

Social Capital and Economic Prosperity: An Alternative Account

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Introduction

The past decade has seen an explosion of research focusing on the concept of social capital. This is the term used to describe the norms of trust and reciprocity that are developed in societies where citizens regularly interact with one another through civic involvement, membership in voluntary associations and the like. This popular theory holds that social capital contributes significantly to a wide variety of positive social, economic and political outcomes, including vigorous democratic participation and good government, effective education systems, healthy populations, economic prosperity and low levels of crime (Putnam 2000).

This paper focuses on one of those positive outcomes: economic prosperity. It derives from a research project designed to assay the social capital landscape in one Canadian province, New Brunswick. The choice of locale is guided by the observation that New Brunswick, and indeed the other Atlantic Canadian provinces, seem to confound the basic social capital thesis. Anecdotal evidence, and at least some of the scant survey evidence available to date, would suggest that New Brunswick is a tight-knit province, a place where people know their neighbours and work together in their communities; and yet it is also a province that has traditionally been considered stagnant, if not downright backward, in its political and economic life. This incongruity is not tackled directly in this paper, as this would entail comparing New Brunswick to other jurisdictions, drawing on aggregate data of various sorts, a research tack set aside for later investigations. In this paper we look within New Brunswick, investigating patterns of involvement and cooperation among individual New Brunswickers through a survey of the general population of the province conducted in 2003. Still this mode of analysis does

shed light on the guiding questions of the larger project: in what ways, and to what extent, does social capital really matter?

While economic prosperity is the outcome of ultimate interest, our analysis is concentrated on elements further back in the causal chain. We start by reviewing the research that has established a link between social capital and economic prosperity and outlining the essential findings. There follows a critique which suggests that antecedent factors – factors causally prior to social capital that is – have received insufficient attention in this prior research. The empirical element of the paper examines those factors in the New Brunswick case to see if our theoretical expectations hold. The theoretical and empirical elements together point to the potential utility of employing a broader analytical framework in investigating the putative causal link between social capital and economic prosperity.

Linking Social Capital and Economic Prosperity

Social capital is an abstract and encompassing concept that has been defined in various ways. Putnam's formulation in *Making Democracy Work*, his Italian study of regional variations in social capital and the consequences thereof, is the most widely cited: "features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions" (Putnam, 1993, 167). This was operationalized in the Italian study through a number of inventive measures. As research has continued, that of Putnam and others, the measurement of social capital has come to focus on two key dimensions: participation in civil society associations and levels of generalized trust.

In the literature that searches for linkages between social capital and economic prosperity, it is the latter dimension, generalized trust, that has been the main focus of attention. Francis Fukuyama's study exemplifies the prevailing thinking: "one of the most important lessons we can learn from an examination of economic life is that a nation's well-being, as well as its ability to compete, is conditioned by a single, pervasive cultural characteristic: the level of trust inherent in the society" (Fukuyama, 1995, 7). Two cross-national empirical studies (Knack and Keefer, 1997; Whiteley, 2000) are not so categorical in their conclusions, but they do identify trust – interpersonal trust, as measured for various countries by World Values Survey data - as a critical cultural variable that adds considerable explanatory power to standard accounts based on more traditional economic variables.¹ In accounting for this finding, researchers have highlighted a variety of mechanisms whereby trust promotes prosperity, including enhanced flows of information, more rapid diffusion of innovation, a reduced need for formal mechanisms of enforcement and compliance, and enhanced confidence in the good intentions and competence of others (OECD 2001, 58-9; Knack and Keefer 1997, 1252-5).

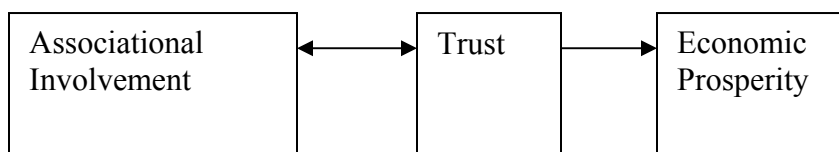
The effect of associational participation on economic prosperity is normally considered more indirect, in that participation in associations is thought to breed generalized trust. As Putnam puts it "associations instill in their members habits of cooperation, solidarity and public-spiritedness" (Putnam, 1993, 89-90). Some have questioned the causal direction assumed in such statements, asking whether in fact it is trust that leads people to involve themselves in associational life. In all likelihood, as

¹ There is not complete consensus that trust makes a difference, however. See for example Helliwell (1996) and Schneider *et al.* (2000).

