The Role of Social Capital in Poverty Alleviation in Native American Reservation Communities

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Abstract

Researchers’ and practitioners’ recognition of the importance of community social and cultural relations ("social capital") to effective implementation of poverty reduction projects and differences in social capital across communities suggest that such projects should be tailored to the types of social capital present in a given community. Drawing upon a data set collected by the Northwest Area Foundation of twelve Native American communities which includes a wide array of questions regarding social capital, this paper evaluates the different types of social capital in each community and considers the implications of that capital for the types of poverty reduction programs which would be effective in each community. We find differences in social capital across the communities in the study, with resulting differing implications for economic development and poverty reduction projects. Our results support observations that social capital is a community-specific phenomenon and must, therefore, be studied at the local level.

Keywords: social capital, Native American communities, poverty alleviation

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Introduction

Impoverished areas tend to have marginal levels of economic activity in formal markets. There is little manufacturing or, generally, economic activity which provides high paying jobs. Individuals in those communities tend to have low levels of education, little work experience in formal markets, and no access to financial capital (i.e., loans from banks). On the other hand, individuals in those communities are “super-entrepreneurs” in that they are constantly looking for economic opportunities in order to patch together an existence. A family might engage in a variety of economic activities over the course of a year in order to survive.

Recently, people involved in poverty reduction and economic development in impoverished areas have recognized that an important shortcoming of economic development projects designed to reduce poverty in impoverished areas is their failure to recognize the social and cultural context into which the projects are introduced. Carter and Maluccio (2003) have observed that these social and cultural relationships are an important backdrop against which economic development may occur. These social and cultural relationships have been labeled “social capital.”

The definition of social capital varies across academic disciplines and practitioners. Woolcock (2000) has stated that “the basic idea of social capital is that a person’s family, friends, and associates constitute an important asset and that ... [w]hat is true for individuals ... also holds for groups. Those communities endowed with [more social capital] are in a stronger position to confront poverty and social vulnerability” (226). He goes on to note that “social capital refers to the norms and networks that enable people to act collectively” (226). This article adopts his distinction between social and cultural relationships which relate to the “Networks” within a community and those which relate to the “Norms” of individuals and in a community.
Networks are the social networks and associations which provide mutual benefits to members of the networks and associations. Woolcock, et. al. (2000) observe that this type of social capital “stresses the importance of vertical as well as horizontal associations between people and of relations within and among such organizational entities as community groups and firms (230).” Networks can concern relationships among people in a local community. Cordes, et. al. (2003) call these local networks “linking social capital.” Other networks concern relationships with people outside of the local community. We may call it bridging social capital in that it represents a bridge to outside communities. Bridging social capital may be important to local community economic development in that they may represent a connection with outside sources of business and financial capital. Of course, development of those external ties depends on the willingness of the external ties to develop economic relationships with the impoverished communities. Another aspect of networks stressed by Putnam (2000) was membership in clubs and organizations. He cited declining membership in clubs and organizations as evidence of declining social capital in the United States. With respect to such institutions, we may distinguish between clubs and organizations which serve a social purpose (such as sports clubs, religious organizations and hobby groups) in that from organizations which serve an economic purpose (such as a Chamber of Commerce and professional associations).

Norms refer to individuals’ norms values, attitudes, beliefs and levels of interpersonal trust and civic cooperation which define how they act individually, and the relationship of those individual actions with a group, and how they interact with others in the group. “[T]rust may be understood as an optimistic expectation or belief regarding other agents’ behavior” (Durlauf and Fafchamps 2004:9). Trust can arise from repeated personal interactions or it may come from knowledge about a general group of people (Durlauf and Fafchamps 2004). From an economic
perspective, trustworthiness, for example, “makes cooperation possible while avoiding the cost associated with the enforcement of legal contracts” (Carter and Castillo 2004:2).

A comparison of norms and networks indicates that norms are cognitive in that they define an individual’s internal framework which defines how they interact with others while networks refer to the actual ties and organizations individuals have with others in their community. Thus, we might expect them to have different impacts on poverty reduction. Networks provide insights into the nature of economic opportunities in a community while norms capture the values and standards which form the basis of interactions between individuals in a community. The presence of one form of social capital in the absence of the other form of social capital makes economic development and poverty reduction difficult. For example, norms which support consumption of goods produced locally will not help reduce poverty in the absence of networks which permit entrepreneurs to locate sources of demand for their products. Individuals involved in analysis of social capital have adopted different approaches in deciding how to use social capital. Some have argued that communities should develop the types of social capital which they are lacking. For example, if the community has few links with outside sources the community should develop those links. Others contend that a community’s social capital determines the type of economic development projects which a community might undertake. Kenneth Arrow has observed that “[i]nstead of thinking of more or less [social capital], it may be more fruitful to think of the existing social relations as a preexisting network into which new parts of the economy (for example, development projects) have to be fitted” (1999:4). Thus, before identifying an economic development project appropriate for a community, the community must be aware of the nature of its social capital. This paper adopts the latter approach.
The success of an economic development project may depend on the extent to which it is consonant with local social capital. Thus, economic development projects for a community may have to be tailored in light of the social capital in the community. Consider, for example, a community with notable networks among middle and upper income families within the community. A poverty-alleviation program might seek to expose impoverished families, which tend not to be in those networks, to those networks. If networks among impoverished families are significant, a program designed to encourage enterprise development might do so through, say, Grameen Bank type lending groups combined with training programs. Further, strong local networks may be used to identify potential sources of demand for individual entrepreneurs. If, on the other hand, individuals networks consist primarily of familial ties approaching poverty reduction through inter-family relationships would be inappropriate.

