



## SOCIAL CAPITAL BRIEFING NOTE

# Social Capital: A Tool for Public Policy

## Highlights

- Individuals and groups can sometimes obtain needed resources and support from their network of social ties. These networks constitute their social capital.
- Social capital may be an important but underestimated component of the well-being of Canadians. In combination with other human and financial resources, social capital can significantly influence their social, economic, and political participation.
- Government policies and programs inevitably affect patterns of social capital development. Taking this into account more systematically could make a significant difference in the achievement of various policy objectives.
- Social capital has particularly important implications for three key areas of public policy: helping populations at risk of social exclusion, supporting key life-course transitions, and promoting community development.

## Benefiting from Social Capital

Family, friends, and acquaintances frequently constitute an important asset essential to the well-being of Canadians. Whether someone is seeking support to make it through hard times, searching for a new job opportunity, or simply living a full and active life, it pays to know people. This is the simple idea behind the concept of social capital.

A wide range of research illustrates the ways in which the availability and use of various social ties may make a difference to individual well-being. Whether it is a question of early childhood development, educational attainment, avoidance of delinquency, labour market entry, or aging well in retirement, knowing people to turn to for resources and support may make a difference both for “getting by” and “getting ahead.”

Moreover, what is true for individuals is also true for groups and organizations: those with the right mix of social connections may be able to negotiate more effectively the various challenges they face, from economic growth and community development to crime prevention and engaging an active citizenry. People with extensive social connections linking them to people with diverse resources tend to be more “hired, housed, healthy, and happy.”

To make this concept practicable for public policy purposes, research and analysis on social capital must be able to answer clearly some basic questions. How do people access and realize benefits from social capital? How can it complement or enhance the value of other resources, such as human and financial capital? Should governments play a role in the creation of social capital? Can we design more effective policies and programs by taking this concept into consideration?

## Social Capital: a potential asset, but not a panacea

A person or group’s network of social ties can produce a range of potential benefits or resources. Examples include:

- **Material goods and services:** Social networks often constitute an essential source of informal services, such as child care, informal health care, language training or, in distressed situations, food, clothing, and housing.

- **Information:** Job hunters can draw on their contacts to learn about new employment opportunities. Ties between community groups can provide critical coordination of services for newly arrived immigrants.
- **Reduced transaction costs:** Organizations or groups may spend less time finding the right employee or new business contacts if social ties act as intermediaries.
- **Emotional support:** In stressful situations, support networks may help to find a solution to the problem, reduce the perceived importance of the problem, or provide a distraction from the problem. Knowing a potential support network is in place may increase one's sense of self-efficacy and control.
- **Reinforcement of positive behaviours:** Friends or family may influence whether individuals exercise, have healthy diets, or quit smoking.
- **Service brokerage:** Network contacts may help broker effective access to health, employment, or training services for those who are unable or unwilling to access these services by themselves.

Social capital is not a miracle cure that will solve all public policy problems. The presence (or not) of social capital can typically explain, at most, only a moderate amount of variance in particular outcomes, with several other factors being much more important. Indeed, social networks do not function in a vacuum. Rather, they may complement other resources that have relevance for a particular challenge or issue. This is not to argue that social capital is unimportant, but to acknowledge that it must be considered in relation to a number of other resources and factors that may make a difference in achieving particular goals and objectives.

The power dynamics of social ties, particularly from close bonding ties, can also contribute to less desirable consequences, such as exclusive “old-boy” clubs, criminal networks, and demands for conformity that restrict individual freedoms. Any form of capital, however, can be put to objectionable purposes. Any potentially negative applications of social capital do not diminish the concept's usefulness as a public policy concept. Indeed, those concerned with crime prevention or juvenile delinquency may be particularly interested in focusing on these negative aspects.

### Yes, There is a Role for Government

After two years of consultation and research, we have concluded government action could be more effective if, in developing relevant programs and initiatives, the role of social capital were taken into account more systematically. This does not mean, however, that governments should pursue a grand strategy to build Canadian social capital simply for the sake of having more social capital. Instead, governments should consider social capital as a means or an instrument that, with other resources, can help achieve specific policy and program objectives, and should target any social capital-related interventions accordingly.

Some may ask whether governments have any business influencing people's choices about “investing” in their social capital. In fact, governments already and inevitably influence the development of social capital in many ways. This is done at two levels.

- **Policies that have a broad but indirect effect on how social relations are formed:** This includes decisions about public transport and housing, parental leave and education, day care and recreation facilities—to name a few—that significantly shape the social connections people make.
- **Policies that already implicitly integrate or promote “social-capital building” activities:** Many programs and initiatives at the federal, provincial, or local level incorporate elements of social capital

in their efforts to build individual or community capacity (e.g., mentoring, building organized support networks, brokering community partnerships).

Given that social capital is an important resource for individuals and communities, and that governments already inevitably affect the creation and development of social capital, there could be a public benefit from a more explicit and deliberate focus on social capital within government policies and programs. Some areas of policy stand out in particular.

- **Helping populations at risk of social exclusion:** Almost by definition, individuals and groups who experience social exclusion are cut off from those social ties that would allow them to participate more fully in the social, economic, and political life of their communities. The availability of certain kinds of social networks (or lack thereof) can have a significant impact on policies aimed at addressing the social and economic integration of individuals at risk of social exclusion, including new immigrants, the long-term unemployed, single mothers, youth at risk, and certain Aboriginal communities.
- **Supporting major life-course transitions:** Life-course transitions (e.g., labour market entry, divorce, retirement, loss of mobility) constitute moments of uncertainty and instability that, although common to most people, are experienced with quite varying degrees of relative success. These are periods when individuals often need to turn to their existing social networks for support and assistance, or need to develop new social contacts to get the kinds of help required.
- **Promoting community development efforts:** Under a social capital perspective emphasis is placed on finding the most effective ways in which citizens, service delivery agencies, institutions, and organizations interact and create linkages for developing sustainable changes in the living conditions and well-being of community members. It focuses on a more co-ordinated approach to service delivery, decision making, and problem solving based on a recognition of the role of formal and informal networks.