Putnam elsewhere avers, causality cuts both ways: “[the] theory of social capital presumes that, generally speaking, the more we connect with other people, the more we trust them, and vice versa.” (Putnam, 1995, 665). This debate notwithstanding, there is greater agreement that associational participation is the more tractable element of social capital, the component that is more susceptible to modification by the deliberate efforts of government and other agencies to bolster the stock of social capital in society. If trust is important but not readily inculcated, encouraging interaction in associations is the more practical strategy to emphasize.²

The simple model in Figure 1 captures this summation of the current wisdom. The analysis that follows questions whether this model – the social capital account of economic prosperity - adequately captures the full range of forces at work. While the outcome of ultimate interest is economic prosperity, our analysis focuses primarily on antecedent factors, seeking to tease out relationships between social capital and other forces that may be relevant to the causal story. Specifically, we turn our sights backwards to probe the sources of social capital, to see how these may be implicated in the matter.

Figure 1: Social Capital and Economic Prosperity



² Fukuyama, for example, in a recent piece speaks positively of the “associational revolution” that has created social capital in some, but not all, developing countries (Fukuyama, 2002, 35).

The Wellsprings of Social Capital and An Alternative Account of the Cultural Dimensions of Economic Prosperity

The wellsprings of social capital have not been as deeply explored as its effects. Putnam's work, and that of others too, concentrates on measuring levels of social capital, documenting its decline in certain places or its variation across regions, and identifying its positive effects. But as scholars and policymakers have been persuaded of the manifold benefits of social capital, attention has turned to its sources: how is this valuable social commodity generated?

This is clearly a worthwhile line of inquiry, and not only for the reason champions of the concept might presume. Factors discovered to be responsible for generating social capital may also be causally connected to its supposed benefits. In part, this influence may operate indirectly – via, that is to say, the intervening variable of social capital. In part, however, this influence may be more direct, from the antecedents of social capital directly to the benefits - leaving social capital as nothing more than a spurious correlate of said benefits. Such is the reconceptualization underlying our analysis.

Developing the argument entails probing the wellsprings of social capital. Putnam's reflections in *Bowling Alone* are a sensible starting point.³ Two factors are deemed to be critical for the recent decline in social capital in the United States. The failure of younger generations to match the participation levels of older cohorts on many counts is the principal source, though this is only a first-level explanation that begs the question, why? One answer, according to Putnam, is television. TV has taken over our lives, sapping that most valuable resource, time, leaving little of it for shared community

³ *Making Democracy Work* is less instructive: there the sources of social capital in contemporary Italy are traced back into the deepest depths of Italian history, an intriguing account, but one that portrays social capital as a largely self-perpetuating and immutable force.

pursuits. Other factors considered significant (though of lesser importance) include suburban sprawl and the rise of two-career families; these also represent contextual elements of contemporary American life that have allegedly impinged on community involvement in recent times (Putnam 2000, 277-84).

Less explicit attention is given by Putnam to the motivational factors that compel people to band together for various purposes. Context matters, but motivation is surely what determines how people choose to spend their time: after all, people are only figuratively, not literally, glued to their TV sets. Suggestive observations about the motivational dimension are dotted throughout Putnam's writings. In setting an agenda for social capitalists in the final chapter of *Bowling Alone*, for instance, Putnam's opening observation is that the task of rebuilding America's stock of social capital would be facilitated by a "palpable national crisis, like war or depression or natural disaster." At the time of writing, America faced "no such galvanizing crisis" to help stem the "ebbing of community" (Putnam 2000, 402). A short time after the book's publication, the World Trade Centre attacks took place; since that time, Putnam and others have set about investigating whether this cataclysmic event has triggered a renewal of social capital in America (Sander and Putnam, 2002). The implication of both the earlier speculation and the analysis of the real world exogenous shock is that a "rally round the flag" mentality can help foster social capital. To put the point more generally community attachments – affective ties spanning a local, regional or a national scale – are one likely influence on social capital formation.

The relevance of affective ties is supported by other reasoning. Elsewhere in *Bowling Alone*, Putnam aptly characterizes the activities undertaken to help revitalize

civic life in one Mississippi town as “self-help collective action” (Putnam, 2000, 323). The phrase invites us to reflect on commonly recognized barriers to collective action. Among these is the indiscriminate distribution of benefits derived from working collectively: if anyone can benefit, whether they contribute to the cause or not, the motivation to participate is reduced. Community attachment, however, renders this a moot consideration. If the preferences of individuals include the well-being of others, the fact that others may benefit from one’s labours will not serve as a disincentive to participate in collective action.

Other obstacles remain, however. In particular, the prospects of succeeding, of attaining the objectives of collective action whatever they may be, are never certain. Costs – time, energy, material costs - must be borne with no guarantee of success. These will be especially high for those who assume prominent roles in community pursuits, whose considerable energies might more fruitfully be applied elsewhere. It is presumably for such reasons that Putnam, in a more recent work, recognizes another catalyst for social capital which receives little attention in *Bowling Alone*: entrepreneurialism. Without great elaboration, Putnam and co-author Kirstin Goss note that one “force influencing a nation’s stock of social capital is the social or political entrepreneur” (Putnam and Goss, 2002, p.17). Such is the type of person most likely to take up the “self-help” challenge posed by collective action.