**Framework for Analysis**

This article relies primarily on the NWAF’s Horizons data set, which surveyed households in twelve three-community clusters. The NWAF Horizon program focuses on rural communities with fewer than 5,000 people in the NWAF’s eight-state region. Four of the twelve clusters were included within Native American reservations. Table 1 identifies reservations which include three-community clusters: two reservations in South Dakota and one reservation in Montana. The remaining Native American cluster consisted of separate reservations in Western Washington. We have suppressed the names of specific communities and the reservations in order to preserve the anonymity of the communities. Table 1 also reports the

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1 The eight states include Minnesota, Iowa, North Dakota, South Dakota, Montana, Washington, and Oregon.
sample sizes for each of the twelve communities in the four Native American clusters. The average sample size is 68 with a low value of 19 and a high value of 155. The sample size exceeded one hundred in only two communities. Because of small sample sizes for many Native American communities in the datasets and because some of the samples do not appear representative of the communities, the conclusions we reach in this report must be interpreted as suggestive of the nature of social capital in the communities studied. Further, while it would be tempting to draw causal conclusions from our comparisons such conclusions would not be warranted by our analysis because we have not formally estimated models which permit us to test for the nature and direction of causality in a given relationship. (See: Durlauf(2002) and Manski (2000) for discussions of making such inferences.) Finally, since the communities were not chosen randomly from the communities in their respective reservations, we cannot make inferences about reservations from our results.

The seeming non-random nature of the samples is more problematic from a statistical perspective. Table 1 compares the percent of the Horizons samples which are Native American with the percent of the populations in these communities which are Native American according to the 2000 Decennial Census. In all cases, the 2000 Decennial Census percentages are greater than the sample percentages. In some cases, the differences are notable. An extreme example is Montana community II, where the 2000 Decennial Census indicates that 68% of the people in that community were Native American, while 16% of the Horizons sample in the community was Native American. These differences suggest that some of the statistics in this report might not accurately reflect the communities they are intended to represent and, thus, counsel caution in interpreting the results.
Non-random sampling techniques are even more problematic for the communities in Western Washington. (NWAF Western Washington Horizons Cluster Report 2005). The communities were so small that households were not chosen by random sampling (interviewers sought to survey the whole population). Further, data was gathered both by telephone and mail surveys and it was possible that the same households were surveyed in both cases, making double counting of some households possible. Finally, because telephone interviews were not used in the Washington Community II, that community is under-represented in the sample.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>South Dakota A I</td>
<td>37</td>
<td>89</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Washington I</td>
<td>77</td>
<td>81</td>
<td>82.7</td>
<td>307</td>
</tr>
<tr>
<td>South Dakota A II</td>
<td>20</td>
<td>70</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Washington II</td>
<td>41</td>
<td>63</td>
<td>78.7</td>
<td>248</td>
</tr>
<tr>
<td>South Dakota A III</td>
<td>155</td>
<td>61</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Washington III</td>
<td>19</td>
<td>58</td>
<td>79.4</td>
<td>81</td>
</tr>
<tr>
<td>South Dakota B I</td>
<td>83</td>
<td>49</td>
<td>70.7</td>
<td>307</td>
</tr>
<tr>
<td>Montana I</td>
<td>80</td>
<td>33</td>
<td>50.0</td>
<td>301</td>
</tr>
<tr>
<td>South Dakota B II</td>
<td>90</td>
<td>22</td>
<td>36.3</td>
<td>161</td>
</tr>
<tr>
<td>Montana II</td>
<td>61</td>
<td>16</td>
<td>67.8</td>
<td>97</td>
</tr>
<tr>
<td>Montana III</td>
<td>109</td>
<td>15</td>
<td>10.0</td>
<td>53</td>
</tr>
<tr>
<td>South Dakota B III</td>
<td>42</td>
<td>5</td>
<td>28.0</td>
<td>67</td>
</tr>
</tbody>
</table>


The NWAF survey instrument contained a wide and rich array of questions which permit inference into the subtle nature of social capital in the communities. Because networks and norms have distinct impacts on economic development and poverty reduction, the authors of this
study organized the survey questions into those questions which related to households’ networks and those questions which related to a household’s norms. Table 2 identifies the network-related questions (variables) which were included in this analysis and Table 3 identifies the norm-related questions (variables) used in this analysis. The questions identified in Tables 2 and 3 reflect the rich nature of the Horizons data set.

