

**The Economic Necessity of Social Capital:  
A Case Study in Phillips County, Arkansas**

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While much of the debate surrounding poverty issues in the United States focuses on individual initiative and responsibility, the community in which individuals reside also plays an important role in the empowerment of individuals and the alleviation of poverty for the community as a whole. To detect the vitality of community life and its relationship with economic prosperity, scholars have applied the notion of social capital to strategies for reducing poverty. One particular method calls for the fostering of social capital, followed by the implementation of economic initiatives utilizing principles from the Community Economic Development movement. In the Mississippi Delta, and specifically Phillips County, Arkansas, such a model has the potential to produce great returns for the community and to assist in the alleviation of poverty.

### **A CLOSER LOOK AT PHILLIPS COUNTY**

Located in the heart of the Mississippi Delta, the historical heritage of Phillips County contributes to the present socio-economic conditions of the area. During the antebellum period of the 19<sup>th</sup> century, large plantations dominated the economy, with the owners controlling the political atmosphere as well as contributing to a general experience of prosperity (Whitaker 2008:58). The population was overwhelmingly black, with numbers in 1860 totaling 5,931 whites and 8,941 slaves (Whitaker 2008:59). With such a ratio of free to enslaved people prior to emancipation, the post-Civil War economy in Phillips County continued to rely on this division. The plantation owners substituted the slavery system for sharecropping, which according to Whitaker “proved to be an arrangement that helped the plantation owners restore the old economic order” (Whitaker 2008:61). Despite policies implemented by the federal government to enfranchise blacks and measures taken by the Republican party to organize blacks, the Phillips

County old guard halted such progressive measures, implementing poll taxes and utilizing violent measures to prevent blacks from having any political power; such that by the 20<sup>th</sup> century “the mores of an antebellum society had been restored in Helena and Phillips County” (Whitaker 2008:63). The product of this persistent structural inequality was an atmosphere of severely heightened racial tensions that finally climaxed into violence in 1919, resulting in the infamous Elaine race riot that left five white citizens and approximately 25-100 blacks dead (Moneyhon 1997:108). After that event, racial animosities continued, particularly with the implementation of federal policies regarding school integration. In the initial phase of school integration, Arkansas public schools practiced “token integration” in which white schools admitted only a small fraction of the black students eligible to attend (Johnson 2000:152). For example, in Forrest City, located in a neighboring county, only about 2% of the area’s black students attended a school with white students by 1966 (Johnson 2000:152). Following increasing pressure from the government to stop this policy, white residents responded by establishing and sending their children to private schools, creating *de facto* segregation between the public and private systems, which continues to be the norm today (Whitaker 2008:315).

While the county was able to remain afloat economically due to sharecropping, that industry too became a bust, following “the introduction of mechanical cotton pickers in the 1940s” (Whitaker 2008:315). Now the many blacks that had been forced to rely on that system for income, had to pursue other means to gain a living. As the century went on, such economic opportunities became fewer and farther in between. In Helena, the county seat, districts like Cherry Street and Walnut Street were vibrant and thriving entertainment areas, featuring live music, shopping, and more. Like every other facet of social life however, the two areas were segregated according to race—the whites went to Cherry Street, while the blacks went to Walnut

Street (Whitaker 2008:315). Ultimately, this sector of life in Phillips County too began to deteriorate. As Whitaker cites, the arrival of the corporate giant Wal-Mart to the area, sealed the fate of the area's small businesses, dooming the downtown area to become a ghost town.

Unemployment is an expected byproduct of this trend. The rate in Phillips County by the end of 2008 reached 13.6%, compared with 6.3% for the state of Arkansas, and 7.4% nationwide (U.S. Census Bureau N.d.). These figures only increased even further when the full effects of the most recent recession trickled down and across the county. Regarding efforts to address the economic woes of Phillips County, only recently have efforts begun to revitalize Cherry and Walnut streets.

In 21<sup>st</sup> century Phillips County, the social and economic events of the past have greatly influenced other recent demographic trends in a negative direction. According to the three year American Community Survey from 2006-08, 63% of its nearly 22,000 residents were black and about 36% white (U.S. Census Bureau N.d.). Regarding poverty rates, the 2006-08 average for families hovered at around 30%, compared to a US average of 9.6% at the same time, and for individuals about 37%, compared to 13% nationwide (U.S. Census Bureau N.d.). While industrialization hurt the agricultural industry, the farmers of the Delta themselves, about 9.5% of the population (U.S. Census Bureau, N.d.), felt little pinch, for they received hefty payments from the government. In the late 1990's, Johnson cites that government payments to farmers "were on average a third higher than for their counterparts throughout Arkansas" (2000:205). In addition, while the farmer/landowner class has gradually become more concentrated in number, they still continue to receive over \$20 million in subsidies from the government—which is "twice the amount of federal grants for the three thousand families on public assistance" (Duncan 2001:69). Regarding income, the per capita income for whites is nearly five times that of the per

