“...social capital is a bond of mutual trust emerging from shared values embedded in parochial networks.”

CDCS AND CHARITABLE ORGANIZATIONS IN THE URBAN SOUTH
Mobilizing Social Capital Based on Race and Religion for Neighborhood Revitalization

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This article examines how community development corporations (CDCs) and other nonprofits access social capital when constructing collaborative partnerships for urban revitalization projects. Data from interviews with the directors of CDCs and charitable organizations in Jackson, Mississippi, are used for the analysis in this research. The findings indicate that the organizations studied mobilize two mutually exclusive forms of social capital when pursuing partnerships. In some instances, social capital based on religion is mobilized. In other cases, social capital based on race is mobilized. The conclusions of the article highlight the relationship between the embeddedness of social capital in local context and the degree to which it can be mobilized to stimulate neighborhood development. Moreover, the extent to which social capital is overemphasized in current social science discourse is explored.

THE SOCIAL CAPITAL DEBATE

Contemporary scholarship has identified social capital as an essential component of community-based neighborhood revitalization efforts (Putnam 1993, 1995; Portney and Berry 1997; Wilson 1997; Dionne 1998; Gittell and Vidal 1998; Wallis 1998; Wallis, Crocker, and Schechter 1998; Woolcock 1998; Dasgupta and Serageldin 1999; Putnam 2000). This body of work emphasizes the positive effects that the presence of dense pools of social capital can have on community building, and it advocates for public policy that targets, leverages, and enhances existing social capital. In spite of this general line of discussion and the conclusions that grow out of it, the definition of social capital remains somewhat ambiguous, and the exact manner in which social capital functions is not well understood. Ironically, within the field of community development, social capital is a somewhat amorphous concept, although it retains a Teflon quality. It is considered to be requisite for sustainable community development while its substance remains elusive.

In response to this dilemma, this article aims to frame social capital conceptually and better understand the manner in which it affects the
interactions and functions of organizations at the community level. In particular, this article contributes to the social capital debate by elaborating on the parameters of this concept and examining the influence of social capital in the context of two distinct types of local organizations, community development corporations (CDCs) and charitable organizations. It is argued that each type of organization accesses a different form of social capital and that this influences the activities individual organizations pursue and the collaborative partnerships they create. As a result, this article suggests that social capital has boundaries. It cannot simply be applied in any form to a given social context in an effective manner. Rather, social capital is linked to the social and organizational context in which it is embedded, and it is not easily transferred to another. Furthermore, this article suggests that all forms of social capital are not necessarily compatible with one and other or interchangeable. Instead, it is argued that most forms of social capital operate autonomously, and, subsequently, the prospects of basing collaborative activities on the synthesis of various forms of social capital are limited. Although these issues are pronounced in this article, each is discernable in the existing literature concerning social capital. As a result, this article’s discussion of the parameters in which social capital operates serves to fill a gap previously unaddressed in the social capital literature.

For the most part, scholars are divided concerning the operationalization of specific concepts related to social capital. Foley and Edwards (1999, 141) discuss this divergence and point out that social capital is primarily viewed as a “normative variable” by political scientists and economists, while sociologists and applied social scientists see social capital as a structural phenomenon. One of the clearest articulations of the normative interpretation of social capital is found in Putnam’s (1993, 1995, 2000) work. In essence, Putnam has generated a broad definition of social capital, describing it as the product of social relations composed of networks, norms, reciprocity, and trustworthiness that affects society in a positive or negative manner by facilitating coordination and cooperation. Although this definition frames social capital as a generalized concept akin to civic virtue, it leaves some of the more critical questions concerning the role of social capital in community development unaddressed. Particularly, questions that seek to examine the relationship between social capital and organizational context are not well developed. Moreover, those dealing with the manner in which various forms of social capital function and interact in the same
environment are rarely posed. In essence, this body of scholarship has framed social capital as the synthesis of values and civic involvement, but the institutional context in which values are nurtured and the degree to which they compete as local resources are mobilized has been left out of the social capital debate. In contrast, the sociological perspective offers a remedy to this dilemma by considering social capital in concert with factors embedded in local context.

