Social Capital Construction and the Role of the Local State[1]

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ABSTRACT   As globalization weakens the role of the nation state, increased theoretical and practical attention is being focused on community level action, especially on the role of social capital. Proponents of social capital have placed primary emphasis on voluntary associations. This paper looks at the role the state can play in building social capital. The historical nature of social capital in the community, the organizational structure of governmental intermediaries, and the design of specific program interventions condition social capital building. Hierarchical governmental intermediaries are contrasted with participatory community based initiatives. Three key factors: autonomy, linkage and returns on investment for both intermediaries and participating residents, are shown to affect social capital construction.

Introduction

At a time when global economic and political forces are challenging the role of the nation state (Bennett 1990; McMichael 1996), increased theoretical and practical attention has been focused on community level action, especially as it relates to social capital. Robert Putnam (1995) helped spark a national debate about the significance of a supposed decline of social capital in the United States, which he feels may undermine democratic participation. Defining social capital as those features of social organization (networks, trust, norms of reciprocity) which "facilitate coordination and cooperation for mutual benefit" (1993a), Putnam focuses primarily on the role of voluntary associations. His failure to give more explicit attention to the role of formal institutions, particularly the state, has been criticized by Skocpol (1996:25), who argues that "organized civil society in the United States has never flourished apart from active government and inclusive democratic politics."

Research thus far has looked primarily at social capital configurations (Flora and Flora 1993; Portes and Sensenbrenner 1993; Putnam 1993a), and despite Skocpol's observations, little research has explicitly addressed how social capital can be built (Evans 1996; Fox

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1996). In fact, most social capital research shows government is ill suited to the task (Etzioni 1993; Fukuyama 1995; Wacquant 1998; Wilson 1987). This paper challenges that perspective by developing a theoretical framework that supports the possibility of active government involvement in social capital construction. Examples drawn from rural development experience in the United States are used to illustrate the importance of three critical components in social capital construction: returns on investment, autonomy, and linkage, and their significance both for the government intermediary and participating residents.

While structure and context are critical in shaping governmental interventions, social capital investments can be context shaping. Social capital building effects are conditioned by the nature of existing social capital in the community, the structure of the governmental intermediary, and the design of the specific program intervention. Rural initiatives taken by hierarchical governmental intermediaries are contrasted with those of participatory, community-based intermediaries to illustrate the importance of structure, context, and program design on social capital construction. While the logic of most social capital discussions suggests that it is almost impossible to conceive of social capital coming from hierarchical rule or of democratic government arising from conditions of hierarchical social capital, close attention to three elements of social capital—autonomy, linkage, and returns on investments—both makes it clearer why the cycle operates and suggests that careful planning can create social capital capable of reshaping its local context.

Understanding community level social capital

Early work on social capital focused at the individual or family level in an effort to understand how stocks of social capital contribute to individual educational or economic achievement (Bourdieu 1986; Coleman 1988). Putnam (1993a) turned attention to the nature of social capital at the community level, where social capital cannot be measured merely as an aggregation of individual networks. Attention must be paid to inter-organizational networks and to the nature of government itself, because community level social capital resides in groups and the networks among them (Woolcock 1998). Strong community level social capital creates the civic infrastructure which supports formal and informal processes of decision making and public involvement (Potapchuck et al. 1997). As "public" capital it provides organized spaces for interaction, networks for information exchange, and leadership development (Harwood Group 1996).

However, when social capital is analyzed at the community level it is clear that it can not be treated as a normative "good." At least

three characteristic forms of social capital have been distinguished in the literature: horizontal, hierarchical, and absent. Horizontal forms of social capital are found in communities where horizontal ties within community are strong and norms of broad community participation exist and tend to produce more egalitarian and robust democratic structures (Putnam 1993a, 1993b). Hierarchical social capital is characterized by patron-client relations (and gangs), which can stifle development and skew governmental and economic structure to the interests of a particular group (Duncan 1992; Portes and Sensenbrenner 1993; Putnam 1993a). Absence of social capital is found in communities with few networks among residents: wealthy "gated communities," which substitute economic capital for social networks, and poor and isolated communities characterized by insecurity, fear, and isolation (Flora and Flora 1993; Portes and Landolt 1996).