capita income for blacks (Duncan 2001:69). Approximately 31% of residents received food stamps within the past calendar year and over 11% received Supplemental Security Income (U.S. Census Bureau N.d.). These high poverty and public assistance participation rates are expected, for only 11.3% of the population has attained a bachelor's degree or higher (U.S. Census Bureau N.d.). This number is far below the national average of 27.4% for that population at the same time (U.S. Census Bureau N.d.).

The population of Phillips County, Arkansas has consistently witnessed a decline since at least the 1980's.<sup>1</sup> In 1980, the estimated population for the area was about 34,772 individuals. At the time of the 1990 census, the estimate dropped to 28,838, by 2000 it was 26,445, and the 2009 estimate is just under 21,000. The percent change in population from 1980-1998 was -21.3%, one of the highest declines in the whole state. Arkansas as a whole was witnessing the complete opposite trend, for the state's "population grew by more than 56.3%" as a result of domestic migration to Arkansas (Henning 2000:5). Clearly, this influx of new Arkansans did not relocate to Phillips County. Ironically, while Wal-Mart may have contributed to Phillips County's economic woes, it was having a positive impact on other parts of the state, for Benton county where Wal-Mart's headquarters is, had population increases of over 71% from 1980-1999 (Henning 2000:8). Concerning these movement patterns, the number of people relocating to the Phillips County area consistently remains below the state average. In 2006, only about 4% of the county's population had relocated to the area, compared with a 7% statewide average for internal migration to other counties (Advameg 2010). This further underscores the lack of progress the area has been able to achieve. Very few new people come to the area, which indirectly helps to perpetuate the structural and social inequalities.

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<sup>1</sup> Census data before 1980 was not accessible at the time.

An area with such economic underdevelopment, persistent poverty, and racial divisions provides an excellent case to which one can apply social capital theory and principles from the Community Economic Development movement. The current atmosphere of Phillips County suggests a weak presence of both social capital and strategies promoted by the CED movement. In order to apply these ideas to Phillips County, the focus must first turn to a discussion of the components of both social capital and the Community Economic Development movement.

### **SOCIAL CAPITAL AND COMMUNITY ECONOMIC DEVELOPMENT**

Social capital refers to the establishment of horizontal and vertical associations between individuals that engender feelings of trust between the parties (Putnam 2000). In contrast to physical capital and human capital, which refer to “the tools and training that enhance individual productivity” (Putnam 2000:18), social capital emphasizes how “our lives are made more productive by social ties” (Putnam 2000:19). L.J. Hanifan, a supervisor of a rural school system in West Virginia in the early 1900’s, described the spillover effect that results from the production of social capital within communities:

If he comes into contact with his neighbor, and they with other neighbors, there will be an accumulation of social capital, which they may immediately satisfy his social needs and which may bear a social potentiality sufficient to the substantial improvement of living conditions in the whole community. The community as a whole will benefit by the cooperation of all its parts, while the individual will find in his associations the advantages of the help, the sympathy, and the fellowship of his neighbors. (1916:130-31)

Robert Putnam notably distinguishes between two types of social capital—namely bonding and bridging social capital. Bonding social capital networks tie members together via a

homogeneous, exclusive identity such as an ethnic group, church membership, or a country club (Putnam 2000:22). Bridging social capital networks on the other hand cut across social divisions and include and encourage interaction with people from different backgrounds (Putnam 2000:22). Such examples include service organizations and ecumenical religious groups (Putnam 2000:22). While each serve a particular function in society, both have the capacity to empower individuals. Collectively all of these relationships comprise a network of relationships through which an individual can attain certain opportunities and experiences. Many of these opportunities and experiences can then translate into an economic payoff. Thus, social capital can indirectly impact the economy.