These two important wellsprings of social capital - community attachment and entrepreneurial spirit or what might alternatively be termed a self-help disposition – that receive mention in Putnam’s writings are drawn on more explicitly and at greater length by other researchers to understand processes of social capital formation and erosion. In

tacit recognition of the pivotal role of the most active players in overcoming collective action obstacles, such work has commonly focussed on those in leading positions. Charles Heying's study of membership patterns in the upper echelons of various organizations in Atlanta is probably the best example. His study examines patterns of membership on the boards of business corporations, nonprofit institutions and government boards and commissions at three well-spaced points in time (1931, 1961 and 1991). Interesting conclusions emerge. One is that businesspeople have been critical lynchpins across these sectors. Entrepreneurial elites in the business community have been true pillars of community in the Atlanta case. The second is that business elites are less active nowadays than they were in the past, as economic changes have altered their horizons of community. The shift from locally based enterprise to national or even international concerns is the key reason why Atlanta's business elites no longer concern themselves as much with local community service (Heying, 1997).

The same factors are implicit in other studies of community action. Purdue, for example, highlights the importance for good local governance of "transformational leaders" who "[combine] entrepreneurial skills with a vision for their neighbourhood." (Purdue, 2001, 2215); while Alvord *et al.*, in their study of community promotion initiatives in developing countries, point to the critical role of "social entrepreneurialism" (Alvord *et al.*, 2003).

In sum, a number of studies, and Putnam's reflections too, point to important motivational wellsprings that underwrite the creation and sustenance of social capital. This is one part of our alternative account. The other part lies in the literature on the cultural determinants of economic prosperity, an area that has flourished as part of the

broader renaissance of the study of political culture in recent times. Persuasive studies point to concepts akin to those that underwrite the formation of social capital to explain why some nations prosper economically while others lag behind.

One study highlights factors roughly akin to entrepreneurialism. Granato *et al.* (1996a) develop an “achievement motivation” index, drawing on World Values Survey data to rank 25 countries on this measure. The relevant survey question asked respondents to identify, from a list provided, the qualities that are important for children to learn at home, with high values assigned to individuals selecting “thrift” and “saving money and things” and low values assigned to those opting for “obedience” and “religious faith”. Multivariate analysis controlling for important economic variables reveals this index to be a significant correlate of economic growth over the 1960-1989 period. Countries where achievement motivation is emphasized tend to have higher rates of economic growth. The finding reinforces a significant body of literature from the more traditional economic domain that highlights the role of entrepreneurialism in generating economic growth (Sweeney, 1987; OECD, 2003)

Another study underlines the importance of communitarian values to economic prosperity. Swank identifies two types of countries that tend to embody such values: the Confucian societies of Asia and corporatist societies, predominantly of Northern Europe. Again, controlling for relevant economic variables, he finds a significant relationship between communitarianism and economic growth (Swank, 1996).

Nor is the concept of communitarian attachment entirely excluded from studies that peg interpersonal trust as the critical factor. Whiteley, for example, suggests that trust outweighs other cultural variables as a correlate of economic prosperity. But in

substantiating this claim, he draws upon, in addition to the “trust in people in general” measure utilized in other studies (Knack and Keefer, 1997), the “trust in family members” and “trust in fellow nationals” items from the World Values Survey. Indeed, on the basis of factor analysis, the item most heavily weighted in his summary measure of trust is trust in fellow nationals (Whiteley, 2000, 454). It seems likely that this item would pick up not only abstract and disembodied trust, but also the more delimited trust deriving from diffuse sentiments of attachment to fellow nationals – in short, communal attachments.

Two summary conclusions emerge from this discussion: 1) social capital, aptly characterized as “self-help collective action”, will tend to be fostered by two factors, community attachment and entrepreneurial or “self-help” qualities; and 2) these same two factors, or close cognates at least, are, according to the findings of recent research, important cultural determinants of economic prosperity.