Because communities are evolving and organic, boundaries of territory, social relations, and shared identity are coterminous in few rural communities (Fortman and Roe 1993), and the differences between community of interest and community of place that fragment many rural communities make it difficult to address problems of collective action. While Putnam (1993a) emphasizes social capital's role in contributing to community stability, this paper is interested in exploring social capital's role in community change. While it is well known that social capital can be a source of violence or exclusion toward certain groups (Bourdieu 1986; Portes and Sensenbrenner 1993; Wall et al. 1998), can it also be constructed to enhance involvement of excluded groups?

There are important links between social capital, civic infrastructure, and the productivity and efficiency of community services. Indeed, the latter two have been used as indicators of social capital. Communities with higher levels of horizontal social capital have been shown to be more robust economically (Flora and Flora 1993; Flora et al. 1997). More recent efforts by the World Bank to quantify and measure social capital have led to a distinction between *structural* social capital—social organization, roles, rules, networks— and *cognitive* social capital—norms, values, and attitudes (Serageldin and Grootaert 1997; Uphoff 1998). While the connections between norms and civic infrastructure are thought to be mutually reinforcing, structural social capital is easier to see and measure.

The focus on structural forms of social capital is an improvement over attempts to use higher social economic well being as a proxy for social capital (Robison and Silas 1996). Linking local economic well-being and social capital devalues the importance of broader economic and political forces in shaping the well being of communities. Indeed more structurally oriented scholars have argued "it is not the lack of social capital, but the lack of objective economic re-

sources . . . that underlies the plight of impoverished urban groups." (Portes and Landolt 1996). Similarly, Stack (1974) and Fernandez-Kelly (1994) have shown that social capital exists in poor areas but is not sufficient to alleviate poverty. While there may be a relationship between wealth and social capital, the one is not a simple indicator of the other.

Key elements of social capital: return on investments, autonomy and linkage

Why invest in community social capital?

Bourdieu (1986) emphasized the importance of investment costs and returns in building and maintaining social capital. He argued that building and maintaining networks is not a given, but requires investments of time, energy, and political or cultural capital that yield a return. If network building is not expected to produce social, economic, or cultural returns, then the effort will not be considered worthwhile. This has important implications as we consider why local governments might want to build social capital and why residents might be willing to make such investments.

It is not surprising that the most impressive impacts of investments in social capital have been demonstrated at the family level, where social capital affords greater access to education, jobs, and other economic, environmental, or cultural resources (Beaulieu and Mulkey 1995; Coleman 1988; Sanders and Nee 1996). Investments in community level social capital may be harder to justify because the returns are not direct. This may be especially true for poor residents in depressed communities where strong community level social capital may intensify claims that restrict individual economic mobility, freedom of speech, or exit (Portes and Sensenbrenner 1993; Stack 1974). Investments in community level social capital may not yield direct individual returns and "benefits of community may come at too high a cost" for individual investors, trapping them in a web of obligations that prevents upward mobility (Portes and Landolt 1996). In a society based on self interest, one should not assume the dynamics of community will be based on common interests (Halpern 1995). Costs and returns must be evaluated for all community actors engaged in social capital construction.

What does government gain through investments in social capital? Looking at the national level, Evans (1995, 1996) argues that social capital is critical to ensure synergy between the state and civil society and to avoid predation of state programs by particular interest groups. A similar argument is made about the local level, where social capital is viewed as a critical ingredient in efforts to enhance the effectiveness and democratic participation of the local state (Harwood Group 1996; Potapchuck et al. 1997, 1998). Al-

though the government management literature emphasizes the need to create more flexibly responsive systems by devolving power to the community level (Osborne and Gaebler 1992), general interest in governmental effectiveness may not be reflected by agents in particular government programs (e.g., the principal-agent problem). In some hierarchical social capital contexts, government effectiveness and democratic participation may not be strongly held norms. In these contexts, interest in investment in horizontal social capital is likely to be low. Even in these contexts, however, national government subsidies or quality standards may create incentives and a space for local investment in horizontal social capital construction.[2]

For individuals or community groups investments in community social capital can produce returns in the form of enhanced autonomy and linkage. Community groups may receive direct returns of enhanced program effectiveness or organizational power. In general, however, returns to community groups are indirect and ultimately depend on the generalized reciprocity created by dense social networks (Putnam 1993a).[3]