For the purposes of poverty amelioration and alleviation in historically economically disadvantaged communities like Phillips County, the relationship between social capital and economic effects is particularly important. In Paul Collier's essay "Social Capital and Poverty: A Microeconomic Perspective," he notes that social capital "arises from a nonmarket interaction of agents that nevertheless has economic effects" (2002:20). Stephen Knack and Philip Keefer investigate the relationship between social capital and the economy in the paper "Does Social Capital Have an Economic Payoff?" (1996), using empirical data from a cross-country survey. Viewing trust as a primary component of social capital, Knack and Keefer seek to test the hypothesis that levels of trust will correlate with the economic productivity of an area. They note the positive effects that presumably exist within situations with a robust presence of social capital, or trust. According to some, one can execute economic transactions at a lower cost in communities in which high levels of trust exist among its residents (Knack and Keefer 1996:2). Additionally, this decreases the need for individuals to spend more money to guard against exploitation within these interactions (Knack and Keefer 1996:2), which presumably allows them

to spend more money engaging in economic transactions that can foster additional bonds of trust. Knack and Keefer also note that “trustworthy” communities are more likely to lead to greater innovations and progress, particularly amongst businesses, for they can spend time instead of “monitoring possible malfeasance by partners, employees, and supplies” (1996:3), working on enhancing and expanding their business.

Another indirect effect of social capital on economic exchanges involves the delivery of services from the government to the people. Knack and Keefer cite Robert Putnam’s well-known work on patterns of civic engagement in southern and northern Italy, where “regional governments in the more-trusting, more civic-minded northern and central parts of Italy provide public services more effectively than do those in the less-trusting, less civic South” (cited in Knack and Keefer 1996:5). Moreover in the more “trustworthy” or “trusting” communities, citizens more frequently address concerns to the government about general welfare issues, rather than narrow or limited concerns affecting very few (Knack and Keefer 1996:5). As such, the authors limit the definition of trust to the confidence of community members in institutions, particularly the government, and in informal relations with others. In addition, associational activity refers to membership in formal organizations such as unions, religious groups, or professional associations (Knack and Keefer 1996:21).

Having addressed all of the background of this literature, Knack and Keefer’s study arrives at three conclusions. Firstly, trust and civic cooperation do correlate with stronger economic performance (Knack and Keefer 1996:2). Second, associational activity, specifically the membership in formal organizations, is not associated with stronger economic performance (Knack and Keefer 1996:2). While trust and civic cooperation can exist in both informal and formal relations—as in between two neighbors or between two members of the Parent Teacher



Association—their results do not find that membership in formal organizations and associations leads to stronger economic performance. Finally, Knack and Keefer find that social capital, or trust and civic cooperation, has its strongest presence in countries that have relatively lower inequalities based on class or race (1996:2).

Knack's study provides a solid foundation from which to explore the relationship between social capital theory and the Community Economic Development movement. The CED movement was unique in that it sought to empower disadvantaged communities and bring returns on investments directly to the residents of the area. The establishment of CED style organizations that foster the creation of multi-stranded relationships between individuals in a community could also simultaneously reinforce the cultivation of social capital in the community as a whole.

In his essay entitled "Social Capital and Economic Development," Anirudh Krishna explores the claim that social capital can facilitate the economic development of an area, suggesting that if this is true then "aid should be redirected...to communities that have high levels of social capital, since these communities are already equipped with a capacity for mutually beneficial collective action" (2008:440). Regarding areas with low levels of social capital, he suggests first bolstering levels of that vital resource, then providing economic aid later (2008:440). This model provides a role for the CED movement, which according to Krishna must first follow measures to increase levels of social capital before direct economic action is taken. This policy suggestion correlates with the aims of the CED movement; however, depending on if the community has preexisting high levels of social capital or lower levels that will determine if the returns go back to the community or into the pockets of outside investors. William H. Simon expounds on this hypothesis, for he addresses the claim that high levels of

community organization lead to high returns to the community, while low levels of community organization lead to high returns to the outside investor (2001:60). If a community has intermediate levels of organization, then according to that same hypothesis returns for either party will be low relative to greater or lesser organizational levels (Simon 2001:60-61). Simon reasons that low levels of organization benefit outside investors, because they have complete creative control with little to no disruption from the community (2001:60). On the other hand if organization is high, then the community reaps benefits since it has bargaining power to negotiate for higher returns (Simon 2001:60). The return curve hypothesis affirms Knack and Keefer's findings on trust, investment, and exploitation. In areas with low levels of social capital, the communities will be vulnerable to exploitation by outside investors. In Phillips County, the entrance of Wal-Mart in the 1980s illustrates this theory, for that particular economic investment did not serve communal needs and in fact severely damaged the community's own native businesses.

As indicated by Krishna, the CED movement works best when the community has strong, existing levels of social capital. The bolstering of these levels must precede any direct economic interventions. Ross Gittell and Philip J. Thompson (2001) note the necessity of prioritizing this first step, for they advocate for the delivery of resources and expansion of infrastructure in these poor communities. They believe that all communities have existing resources and assets that are conducive to contributing to economic development (2001:123). In order to bolster social capital, first one must identify structures like churches, schools, political organizations and other community-based groups that facilitate the generation of social capital (Gittell and Thompson 2001:122). Once this strategy is applied, investors and local entrepreneurs can then pursue economic initiatives as suggested by the CED movement.

