.12**	.22**	.20**	-.18**	
Bureaucratic	.08**	.14**	.09**	.09**	
Associative	.21**	.35**	.28**	.07**	
Communal				.05*	

NRE HH Survey (N=1849) ** p<.01; * p<.05; Social Capital Used within 30 minutes of site 12

Available social capital is not always used

- Correlation between available social capital and the extent to which it is used by rural households.
 - Available social capital is measured at site level [possible technical qualifications]*
 - Used social capital measured at level of household: within 30 minutes of the site [to be consistent with the way in which the available social capital was measures]*
- Low correlations indicate that the level of available social capital in a site is not strongly related to its level of use
 - (S) *E.g. .05 for Communal by Communal: Communal is used no matter whether the site level available is high or low*
- High correlations indicate that in those sites where the level of available social capital is high, it is more likely to be used.*
 - (S) *E.g. .28 for Associative by Associative: In those sites where there are many Associative-based organizations, people are more likely to use them than in those sites where the level is low.*
- Implications:
 - There is great potential for making use of available assets within the communities.
 - This is one of the objectives of community development activities – to identify new or unrecognized assets and find ways to use them
 - Policy primarily addresses programs that can directly affect the availability of social capital
 - The services, enterprises, voluntary organizations, facilities, and family supports that support social capital formation
 - But these results suggest they will not always be used.
 - We need to understand why they are not used (Are these opportunities lost or is this just the way that social capital works – held in reserve until a crisis?)

Correlation (r)		Available Social Capital				Return
Used Social Capital		Market	Bureaucratic	Associative	Communal	
Market	NAdj	.36**	.40**	.43**	-.31**	
	Adj.	-.09**	-.08*	-.07*	-.16**	
Bureaucratic	NAdj	.19**	.18**	.18**	ns	
	Adj.	ns	ns	ns	.13**	
Associative	NAdj	.42**	.53**	.52**	-.22**	
	Adj.	ns	.09**	ns	.17**	
Communal	NAdj	.11**	.11**	.14**	ns	
	Adj.	-.18**	-.08**	-.22**	ns	

NRE HH Survey (N=1849) ** p<.01; * p<.05; Social Capital Used within 30 minutes of site 13

Relationship between the availability of social capital and its use

- In each case, the location of the site with respect to urban centres makes a difference on this relationship
- Noticeable relationships
 - Building any form of social capital has the strongest relationship with the use of various forms of social capital in Non-Adjacent sites
 - In general, Communal-based social capital shows different effects than the other types
- Other findings from the comparisons:
 - In general, Global economies show stronger relationships between availability and use than local economies
 - The differences between Stable and Fluctuating are less than the others and they shift with respect to the type of social capital used
 - Fluctuating is stronger for Market-based and Associative-based used SoKp
 - Stable is stronger for Bureaucratic-based and Communal-based used SoKp
 - Low capacity sites show higher correlations than high capacity sites – except for Communal-based used SoKp