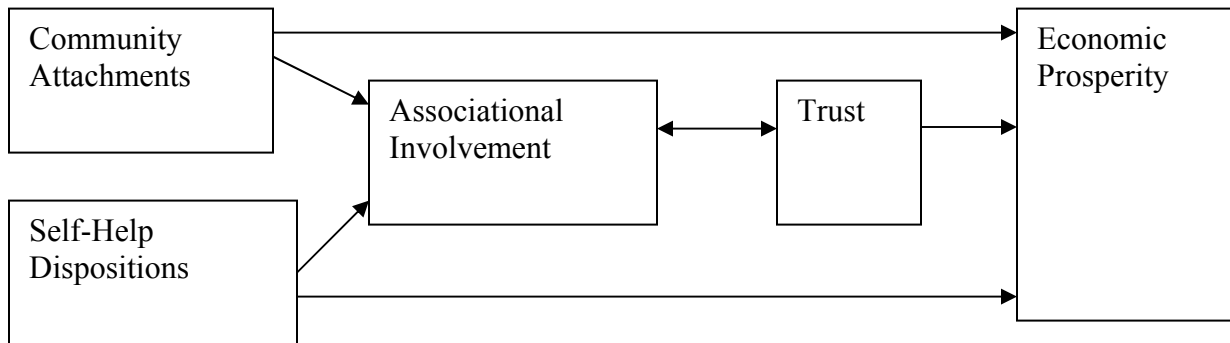
From these reflections and observations, the model in figure 2 emerges. It is designed to highlight additional pathways of influence that may be at work in the connection between social capital and economic prosperity. By no means does it entirely discount the favoured account to date. In part, figure 2 simply replicates figure 1 above, allowing that trust, bolstered by associational involvement, influences economic prosperity (with uncertainty about the direction of causality between associations and trust registered by the double-headed arrow). But it supplements this account in two ways: with arrows of influence running from the two exogenous variables - self-help dispositions and community attachment - to associational involvement and from there to trust and on to economic prosperity; and, more provocatively, with arrows running

directly from the exogenous factors to economic prosperity. Assuming the concepts are properly identified and positioned, the degree to which this model represents a challenge to the prevailing wisdom hinges on the relative importance of the causal linkages. If the arrows of direct influence from self-help and community attachments to economic prosperity are strong, and if the inclusion of these variables in appropriately specified models were to weaken the relationship between trust and prosperity, the model would challenge current thinking to a fair degree. The same would be true if the connections between self-help dispositions and community attachments and the social capital measures were strong, as this would validate the possibility of a spurious correlation between social capital and economic prosperity. It is doubtful, to our minds, that the latter would prove to be wholly spurious; more likely, analysis modelled on figure 2 would reveal a variety of cultural factors interacting to generate economic prosperity.⁴

⁴ Whiteley's research comes closest to matching the modelling of Figure 2. He is interested in examining the effects of trust on economic prosperity, but also tests alternative theories by taking into account the "achievement motivation" variable proposed by Granato *et al.* (1996a) and the communitarian variable proposed by Swank (1996). His finding is that trust is the most important factor in explaining growth in 34 countries over the 1970 to 1992 period, washing out the significant effects for the other variables reported by the other researchers. There are, however, important technical considerations that cast some doubt on this conclusion. First, as noted in the text, Whiteley's measure of trust draws heavily on the "trust in fellow nationals" item from the World Values Survey and consequently is likely partially infected with communitarian sentiment. Secondly, he fails to take account of an important modelling refinement proposed by Granato *et al.* in a reply piece to Swank. Swank had argued for the significance of "communitarian values", pointing to two types of country embodying such values: Confucian societies and corporatist states. Despite the common thread, however, he had used two dummy variables to model the two types of countries, both of which were significant and which together rendered the achievement motivation index insignificant (Swank 1996, 671-3). In their rejoinder to Swank, Granato *et al.*, argue that a single dummy variable for communitarian countries should suffice if the underlying characteristic of Confucian and corporatist societies is the same. Replicating Swank's analysis, but substituting a single dummy variable to capture the relevant countries, they demonstrate that their achievement motivation index remains significant (1996b, 693). Whiteley, however, does not incorporate Granato *et al.*'s persuasive remodelling, instead replicating Swank's two dummy variable approach. It is difficult to predict what Whiteley's results would look like with a single dummy variable (2000, Table 3, 456).

Thus, it is far from clear that Whiteley's overall conclusions would remain the same if these two considerations were taken into account.

Figure 2: Social Capital and Economic Prosperity, An Alternative Model



The empirical analysis that follows does not attempt to capture this entire model and to arrive at a firm conclusion on the matter; it merely seeks to establish that a broader framework of analysis, invoking other cultural forces aside from social capital, is a possibility worth contemplating. One limitation to our analysis is the nature of our primary data source, a telephone survey of New Brunswick residents. The key limitation is the unit of analysis, individuals, which hinders our ability to address all elements in the model in figure 2. While most of the causal connections identified therein should hold at the individual level - people who embrace self-help ideals and have strong community attachments will be more likely to join associations and to be trusting of others - the final linkage to economic prosperity is problematic. All the aforementioned studies, whatever their differences, agree on one thing, with which we would concur: it is not that more trusting individuals - or those more involved in associations, or more self-reliant, or more deeply attached to their communities – will be better off economically; it is that *regions* (or entire countries) where these qualities are in abundance will be better off economically than those where they are lacking. Consequently, to capture the entire model would require a different sort of research at an aggregate level of analysis. Be that as it may, our empirical findings on the bases of social capital in New Brunswick, to

which we now turn, do point to the utility of expanding the range of variables under consideration.