The emphasis on context-specific forms of social capital is a core theme in the sociological literature. For instance, Bourdieu (1986) stipulates that social capital is the aggregate of relationships that “exist only in the practical state, in material and or symbolic exchanges which help to maintain them” (p. 249). Similarly, Coleman (1988, 1990) emphasizes that social capital is embodied in personal relations tied to social structure. In fact, Coleman (1990, 318-21) specifies that social capital is created and maintained within social structures characterized by closure, stability, and a discernible ideological rationale for social exchange. More recent studies have expanded these core themes in the sociological literature by examining the manifestation of social capital in relation to spatial dynamics and neighborhood characteristics (Fernandez Kelly 1994, 1995; Sampson, Morenoff, and Earls 1999). Nevertheless, a tangible definition of social capital remains illusive in the sociological literature, despite a clear delineation of the sources of social capital and the structural parameters in which it is found. In the absence of a concrete definition of social capital, the concept fluctuates between being characterized as an “aggregate” of relationships, a “process” that gives individuals access to material goods, or the “ability” to secure resources (Bourdieu 1986; Portes 1998; Schneider 1999; Portes and Landolt 2000). The irony of this predicament is that the building blocks of social capital are well developed within the sociological literature, while the essential nature of social capital remains enigmatic.

For instance, there is agreement across disciplinary boundaries that shared values are integral to the formation and maintenance of social capital. It is also well established that social capital involves the mobilization of these values through networks linked to kinship, ethnicity, occupation, class, neighborhood, and other ascribed characteristics in a manner that is flexible and responsive to local context. Similarly, at least in the sociological literature, there is agreement that Granovetter’s (1985) discussion of embeddedness is directly applicable to the relationship between mobilizing shared values within existing networks
and the formation and maintenance of social capital. Essentially, the embeddedness of shared values within existing social structures creates the closure necessary for sustained social interactions while allowing for variation in the types of social capital that are produced in different settings. Notwithstanding the relative consensus regarding the conceptual foundations on which social capital rests, the parameters of social capital itself remain unspecified. However, the foundation from which social capital emerges—shared values embedded in what Granovetter (1985) describes as “concrete personal relations or structures (or ‘networks’)” (p. 490)—infers that social capital is synonymous with what Velez-Ibanez (1983) identifies as a bond of mutual trust.

Defining social capital as a bond of mutual trust emerging from shared values that are embedded in parochial networks highlights the degree to which social capital has boundaries. The presence of such boundaries has two noteworthy ramifications. First, they ground social capital in an observable context. Second, boundaries make it possible for social capital to assume many forms since it is the product of a range of possible values that are embedded in varied settings. There is a clear distinction between this definition and others that describe social capital as the product of generalized trust or an expression of civic virtue. The advantage of conceptualizing social capital as a phenomenon embedded in finite social settings is that this definition creates opportunities to identify instances where it emerges. Specifying the parameters of social capital ensures that the concept is not reified as it is in other scholarly writings. Rather, social capital is identified as one element in the community development process that interacts with other forms of capital. The embeddedness argument facilitates a better understanding of the relative importance of social capital in the internal operation of organizations, and it also offers insights concerning the role of social capital in the development and maintenance of interorganizational networks.

The embeddedness argument suggests that the durability of social capital decreases as personal relations become less regularized. As a result, the role of social capital is more pronounced in the internal operation of an organization than it is in interorganizational networks. For instance, shared values or parochial interests embedded within an organization allow for closure and the emergence of a bond of mutual trust. This is the essence of Granovetter’s (1972) discussion of relationship built using strong ties. As a result, social capital based on strong ties is
expected to flourish in relatively small, homogeneous organizations in which these relationships exist. This differs from interorganizational networks, which are formed using what Granovetter (1972) identifies as weak ties. In such networks, concrete personal relations are less intense. Consequently, the development and maintenance of social capital across organizations is dependent on the degree to which closure can be achieved around a discernable set of shared values. In essence, the scope of interorganizational networks must be circumscribed when such ties are formed to promote a bond of mutual trust. Once closure around shared values is achieved, these values are institutionalized so that a newly formed interorganizational network is sustainable.