### Table 2
**Network Variables Used In The Analysis**

<table>
<thead>
<tr>
<th>Question</th>
<th>Variable values:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you served on a committee or as an officer of any local club or organization?</td>
<td>1 = Yes and 0 = No.</td>
</tr>
<tr>
<td>Have you helped plan or lead a meeting, as part of a job, volunteer work, or you involvement with a group, club, or organization?</td>
<td>1 = Yes and 0 = No.</td>
</tr>
<tr>
<td>Have you displayed a symbol of your community, or your community’s name in some way in the last 12 months?</td>
<td>1 = Yes and 0 = No.</td>
</tr>
<tr>
<td>Have you ever worked with your neighbors to solve a neighborhood problem?</td>
<td>1 = Yes and 0 = No.</td>
</tr>
<tr>
<td>Say that you were involved in helping to solve a local community problem or issue. Do you have any connections or resources outside the community that you could draw upon to help?</td>
<td>1 = Yes and 0 = No.</td>
</tr>
<tr>
<td>How often do you feel a sense of belonging or membership in [your community]?</td>
<td>1 = never to 5 = always.</td>
</tr>
<tr>
<td>How often do you feel that people like you are excluded or left out of community activities in [your community]?</td>
<td>1 = never to 5 = always.</td>
</tr>
<tr>
<td>Overall, how often do you think people like you have an impact in making [your community] a better place to live?</td>
<td>1 = never to 5 = always.</td>
</tr>
<tr>
<td>Social Organizations: Have you been involved with ... (1) any recreation, sports, investment, garden, or hobby groups, (2) any religious, spiritual, or church-sponsored groups, (3) any clubs or organizations related to your age, sex, race, ethnicity, or veteran’s status, (4) a your or parents’ organization, (5) a community or neighborhood project, or (6) any support groups or self-help programs.</td>
<td>0 to 6.</td>
</tr>
<tr>
<td>Economic Organizations: Have you been involved with ... (1) a local service or fraternal organization [e.g., Chamber of Commerce, Lions Club, or Rotary Club] or (2) a job-related group, such as a professional association, co-op, union, or trade, farm, or business organization.</td>
<td>0 to 2.</td>
</tr>
<tr>
<td>All Organizations: social organizations plus economic organizations.</td>
<td>0 to 8.</td>
</tr>
</tbody>
</table>
Our analysis begins by focusing on the networks and norms within each of twelve Native American communities and contrasting those measures across the communities. Mean values for a given variable were compared across the twelve Native American communities. We ranked Native American communities relative to each other by determining whether a given Native American community’s mean value for a variable was notably higher or lower than mean value of the variable across all Native American communities. Our community-by-community discussion of Native American areas focuses on those relative comparisons. Since Native American communities might differ from non-Native American communities, we aggregated network and norm measures across all of the Native American communities and compared the resulting statistics with the same statistics for a group of predominantly white Horizons.
communities. Possible systematic differences between economic classes counsel comparing low-income and high-income households across Native American and “white” Horizons communities. Because the Horizons communities, which are rural, may differ systematically from rural communities in the eight-state region, we conclude by comparing statistics for the Native American and white communities with statistics for rural areas from the data in a broader Social Indicators Survey gathered by the NWAF. This article does not contain all of the tables upon which our analysis relies.²

1. Social Capital Within Individual Native American Communities

As we noted above, this part of our analysis involves comparing the mean values of social capital variables of the twelve Native American communities relative to each other. In order to get a feel for the analysis, we provide three examples in Table 4 of the nature of our analysis. The table reports mean values of the variables for each community, as well as the overall mean across communities and the range of the means across the communities. We first looked at the overall variation of a given variable across the communities. Situations in which there was not much variation suggested that all communities were similar with respect to the social capital measure being considered. The second column in Table 4 is a variable with little variation; it ranged from 3.39 to 3.74. The differences in mean values were nominal, putting aside the substantive importance of a difference of, say, 0.30 in mean values for a variable whose values range from one to five. We excluded such variables from our analysis because they provided no insight into how social capital differed across the communities.

²The tables may be obtained from the authors upon request.
Table 4
Community-Level Data For Select Social Capital Variables

<table>
<thead>
<tr>
<th>Variable - Community</th>
<th>Community Can Effectively Solve Problems</th>
<th>Worked With Neighbors</th>
<th>People Care What Community Looks Like</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Dakota A I</td>
<td>3.49</td>
<td>50</td>
<td>3.27</td>
</tr>
<tr>
<td>Washington I</td>
<td>3.73</td>
<td>40</td>
<td>3.47</td>
</tr>
<tr>
<td>South Dakota A II</td>
<td>3.74</td>
<td>60</td>
<td><strong>4.00</strong></td>
</tr>
<tr>
<td>Washington II</td>
<td>3.60</td>
<td><strong>36</strong></td>
<td>3.22</td>
</tr>
<tr>
<td>South Dakota A III</td>
<td>3.39</td>
<td>46</td>
<td>3.02</td>
</tr>
<tr>
<td>Washington III</td>
<td>3.56</td>
<td>39</td>
<td><strong>2.67</strong></td>
</tr>
<tr>
<td>South Dakota A I</td>
<td>3.78</td>
<td>58</td>
<td>3.51</td>
</tr>
<tr>
<td>Montana I</td>
<td>3.49</td>
<td>58</td>
<td>3.53</td>
</tr>
<tr>
<td>South Dakota B II</td>
<td>3.70</td>
<td>55</td>
<td><strong>3.81</strong></td>
</tr>
<tr>
<td>Montana II</td>
<td>3.48</td>
<td><strong>78</strong></td>
<td>3.65</td>
</tr>
<tr>
<td>Montana III</td>
<td>3.42</td>
<td>62</td>
<td>3.58</td>
</tr>
<tr>
<td>South Dakota B III</td>
<td>3.69</td>
<td><strong>78</strong></td>
<td><strong>3.88</strong></td>
</tr>
<tr>
<td>Mean Across Communities</td>
<td>3.56</td>
<td>0.55</td>
<td>3.45</td>
</tr>
<tr>
<td>Range</td>
<td>[3.39,3.78]</td>
<td>[0.34,0.67]</td>
<td>[2.67,4.00]</td>
</tr>
</tbody>
</table>