## PHILLIPS COUNTY: A CASE STUDY

In order to better assess the relationship between the CED movement and social capital, I will focus on these themes within a case study of Phillips County. People often idealize rural communities as an idyllic perfect environment where social capital can thrive. However, throughout history rural communities have had areas of chronic poverty as a result of economic underdevelopment and out-migration. Thus, the residents that live in these areas exist at two polar opposite extremes: they are either too poor to leave or too well-off to sacrifice their comfort and stability. As noted earlier, Phillips County's history of slavery and *de facto* segregation are major contributing factors to the plight of blacks in the region today and their failure to accumulate social capital. Specifically in the Mississippi Delta, Cynthia Duncan (2001) argues that obstacles to the production of social capital—as characterized by strong institutions, widespread societal engagement and participation, and communal cooperation—include rigid stratification according to race and class. Upon closer examination though, institutions and organizations do exist that support the cultivation of social capital; however, one can argue that some forms of social capital are better, or at least more productive, than others.

In social capital theory, scholars widely recognize the distinction between two types of social capital—that of, bonding social capital and bridging social capital. In Phillips County, due to the extent of racial tension and segregation, the presence of bonding social capital—that focuses on the in-group—is the norm, whereas bridging social capital—that seeks to build inter-group relations—is the exception. While Phillips County essentially lacks a truly vibrant culture of bridging social capital, even the bonding social capital that exists has weaknesses. Regarding Knack and Keefer's conclusion that membership in formal associations did not correlate with strong economic performance, this claim pertains to bonding social capital and illustrates the

limitations of bonding social capital. The authors of that study defined formal associations as many exclusive groups like unions, religious groups, or professional associations (Knack and Keefer 1996:21). I argue that bridging social capital is more productive and will lead to better economic performance. Thus, efforts should primarily be directed to scaling up bridging social capital in the community of Phillips County.

If social capital does exist in impoverished rural areas, according to Duncan, it exists at the family level, rather than the community level. Such social capital exemplifies many characteristics of bonding social capital, for it focuses on an exclusive group of members. Bonding social capital at the family level has both positive and negative results for its recipients. This family level social capital might enable individuals to survive from day to day, but it is not as comprehensive as social capital at the community level that includes a variety of networks, as would be bridging social capital. For example, this might manifest itself in a grandparent who pushes her grandchild to be the first person in the family to graduate from high school. However if the student lacks social networks outside of the family that can serve as models for aspiring to attend college or to receive other higher training, then the student may still not achieve his full potential or capability. Because social capital is often embedded within key social institutions like organizations and schools, participation in these networks is essential to increase opportunities for greater social and economic prosperity. Therefore, bonding social capital is not sufficient in order for individuals to amount to their full levels of capability. Regarding L.J. Hanifan's observations on the spillover effect of social capital in communities, bonding social capital then limits the recipients of these positive experiences to only a fraction of community members, whereas bridging social capital allows a greater variety of the community to interact and experience the benefits of the spillover.

Even within different groups, bonding capital still suffers due to low levels of trust. Daniel Stone,<sup>2</sup> a resident of Phillips County, notes that social networks within both the white and black community can be as limiting as which bank or church someone belongs to (Interview April 1, 2010). Thus, even bonding social capital is relatively weak. Another area in which bonding social capital is weak is in the area of politics and advocacy. Despite the divisions blacks already experienced from mainstream white society, factionalism within the oppressed group, namely the poor blacks that “made it,” continues to plague the area. Duncan characterizes these individuals as those that reject the community from which they came in order to assimilate into the world of white privilege, and such behavior “undermines efforts to improve the institutions of the black community” (2001:71). Moreover, when such individuals get into positions of power and influence, leaving them capable of erecting change in the disadvantaged communities, they do not and only reinforce the status quo, as noted in the following quotation:

Sometimes the elected black is more oppressive than a white can be. I believe it is a phase the community goes through. You elect the most electable person in your county...so you can break the barrier, and then the next time around you find someone who will be more representative of our constituents. (Duncan 2001:71)

Thus, this demonstrates the vulnerability of relying on just bonding social capital, which in this case barely holds the whole group together. Many black residents do not trust leaders of any skin color. While this quote does suggest that eventually someone will emerge to speak on behalf of the truly disadvantaged, it also indicates the difficulty in obtaining a truly representative advocate for these disadvantaged communities, for they still lack at the collective level strong ties external to those within their race or class. Therefore, greater inter-group ties must be established as well.