Empirical Analysis: Sources of Social Capital in New Brunswick

Our empirical analysis focuses on one key element of our model, the part under-emphasized in previous research, the wellsprings of social capital. Specifically, we consider how participation in associations is related to self-help dispositions and community attachments, to see if one important measure of social capital is related to factors that are likely of some direct relevance to economic prosperity. The analysis draws on a telephone survey of 1,004 New Brunswickers, the New Brunswick Social Capital Survey (NBSCS), conducted in 2003. The survey contained a wide range of questions designed to capture various elements of social capital and its putative benefits.

Participation in associations, the dependent variable in what follows, is measured through a series of questions that asked respondents to indicate whether they were members of 14 different groups, ranging from service groups and church organizations, to sporting associations, women's groups and political parties. Also of interest, in light of our prior comments concerning the pivotal role of those in leadership positions, is a series of follow-up questions that asked respondents about their role in organizations to which they belonged: whether they were active in a leadership capacity, as an active member, as a regular attendee at meetings, as an occasional participant, or as someone simply making donations or contributing membership dues. Our analysis considers whether there is anything particularly distinctive about those who take a relatively active role in associational life.

Four measures of self-help dispositions are used. Two were developed specifically for the NBSCS and were designed to capture behavioural proclivities sometimes seen as wanting in the Maritime region: whether “people” should be willing to move to find work and whether the respondent would consider starting her own business if she lost her job. The other two items were taken from a 1999 survey of civil society in Alberta, in anticipation of comparative analysis between the two provinces. These items are of a more general nature: whether “hard luck is more important than luck in getting ahead” and whether “you can’t get ahead without connections.” All items were measured using either agree/disagree” or “accurate/inaccurate” type scales, and coded so that higher scores indicated a stronger self-help disposition.⁵

Community attachments are captured through a series of five questions that measure affective ties at different levels of community:⁶

- Some people think of themselves as being part of a particular area or neighbourhood in the community, while other people don't consider themselves as part of such areas. Which best describes you?
- Of the ten households or families that live the closest to you, how many would you know by name?
- How attached do you feel to your local community? Would you say you feel very attached, somewhat attached, or not all that attached?

⁵ The precise items are:

- If people can't find work in the city, town or area they live in, they should be willing to move to find work (agree scored high)
- If I lost my job I would consider starting my own business (agree scored high)
- Hard work is more important than luck in getting ahead (accurate scored high)
- You can't get ahead without connections (inaccurate scored high)

Further analysis is needed to consider the merits of this index. Our view is that it has face value, but statistical analysis still needs to be conducted to verify this.

⁶ Again, further analysis is needed to consider the merits of this index. Contrary to what might be anticipated, however, there is a positive correlation between sentiments of attachment at different levels of community (local, provincial and national). That is to say, those who feel connected locally also tend to feel connected to their fellow New Brunswickers and their fellow Canadians – community attachments are evidently not zero-sum in the aggregate.

- How attached do you feel to New Brunswick? Would you say you feel very attached, somewhat attached, or not all that attached?
- How attached do you feel to Canada? Would you say you feel very attached, somewhat attached, or not all that attached to Canada?

Tables 1 and 2 capture the relationships between these variables and two measures of associational involvement: the number of memberships in associations reported by respondents and the role played in associations. For the latter, respondents were coded as an “active volunteer /leader”, if they reported taking such a role in at least one organization. In the tables, summary indexes are used for both the self-help items and the community attachment measures. Taken one by one, all the individual measures produce effects in the anticipated direction – those of a self-help mindset and those with stronger community attachments are more likely to be involved in associational life. However, the individual effects are relatively weak. Considered together, the relationships become considerably stronger.

For community attachments, the effects are similar for both number of memberships and roles within associations. Among those with weak affective ties - to their neighbours, fellow New Brunswickers and fellow Canadians - 13% belong to three or more associations. Among those with strong affective ties at the other end of the scale, the figure climbs to 42%. Similarly, among those with weak attachments to community, 20% take an active role in at least one association, compared to 49% of those with strong attachments.

Table 1: Community Attachments and Involvement in Associations**Number of Memberships (%)**

Number of Memberships	Community Attachment Scale				Total
	Low			High	
None	37	21	15	12	20
1	32	34	23	19	27
2	17	21	26	27	23
3 or more	13	24	36	42	30
(N)	(179)	(262)	(335)	(228)	(1004)

Note: Columns may not total to 100% due to rounding.
tau-c=0.23

Role Within Associations (%)

Role within Associations	Community Attachment Scale				Total
	Low			High	
Non-member	37	21	15	12	20
Member	42	40	44	39	42
Active volunteer / leader	20	39	41	49	38
(N)	(179)	(261)	(335)	(228)	1003

Note: Columns may not total to 100% due to rounding.
tau-c=0.19

For self-help dispositions, the effects are somewhat weaker, particularly for simple membership counts as opposed to roles played within associations. Among those at the lower end of the self-help scale, 27% are members of 3 or more associations, compared to 37% among those at the high end of the scale (Table 2). The gap between the two ends of the self-help scale is larger for roles within associations, with 30% at the low end and 51% at the high end reporting an active role within at least one organization.