1 How often do you feel that [your community] can do something effective about its community problems? (Variable values: 5 = all to 1 = none.)
2 Have you ever worked with your neighbors to solve a neighborhood problem? (Variable values: percent of people who worked with neighbors.)
3 How many of the people [in your community] care what [the community] looks like? (Variable values: 5 = all to 1 = none.)

The third and fourth columns of Table 4 include variables which exhibited notable variation in mean values. The numbers in bold in the columns identify the highest mean value, the numbers in bold and italics identify the lowest mean value, and the italicized numbers are near one of the two extremes. Consider the third column, which identifies the network variable concerning working with neighbors on a neighborhood project. The seventy-eight percent of people in each of Montana community II and South Dakota reservation B community III who said that they had worked with neighbors on neighborhood projects were highest among the...
twelve communities. Our analysis of each of these communities would include this result as suggesting that these communities had high levels of localized (neighborhood) community networks. At the other extreme, Washington Community II had the lowest percent of people who had worked with neighbors, with Washington Communities I and III close behind. These results would suggest that these communities had relatively lower levels of such networks. The fourth column of Table 4 identifies a norm-related variable, whether people care about what their community looks like. South Dakota Reservation A Community II had the highest value of this variable, with South Dakota Reservation B Communities II and III close behind. The Washington III and South Dakota Reservation A III communities had the lowest values for these variables. These results informed our analyses of each of these communities. Our discussion focuses on the variables for which a community’s mean value tended to high or low among the twelve communities. With respect to variables not mentioned in the following discussion, one can assume that the community tended toward the average of the means across communities. With these examples at hand, we turn to our community-by-community analysis.

a. The Western Washington Communities

We have already observed that the data-gathering process makes these communities different from the other communities. The historical context of the communities in the Western Washington reservations is also important in understanding why social capital appears different in the communities compared with the other reservations. First, these individual reservations have the highest percentage of Native American residents of all the Native American communities (community I 82.7; community III 79.4; community II 78.7). These three
reservations have small populations (community I 307; community II 248; community III 81). They have somewhat intersecting but mostly independent political histories. Community III formed an independent constitutional government in 1969, separating from the administrative control of community I. Community II, because they chose not to settle with another tribe, had no land until 1934, and no constitution until 1968, and was formed by only fourteen families. They also possess limited land resources, in contrast to the other Native American communities, with only 1300 acres across the three reservations. Flowing from their small population and physical size, bridging capital with external networks and resources emerges as important for these communities.

We will first discuss the ways in which all communities’ social capital are similar and then turn to community-specific social capital attributes. Generally, when these communities had notable means the means were low. The majority of those low means were among norm variables. All communities had low means for the network variable concerning working with neighbors to solve neighborhood problems. These communities’ had low mean values for the following norm variables: (1) voting in local elections; (2) reading about local news and events; and (3) trusting local business leaders. We now turn to how the specific communities differed in distinct ways.

With respect to community-specific differences, community I generally had means below the cross-community average for community-related network variables. It had a low mean for the network variable concerning feeling excluded from or left out of one’s community. On the other hand, its mean values for community-related norm variables were around the cross-community means. It had among the lowest means for four of the five trust-related questions; it
was around the cross-community mean for trusting traditional ethnic or racial leaders. It was also above the cross-community mean for participation in social organizations.

Community II had the lowest participation rates, among all Horizons communities, in economic and social organizations. It did have a high mean value for the network variable concerning display of a community symbol. It had a high mean in the norm variable concerning feeling a sense of responsibility to help people in need and a low mean in trust of local government. While not among extreme values, community II was above the cross-community mean for the “trusting traditional ethnic or racial leaders” variable. This was the only trust variable, among the five trust variables, for which community II was above the cross-community means.

Community III had many extreme means. These extreme values are likely, in part, a product of the mean values’ high variances associated with the small sample size for the community. It had highest mean value for the network variables concerning connections outside of the community to help solve problems, and displaying a community symbol. It had the lowest mean values for the network variables concerning (1) service on a committee or as an officer of a local club or organization, (2) feeling a sense of belonging in the community, (3) being excluded or left out of the community, and (4) having an impact in making the community better. With respect to norm variables, the community had the highest mean by far for the norm of trusting different ethnic or racial group members to do what is right, and had a high mean for staying on top of public affairs. On the other hand, community III had the lowest mean values for people in the community (1) treating one fairly, (2) trusting local spiritual and religious leaders to do what is right, (3) cooperating in the case of a water emergency, (4) feeling a sense of responsibility to help people in need, (5) caring what the community looks like, (6) sharing the same values, and
(7) reading about local news and events in a local newspaper. Community III was also low in people feeling safe walking down the street.