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<sup>2</sup> Name changed to protect identity

In Phillips County, although black leaders do hold positions of power and influence, such a situation has failed to rectify other persistent racial inequalities. Many community members accuse these black leaders of failing to advocate for their needs and being manipulated by the white community. This contributes to an overall distrust in the government and in its ability to accomplish effective changes. As noted by Stone, some criticisms of the city and county government are warranted; however, much of it is often fueled by racism and prejudice from both sides of the color line (Interview April 1, 2010).

Across the Mississippi River, other areas of the Delta further illustrate how even with the realization of political power for black residents, inequalities still endure. Shannon D. Wright Austin references the theory of political incorporation, in which “minority groups that increase their degree of political power from weak to moderate and strong have a higher likelihood of raising their socioeconomic standing” (2006:172). In reality, Austin argues that the white elites have still retained the bulk of economic and political power. On the one hand, the state of Mississippi has the greatest number of blacks elected into public office in the nation; however, on the whole blacks in the state still suffer some of the highest poverty rates in the nation as well (Wright Austin 2006:173-74). The bulk of blacks holding public office is concentrated at the local and county levels, rather than state or national representatives. In such high positions of power, the white elites still retain the greatest influence. Austin argues that this trend grants only “symbolic rather than substantive” power to black residents of Mississippi (2006:115). Concerning Putnam’s observation that trust correlates with the effective delivery of public services, if residents do not have trust in their government regardless of its racial makeup, then the necessary services cannot be efficiently distributed to the communities that need them, as demonstrated by communities in the state of Mississippi.

Regarding bridging social capital, community members in Phillips County lack both components—trust and cooperation—amongst members of different economic and racial groups. As noted by the lack of migration to Phillips County (only 4% of the population had relocated to the area in 2006), the presence of strangers is particularly salient. In an interview with Daniel Stone, who himself relocated to Phillips County in 2006, he commented on trust issues: “People in town were nice but seemed to try to stay distant until they got to know you. People here were not very trusting of an outsider coming to town. I was told that several times” (Interview April 1, 2010).

The divisions present within the Mississippi Delta exist as a result of structural inequalities that disadvantage minorities in the area, creating a Marxist style conflict between the haves and have-nots (Duncan 2001:69). Race and income are tightly intertwined in this area, such that segregation according to race is also segregation according to class or income. This *de facto* segregation that persists is another obstacle to the production of social capital. Segregation is present in all spheres of life—from schools, to churches, to kids’ activities—such that “...There is no social interaction between the races, and no trust” (Duncan 2001:71). The existence of the two opposing yet coexisting social groups—the poor/minorities and the wealthy/majority—impedes the production of trust and social capital.

Most interactions between blacks and whites exist in the economic sphere, in which the dominant group depends on the subordinate for labor and manpower. This represents the completely opposite idea that the CED movement seeks to promote: that is, the establishment of multi-stranded relationships in which the people one interacts with in the economic sphere s/he also interacts with in the social and political spheres at town hall meetings, in the coffee shop,

and at the local entrepreneurial ventures (Simon 2001:41, 49). As of now in Phillips County, few venues seem to be present or at least being deliberately utilized to allow for such exchanges.

As noted by Gittel and Thompson (2001), the best method of accomplishing change within these struggling communities is to mobilize citizens using the resources and structures that already exist within the community. While churches and other faith-based organizations historically have had great success at such an endeavor in other communities, Duncan remains skeptical as to whether it could work in this situation, for they lack “the clout to be vehicles for community change for poor families” (2001:76). Daniel Stone’s comment on the divisions within racial groups echoes Duncan’s skepticism, for Stone noted that social networks are deeply entrenched in churches. As such, many individuals are not only limited in their contacts by the church they attend, but also may be less likely to welcome in someone if they are of a different church network. Churches in the Mississippi Delta are often just as segregated as the school system.

