Chapter 1: Collaboration and Social Capital[1]

Collaboration among nonprofit, government and business organizations is an increasingly common practice around the world. Acting under the assumption that they can capture resource economies and scale up program effectiveness, organizations of the three sectors join with each other to deliver services and foster community development (social, economic and political). In complex arrangements, collaboration requires blurring of organization boundaries, relinquishing a measure of autonomy, shared planning and decision making, and allocation of financial resources to others. Even in simpler arrangements, partners in the collaboration must dedicate staff time and other resources to each other, exchange information on a routine basis, and conduct some coordinated planning.

Whether complex or simple, what holds collaborations together? Why do organizations decide to commit scarce resources in a collaborative arrangement rather than go it alone? Consider the intricate network of cooperation as described by the director of a women’s domestic violence shelter in rural southern Illinois (United States) who explained how their “advocacy” program for clients works:

> This advocacy piece is definitely where our networking takes place. See, we provide the shelter and domestic violence specific counseling. If a woman comes here we do (during the intake) we do an assessment. And then if there are some other concerns, like she needs to transfer her income or whatever, then we’re referring out and networking with a local provider. Because sometimes she may come from another area and end up here and she doesn’t know the system and know what’s available. Like, for instance she needs DHS (Illinois Department of Human Services). She’s never applied before; she knows nothing about the system. So then we refer her out to the appropriate provider. She might need to know where the local Social Security office is or she might need transitional assistance. If she comes here and she’s injured and needs medical assistance, we refer her out to the appropriate place. So, she might need to go to the health department, she might need to go to community health or a local medical provider. She may need to go to a hospital. If she has children, she may need to get them into a local school. And so we get her networked in with the appropriate school for the age and grade of the kidsΥwe network with the local (school) superintendent’s office.

The domestic violence shelter specializes in providing a place to stay and counseling to help the women cope with and leave the abusive situation. But recognizing that there is likely an assortment of personal and family issues that have to be addressed, the shelter links the woman with other nonprofit and government service providers to insure that those other needs are taken care of. This is done on a regular basis and the connections are well established so that when the shelter contacts another provider, that other organization is prepared to respond. Similarly, the community health center or the school district or the Department of Human Services office or any other partner that identifies a victim of domestic abuse, will aid the person to make contact with the shelter to receive its services.

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Continuance of such collaborative service arrangements require trust and reciprocity among participants in the collaborationCthe stuff of social capital. Part of the answer, we contend, to the question of what holds collaborations together and to why organizations enter in and remain in them, is that a reserve of social capital is built up among participants in collaborations. Through time and experience with each other, organizations learn that they can depend on other partners to pursue common interest goals and commit resources to serving each other and the clients they share in common. Social capital does not explain the whole of successful collaborations. Other factors such as laws and regulations and community socio-economic conditions create a context that affect behavior of members of a collaboration. But social capital is a primary ingredient in a collaboration enabling partners to work with each other as an almost automatic response, and aiding them in responding effectively to environmental change.

Social Capital and Organizational Collaborations

The concept of social capital has taken on several manifestations, having been employed to help explain numerous human social, economic and political behaviors. Robert Putnam's work has stirred the greatest interest in recent years (1993). Putnam conceives of social capital as emerging from the group based interactions of people in a community. As people encounter each other through community group participation they build up a community identity, establish community norms, learn to trust each other, and commit to providing benefits for each other. A strong civic consciousness is established that leads to high levels of political participation, responsive government and economic development. Social capital, like financial capital, is a resource that is drawn upon by a community to "purchase" community cohesion.

Borrowing the concept of social capital, the city planning profession is moving away from bureaucratized forms of public input where atomized groups react to plans, to processes of bringing groups together in all stages of planning to work toward community visions built on the interaction of diverse community groups (Fulton, 1996). The Healthy Boston program was a strategy to bring community groups together in each of Boston's many neighborhoods to draw up action plans to address social and economic problems (Miller, 1997). Absence of social capital in some neighborhoods thwarted the effort. The more unsafe the community was judged to be by residents, the weaker the coalition.