The similarities across these reservations suggest similar approaches to poverty reduction and economic development. The general lack of connection with community and lack of trust of community members in the communities indicate that community-level economic development or poverty alleviation programs and programs which require trust among participants will not likely be effective in these areas. The lack of comfort with government and local businesses suggests that such programs should not be implemented through local government or local business leaders. It is notable that trust was at or above the overall cross-community mean for the “trusting traditional ethnic or racial leaders variable” and that, with the exception of community II, participation in economic and social organizations was above the overall cross-community means. With respect to community II, the means for participating in social and economic organizations and trusting traditional ethnic or racial leaders suggest approaching those organizations or leaders about implementing such programs. Programs directed at individuals and, perhaps, extended families may be most effective in this community. For communities I and III, one might also consider turning to local social and economic organizations. Communities II and III having means above the cross-community means for the “connections outside of the community to solve problems” variable suggests that these communities might try to use those connections to enhance poverty reduction and economic development.
b. Communities in South Dakota Reservation B

The South Dakota reservation B communities are in some respects the mirror image of the Western Washington communities. When these communities had mean values which lay at extremes those extremes were high, suggesting higher levels of social capital. Only South Dakota reservation B communities II and III had a variable which had a low extreme mean. They had a low mean for the same variable: the “trusting traditional ethnic or racial leaders” variable. If one ranked the communities in terms of the number of variables which extreme means, community I would be at the low end (it had few extreme means), community II would be in the middle and community III would be at the high end. Communities I and II differ in the latter community has more norm variables which are at the high extremes. Communities II and III differ in that the latter has more network variables which are at the high extremes.

All three communities had high means for two norm variables. They had high mean values for the “How often can you trust local spiritual and religious leaders to do what is right” variable, with community II having the highest mean for that variable across all twelve communities. They also had high values for the “[h]ow often do you vote in local elections” variable, with community III having the highest mean across all twelve communities.

While there were only two similarities across all three communities, communities II and III were similar for one network variable and four norm variables. Community II had the highest mean for the “[h]ow often do you feel a sense of belonging in your community” network variable, with community III close behind. The communities had high means for the following norm variables: (1) people in the community share the same values; (2) trust local government; (3) feeling safe walking down the street; and (4) the number of people who care what the community looks like. The similarity of communities II and III in these regards may be due to
the low percentages of people in the sample who were Native American in these communities: 22% and 5%, respectively (see: Table 3). Forty-nine percent of the population in community I was Native American.

With respect to community-specific notable variables, we first consider community I. It had the highest mean value for the “how often do people like you have an impact in making the community better” network variable and a high mean for the “have you helped plan or lead a meeting” network variable. It also had high mean values for the (1) “do people in your community treat you fairly” and (2) “how much of the time do you trust members of ethnic or racial groups different from your own to do what is right” norm variables. With respect to the latter variable, it is interesting that community I is similar to the Western Washington communities, which also had higher percentages of Native Americans in their samples.

In addition to mean values already mentioned, community II had high mean values for four other norm variables. Those variables include (1) “how many people in the community would cooperate in the case of a water emergency,” (2) “how many people in the community feel a sense of duty or responsibility to help people in need,” (3) “how important to you is it to feel part of the community,” and (4) “how often can you trust your local business leaders.”

Community III had the highest mean values for seven network variables, in addition to the high values for norm variables shared with other reservation communities already mentioned. The network variables included (1) having served on a committee or as an officer of a local club or organization, (2) having helped plan or lead a meeting, (3) having worked with neighbors on a neighborhood problem, (4) not feeling excluded from or left out of the community, (5) participation in social and economic organizations, (6) participation in economic organizations,
and (7) participation in social organizations. Community III appears to have strong internal network connections.

The contrasting results between community I, on the one hand, and the other communities on the reservation suggested that race and ethnicity may have had an impact on the responses in the sample. Because of the over-sampling of whites in these communities, our initial hypothesis was that whites tended to express higher levels of the types of social capital measured in these surveys generally, and as a result were skewing the community results toward more of a ‘white’ perspective. To that end, we aggregated across the communities and split the sample into Native American respondents and “White” respondents. We then considered whether race had an impact on the foregoing results.

The results from the data revealed a different picture, which is important to interpreting community levels of social capital. White respondents in these communities did raise the community means for feeling safe on the street at night, and for having a sense of belonging in the community. The White residents also had higher means for how many people in the community share the same values, which may reveal an important assumption on the part of white people generally and for trusting local government and business leaders.