In addition to the salience of residential segregation, the racial divisions also largely determine the composition of churches in Phillips County. During the length of my summer internship in the area, I visited six different churches. Their congregations were either completely black or completely white, with absolutely no racial integration or diversity. Furthermore, there appears to be little effort from churches to facilitate activities designed to integrate the different racial groups to stimulate change in the area. During one service at an all black church, a member mentioned a community health fair that was approaching, and her description indicated that the intended population it sought was the black community. Even though certain diseases and conditions might be more prevalent in one racial group, a community health fair could have been a positive platform to unite the community around issues regarding



overall health and wellbeing. At a white congregation, church patrons seemed similarly disinterested at tackling community issues. The following excerpt from my internship journal that summer reveals the obliviousness that some residents suffer from:

At church a middle aged man...talked with us at length. He told us about Clarksdale, MS, where Morgan Freeman lives and has a restaurant and blues club. He mentioned that it was an old “plantation town.” He thought a bit even then about choosing that phrasing, and then he fumbled through explaining how it was “segregated,” or he may have meant economically stratified but who knows. Other people [in my intern group] picked up on this too, for we were all wondering—does he not even realize that the same segregation/stratification (which here are virtually synonymous) are present in Phillips County? He was pointing it out as if it only happens over there, making himself appear oblivious to what goes on in his own town. (Journal June 15, 2008)

While there was never any hostility or animosity between our intern group and the church members, the absence of diversity in the congregations of these churches indicates the stagnation of progress and development in the area. If the social relations are so underdeveloped, then it is logical, albeit unfortunate, that the economy is as well.

Other existing resources that can contribute to bolstering social capital include the middle class within the community. According to Marxist theory, the middle class or bourgeoisie are the primary actors accomplishing change with the social revolution; however, for this particular study any type of change from the status quo, not necessarily a complete revolution, is desired in Phillips County. The scholars Barrington Moore and Daniel Chirot note that “societies with a large middle class were more likely to have open political institutions. In contrast, when the

middle class was small...political and social institutions tended to be closed and exclusive” (cited in Duncan 2001:76). This notion would support the idea of building up institutions as part of the CED movement, for it would lead to greater amounts of social capital and economic prosperity, thus expanding the size and the clout of the middle class. Moreover, this middle class could mediate between the two social extremes to build bridges of trust amongst members of the community. Still however, the Krishna model endorses that the bolstering of social capital precede any CED initiatives. Moreover, as affirmed by Putnam, Knack and Keefer, economic productivity largely depends on levels of trust, cooperation, and social capital.

### **CAN THIS WORK IN PHILLIPS COUNTY?**

Having addressed the underdevelopment of social capital in Phillips County and the greater Mississippi Delta area, one wonders whether this model, that is bolstering social capital followed by CED initiatives, can actually alleviate the staggering levels of poverty as experienced by the area’s residents. Regardless of whether or not it can work, the dangers of taking no action are potentially greater than pursuing ineffective strategies. In addition to the *de facto* segregation between the public and private schools, one can assume that a much larger proportion of white students compared to black are also attending college or some other form of higher education. In Phillips County, the only option for higher education is the local community college. Therefore, in order to continue pursuing academic opportunities, students must leave and move on elsewhere, a trend that Daniel Stone also comments on:

I think most people who have the means to do so do leave. By means, I mean education and opportunities. I have found very few who stay out of want. Most who are here are staying because of family business or family members. The education system is terrible and crime is high. If you don't have a family business

or are not here to try to change things then more than likely you will leave. I think there are very few opportunities for people to reach their full potential here. There are only so many great jobs and outlets for people to work and you can only do so much in a small community. (Interview April 1, 2010)

While one can expect capable individuals to leave Phillips County in order to pursue more rewarding opportunities, this situation results in a capital drain for the area. At some point, an individual needs to make investments in the community to attract native residents to stay. These investments should seek first to build up bridging social capital at the community level, and then encourage economic strategies; otherwise the community will continue to remain in its cycle of chronic poverty.

Sharon D. Wright Austin provides additional insight into the necessity of scaling up bridging social capital institutions before implementing economic initiatives. In Tunica County, Mississippi, investors implemented economic measures in the form of casinos and the gaming industry, despite the deficit of “intergroup social capital” (Wright Austin 2006:175). As a result, while “Tunica County has more financial capital than any other Delta county because of the profitable gaming industry” and Tunica residents as a whole have a higher socioeconomic standing than others in the Delta region (2006:175), divisions still exist between the black and white communities, which suggests that even the blacks with high financial capital still might not receive the same social standing as their white counterparts. This case indicates that without the cultivation of intergroup, or bridging social capital, implementing economic strategies only serves to maintain divisions within a community rather than provide an avenue for true social mobility. Much like the court rulings from the mid-20<sup>th</sup> century, which concluded that separate did not mean equal in the education system, a similar shift in the attitudes of Mississippi Delta

residents needs to occur: separation and division within a community is detrimental to all and prevents the achievement of complete capability levels. Furthermore, as noted by Knack and Keefer (1996), economic productivity can reach its highest levels when inequalities remain minimal. Thus, while the casinos might be producing revenue in Tunica County, Knack and Keefer would argue that the revenues produced could be even higher if the culture of bridging social capital was stronger.