Autonomy and linkage

Autonomy and linkage are key to the construction of community level social capital. Autonomy is the power to effectively express a position or carry out a program in the context of broader community or governmental systems. Thus, governmental autonomy is reflected in the efficacy of government programs and in prevention of predation by interest groups (Evans 1995, 1996; Woolcock 1998). Organizational structures and fiscal and administrative capacity play key roles in determining government autonomy (Evans 1995, 1996; Putnam 1993a), and professionalization and political insulation may strengthen autonomy. For example, bureaucracies help maintain levels of redistributive expenditures (Sharp 1990), and their absence may lead to lower expenditures and lower intergov-

[2] Stack (1996) has emphasized the role of state and national regulations and funding in supporting local black women's efforts in North Carolina to create community based day care centers and other services for poor people despite resistence from the local government power structure. Mississippi Action for Community Education (a black controlled community development corporation in the Delta) has developed community coalitions which work for "municipal equalization" invoking civil rights law to force rural towns to equalize services between black and white neighborhoods.

[3] Putnam (1993a) differentiates specific reciprocity which involves balanced exchange between specific parties, with generalized reciprocity which involves indirect exchange at the broader community level. Generalized reciprocity is unbalanced between individuals at any given time and requires dense networks of weak bridging ties within the community. Specific reciprocity is more likely to be localized and private. Generalized reciprocity is public and provides the foundation for collective action.

ernmental transfers, especially in rural areas (Cigler 1993, Jansen and Rowley 1993). Lack of autonomy invites predation of programs by special interest groups, a problem found often in rural school systems (Duncan 1996). Business interests may dominate local governments lacking autonomy, but too much autonomy can insulate governments from the community.

Citizens also need autonomy to challenge government through voice and vote (Cortes 1996; Hirschman 1970). Citizen autonomy is reflected in democratic power and voice and in the administrative effectiveness of community organizations, which, when they lack sufficient autonomy, can be dominated by government. An unequal distribution of citizen autonomy, as is the case with hierarchical social capital, can allow one group to dominate public debate and decision making and compromise governmental effectiveness. Thus, the balance among community organizations and government is important, and in contexts where the autonomy of government or of particular citizen groups overwhelms others, the ability to strengthen the autonomy of weaker groups will be limited.

Linkage concerns the nature of ties within the community and between the community and wider regional interests. Linkage facilitates information exchange and embeddedness of state in society or organizations in community (Evans 1995, 1996; Woolcock 1998), and may be both vertical and horizontal and temporary and issue oriented or long term and institutional. Vertical ties link local governmental institutions to higher levels of policymaking at the state and federal levels. Horizontal ties ensure community embeddedness, which may increase the responsiveness of government institutions in communities characterized by horizontal social capital. In more hierarchical communities, characterized by patronage government, narrow linkage to specific interest groups may limit government responsiveness to broader community needs.

Studies of ties have emphasized the importance of weak, bridging ties between networks (Granovetter 1973). Weak, bridging ties can be especially important for exchange of information and resources between different social and economic groups within a community or across communities to address regional policy concerns (Warner et al. 1997). Generalized reciprocity (Putnam 1993a) depends on the presence of these weak, bridging ties.

Where are these ties formed? At the individual level they are formed within the bounds of family, work, and school. Much work on social capital at the individual and family level has focused on ties that enhance access to education, information, and jobs (Beaulieu and Mulkey 1995; Coleman 1988). Bourdieu (1986) argued that establishment and maintenance of social capital requires proximity in physical, economic, or social space. This need for proximity and overlap of spheres of work, school, and play has

been used to argue for a focus on social capital construction at the neighborhood level (Potapchuck et al. 1997). However, as rural communities become more integrated with the larger economic region, the separation between spheres of work, play, and home becomes greater, making it difficult for place-based communities to maintain a broad network of horizontal ties. While local residents may use connections to outside communities to bring in new ideas and resources (Fuller 1997; Marsden et al. 1993; Warner et al. 1997), such ties may also undermine recognition of local needs and issues and refocus energy outside community (Fitchen 1991).

In communities where forums for interaction no longer emerge as natural extensions of work, school, or play, they can be intentionally created and designed to encourage development of social capital to enhance community problem solving in specific arenas of concern (Warner et al. 1997). Evans and Boyte (1992:xiii) in their book, *Free Spaces,* described such forums as ". . . public spaces in which ordinary people become participants in the complex, ambiguous, engaging conversation about democracy; participating in governance rather than spectators. . . ." These spaces may be incidental (sidewalks), voluntary (clubs and associations), or quasi-official (planning board hearings), but they must be relatively participatory to enable the communication essential for public democratic discourse (Harwood Group 1996, Potapchcuk et al. 1998). By creating a space for ongoing public deliberation, action and reflection, the citizen becomes a producer as well as a consumer of community (Ratner 1997).