Table 2: Self-Help Attitudes and Involvement in Associations**a) Number of Memberships (%)**

No. of Memberships	Self-Help Scale				Total
	Low		High		
None	24	21	20	14	20
1	28	29	24	25	27
2	21	24	24	24	23
3 or more	27	27	31	37	30
(N)	(184)	(353)	(290)	(177)	(1004)

Note: Columns may not total to 100% due to rounding.
tau-c=0.08

b) Role Within Associations (%)

Role within Associations	Self-Help Scale				Total
	Low		High		
non-member	24	21	20	14	20
member	46	45	38	35	42
active volunteer / leader	30	34	42	51	38
(N)	(184)	(354)	(291)	(176)	(1004)

Note: Columns may not total to 100% due to rounding.
tau-c=0.12

These tables offer an initial sense of the relationships at play. Involvement in associations is related to both community attachments and self-help dispositions, though community attachments appear to be the stronger of the two variables, especially with respect to simple membership in associations. For roles in associations, the difference between the two factors is smaller; both factors appear to have a considerable effect.

These results are confirmed in Table 3, which reports standardized coefficients from OLS regression to see if the simple bivariate relationships hold when the effects of important socio-demographic variables – education, age and sex - are taken into account. The initial variables are reworked somewhat for this purpose. The dependent variable in the memberships model is simply the total number of memberships (i.e. the 3 or more category from above is dissolved). For level of involvement, a binary variable is created that serves to differentiate those in leadership and active membership roles from all

others. For the two independent variables of interest, community attachments and self-help dispositions, the full range of the scales is used, rather than the categorised versions from the tables above.

The results largely confirm the previous results. For memberships, community attachments are an influential factor, more significant than age and nearly as significant as education. The self-help scale, on the other hand, becomes an insignificant factor with respect to memberships when the control variables are introduced. This is not the case, however, for the level of involvement in organizations. The self-help scale is a significant variable with respect to taking an active role in associations, even with controls in place for education, age and sex. So too is the community attachment scale; indeed, it remains a more influential factor than self-help dispositions, but the gap between the two is markedly reduced compared to the results for number of memberships.

Of these two sets of results, there is reason to accord greater weight to the latter in identifying the factors likely to generate a substantial stock of social capital in society. If the behavioural manifestations of social capital represent “self-help collective action” and are therefore subject to significant collective action hurdles, the role of leaders and activists will be particularly important.⁷ The participation of members in associations is largely without ramifications for others, whereas the actions of leaders and activists, the lifeblood of associations, will directly affect the vitality of organizations, and thereby introduce potential spillover effects on the actions of others. Consistent with this reasoning is one of the principal findings from Putnam’s recent collection of case studies of successful social capital formation: that “creating robust social capital take time and

⁷ On that note, we would concur with Knack and Keefer (1997, 1272), who note, in their cross-national study, the potential limitations of their measure of associational involvement – the average number of memberships per respondent, based on World Values Study data.

effort” and that typically “it develops through extensive and time-consuming face-to-face conversation between two individuals or among small groups of people” (Putnam and Feldstein, 2003).

Table 3: Involvement in Associations, OLS Regression

a) Number of Memberships

	Model 1	Model 2	Model 3
Self-help scale	0.093*		0.042
Community attachment scale		0.268*	0.236*
Education			0.297*
Age			0.209*
Sex			-0.034
Adjusted R ²	0.008	0.071	0.18

Dependent variable: number of reported memberships in associations

Entries are standardized regression coefficients.

*p<.05

b) Role within Associations

	Model 1	Model 2	Model 3
Self-help scale	0.139*		0.109*
Community attachment scale		0.174*	0.165*
Education			0.190*
Age			0.044
Sex			0.027
Adjusted R ²	0.018	0.029	0.079

Dependent variable: “Active volunteers/leaders” coded as 1; all others coded as 0.

Entries are standardized regression coefficients.

*p<.05

The analysis to this point has assumed that causality runs from community attachments and self-help dispositions to involvement in associations. As with other dimensions of the social capital debate, the direction of causality is subject to debate. Certainly in this instance it is plausible to hypothesize that causality might run, in part at least, from participation in associations to community attachment and/or self-help dispositions; that those who are heavily involved in associations could come to develop feelings of community attachment or self-help attitudes as a result of their involvement.