To some extent, measures have been taken to address the first step—that of bolstering social capital via community agencies and institutions. One notable example of this is the Boys and Girls Club of Phillips County. Established in 2006, the Club was the result of efforts of a concerned coalition of community members. Prominently featured amongst these advocates were Teach for America participants, who had committed themselves to reducing educational inequality in the area. Opportunities for youth engagement were scarce in the area, and the Boys and Girls Club model was praised for its approach at cultivating social capital in youth. The model seeks to instill both trust and cooperation—both of which are vital components of social capital—in its members via its different programming areas including character and leadership development, education and career development, health and life skills, the arts, and fitness and recreation (Boys and Girls Club of Phillips County 2006). The Boys and Girls Club also seeks to foster opportunities and experiences for the youth to encounter people of different races, cultures, and backgrounds, thus setting a foundation for building bridging social capital. Besides building social capital amongst the members of the Club, it also seeks to build healthy relations and foment the creation of new social networks with the community at large. The Club encourages the participation of community members in hosting programming events. For example, during the course of my health and nutrition classes that I taught as part of my

internship, local dentists and representatives from the area's public health center came and assisted with lessons or donated supplies. Their participation links the Club with other social networks in town. Such partnerships with local businesses are important, for they can serve as launching pads to introduce youth members to different job or career opportunities, which indicates the economic effect that establishing such networks can have on the young members of the Club. Furthermore, to account for the lack of trust residents typically feel about strangers, the Club uses an external auditor "to ensure public trust and provide transparency to the organization" (Interview April 1, 2010). Through these measures, the Boys and Girls Club not only seeks to build trust and cooperation within its membership but also in its relations with the community at large.

While the Boys and Girls Club of Phillips County is a great model for how to cultivate bridging social capital in kids, it does have limitations in terms of generating it for the whole community. Although it is the intention of the staff members to provide a place where kids of all races and backgrounds can interact, in reality the demographic is much more limited. In my experience working there in the summer of 2008, virtually all of the club's active members were black. While the timing of my internship may have influenced this trend, in that perhaps the white club members were not in the area that summer, this still suggests that blacks are the primary racial group that participate at the Club. Furthermore, while it does have aims to reach out to parents and incorporate adults into programming activities, additional integration of adults and parents into more activities might help extend the production of social capital beyond just the youngest members of the community. In this way, rather than focusing solely on producing social capital in youth, for it could potentially take longer for the communities to reap the

benefits, adults can benefit from the Club's opportunities as well. Still, the biggest limitation of the Club's overall effectiveness would be its racially homogeneous membership pattern.

Another community organization that seeks to tackle the deficit of social capital is the Boys, Girls, Adults Community Development Center in Marvell, a small town of just under 1,400 people located in Phillips County. The agency's origin has parallels to that of the Boys and Girls Club, for it grew organically from the concerns of the residents. However, this initiative was completely the undertaking of the area's native residents, rather than outsiders. This may have influenced the nature of the social capital produced. As a community development agency, the BGACDC strives to improve several different areas of life for multiple populations as demonstrated in its vision statement:

BGACDC visualizes a healthy and safe community with affordable housing, accessible and affordable health care and recreational facilities to meet the social and recreational needs of the low-to-moderate income residents; an education system that meets the needs of all children and prepares them to compete educationally with other children in the United States and abroad; child care programs to meet the needs of all preschool children regardless of their income or situation, a community that provides living wages for its citizens; and a community that respects difference and embraces creativity. (Boys, Girls, Adults Community Development Center 2010a)

Although many of the programs mentioned pertain to children, the center as a whole strives to meet the needs of adults as well. However, while it does specify improving the lives of those in the middle class and below, the focus in reality is on the poor blacks in the area. Thus the

BGACDC serves as an example of an institution that cultivates bonding capital—both elements that are advantageous and disadvantageous to the individual.

The BGACDC has yielded numerous positive outcomes for the poor, black residents of Marvell, Arkansas (The Boys, Girls, Adults Community Development Center 2010b). It serves as a satellite health clinic to provide children with immunizations that are necessary for school enrollment. It also began a number of public health initiatives focused on teen pregnancy, alcohol and drug use, parenting skills, and violence. The Center provides a number of educational opportunities for kids year-round like tutoring after school, recreational activities on the weekends, and day camps during the summer. Many of the adult-oriented services focus on housing and employment. To provide low-cost housing to the area's poor and elderly, the BGACDC has constructed the Manor, which has 39 housing units, and a variety of other homes for Marvell residents to rent or own. Finally, the BGACDC serves as the third-largest employer for Marvell, so it provides needed economic opportunities to the area. Not only does it employ residents of the area, but many employees have benefitted from the center's programs and improved their lives as a result. Thus, many on staff serve as a testimony to the opportunities the center provides for individuals, some of whom were even former welfare recipients that have since improved their lives. Moreover, the center is helping the overall economy of Marvell. According to a report released by the center's newsletter, the jobs and programs it provides result in over \$260,000 going into the community via direct income and employment opportunities (The Boys, Girls, Adults Community Development Center 2008:1).