Can the local state help construct social capital?

Government is both product and a producer of social and economic relations. Studies of the role of government in supporting social capital development must give attention to the simultaneous maintenance and transformation of structure.[4] While many have argued that social capital increases the effectiveness of governmental structures (Evans 1996; Harwood Group 1996; Potapchuck et al. 1998; Putnam 1993a, 1993b; Seipel 1996), a positive governmental role in creating social capital has not been clearly shown. Conservative communitarian theorists such as Etzioni (1993) deny an activist role for the state and focus instead on the moral foundations of society as rooted in individual responsibility. Fukuyama (1995) goes further to argue the state is inherently ill suited to promoting social capital.

By contrast, the role of the local state in destroying sources of social capital is well documented (Wacquant 1998). This negative role can be attributed to state abandonment of certain neighborhoods

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[4] For more information on structuration see Giddens (1984).

and societal needs (Halpern 1995; Wilson 1987). Gans (1991) and Massey (1990) argue that the intense deprivation now prevalent in many central cities is a product of active government policy.[5] Wacquant (1998) points to state abandonment of inner city public institutions, which causes them to operate as negative social capital. Remaining public institutions often become instruments of surveillance rather than participation (predatory police, surveillance social services, warehousing schools). Likewise, in rural areas government plays an active role in diminishing social capital. School consolidation in some rural areas has made it more difficult to facilitate active engagement of parents and communities since schools may no longer be community based (De Young 1991). Disinvestment and corruption (as in the coal counties of Appalachia) (Brown and Warner 1991; Duncan 1992; Gaventa 1980, 1990), or under investment in public infrastructure (Reeder and Jansen 1995) contribute to further decline.

The centralized bureaucratic model of governmental intervention which emerged after World War II has come under attack as inadequate to the needs of a post-Fordist economy where a more localized and responsive state is required (Bennett 1990). The twin trends of decentralization and privatization have been promoted as an effort to increase local control and responsiveness (Osborne and Gaebler 1992). While this effort reflects a shrinking role for the nation state, it also harbors an increasing role for local government (McMichael 1996). Welfare reform is the most dramatic example of decentralization in the current US context. Early field evidence shows both remarkable innovation at the local level in creating new mechanisms to direct economic forces toward local social goals (Nathan and Gais 1998), and reduced state involvement in some hierarchical social capital contexts where local government support for the poor was never well entrenched (Weinstein 1998).

Putnam (1993a) expected to show an active role for the state in constructing social capital through examination of the formation of a regional level of government in Italy. However, he found that preexisting social capital formations were dominant in determining the form and impact of the new regional governments. In the North, the new governments could capitalize on preexisting social capital arrangements to support formation of even more robust, democratic, horizontal networks. In the South, the new regional governments were quickly dominated by the traditional patron client relationships characteristic of the region. Like Durkheim,

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[5] This would include urban renewal and public housing policies which have increased the concentration of poor people in specific neighborhoods (Halpern 1995; Wilson 1987), as well as macro economic policies which have favored capital over community and promoted capital mobility (Flora and Flora 1993).

Putnam offers little evidence for the development or constructability of social capital where it does not already exist. Instead, he turns his attention away from government and toward the important role of voluntary associations (Putnam 1995).

Skocpol (1996) criticizes Putnam's emphasis on the primacy of local voluntary associations and argues for a central role for government. Similarly Evans (1996) emphasizes that the fate of civil society is bound to the robustness of the state apparatus. Democratic development may not be limited by lack of social capital at the local level, but by difficulties in "scaling up" that result from limits in government capacity (Fox 1996).[6] Robust and sophisticated public institutions can help form local social capital by decentralizing power. Political competitiveness within mutually accepted ground rules enhances synergy and helps keep government responsive (Evans 1996; Fox 1996; Potapchuck et al. 1997).

A model: context, intermediary structure, and program design

Social capital formation can be fostered by public sector institutions, but those institutions are themselves a product of social relations. This circularity requires that development interventions give attention to both underlying social relations and bureaucratic organizational design. The role of local government in social capital construction is dependent on the autonomy and linkage reflected in current social capital endowments, the structure of the development intermediary, and the design of the intervention program (See Figure 1).