However, Native American residents raised other mean levels that are important to understanding and implementing poverty reduction. For example, it was Native American responses that raised the means for how many people in the community would cooperate in a water emergency, and for how many people feel a sense of duty or responsibility to help people in need. The Native American residents also raised the community means for trusting traditional ethnic and racial leaders. Mean levels of variables for the communities were essentially the same for Native American and white residents for the other social capital variables. Both groups had
approximately the same responses for having helped plan a meeting, worked with neighbors on a
neighborhood problem, and knowing about public affairs. These shared responses reflect some
of the basic skills necessary to make use of social capital opportunities.

Turning to the import of these findings for poverty alleviation and economic
development programs, the general absence of low levels of norm and network social capital in
these areas suggests the presence of both forms of social capital in all communities. People in
community I, which had the fewest variables in the “high” range, appear empowered in that they
felt that they could have an impact in their communities and that other people in their
community treated them fairly. The presence of a larger percentage of people who had helped
plan or lead a meeting suggests the presence of potential leaders. These findings indicate that
programs which encourage co-operation among participants should work and that those
programs are more likely to include potential leaders. High percentages of people who trust
spiritual and religious leaders and who trust members of other racial groups to do what is right
further suggest that people might work well together.

The program implications regarding community I are only strengthened when we turn to
the other communities. The high scores for a number of community-related norm variables in
community II suggests a strong sense of community. Community-level programs which involve
cooperation, thus, may be effective in reducing poverty or developing the local economy. Of
course, programs which focus on individuals may also be effective but they would fail to take
advantage of these stronger norms. All of these observations apply to community III.
Community III, however, also apparently has strong networks. It has a greater percentage of
leaders, which may be due, in part, to the larger percentage of economic and social organizations
in the community. In terms of poverty reduction and economic development programs,
community III has networks which may be accessed by such a program. A program might encourage people to use their networks to foster development projects and to interact. Synergies that develop along these networks may enhance development.

c. Communities in South Dakota Reservation A

Generally, when the communities on the reservation had extreme mean values, those values were low. Otherwise, the communities shared few similarities with respect to specific social capital variables. As a result, our discussion for the South Dakota Reservation A communities focus on each community alone. In interpreting the results for these communities, one must also recall that South Dakota Reservation A community II had the second smallest sample size (20) and that community I on the reservation did not have a large sample size (37).

While community I generally had low mean values when it had an extreme mean, the two variables for which it had high values suggest avenues for implementation of poverty reduction and economic development programs. The community had low mean values for several community-related variables: (1) how often people are excluded from or left out of the community; (2) displaying a symbol of the community; (3) feel safe walking down streets at night; (4) number of people who share the same values; and (5) the number of people who would cooperate in a water emergency. It also had low mean values for two trust-related questions: (1) trust members of ethnic or racial groups to do what is right; and (2) trust business leaders. On the other hand, the community had the highest mean for trusting traditional ethnic or racial leaders. It also had high means for participating in clubs and organizations, and for participating in social clubs or organizations. These results for the community suggest implementing poverty reduction and economic development programs through social organizations associated with traditional
Community II was notable in that it had no extreme mean values among the network variables. Of course, one must remember that this implies that the community has the average level of network social capital for these communities; it is pretty much around the cross-community mean values for these variables. The community had high means for several community-related norm variables: (1) importance of staying on top of public affairs; (2) people cooperating in a water emergency; (3) people caring what the community looks like; and (4) people having a sense of duty to help others in need. It did have low means for people in the community sharing the same values and for trusting local government. These results, to some extent, conflict. Four high mean community-related variables and one low mean community-related variable, in light of the small sample size for community II, suggest that residents have a sense of community. These results suggest that approaching poverty reduction through community, non-government related programs might prove fruitful.

With respect to community III, we note at the outset that it had the highest sample size among the Native American communities. We, thus, have greater confidence in the estimated means for this community than the other Horizons Native American communities. With one exception, when community III had an extreme mean that mean was low. This result suggests that the community does not have high levels of norm or network social capital. The one exception to the community’s low extreme means was connections outside the community to help solve a local community problem. Community III had low means or the lowest mean for the following community-related norm and network variables: (1) importance of feeling part of the community; (2) people in the community share the same values; (3) people in the community care what the community looks like; and (4) staying on top of public affairs (lowest); (5) feel
safe walking down the street (lowest); and (6) feel sense of belonging in the community. It also had low means for variables which suggest the presence of leaders; it had the lowest mean for the percent of people who helped plan or lead a meeting and a low mean for people who served on a committee or as an officer of a local club or organization. It also had low means for several trust variables: (1) trust local government; (2) trust traditional ethnic or racial leaders; and (3) trust members of ethnic or racial groups different from your own to do what is right.

The results regarding community III suggest, generally, that there is a low sense of community, little trust and fewer people who might serve as leaders. These results would imply a focus on poverty reduction and economic development programs which focus on the individual, the immediate family, or the extended family. The high mean on connections with outside sources suggests implementation of a program which takes advantage of such connections.

d. Communities in the Montana Reservation

Like the South Dakota reservation A communities, the Montana Reservation communities shared few similarities. Thus, we will consider each community individually. It is important to note that among the Native American communities, those on the Montana reservation had the lowest percentage of Native American residents (26.7%).