Interestingly, the role of weak ties in interorganizational networks reemphasizes the centrality of embeddedness in the formation of social capital. In short, interorganizational networks are often dominated by a discrete set of share values that cause organizations that interact to exhibit similarities in terms of organizational structure and culture. This is closely related to the phenomenon Dimaggio and Powell (1988) identify as institutional isomorphism. However, rather than being driven exclusively by the state and the professions, as Dimaggio and Powell argue, institutional isomorphism may also be driven by the need for organizations to produce closure to enhance the value of social capital in a given local context. In addition to creating a better understanding of how social capital affects the internal decision-making process of an organization, this line of reasoning also serves to expand the concept of institutional isomorphism in three ways. First, it opens the discussion concerning how institutional isomorphism occurs within the context of embedded social relations. Second, it examines the degree to which interorganizational networks are circumscribed in an effort to develop and maintain social capital. Finally, this line of reasoning suggests that redundancies across interorganizational networks are partially explained by incompatibilities in social capital.

This article develops this line of inquiry by examining the values that promote and sustain social capital among two types of entities, CDCs and charitable organizations. In particular, questions concerning the influence of values on these types of organizations are focused on, as well as their effects on organizational activities and collaborative behavior. This research direction is an extension of recent work that explores the role of organizational mission, structure, and other factors on CDCs (Bratt 1997; Clavel, Pitt, and Yin 1997; Stoeker 1997a, 1997b;
Given this orientation, this article examines the degree to which a relationship exists between the values held in an organization and the programs and partnerships produced. These issues are of particular interest given the level of similarity among the activities undertaken by the organizations examined in this article, while the discontinuity in values among the same organizations appears acute. For instance, CDCs are described as organizations that focus on promoting self-determination and democratic decision making within low-income and minority communities, while charitable organizations have traditionally mobilized around philanthropic values and the delivery of services to indigent groups (Tabb 1970; Perry 1972; Fish 1973; Perry 1987; Jeavons 1994; Gronbjerg and Nelson 1998; Cnaan 1999; Schneider 1999; Stoutland 1999). Interestingly, these two types of organizations often undertake similar projects and programs focusing on issues related to housing, child care, and other forms of assistance to disadvantaged groups, despite basing such activities on divergent values.

Because of these similarities, the degree to which values influence collaborative partnerships among the two types of organizations is of interest. Such an analysis expands our knowledge of the influence of social capital on organizational interactions, and it assists in the development of more general theory concerning the role of social capital in organizational behavior. The results from this study are of additional interest in light of earlier research that suggests that value dissonance across organizations is common, causing the emergence of social capital to appear to be a localized phenomenon (Suttles 1972; Putnam 1993; Thomas and Blake 1996; Chang 1997; Greeley 1997; Portney and Berry 1997; Wood 1997; Foley and Edwards 1999). For instance, previous research indicates that factors such as a commitment to pluralism, a preference for democratic institutions, racial and ethnic ties, loyalty to parochial groups, neighborhood attachment, and common religious structures independently influence the development of social capital. In fact, no study has identified a form of social capital that operates independent of the given context in which it is found. As a result, one can conclude that any given form of social capital is community specific and able to affect local action independent of other forms of social capital. This article takes the next logical step by examining the manner in which divergent values in a community affect the degree to which social
capital influences the formation of interorganizational networks and collaborative activities.

**METHOD AND SAMPLE CHARACTERISTICS**

The data for this article come from a series of in-person interviews with directors of CDCs and charitable organizations in Jackson, Mississippi. These interviews were conducted between October 1998 and August 1999. During the interviews, informants were asked a series of open-ended questions about the structure and operation of their organization and the factors that influenced decisions related to partnering. The questions were drawn from an interview guide that consisted of thirteen items and nineteen probes. This research instrument focused on a core set of questions that related to the theoretical issues under examination. In particular, the research instrument focused on examining issues concerning the factors that influenced the decision to form a collaborative partnership and the role of social capital in the decision-making process. Each interview was administered at the given informant’s organization during normal operating hours. The interviews ranged from thirty minutes to one hour and thirty minutes in length. In addition, secondary data were collected from each of the organizations to supplement the interviews. These data included pamphlets, brochures, and other materials printed by the CDCs and charities.