Untangling causal direction is always difficult with cross-sectional data. We use a simple method of gaining some traction on the matter. Our survey included questions that asked those who were members of various associations the number of years they had been involved with the group. The presumption would be that if causality is reversed, if participation in associations is the driving force, then those who have been members for a relatively long time will tend to show higher levels of relevant traits or tendencies; that there will be, to use a medical analogy, a dose-response relationship between immersion in associations and community attachments and self-help dispositions.

Drawing on the questions that asked respondents the length of their involvement in associations, we use as our measure of duration of associational involvement the maximum length of time reported for all those associations of which they were a member.⁸ Table 4 provides the relevant data for assessing whether community attachments and self-help dispositions tend to grow stronger with duration of involvement measured in this fashion. There is a clear and striking difference between the two. Community attachments grow stronger by a considerable margin with duration of immersion in associational life. Those who have spent a maximum of five years or less as a member are very similar in their community attachments to those who are not members of any association, as just under 40% fall in the top two categories of community attachment. Those at the high end of the duration of membership scale (more than 35

⁸ This seems to capture best what we are after than either of two other options: 1) the mean length of involvement, which, for a longtime member of associations, could obviously be pulled down by recent involvement in a new association; or 2) the total length of involvement for all associations combined, which would effectively give greater weight to those involved in more than one association, thereby conflating our measure with number of memberships.

years), by contrast, report much stronger ties to community, with just over 70% falling in the top two categories of community attachment.

For self-help attitudes, there is no such increase in moving across the columns of Table 4. Indeed, those whose maximum duration of membership is relatively short – less than 5 years or 6 to 19 years – seem to display slightly stronger self-help dispositions. But the differences are relatively slight. The pattern suggests that being involved in associations for a greater length of time does not increase self-help tendencies; that causation, in other words, likely does not run from associational involvement to self-help dispositions.

Table 4: The Impact of Duration of Involvement in Associations

Impact On Community Attachments (%)

Community attachments scale	Maximum duration of membership					Total
	Non-member	5 years or less	6 to 19 years	20 to 35 years	More than 35 years	
Low	33	29	14	10	7	18
	27	34	28	22	22	26
	25	24	41	39	36	33
High	14	14	18	29	35	22
(N)	(202)	(161)	(197)	(221)	(177)	(958)

Note: Columns may not total to 100% due to rounding.
tau-c=0.25

Impact on Self-Help Dispositions (%)

Self-help index	Maximum duration of membership					Total
	Non-member	5 years or less	6 to 19 years	20 to 35 years	More than 35 years	
Low	22	14	17	19	20	19
	37	35	31	36	36	35
	29	33	27	28	28	29
High	12	18	26	17	16	18
(N)	(203)	(160)	(198)	(223)	(177)	(961)

Note: Columns may not total to 100% due to rounding.
tau-c=0.00

Two further elements might be considered to firm up these conclusions about causal direction. Controlling for other variables – age in particular, since duration of membership will presumably be highly correlated with age – is one consideration. When both age and education are controlled for, the patterns seen in Table 4 remain the same: community attachments increase significantly with duration of membership, whereas self-help dispositions do not (results not shown here). The other element is to examine whether the conclusions might be altered by taking into account level of involvement in associations: does taking a leading role in an association for an extended period, for example, generate stronger self-help dispositions? On this question, our data source is not as precise as it might be. The survey did not ask people how long they had served in various roles within organizations of which they were a member, so we cannot assume that someone who is currently in a leading role always has been. Still, if we take as our measure of maximum duration of membership the longest time someone has been a member of an organization in which they currently serve as a leader or active member, the results look much the same. Community attachments increase with duration of involvement, while self-help dispositions do not (results not shown here).

These results suggest that the relative importance assigned to community attachments and self-help dispositions might be reconsidered. If the prior analysis suggested that community attachments were more influential, the finding that there may be some reverse causation at work between community attachments and associational involvement suggests that the two may be of roughly equal importance as sources of social capital.

The final element in our analysis underscores the potential utility of our approach to understanding social capital phenomena by looking at some differences within sections of the New Brunswick population on the measures we have considered. Our interest lies in regional differences within the province, as there are significant variations in levels of economic well-being between the more prosperous southern and western parts of the province and more impoverished eastern, and especially northeastern, areas. Ideally, the attitudinal and behavioural data from our survey would be used to characterize the populations of different areas, from which linkages to regional variations in economic prosperity might be drawn. This is an approach that we will take up in future research. At this stage we limit ourselves to examining differences between language groups, a shortcut method of assessment based on the fact that the poorest regions of the province are predominantly francophone.