The field of economics has also been an important source of concepts of social capital. Economists often cite an article by Glenn Loury (1977) as the point of origin of contemporary interest in social capital. Loury notes that investment in *human capital* is often believed to be the way out of poverty and depravation for individuals. Building up individual skills through education and job training should enable people to find employment and improve their economic standing. Loury argues, however, that social conditions have a powerful effect on individual's ability to access human capital development opportunities and make use of them. Social factors, like racial discrimination, have affected the ability of parents to receive a quality education and to find stable employment. These same conditions inhibit their children=s ability to improve their own living conditions. Loury thus calls for recognition of social capital, the formation of community social conditions significantly shape opportunities for employment and quality of life improvements.

Amartya Sen (1999) well illustrates the relationship between social conditions and economic and quality of life standards. He compares life expectancy of African-American males in the United States with white males and with males in less developed countries (China and Kerala, India). Even though African-American males compare favorably in terms of income to males in those less developed societies, their life expectancy is significantly lower. Sen writes that "causal influences" for this disparity "include social arrangements and community relations such as medical coverage, public health care, school education, law and order, prevalence of violence and so on." (1999, 22-23).

Absence of strong social networks and community institutions leads to concentration in particular urban neighborhoods of a population characterized by high rates of poverty and of unemployment (Wilson, 1996). Recognizing the necessity of building social capital in order to improve economic opportunity, foundations like Anne E. Casey, Ford and Rockefeller have initiated "comprehensive community initiatives." Their programmatic philosophy is that "(p)ersistent urban poverty is not just about money, but also about relationships. Community builders recognize that the chronically poor today lack not just jobs and income, but positive relationships with people and institutions that can help them improve their lives" (Walsh, 1997, 292-293).

Other literature examines social capital from the perspective of organizational interactions. In this literature organization partnerships and collaborations among organizations (government, business and nonprofit) are investigated in terms of the importance of such factors as inter-organization norms of behavior, trust, and reciprocity. In other words, how important is a repository of social capital to close, successful *organization level* relationships? Examining social capital in this context draws attention to trust relationships and organizational commitment to reciprocity among structured, formal organizations. Social capital is examined in organization collaborations its effects on the performance of partners in the collaborations and on the behavior of key organization members, (CEOs, staff, governing board members).

Social capital has been found to be a key ingredient to the success of the technology industry in California's Silicon Valley (Cohen and Fields, 1999). Working collaborations were created there between the public and private sectors, involving primarily universities in the region and technology based businesses. A form of trust, based on performance, was interjected into this highly competitive, market-driven environment. Collaborations between universities based research centers and businesses or between businesses were built on high expectations of performance and productive results. Reciprocity is practiced in the form of sharing of ideas and innovations out of the belief that all benefit. Over time, these characteristics of social capital have evolved among the private and public organizations in Silicon Valley, helping to facilitate a dynamic entrepreneurial environment. Sharing of information among business competitors and intense networking is believed to be increasingly the norm among technology driven, information based enterprises (Mitchell, 1999).

The presence social capital has also been documented among stakeholders in environmental management collaborations in the United States and Australia (Margerum, 1999). Trust and norms of behavior developed among stakeholders in both settings, helping them to reach consensus on management plans and strategies. Another study has noted the importance of social capital during the formation stage in the life cycle of collaborations (Lowndes and Skelcher, 1999). Collaborations tend to begin as networks in which trust and mutual obligation emerges. Later stages of collaborations often find partners placed in market-like conditions due to competition for funds, or a more hierarchical structure in which authorities are established to reinforce bureaucratic routines. But collaborations appear to be sustained through those changes by through preservation of networking modes built on social capital.

The formation and effects of social capital in collaboration will be affected by contextual factors. Laws, regulations and administrative procedures are examples. For instance, the ability of Islamic butchers in Netherlands to open and run their businesses was dependent on forms of social capital among the immigrant population Kioosterman et. al., 1999). Social norms favored patronizing the butcher shops of fellow immigrants and also supplied the shops with informal labor. Of great importance too, was the fact that government administrators in the Netherlands often choose to "look the other way" instead of strictly enforcing health and labor codes. In the Healthy Boston program, success in forming effective neighborhood coalitions was affected not only by presence or absence of social capital, but also by political factors. The mayor who launched the program resigned before his term of office ended, leaving a leadership void. Relations between city departments and the neighborhood coalitions were never very strong (Miller, 1997).

Laws, politics, public policies, regulations and administrative behavior are all contextual factors that affect collaborations. In respect to this study, we anticipated that rural location would also have an impact. Thus, even in instances where social capital is strong, other factors can have determining affects.

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