



Social Capital in Community Owned Business

A comparison and contrast
of two Communities

Community Supported Enterprises/Businesses

- what does this mean? Simply, it is when community members organize a business that involves pooling local funds with the intent to keep the business sustainable. Walzer and Sandoval in Emergence and Growth of Community Supported Enterprises state that a community supported enterprise is difficult to define precisely due to its diverse purposes and approaches, but a common characteristic is direct community support and involvement. Social Enterprises and Community Supported Businesses are two models that are identified.

- Charlotte Narjes, Community Supported Enterprises -- Preparing for the Future

What is Social Capital?

- concept in social science that involves the potential of individuals to secure benefits and invent solutions to problems through membership in social networks.
- 'The goodwill available to individuals or groups. Its source lies in the structure and content of the actor's social relations. Its effects flow from the information, influence, and solidarity it makes available to the actor' (Adler and Kwon 2002, p. 23)

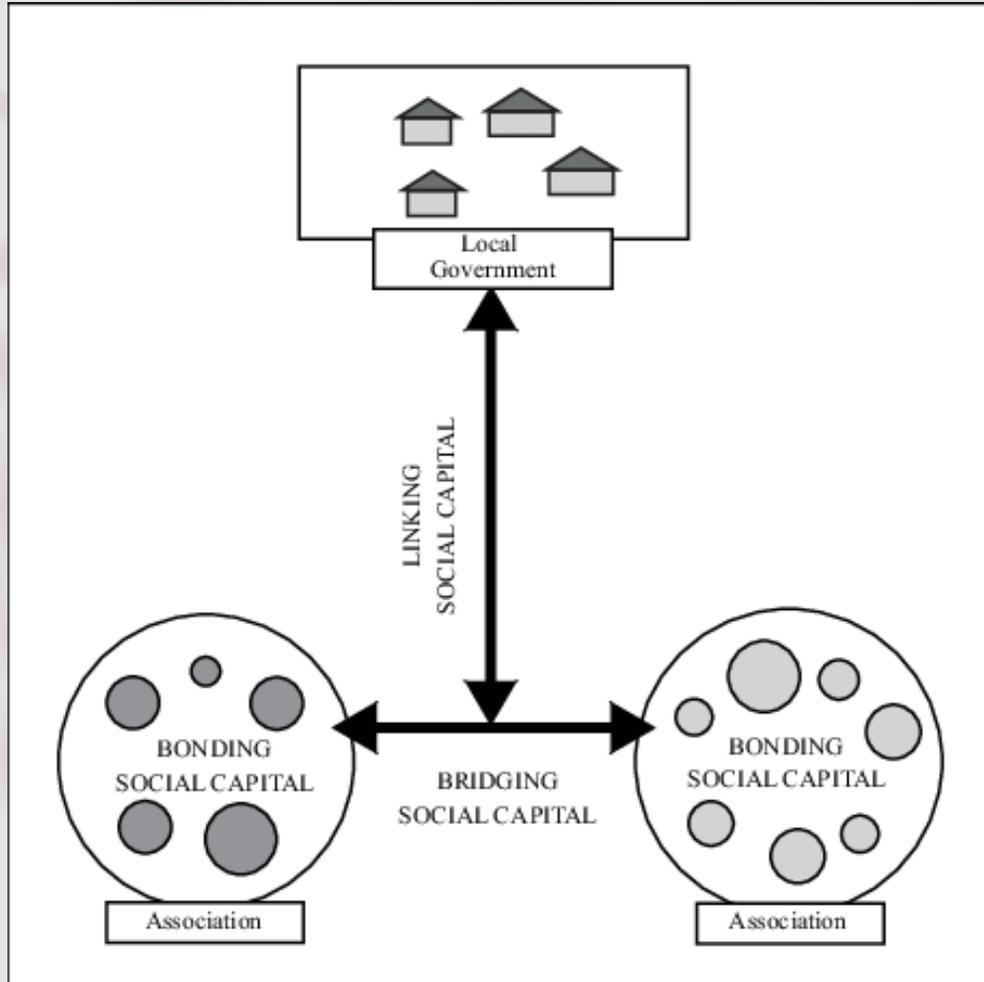
Social Capital in Community Development

- The differences in outcomes of development initiatives cannot be explained by differences in material inputs. A broad consensus is emerging that development initiatives should take into account the role of social capital, that is, shared knowledge, understandings, values, norms, traits, and social networks to ensure the intended results.

- Autar S. Dhesi, Social Capital and Community Development

Elements of Social Capital

- Bonding - Connections to people like you such as family, relatives, or Kin
- Bridging - Connections to people who are not like you in some demographic sense
- Linking - People or entities with power or resources, such as government representatives, nongovernmental officials, or authority figures



Bridging Networks

Residents have broad connections that help them expand opportunities.

Residents with different social backgrounds engage with each other.

Residents with different social backgrounds trust each other.

Engagement

Trust

Efficacy

Residents believe they can make a difference

Residents with a common social background trust each other.

Residents with a common social background engage with each other.