Table 5 considers associational involvement, both the number of memberships and level of involvement, among anglophone and francophone New Brunswickers. To classify respondents, we draw upon the language in which the interview was conducted rather than mother tongue. A significant number of those whose mother tongue was French responded to the survey in English. They represent a potentially interesting group, people who may have grown up in a francophone environment, but may today be living in a more anglophone milieu; questions on our survey will allow us to pursue this line of investigation at a later date. For the time being, we focus simply on the language of interview.

Table 5 reveals modest differences in associational involvement between francophone and anglophones in New Brunswick. Just over a quarter of the francophone

respondents (27%) report no memberships in associations, as against 18% of Anglophones. The differences are somewhat larger for more active roles in associations, as 26% of francophones report serving as an active volunteer or leader, compared to 42% of anglophones.

Table 5: Involvement in Associations by Language Group

a) Number of Memberships

	Language of interview		
	English	French	Total
None	18	27	20
1	26	28	27
2	24	20	23
3 or more	31	25	30
(N)	(783)	(221)	(1004)

Note: Columns may not total to 100% due to rounding.
Cramer's V=0.10

b) Role Within Associations

	Language of interview		
	English	French	Total
non-member	18	27	20
Member	40	47	42
Active volunteer / leader	42	26	38
(N)	(783)	(221)	(1004)

Note: Columns may not total to 100% due to rounding.
Cramer's V=0.14

Table 6 pursues these differences between language groups further, considering the two sources of social capital examined above, community attachments and self-help dispositions. On the first of these dimensions, there is relatively little difference between anglophones and francophones. Community attachments are only slightly weaker in the French population. Differences in self-help dispositions are considerably more pronounced. Only 4% of francophones fall in the high end category of our self-help scale, compared to 21% of anglophones; only 26% of francophones lie in one of the top two categories, compared to 52% of anglophones. These differences are quite striking,

suggesting that if social capital and associated benefits are lacking in parts of New Brunswick, it is not for a lack of communal sentiment, but rather because of other motivational hurdles to self-help collective action.

Table 6: Community Attachments and Self-Help Dispositions by Language Group

Community Attachments

Community attachment scale	Language of interview		
	English	French	Total
Low	16	23	18
	27	24	26
	34	32	33
High	23	20	23
(N)	(784)	(221)	(1005)

Note: Columns may not total to 100% due to rounding.
Cramer's V=0.07

Self-help Dispositions

Self-help scale	Language of interview		
	English	French	Total
Low	14	32	18
	33	42	35
	31	22	29
High	21	4	18
N	(783)	(221)	(1004)

Note: Columns may not total to 100% due to rounding.
Cramer's V=0.26

Discussion and Conclusions

This paper is primarily intended to serve a heuristic purpose. The concepts examined are broad, presenting measurement issues that we have largely glossed over in our analysis; the relationships between them are complex, likely more complex than we have allowed for. Nonetheless, it is our contention that the modelling proposed herein captures important dynamics that have been overlooked in previous research examining

the role of social capital in fostering economic prosperity. Our empirical analysis points to linkages of some significance between self-help dispositions, community attachments and associational participation.

The conclusions we draw are not without real world ramifications, not least in that part of the world whence our data derive. In proposing that self-help dispositions help overcome collective action hurdles thereby fostering social capital, while at the same time encouraging economic dynamism, our analysis plays into certain stereotypes of Atlantic Canadians. Stephen Harper's recent comment about the "defeatist" attitudes that have hindered the region's progress is but one example of the type of commentary that touches a raw nerve in this part of the country.

To assess whether there is merit to such summary judgements would require further analysis designed to specify the significance of the factors considered in our analysis, drawing on comparisons with other regions. Not least of all, it would be important to determine, using comparable and validated measures, whether in fact New Brunswick and other Atlantic Canadian provinces are lacking in the qualities conducive to economic well-being. Furthermore, should this turn out to be the case, it would also be necessary to inquire into the broader historical and structural contexts that have affected the development of the relevant characteristics and tendencies in the people of this region (Savoie, 2001).

That said, it is not our intention to disown the empirical evidence that points to a role for self-help dispositions in generating social capital and related benefits. At the same time, that connection should perhaps invite some critical reflection on the social capital concept. One critical view is that the hoopla surrounding the social capital concept

masks a neoliberal agenda, that social capital is a convenient panacea jibing all too neatly with calls for the retreat of government from many areas of public life in favour of individual and community self-reliance. While enthusiasts tend to underline the community spirit embodied in social capital, critics would question what kind of community it is that has to rely on the connections individuals manage to cobble together themselves rather than using government to bring people together in common cause.

In short, social capital, in both its wellsprings and effects, embodies a tension between self-reliance and community. In part, social capital represents people pulling themselves up by their own bootstraps, and yet is also about people working together to achieve common goals, on behalf of local communities and larger ones. Probing this tension further may lead to enhanced understanding of the true causal significance of social capital, as well as the consequences of emphasizing this route to social and economic betterment.

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