The analysis for Montana community II produced, at times, interesting results. While it was low in terms of the variable concerning the importance of staying on top of public affairs, it had the highest mean for the variable concerning reading about local news and events. While local news and events are broader than public affairs the latter are included within the former. It had the lowest mean for the importance of feeling part of the community, a high mean for people in the community sharing the same values, and the highest mean for working with neighbors to
solve a neighborhood problem. We might interpret these results as suggesting that it is a
community of people who are individualistic (their share the same value of individualism) but
that they work together when necessary. The community also had low means for overall
participation in groups and organizations, participation in economic groups and organizations,
and participation in social groups and organizations. It had a high mean for trusting members of
ethnic or racial groups different from their own to do what is right. These results suggest
adopting poverty reduction and economic development programs which get people together
(there are no existing organizations of which to take advantage) to work toward a common goal.

Community I had a few instances in which it had a mean with an extreme value. It had a
high mean for the network variable involving connections outside of the community which could
be used to solve community problems. It had a low mean for the norm variable concerning
trusting local spiritual and religious leaders to do what is right. It had high mean values for
trusting traditional racial and ethnic leaders, for trusting members of racial and ethnic groups
different from their own to do what is right, and for feeling that people in their community
treated them fairly. The two trust measures suggest higher levels of trust in the community,
while the outside connections variable hints that external sources of poverty reduction may be
available. Programs which rely on interpersonal trust may prove fruitful, especially if they take
advantage of outside connections.

Community III had no extreme mean values for network variables and it had high means
for the norm variables (1) trusting local business leaders, (2) reading about local news and events
in the paper, and (3) people having a sense of duty or responsibility to others in need. The norm
variables are not really suggestive of a systematic difference between community III and the
other Native American communities on average. With respect to poverty reduction and
economic development programs, these observations suggest trying one of the many programs available that focus on building entrepreneurship through community based action.

2. Native American Communities in Relation to White Communities in the Eight State Region

An analysis of individual Native American communities provides insights into how the communities differ among each other. Those communities, of course, might differ in systematic and important ways from other Horizons communities and from the eight-state region covered by the NWAF. This paper will next undertake a comparison of network and norm measures for Native American Horizons communities as a whole (i.e., aggregated across all twelve communities) and Horizons “White” communities. We define a “White” community as a community with 94% or more residents who are Caucasian. Since the communities were not randomly chosen from among the communities in the NWAF’s eight-state region, it is useful to compare the network and norm measures in the Horizons communities with the same measures in the eight-state Social Indicators Survey (SIS) data set. Our analysis compared households in the SIS data set in non-urban areas in the eight-state region with households in Horizons White and Native American communities. We did not generally find substantial differences in the mean values of the network and norm measures across these areas. We discuss below the differences which were present when we compared the Horizons communities with the broader region.

Two network variables differed notably between the Native American communities and the White communities and SIS non-urban areas. The mean values of the variable concerning whether a respondent felt excluded or left out of their community was higher in the SIS area, as

3 We defined “non-urban” as not urban or suburban.
compared with Horizons communities. A lower mean value indicates that respondents felt more excluded from their community. The mean levels of the variable were 3.94 for the SIS region, 3.51 for White communities and 3.23 for Native American communities. This variable also differed among groups within Native American communities. White people (mean = 3.49) in White Horizons communities felt virtually the same as people in White Horizons communities, while Native American people felt more excluded (mean = 2.97) and low-income Native American people in those communities (mean = 2.87) felt the most excluded. Combining these results with the lower levels of trust of local government and of local business leaders among Native American people in Native American communities, as compared with White in communities generally, we might conclude that delivery of poverty reduction programs through community-level organizations may not be appropriate in Native American communities.

While participation in economic organizations in Native American communities was basically the same as in non-urban areas in the eight-state region, important differences emerged along racial and economic lines. Within Native American communities, White households participated in 0.73 organizations (on average) while Native American households participated in 0.59 organizations. When we break these groups into high- and low-income households, we find that high-income Native American households and high-income White households had the same participation rates in economic organizations (89%). Low-income Native American households participated in 0.54 organizations, while low-income White households participated in 0.62 organizations.

The story regarding participation in social organizations was different in these communities. Households in the communities studied participated in more social organizations than in the eight-state, non-urban SIS region. The mean level of participation in social
organizations in the SIS region was 2.26, while it was 2.44 in White communities and 2.62 in Native American communities. Within Native American communities, Native American people had a mean participation rate of 2.84 and 2.44 for White people in those communities. Participation in these organizations also differed according to one’s income level. High income Native American households in Native American communities had mean participation rates of 3.16, while low-income Native American people in those communities had mean participation rates of 2.83. White Households in Native American Communities had lower participation rates, with high-income households having a mean participation of 2.85 and low-income households having a mean participation of 2.20. Overall, the higher participation rates in social organizations of Native Americans in Native American communities, contrasted with participation in economic organizations, suggest implementing poverty reduction programs through social groups rather than economic groups.