The study focused on collaborative activities pursued by CDCs and charitable organizations located in Jackson, Mississippi. This particular setting was of interest because it had relatively equal numbers of CDCs and charitable organizations, and each group of organizations targeted its services to low-income, African American neighborhoods in the city. Therefore, factors related to community characteristics and location were controlled for in the research design. Similarly, factors related to organizational activities were addressed in the research design since the CDCs and charitable organizations examined in the study undertook similar activities. For instance, CDCs were examined because they are active in the development of neighborhood-based housing, social service, and economic development efforts. Likewise, charitable organizations providing social services, housing assistance,
and neighborhood services to disadvantaged groups were included in the analysis.

Given the potentially small population under examination, a number of methodological steps were taken to ensure that the entire population of CDCs and charitable organizations in Jackson, Mississippi, was identified. Initially, organizations were identified using the local telephone directory. Additionally, two lists of community-based organizations were referenced for this study. One was a list of neighborhood organizations registered with the city of Jackson. The other was a list of community-based development organizations compiled by the Mississippi Urban Research Center at Jackson State University. In conjunction with this activity, individuals active in Jackson’s nonprofit community were consulted to ensure that all CDCs and charitable organizations were identified. The comprehensiveness of the list of CDCs in the population was also verified by means of snowball sampling throughout the research process (Jorgensen 1989). In total, a population of seven CDCs and ten charitable organizations was identified in Jackson, Mississippi. The director of each of the organizations was approached for an interview. All of them agreed to be interviewed. This was advantageous since interviewing the entire population reduced several concerns related to reliability that are often associated with studies of small populations (Glaser and Strauss 1967).

The organizations identified in the population varied along several lines. Of particular interest are the distinctions between the two main groups of organizations examined in this study, CDCs and charitable organizations. Several dimensions of these characteristics are outlined in Table 1. In terms of tenure, well-established and relatively new organizations were identified in the population, although the degree to which tenure varied depended on the type of organization under examination. For instance, there was little differentiation among the CDCs in terms of tenure. All of the CDCs were relatively new organizations, with the oldest chartered in 1991. This characteristic was in sharp contrast to the charitable organizations examined in this study. Interviews were conducted with the directors of charitable organizations founded in the city during three historic periods. Three of them were established in the city between 1905 and 1940, the period during and just following the progressive movement. Four of the charitable organizations were founded in the city between 1960 and 1975, a period influenced by the
The civil rights movement. And, three of them were founded between 1980 and 1996, a period marked by retrenchment in social welfare programs.

There were also important distinctions to be made about the staff and directors of the CDCs and charitable organizations. The CDCs tended to have smaller staff than the charitable organizations. For instance, the CDCs in Jackson had staff ranging in size from one to fourteen individuals. Specifically, three had fewer than four staff members, three had four to seven staff members, and one had more than eight staff members. In contrast, the staff of each charitable organization range from two individuals to eighty-five. Specifically, two charitable organizations had five or fewer staff members, five had five to fifteen staff members, and three had fifteen or more staff members. The racial and gender composition of the staff in CDCs and charitable organizations also varied in important ways. For example, in terms of race, the CDCs were all African American-controlled organizations, while the charitable organizations were not. In fact, while none of the CDCs were integrated, eight of the charitable organizations had integrated staff. Nevertheless, the ratio of black to white staff members varied among charitable organizations. There was a one-to-one ratio of black and white staff members in two of the charitable organizations, while in six of the other integrated organizations, the majority of the staff were white. Among the remaining charitable organizations, one of them had an all-white staff and the other had an all-black staff. Differences also existed between CDCs and charitable organizations in terms of gender. There were roughly equal numbers of male and female staff members among

### TABLE 1: Characteristics of Staff and Directors

<table>
<thead>
<tr>
<th></th>
<th>Community Development Corporations</th>
<th>Charitable Organizations</th>
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<tbody>
<tr>
<td><strong>Staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size</td>
<td>Small to moderate</td>
<td>Moderate to large</td>
</tr>
<tr>
<td>Race</td>
<td>Majority black</td>
<td>Majority white</td>
</tr>
<tr>
<td>Gender</td>
<td>No majority</td>
<td>Majority female</td>
</tr>
<tr>
<td><strong>Directors</strong></td>
<td></td>
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</tr>
<tr>
<td>Race</td>
<td>Majority black</td>
<td>Majority white</td>
</tr>
<tr>
<td>Gender</td>
<td>Majority male</td>
<td>Majority female</td>
</tr>
<tr>
<td>Professional training</td>
<td>Business and social sciences</td>
<td>Social work, education, theology, business, and social sciences</td>
</tr>
</tbody>
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CDCs, while the staff of charitable organizations were at least seventy-five percent female, with two of the charitable organizations entirely staffed by women.