Social capital context. In places with horizontal social capital and robust, democratic governance structures, governmental interventions may promote horizontal community social capital development, which will in turn impact program and organizational design and further reinforce social capital and democratic political structures. Here, autonomy and linkage are both strong, synergy between state and society is effective, and a virtuous circle of social capital investment and democratic development functions. These places are reflective of the Floras' (1993) "entrepreneurial communities," Piore and Sabel's (1984) "yeoman democracy," and Evans's (1995) "embedded autonomy."

Where hierarchical social capital dominates, local government intervention in community social capital investment is likely to reinforce existing hierarchical structures. Citizen participation may play a role in program design, but larger changes to organizational or societal structures are unlikely. Government linkage with civil soci-

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[6] However, civil society can serve to fragment as well as unite (Berman 1997). Where political institutions are weak, investments in civil society may further undermine formal political institutions (Evans 1996).
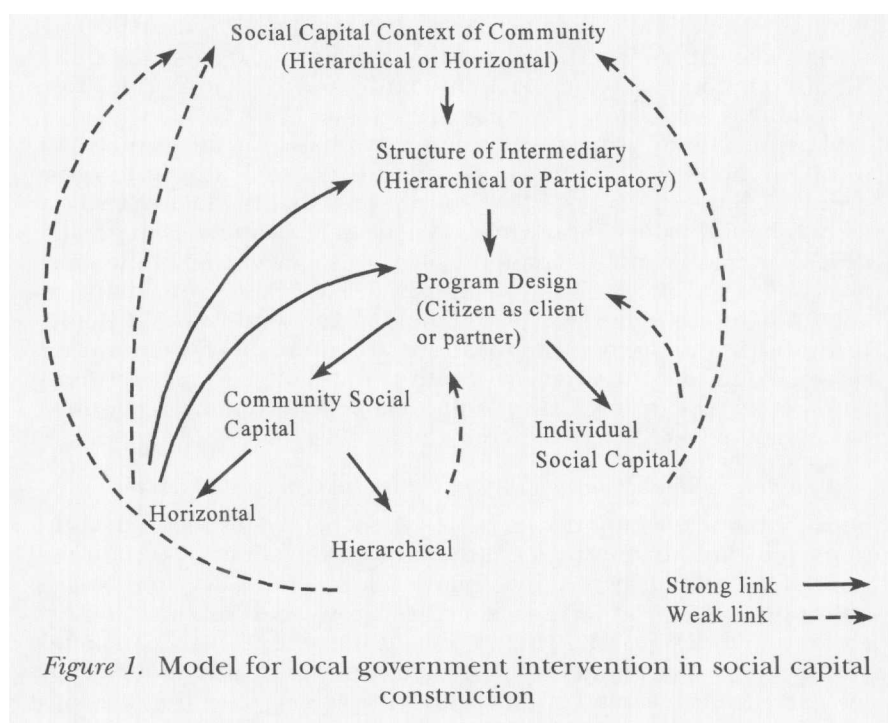
Figure 1. Model for local government intervention in social capital construction

ety is narrow, and predation of government by powerful interest groups is possible. Community organizations lack much autonomy or linkage. State-society synergy and democracy are weak. These places are characterized by the patron-client relations found in southern Italy (Putnam 1993a), Appalachia, and the Black Belt (Brown and Warner 1991; Duncan 1992; Gaventa 1980).

However, the local social capital context is not all determining. Outside resources and sources of power can create a space for horizontal social capital development by strengthening the autonomy and linkage of citizen groups to ensure a positive return on investment. For example, the Highlander Center in Tennessee trained and supported hundreds of Appalachian residents to research land tenure and taxation patterns to determine the links between absentee ownership and inequitable mineral taxation levels (Appalachian Land Ownership Task Force 1980). The Kentucky Fair Tax Coalition of county based citizen groups emerged from this effort and used federal law to successfully challenge state policy. They were also able to mobilize citizen political power to challenge coal mining interests in Kentucky political debates (Davis and Gaventa 1991). Horizontal social capital was built.