### The PRI Social Capital Project

At a meeting of assistant deputy ministers in 2003, the Government of Canada's Policy Research Initiative launched an interdepartmental project to investigate the relevance and usefulness of social capital as a public policy tool. At that time, three objectives were set:

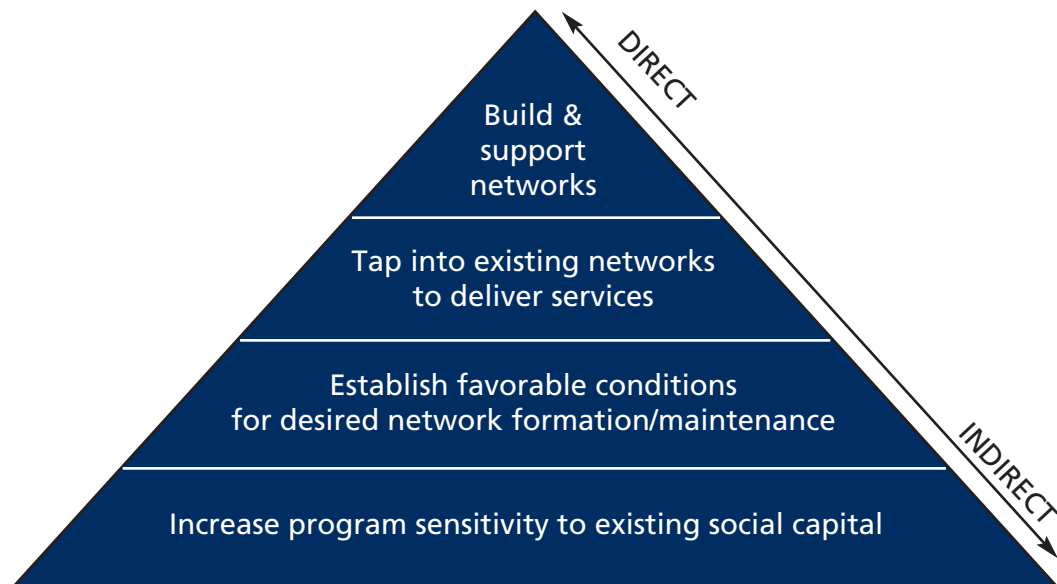
- Develop an operational definition and rigorous framework for the analysis and measurement of social capital.
- Identify key policy and program areas where social capital may play an important role in attaining policy objectives.
- Incorporate the project findings into a strategic set of recommendations for testing new approaches, improved measurement, and policy action.

To fulfill these objectives, the work of the project was divided into three interrelated streams: conceptualization, implications for public policy, and measurement. This two-year project has culminated in three major publications:

- *Social Capital as a Public Policy Tool: Project Report*
- *Social Capital in Action: Thematic Policy Studies*
- *Measurement of Social Capital: Reference Document for Public Policy Research, Development and Evaluation.*

Visit the PRI web site at <[www.policyresearch.gc.ca](http://www.policyresearch.gc.ca)> for additional information on all the project's research activities, reports and events since 2003.

## Making use of social capital in public policy: from direct to indirect influence



Governments have several options for incorporating social capital into policy and program development, which vary in their degree of government involvement. Depending on the issue at hand, one or more of these approaches may be warranted.

- **Build and support networks where relevant for specific program objectives:** Already some programs do this, such as employability or job-search programs for social assistance recipients, integration programs for newly landed immigrants, civic participation forums, and exchanges for youth, and certain community crime prevention initiatives that link citizens to police services. A more systematic assessment of the role of social capital effects in such programs would be helpful.
- **Tap into existing social networks to deliver program services:** In some instances, government programs may tap into existing social networks to achieve program objectives. Within the field of public health promotion for example, efforts have been made to identify and train influential figures within social networks to positively affect the health-related behaviour of their peers.
- **Establish favourable conditions for forming and maintaining desired network ties:** In some instances where particular kinds of social capital may usefully contribute to the realization of public policy objectives, it may be helpful for public programs to invest in establishing broad, favourable conditions for the generation or maintenance of that social capital. For example, opportunities and capacities for social interaction may be increased through investing in public infrastructure, supporting local social entrepreneurs or, in some cases, developing social skills programs.
- **Increase program sensitivity to existing patterns of social capital:** This approach involves gathering and integrating information about existing social networks into policy and program design, implementation, and evaluation. The goal is to raise awareness among decision makers about the potential impacts of new interventions or changes in policy directions on the social capital already present in communities.



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### **Social Capital as a Public Policy Tool: *Project Report***

This report provides a synthesis of the key findings from the PRI social capital project in the areas of conceptualization, implications for public policy, and measurement efforts.

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### **Social Capital in Action: *Thematic Policy Studies***

The project established interdepartmental working groups to oversee the development of a series of thematic policy studies by experts on the best available evidence in areas of strategic importance to the Government of Canada. Eight specific policy and program areas are examined in a Canadian context: poverty reduction, healthy aging, settlement of new immigrants, educational outcomes of Aboriginal youth, youth civic engagement, community crime prevention, policing in First Nations communities, and the role of local associations in community development.

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### **Measurement of Social Capital: *Reference Document for Public Policy Research, Development, and Evaluation***

This report provides an analysis of efforts to measure social capital and concludes with key recommendations for future measurement efforts in a public policy context.