The characteristics of the directors of the CDCs and charitable organizations also diverged along the lines of race, gender, educational background, and tenure. In terms of race, African Americans were more likely to run CDCs than charitable organizations. Prominently, all of the CDC directors were black. In contrast, eight of the directors of charitable organizations were white, while only two were black. A similar contrast emerged between the CDCs and the charitable organizations when considering the gender of individual directors. For instance, five of the CDC directors were men and two were women. In comparison, six of the directors of charitable organizations were women and four were men. Along educational lines, all of the directors of CDCs and charitable organizations had college degrees. However, there was variation across organizational types in terms of the educational training the directors had received. For instance, all of the CDC directors had training in the social sciences and business. However, the scope of training differed among the directors of charitable organizations. Three of these directors were trained as social workers, two had degrees in education, one had a degree in theology, and the other four had social science and business training. Finally, in terms of tenure, all of the CDC directors had been with their organization for less than six years, while more half of the directors of charities had been with their organization for more than six years. Specifically, five of the directors had worked for their charity for less than five years, three had worked for their charity between six and fifteen years, and two had worked for their charity for twenty years or more. Of course, the shorter tenure among CDC directors is partially explained by the recent emergence of these organizations in the city.

The distinctions cited above were important, not only in and of themselves but also in terms of the implications that they had on the manner in which social capital was mobilized by the two types of organizations examined in this study. CDCs and charitable organizations used social capital in ways that reflected the orientation of their staff and missions, despite similarities and overlap in the actual activities that the organizations pursued and the population that they served. These issues are discussed in the remainder of this article. In the first part of this discussion,
the CDCs and charitable organizations examined in this study are differentiated through an analysis of the values that define and distinguish them from each other. In the second part of this discussion, the manner in which those values influence collaborative activities is considered.

BLACK CDCS AND FAITH-BASED CHARITABLE ORGANIZATIONS

PURSUING BLACK CAPITALISM

On the surface, the CDCs examined in this study are unique because they are all African American institutions. Each of the CDC directors was black, their staff were entirely black, and they focused on providing services to communities that were predominantly black. In fact, the geographic area served by the CDCs and the charitable organizations in this study was composed of sixteen census tracts in which the 1990 population was 94.85 percent African American (U.S. Department of Commerce 1990). Given that statistic, it is not surprising that African Americans are well represented in the CDCs. Also, when the community-based emphasis of CDCs is taken into consideration, it is not surprising that the organizations place an emphasis on empowering local residents through their programs. However, the mode in which the CDCs organize and implement these activities is unique since it is both specific to local context and linked to values that have historically acted as a catalyst for community empowerment in black America.

Several factors linked to local context influenced the manner in which the values of CDCs influenced subsequent organizational activities in Jackson, Mississippi. For instance, Jackson is a majority-minority city with a history of segregation, institutional discrimination, and other racial barriers that affect the perceptions of organizational actors. In many respects, the effects of historic patterns of racism in the Deep South are illustrated well in Jackson. Even in the modern era, these patterns have been clearly manifested in this setting. In fact, racial strife has been visible in Jackson for decades. It surfaced during the civil rights movement in cases such as the assassination of Medgar Evers, and it continues to be evinced in contemporary debates over the desegregation of historically black colleges and universities (HBCU) and
banning the confederate flag, which are trumpeted in the local media and from the state capital near downtown.