Structure of intermediary. Two forms of intermediary, formal, hierarchical government intermediaries, and participatory community-based intermediaries, illustrate the importance of structure. For rural areas, formal local government institutions are quite limited. Public schools represent the largest, best funded and most professionalized institution of local government. Similarly, participatory community-based intermediaries are less prevalent in rural areas. However, the Cooperative Extension service, with its participatory governance structure, represents an important and ubiquitous intermediary in rural counties.

Participatory community based intermediaries. Part of what made the Appalachian story possible was the existence of an intermediary organization, the Highlander Center, which held citizen empowerment and participation as core values. Participatory community-based intermediaries are likely to have strong linkage (horizontal ties) within the community but less power and autonomy than formal governmental institutions. Since these organizations often emerge as more representative, neighborhood controlled alternatives to established governmental systems, their efforts are likely to promote more horizontal social capital construction (Gunn and Gunn 1991).

Potapchuck et al. (1997, 1998) emphasize the democratizing role these groups can have on service delivery when brought into coalition with more established centers of government. In communities characterized by horizontal social capital, positive synergy may exist between community coalitions and local government.[7] Complementarity and coproduction between public and private actors yields greater output than either could achieve alone (Evans 1996; Ostrom 1996; Sabel 1992). Cooperative Extension can help facilitate synergy between public and private actors. With its strong facilitative, participatory tradition, its deep historical roots, and strong linkages to university research and federal and state funding it has autonomy and linkage superior to that of most non-profit institutions.

For example, traditional local government support for industrial recruitment efforts often lacks broad public involvement or accountability (Christopherson et al. 1994). Rural Business Retention and Expansion (BR&E) programs supported by Cooperative Extension help build a network of public, private, and non-profit economic development organizations at the local level to identify business needs and mobilize community resources to meet them (Loveridge and Morse 1991; Morse 1990). Each participating organization maintains its autonomy, but the BR&E effort enhances

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[7] However, the possibility for these groups to be co-opted by local government also exists, especially in communities with hierarchical social capital.

linkages among the organizations and local businesses. Surveys of businesses conducted by members of the BR&E consortium give voice to small business interests in the community, enhancing their autonomy as well. Sharing of information (in contrast to the information hoarding typical of industrial recruitment efforts) builds generalized reciprocity among service providers, enhancing individual agency effectiveness. Rural local governments typically rely on Cooperative Extension, which has a tradition of broad community participation, to facilitate development of the BR&E network. Traditionally, community economic development groups are competitive and turf conscious. However, the BR&E process builds a network which promotes trust and reciprocity. These factors help shape a more horizontal social capital within the local economic development sector which enhances the effectiveness of economic development programs.

Formal governmental institutions. Formal governmental institutions are important builders (or destroyers of social capital). Access to a stable pool of resources, professional talent, and linkage to policy makers position these institutions to invest in social capital at the community level and to push for broader societal change. They also represent institutions where people spend a lot of their time, compared to time spent in voluntary associations (Newton 1997; Skocpol 1996). For rural areas, schools typically are the largest governmental entity.

However, schools, as well as social service departments and police services, are usually highly integrated internally and have a high degree of autonomy from broader community processes, and their links with the communities they are designed to serve can be weak. Their efforts to develop social capital are likely to be focused at the individual level and designed to enhance their clients' involvement within their established systems. Efforts such as community policing, neighborhood based social service systems, and school based administrative teams should promote community level social capital, but the greater autonomy (due to professionalization and vertical linkages to funders and policy makers) of the governmental institution vis-à-vis residents is likely to ensure a hierarchical structure to program design.

This is illustrated by the case of school site-based management teams. Developed to enhance student performance by involving parents as partners with teachers and administrators to set individual school policy, these teams have found limited success. Autonomy, linkage and returns on investment all favor the school professionals, implicitly reinforcing hierarchical social capital between parents and schools despite the explicitly horizontal design of the teams. To be truly effective site-based management requires a major investment of time and professional training for all parties (par-

ents, teachers, and administrators) in participatory management and a redesign of the organization to allow real devolution of authority over budget, curriculum, and personnel (Carlos and Amsler 1993; Wohlstetter 1995).

Program design. The nature of social capital construction is also dependent on program design. The relative autonomy of the participants, the type of linkages created (internal/horizontal or external/vertical), and the nature of returns on investment all require explicit attention in program design.