The network variable concerning a respondent’s connections or resources outside of their community upon which they could draw reveals interesting results. The percent of respondents in White Horizons communities and in non-urban areas in the eight-state NWAF region were similar: 51% and 52%, respectively. The percent of all people in Native American Horizons communities who had such connections were higher: 55%. When we distinguish between high-income (income more than $40,000) and low-income (income less than $40,000) households, we observe that 72% of high-income households had such connections, while 47% of low-income households had those connections. (These results did not change when we distinguished between Native American and White households in the Native American communities.) This difference suggests that a household’s poverty may be due, in part, to a lack of access to resources outside of one’s community.
While about the same percentage of people in Native American communities worked with neighbors on neighborhood problems as people in the eight-state region (about 55%), fewer Native American people in those communities (48%) worked with neighbors as compared with White people in those communities (62%). These statistics suggest that Native American people have fewer connections with people in their neighborhoods, generally.

Several results regarding the norm variables are of interest. At a broad level, high-income and low-income households were not much different with respect to norm variables, when compared with network variables. This general result suggests that networks are an important determinant of a household’s poverty level. Of course, we cannot determine the causal relationship between a household’s economic status and its networks. A household’s networks could determine its poverty level. Alternatively, the networks could reflect a household’s economic status.

When comparing the study communities with the eight-state, non-urban SIS area one norm variable differed notably between these areas. A greater percentage of people in the studied communities felt that people in their community treated them fairly. Ninety-five percent of the people in White communities and 91% of the White people in Native American communities felt that other people in their community treated them fairly, compared with 80% feeling that way in the SIS areas. It is also notable, that Native American people in Native American communities were more like the SIS areas in that 78% of them felt that people in their communities treated them fairly.

Questions regarding respondents’ trust in various local institutions appeared in the Horizons surveys but not in the SIS surveys. Trust levels in White communities were uniformly higher than in Native American communities. Native American people in Native American
communities had lower levels of trust in local government, local business leaders, other racial and ethnic groups, and local spiritual and religious leaders. Native American people in those communities did have higher levels of trust in traditional racial and ethnic leaders. While these results might suggest introduction of poverty reduction programs in Native American communities through traditional racial and ethnic leaders, one has to be cautious in this regard because different Native American cultures traditionally had different relationships among tribal members. Some cultures had hierarchical relationships in which leaders would redistribute community resources with the common good in mind, while leaders in other cultures distributed resources to family and friends. The latter type of structure might not be amenable to introduction of poverty reduction programs through traditional leaders. As a final matter, Native American peoples’ lack of trust in local governmental and business institutions counsels caution in introducing poverty reduction programs through those institutions.

Conclusion

This paper has analyzed the variation in social capital across Native American Horizons communities using a data set which is rich in detail regarding social capital. The diversity in types of social capital across the communities studied indicates that projects intended to foster economic development in impoverished areas should be tailored to account for the nature of social capital in a specific community. Among the four clusters of Native American communities considered here, there is notable variation. There were also some important differences in social capital between Native American and white respondents, both within Native American Horizon communities and across all Horizon communities. For example, whites, and
high income whites in particular, tended to have higher social capital in relation to formal institutions and business, no doubt because they control these institutions. Native American respondents were more likely to be involved in informal organizations based on social relationships, because these are likely the networks they control. Therefore, to enhance poverty reduction on Native American reservations, programs that only work with formal institutions are likely to end up reinforcing the status quo, because these are the networks currently controlled by high income whites. Overall, the central conclusion is that communities should be engaged in different ways simultaneously, working in different types of organizations and across different social groups to create new synergies and break down old barriers. It would also appear to be important to have a mixture of individual approaches to poverty reduction along with those that involve the community as a whole. If a community does not get along internally, then individual solutions are more likely to work than those that demand a sense of belonging and duty to the community.

The findings of this study support observations which have been made about the relationship between social capital and community development. First, social capital is a local phenomenon; it varies across communities. This study also suggests that social capital varies across communities which have similar ethnic or economic structures. Second, given that social capital is local, it is important to understand the local levels and types of social capital when attempting to develop programs that would alleviate poverty.

This paper may be viewed as a first step in an analysis of the interaction between social capital and economic development in impoverished communities. The analysis suggests several extensions. First, most of the Native American communities did not contain large percentages of Native American people. Including more communities which are predominantly Native
American would provide a better picture of the nature of social capital in Native American areas. Surveying communities on reservations which are predominantly Native American would serve this goal. Second, there are some difficulties with interpreting the questions as formulated in the current surveys once social and cultural issues for Native Americans are considered. For example, there is no real definition of community provided to the respondents, so it is not clear what the responders are envisioning when they make characterizations of “the community.” Previous research in Pine Ridge demonstrates that, for Oglala Lakota respondents, community was not a geographic concept but rather a kinship concept that embraced extended family members living in distant geographic communities across the reservation. Similarly, the concept of “government” is particularly ambiguous in Native American communities, where “local government” could be tribal, county, city or state. Third, the importance of cultural factors to social capital and recent work on the use of economic experiments to measure social capital (e.g., Carter and Castillo (2004) and Glaeser, et. al. (2000)) suggest that data gathering alone might not capture the complexity and various dimensions of social capital. Qualitative research, such as focus groups and open ended interviews, will provide a richer sense of where the specific opportunities and constraints for poverty reduction reside in each community. Finally, further research is necessary to understand the development of social capital and its role in alleviating poverty and enhancing the capacity of local communities to create their own positive futures.
References