Of course, race relations are not static; they have evolved in the city in response to both demographic and political change. For instance, the city’s African American population rose to 55.74 percent in 1990 (U.S. Department of Commerce 1990). This demographic shift created a large voting block in the black community, which helped to elect the city’s first black mayor and first majority black city council in the mid-1990s. However, these developments were incremental in nature, and changing racial dynamics did not prevent underlying social inequalities from being rearticulated in this setting. For example, changes in the racial composition of the population and local government were accompanied by white flight and disinvestment in the city. Consequently, the newly acquired political power that African Americans gained during the mid-1990s was constrained by structural disadvantages the city faced. These conditions paralleled those that Reed (1988) associated with the context in which other black urban regimes have been embedded. These conditions influenced the values that CDC directors shared and the bonds of mutual trust that helped to stabilize their organizations. Specifically, the core values and themes that CDC directors identify with their organizations parallel those that traditionally have been associated with black capitalism (DuBois 1898; Tabb 1970; Washington 1971; Marable 1983; Frazier 1990; Butler 1991; Drake and Cayton 1993).

In essence, shared values associated with black capitalism emphasize the pursuit of black business development as a route to self-determination in the black community. Consensus on the values linked to black capitalism stems from three issues that proponents of black capitalism have identified in low-income black neighborhoods. First, these neighborhoods have historically been segregated spatially, economically, and socially along racial lines, which has been sustained by racism in society. Second, black neighborhoods have experienced higher-than-average poverty levels due to structural inequalities that have produced increasingly concentrated poverty. Finally, these neighborhoods have been characterized by policy makers as places where social pathologies are abundant and in need of amelioration. In effect, black capitalism links segregation, poverty, and the stigmatization of the black community with its dependence on institutions in the dominant society. It is argued that the remedy to this problem is self-help,
economic self-determination, and black control of local institutions. The commitment to these core values is coupled with a distrust of alternative social programs that target social ills without focusing on economic development needs in black neighborhoods.

During interviews, CDC directors articulated many of the themes that have traditionally been associated with black capitalism, and they discussed the merits of using their organizations to promote this form of community development. The identification of business development as a route to self-determination in the black community surfaced in various forms across the interviews. Notably, the identification of black capitalism as an organizing principle of CDCs was expressed in pragmatic terms and not circumscribed or based on a nostalgic view of the past. The directors identified the need for a business-oriented model of CDC development while remaining cognizant of many of the critiques and pitfalls associated with this approach. For example, factors such as disinvestment, discrimination, undercapitalization, a lack of community support for black business, limited entrepreneurial capacity, and the narrow scope of businesses that African American entrepreneurs have traditionally clustered in were identified as obstacles to business development in the black community. Yet, the commitment to black capitalism, in some form, remained strong, despite recognition of the difficulties of promoting business development in inner-city neighborhoods.

The identification of black capitalism as an organizing principle for black CDCs cannot be trivialized since it parallels earlier rationales for the development of such organizations. For instance, Tabb (1970, 51-55) described CDCs as organizations that used corporate techniques and focused on business development to stimulate enterprise and thus revitalization in the black community. According to this viewpoint, CDCs were not established to simply act as small-scale public housing and social service agencies; they were designed and intended to focus on economic development following the paradigm of black capitalism. A similar view was also expressed by Perry (1972) in his pioneering discussion of CDC development. Social capital growing out of these distinct values was predicted to become the foundation for activities and innovations emerging from CDCs in black communities. The directors of the CDCs in this study adopted a perspective similar to the one identified above. As a result, they tended to redefine issues related to housing, social welfare, and education as being fundamentally economic issues. This type of framing is illustrated in the following
comment made by a CDC director while discussing the types of programs and perceived needs that led to the formation of her organization:

There were the types of programs that ended up being toward hard economic development types of programs. Like, winterization for senior citizens programming, and job training for dislocated workers, housing counseling programs for folks who have, by some misfortune fallen behind in their mortgage, and we can intervene to prevent them from losing their homes. So after a period we started looking at, perhaps we should get involved in economic development activities specifically related to housing. And, that is how the board of directors decided that we should form a CDC.

The grouping of various organizational activities under the umbrella of economic development was common among CDC directors, and the general focus on promoting economic development characteristically evolved into a more specific emphasis on promoting minority employment and black enterprise. The process of framing the organizational activities of these CDCs grew out of social capital, which emerged from shared values related to black capitalism that were embedded in this specific local context.