Many government supported social services and community development programs are designed to address deficits rather than assets in a community. Highly professionalized services assume that the professional has the expertise while the client has the problem (McKnight, 1991). Hierarchically structured programs are less likely to build community social capital than decentralized programs which build on community assets through horizontal partnerships with community residents (Crocker et al. 1998; Harwood Group 1997; Kretzman and McKnight 1993; Potapchuck et al. 1997, 1998). While high levels of citizen participation may seem less efficient, they have been shown to be more effective in ensuring that programs are tailored to meet local needs (Schorr 1997). The message has apparently begun to penetrate; citizen involvement has become so highly accepted as an element of program design that even hierarchically structured programs, such as schools and welfare agencies, have incorporated more aggressive client and community involvement elements (Nathan and Gais 1998).

However, efforts to promote citizen involvement within professionalized service delivery structures can fail to empower local communities when the participant is viewed as a client and has limited autonomy in relation to the service provider. Linkages developed within such structures are focused narrowly on interests of the service provider and are unlikely to connect participants to broader community or extra-community resources. Programs focused on building individual social capital, such as parenting skills, job training, and leadership development are unlikely to affect system change unless the individuals involved have a high degree of autonomy (as in leadership programs for those already connected to power) and external linkage is emphasized through creation of forums of interaction that result in the building of bridging ties.

Parent Resource Centers provide an example of the limited social capital building effects of individual, client-focused program designs. In New York State, parent resource centers are being established within some rural elementary schools to provide parenting skills training, general equivalency diploma (GED) instruction, and a place for parents of at-risk children to gather and meet. They build individual social capital linking parents to each other and the

school. By focusing on an individual return to parents (higher skills, social network of other parents, better student performance), these programs ensure a return on parental investment. For schools, improvement in performance of the most at-risk students is the return.

However, two major factors limit the impact of Parent Resource Centers on community level social capital. First, is the autonomy and internal integration of the school and its funders. Often funded by federal grants designed to improve child performance, resource room administrators have limited flexibility to address broader parental interests and concerns. Bridging ties to school system administration or broader community structures are not emphasized (Larson 1997). Second, these programs are limited by the low autonomy and linkage of the parents they are designed to serve, and the traditional hierarchical educational design reinforces the notion of parent as client. While parental input in design of the resource room program is encouraged, the centers provide no forum for parent input on broader school decision making.

These initiatives stand in stark contrast to Head Start preschool initiatives, which explicitly include enhancing parent autonomy and linkage as a goal, requiring parents to serve on the Head Start policy council. Here the parent is viewed as a partner in production of the service rather than merely a recipient of it, and autonomy is enhanced (Peters 1998). Linkages, both horizontal and vertical, strengthen participants' abilities to mobilize community and extra community resources. The broader community emphasis of Head Start has resulted in more horizontal social capital development at the community level (Ames 1997). In contrast to schools, Head Start programs are usually run by community-based intermediaries which consider empowerment of the poor a part of their core mission.

Programs focused on community social capital building are more likely to affect system change. The active involvement of participants in design and production of the program leads naturally to questioning of both program design and larger organizational and community issues. The forums of interaction created by such programs promote strong horizontal ties among participants as well as bridging ties to external resources. Such programs are more likely to receive government support when they address issues of common concern to residents and local government.

For example, community social capital building was an explicit focus of Cooperative Extension agents promoting agricultural land retention in the suburban fringe of New York City (Warner et al. 1997). Extension first sought to build autonomy and linkage within the agricultural sector itself through leadership skills training and

creation of agricultural councils around sectoral and marketing concerns. Once autonomy and linkage within the agricultural sector were strong, Extension created new forums to enhance linkage between agricultural, environmental, and economic interests. These forums included farmers' markets, tours, and coalition working groups that brought together individual and organizational partners from government, resident, farmer, environmental, and economic development arenas. What distinguished these forums was the balanced autonomy of participants and the linkages built among participants and with outside interests (including state policy makers).

By building communication and cooperation among individuals and organizations these efforts directly addressed horizontal community level social capital and were able to reform larger community structures. For the first time agriculture was recognized as a legitimate member of the economic development community, and its representatives were invited to sit on community economic development boards. New local planning and land use policies sensitive to agricultural concerns were put into place by planning boards and advertised to home owners by local realtors. The local initiatives also attracted the attention of representatives of the State Senate Agricultural Committee who participated in the local working groups and served as bridging ties, enabling local concerns and solutions to be reflected in state policies addressing tax relief and farm-neighbor relations.