The BGACDC has several elements and initiatives that have had significantly positive impacts on the clients it serves. Although the scope of its programs is all encompassing, its aims pertaining to the population it engages do seem narrow, such that the lack of functioning inter-

group relations and the absence of bridging social capital are clearly evident. Compared to the Boys and Girls Club that seeks to meet the needs of a whole county, perhaps the BGACDC can afford to have narrow goals and be inward-focused. I believe it still can be in order to improve the lives of those that have been chronically impoverished. However, the organization has the potential to serve as a nexus between the blacks and whites of the community, even though it does not seem to be explicitly making strides to do so. While it is certainly performing to the best of its ability within the restraints of the social system at hand, the center, which includes the community as part of its namesake, could provide a better platform for engaging members of the community of all skin tones. One such platform could possibly be the center's restaurant, Best Food in Town. According to the website this is "a restaurant and gathering place for many people in the community" (The Boys, Girls, Adults Community Development Center 2010c).

Thus, it could serve as the site for the fostering of multi-stranded relationships amongst people of different races, classes, and occupations. Furthermore, the center could better realize many of its own ideals and goals by pursuing more opportunities for racial integration. For example, it hosted the Martin Luther King, Jr. Day of Service in order to highlight his "vision of building broad and diverse coalition, breaking down barriers, and making communities the best they can be" (The Boys, Girls, Adults Community Development Center 2009:3). However, its coalition primarily consists of only the blacks in the area, rather than everyone. Nevertheless, the ideal of service could serve as an effective tool to rally together all the different groups in the area in a collaborative partnership. Thus, it could organize service projects in the area to engage students and families from both sides of the color line in such endeavors.

As noted by Gittell and Thompson (2001), we should first look to existing community institutions to build up social capital. However, Phillips County could benefit from additional



measures as well in order to improve overall community economic wellbeing. Different theoretical approaches call for different strategies to alleviate and ultimately eliminate poverty in areas like Phillips County, Arkansas. As mentioned earlier, Marxist theory emphasizes the mobilization of the middle class to serve as a bridge between the disenfranchised have-nots, and the disengaged haves. While mobilizing a middle class might not necessarily be effective in Phillips County, establishing a neutral, middle ground would serve a similar function. Virtually all problems in the area are consistently reduced to race. Therefore, the creation of a completely neutral center that serves the needs of all residents and provides a forum for meeting and interacting with a variety of people would be truly beneficial. The BGACDC was founded on the premise of helping the low-income blacks, so it could not fulfill this function. However, the Boys and Girls Club does seek to have participation across all social and racial groups, and lacks any attachment or stigma associated with a particular cause, besides the development of the area's youth. While its clientele is predominantly black, its staff comes from across the color spectrum, unlike the BGACDC, and it serves as a model of functioning inter-group relations.

Besides utilizing the middle class, or rather the middle ground, scholars have often noted the utility of churches in serving as a bridge of reconciliation between races and as an avenue for uplifting the community from inequality and poverty. As already indicated, the degree of segregation amongst the churches makes their utility less feasible. Still faith does provide an opportunity to unite across boundaries, and the ideals of service could similarly compel residents into action and provide more opportunities for interaction. Instilling in all the residents of Phillips County the necessity of civic responsibility (which results from cultivating bridging social capital) can compel congregations to band together in order to restore their communities.

## **CONCLUSION**

As of now though, the Boys and Girls Club and the Boys, Girls, Adults, Community Development Center are the best avenues for cultivating social capital of any type in the residents of Phillips County, despite both having strengths and weaknesses. The BGACDC only fosters bonding social capital at the expense of creating meaningful relations with members of other groups in the community. The Boys and Girls Club of Phillips County lacks structured adult programs and opportunities, so its focus is limited to only youth in the area; however, it does seek to produce bridging social capital in its members. Together though, they are two solid community institutions providing necessary resources and programs for the impoverished of Phillips County. Only by providing opportunities for the building of bridging social capital can economic initiatives enter an area and continue to lift the community out of poverty.

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