This emphasis emerged in a variety of ways. For instance, one CDC director described how his organization primarily entered into partnerships with outside organizations that provided local residents with “information, a resource for jobs, and technical assistance in business proposals.” Another CDC director described how her organization worked with business and community groups to start a retail business to generate employment in the black community and teach welfare recipients business skills. Still another CDC director indicated that the “number one” issue behind the formation of his organization was unemployment in the black community, and this led to the development of a micro-business program. In each case, the remedy for issues related to poverty, unemployment, and neighborhood decline was structured around a form of minority business development.

On a larger scale, some of the CDCs went beyond focusing on job training and assisting entrepreneurs with business plans. These organizations concentrated their efforts on leveraging capital for business development. In fact, two of the CDCs functioned exclusively as financial intermediaries for small business development in the black
community. One of the CDC directors whose organization packaged and subsidized small business loans described her organization’s mission in the following manner:

We were established to address the needs of minority businesses because they were having extreme difficulties being able to go directly to the banks and obtain financing for their businesses. And, that could be for a whole lot of different reasons, but the main reasons that we identified in our research was derogatory credit, inadequate collateral, insufficient management skills and not having enough equity to inject in the business, or like being first generation business owners, those types of things. Our organization was developed to address those issues.

The director of another CDC described his organization’s mission in a similar manner. He went on to describe how its sole function was to manage a small business loan fund, which was done in coordination with the CDCs principle partner, the only black-owned and operated bank in the city. The dominance of themes related to business, supported by social capital radiating from a tradition of black capitalism embedded in an urban black community, established the parameters for many of the activities pursued by the CDCs. This organizational adaptation stood in stark contrast to the manner in which charitable organizations mobilized social capital in the same setting.

TO PROSELYTIZE AND SERVE

Unlike the CDCs, charitable organizations did not emphasize the promotion of entrepreneurial activities and economic development in the black community. There was a clear contrast between the two types of organizations on this point. The absence of an ethos based on the pursuit of black capitalism partially explained this divergence; however, several characteristics unique to the charitable organizations in the community accounted for it as well. For instance, the absence of an emphasis on black capitalism was partly a reflection of lower levels of black leadership and staff in charitable organizations. For example, only two of the ten directors of these organizations were black. Similarly, the directors of charitable organizations have less training and education in areas closely related to business and economic development. As a result, different values dominated these organizations, and
when those values were embedded in the same local context, a different type of social capital was formed. The absence of social capital emphasizing values linked to black capitalism was reflected in the orientation of the programs and projects pursued by charitable organizations. For instance, these organizations specialized in programs and projects related to youth and family development, education, child care, elder care, residential rehabilitation, indigent housing and homelessness, chemical dependency, mental health, and domestic abuse services.

Beyond organizational structure and activities, charitable organizations differed from CDCs along the lines of organizational culture and mission. This distinction was clear when the directors of charitable organizations discussed the values that propelled their organizations. All of the directors of charities indicated that their organizations had a strong service-based mission. In several cases, this service-based mission was an extension of a given organization’s religious mission. In fact, seven of the ten charitable organizations in the population self-identified as being faith based. This orientation was clearly expressed by the directors of these seven organizations, and it was also incorporated into documents and literature produced by these groups. For instance, one organization’s letterhead included the phrase, “Faith Meeting Needs in Our Community.” Other organizations had similar statements incorporated into pamphlets and newsletters that they distributed. Beyond racial and educational differences, religious identity appeared to be the dominant source of social capital influencing the role of charitable organizations in the community.

The use of religion as a guiding principle was also readily identified by the directors of charitable organizations during interviews. For instance, one director discussed how religion played a central role in the activities of the charitable organization she operated:

We’re teaching people that many of the things in our biblical heritage, be it Hebrew, be it Islam, be it the Christian tradition tells you that you need to do these things. Yet, for so long in our country we’ve made it a no no for the church to become active in making our cities safer and better, and children getting educated no matter what color they are. It’s like, those people of faith are involved in politics, and we don’t mix religion and politics. You know that whole law was because they didn’t want a country that told people what religion they had to be, but it never meant that people of faith couldn’t take their place in the public discussion.
The directors of faith-based charitable organizations incorporated religious values into the community work done by their organizations. This blend of principle and purpose became a part of each group’s identity. The connection between an organization’s religious identity and its work was indistinguishable. As one director put it, “we feel that we have been given a charge as a church to address the needs of the poor.” This ethos formed the foundation from which social capital was mobilized in these organizations, and it was recognized as the norm for all charitable organizations in the community whether they were faith based or secular.