Conclusions

While most social capital literature denies a positive role for the state, this paper provides a theoretical rationale and practical examples which illustrate that local government, directly or through support to participatory community-based intermediaries, can promote the development of community social capital.

To effectively build social capital, local government must shift from acting as controller, regulator, and provider to new roles as catalyst, convener, and facilitator (Crocker et al. 1998). These partnership approaches to local government will improve service delivery, but they require a level of public capital or civic infrastructure with which to partner. In areas where such social capital infrastructure is weak, government can help build it by decentralizing programs to the neighborhood level. This approach has been used to improve service delivery and build leadership and civic capacity in depressed inner city neighborhoods and rural areas (Brown and Petterman 1987; Crocker et al. 1998; Halpern 1995; Harwood Group 1996; Portney and Berry 1997; Schorr 1997). Recent initiatives of the USDA, such as the statewide Rural Development Coun-

cils and the Empowerment Zone and Enterprise Communities, are designed explicitly to promote collaboration and building of horizontal ties (USDA 1996).

An explicit emphasis on community involvement in program design and delivery helps build community social capital. Community social capital is more difficult to create because it requires some level of generalized reciprocity and democratically responsive government to ensure that individual investments receive some ultimate return. In places with high stocks of horizontal social capital, established norms of reciprocity will ensure investments receive a higher return. Creating this where it doesn't currently exist requires more active investment, most likely from outside forces, to ensure a dividend to community members.

Three features must be given explicit attention: autonomy, linkage, and returns on investment. Government programs are most effective in promoting community level social capital when they develop a facilitative, participatory structure and involve participants as partners, not clients, in program design. Both these features increase the autonomy of the participants. Linkage is also important. Horizontal ties are key to broad community involvement and vertical (bridging) ties to broader system change (access to resources, policy change). Returns on investments in community level social capital require generalized reciprocity and democratic, responsive government. Balanced autonomy and strong horizontal linkages reinforce generalized reciprocity and democratic governance. Thus areas with higher levels of horizontal social capital will provide more fertile environments for additional social capital investment.

Formal governmental institutions represent important resources in terms of funding, power and expertise. Where these resources can be decentralized and control shared with local residents, the impact on social capital development and governmental transformation can be dramatic (USDA 1996). However, participatory management represents a major organizational innovation for hierarchical, professionalized government structures. Community-based intermediaries, by contrast, may play key roles in facilitating new collaborative community partnerships. However, their ability to effect governmental system change may be limited if their ties to governmental or other external resources are weak.

The synergies between government and community social capital enhance prospects for reform in communities characterized by horizontal social capital and democratic governance. In communities characterized by hierarchical social capital and weak or patronage government systems, synergy may reinforce hierarchical systems. Formal local government institutions are unlikely to invest in horizontal social capital in these contexts. Evidence of non-profit sector investment in social capital construction in Appalachia and the

Deep South has shown that more horizontal structures can be developed, but outside support is required to bolster community autonomy, enhance linkage, and ensure a positive return on investment (Davis and Gaventa 1991; Gaventa et al. 1990).

Strengthening community involvement ultimately affects the way larger local government structures operate (Crocker et al. 1998; Potapchuck et al. 1998). However, the local focus of such initiatives does not address the broader structural characteristics that contribute to community problems. Loose connections to traditional political processes that determine how resources are distributed and lack of autonomy or inability to scale up to affect broader policy change (at the state and federal levels) limit the transformational impact of these initiatives to the local level (Halpern 1995). For example, despite the success of county BR&E efforts in New York State, they have yet to receive state Economic Development Department support.

In rural areas characterized by hierarchical social capital, local elites may stifle initiatives designed to benefit the broader community (Duncan 1996; Stack 1996). Local efforts that appeal to state or federal policy makers and funding sources to support community initiative (Stack 1996) may be weakened by devolution. Already devolution of federal authority over welfare programs to states has resulted in greater declines in support for poor children in precisely those states where poor children predominate (Douglas and Flores 1998). The local social capital context and the broader political economic context condition the nature and impact of local initiatives.

While local social capital configurations contribute to community development, broader economic, political, and social conditions are primary determinants of community well being (Warner 1997). The mismatch between the current enthusiasm for social capital and the scale and depth of community development problems is a reflection of the general retreat of the state under globalization. Thus, a focus on community social capital building must be complemented by programs that address transformation in governmental institutions and markets at the local, state and national levels.

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