Linking Networks

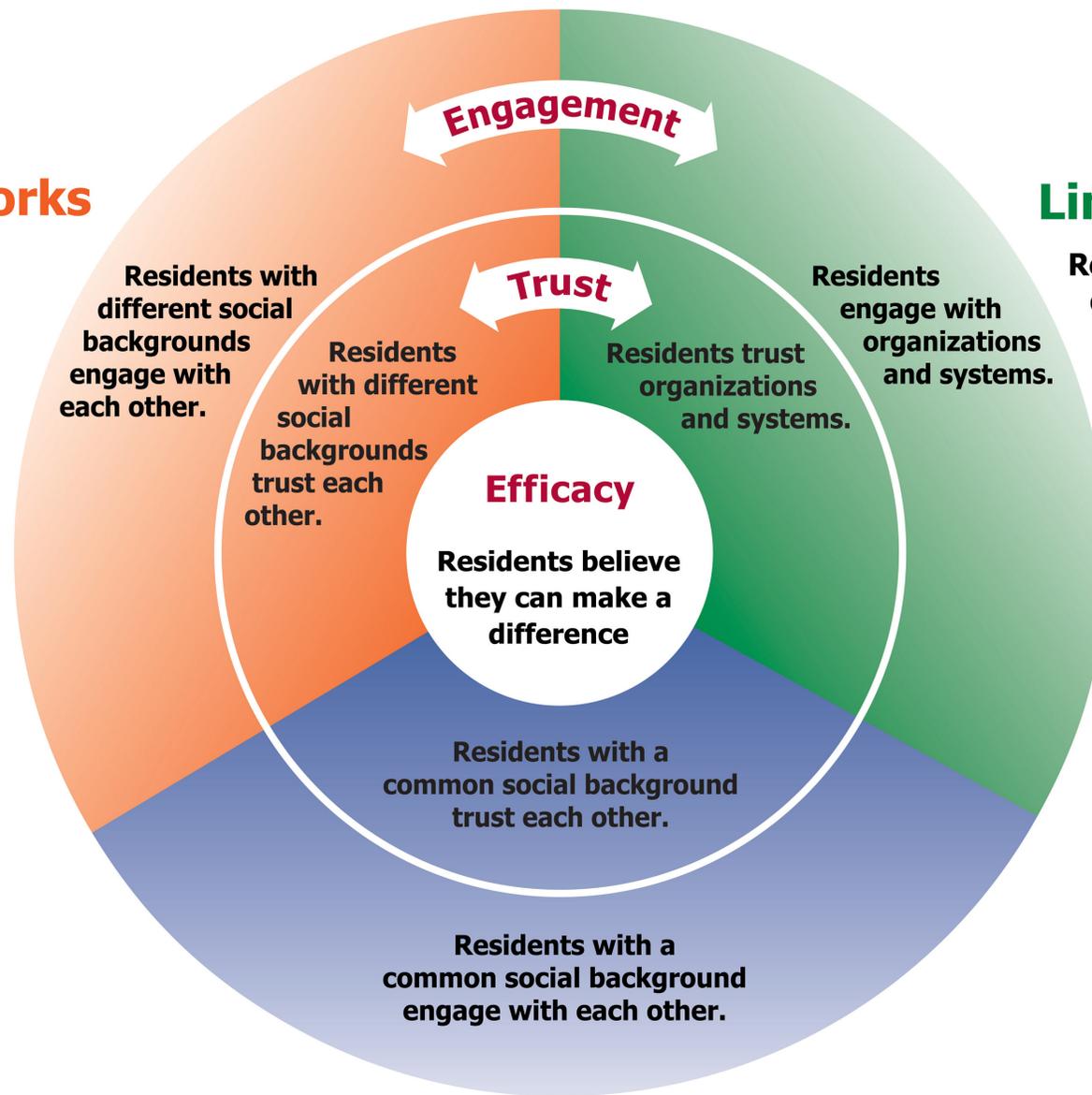
Residents have connections to organizations and systems that help them gain resources and bring about change.

Residents engage with organizations and systems.

Residents trust organizations and systems.

Bonding Networks

Residents have close connections that give a sense of belonging and help them get by.



Comparison and Contrast - Demographics

Community A

- Population: 1,467
- Est. median household income in 2019: \$54,211
- Crime: A crime occurs every 6 days 3 hours (on average).
- Project Timeline: 11 months (completed)

Community B

- Population: 2,018
- Est. median household income in 2019: \$27,764
- Crime: A crime occurs every 20 hours 21 minutes (on average).
- Project Timeline: 10 months and counting

Comparison and Contrast – Social Connections

Community A

- Bonding – solid bonds, often among family lines
- Bridging – good, school serves as 3rd space, among other events
- Linking – no grants outside of the community

Community B

- Bonding – Strong, often delineated by perceived ethics
- Bridging – very siloed, even community events
- Linking – 1st grant approved, 3-4 grants “encouraging” and application

Community A

- No referral – direct contact from community
- 1st meeting had approx. 80 in attendance
- Funds raised inside community in 3 months
- Consistent attendance at co-op meetings
- Local government often involved and welcomed, no funding

Community B

- Referred to by the Lieutenant Governor
- 9 organizations from state, federal, University, nonprofits
- 1st meeting included the mayor and 5 out-of-town consultants
- 1st meeting with other community members took 7 months
- Meeting attendance slowing building, still a challenge
- Still much animosity between certain board members but they are at the table.

Key Takeaways

- Look for all 3 types of SC, Let that inform your efforts.
- Bonding alone will not support a community owned business.
- Linking cannot support a COB forever (grants/donations).
- Bridging differences between community silos can create the economic demand to make a COB sustainable.

“We need everybody’s business to make it work. “

THANK YOU

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