This nexus of faith-based and service-based values has been identified as a feature of charitable organizations nationally (Jeavons 1994; Cnaan 1999). In case studies, Gronbjerg and Nelson (1998) identified a similar phenomenon in Illinois, Thomas and Blake (1996) examined the aspect of charitable organizations in Detroit’s African American community, and Schneider’s (1999) research produced similar findings in Philadelphia. The feature that distinguishes faith-based charitable organizations in Jackson, Mississippi, from those identified in past research is their hegemonic position in this part of the nonprofit sector. Seven of the ten charitable organizations in the local community were faith based. As a result, these organizations unilaterally defined the parameters in which all charitable organizations functioned. Their sphere of influence was extensive since they were bound to play a substantial role in any voluntary or service-based project in the community. Subsequently, the activities of secular charitable organizations in the community had to be structured in a manner that accommodated the norms and values of the faith-based institutions, particularly when groups worked in unison. The directors of secular charitable organizations indicated that this requirement was rarely a point of contention since all of the charitable organizations shared a commitment to serving indigent groups. Moreover, these directors and the directors of faith-based organizations agreed that church involvement was pivotal for sound community development. For example, the director of one secular charitable organization pointed out that

If you’re trying to work in community projects, one thing, if you travel the whole state of Mississippi, from north, south, east, west, one thing every community, two things every community has, are a school and a church of some kind. So if you’re gonna be community based, you’ve got to go where the people are.
This director went on to identify a number of large faith-based charitable organizations that were routinely consulted with before new projects were initiated by her organization. The close coupling between the values affecting community service projects pursued by secular charitable organizations and what directors of faith-based organizations described as “Christian community development training” underscored the degree to which the activities of all the charitable organizations were linked to social capital based on religious values. This organizational setting, which contained black CDCs and faith-based charitable organizations, had important ramifications for collaborative activities pursued by each of the two types of organizations examined in this study.

**COLLABORATION WITHIN THE LINES**

The distinct forms of social capital that were accessed by CDCs and charitable organizations influenced the manner in which collaborative partnerships were formed. For instance, black CDCs had a firm commitment to promoting black capitalism, and this orientation prompted the directors of these organizations to seek out collaborative partners who were similarly inclined. In turn, charitable organizations were predominantly faith based and service oriented; this predisposition prompted their directors to form partnerships with organizations whose primary mission was either to proselytize or provide basic assistance in poor communities. Of course, the emergence of separate niches in the nonprofit sector based on separate pools of social capital did not arise extraneously. Each niche emerged in response to a specific need in the community. Interestingly, once established, these niches had a tendency to become highly specialized and self-contained rather than expansive in outlook and scope. The degree to which CDCs and charitable organizations were entrenched in their organizational settings is illustrated through an analysis of the collaborative partnerships they formed.

An examination of the collaborative partnerships that black CDCs entered into reveals that these entities interact within a distinct and exclusive group of organizations. Within this group, there was a consensus concerning the value of enhanced autonomy and expanded economic activity in the black community. In short, the core values of the
organizations that collaborated with black CDCs were compatible with
the promotion of black capitalism. This was true of collaborative part-
ners housed in the black community and those from the broader busi-
ness community. For example, each of the CDC directors identified at
least one local African American organization as an important collabo-
rative partner. These partnerships existed between CDCs and local
HBCUs, the local black bank, local chapters of national African Ameri-
can organizations, local African American community-based organiza-
tions, black fraternal societies, black professional organizations, the
black press, and other organizations led by members of the black com-

munity. Of course, interactions also surfaced between CDCs and
groups outside of the black community. These partnerships were prin-
cipally formed between black CDCs, business development organiza-
tions, and the economic development arm of governmental agencies.
For instance, CDCs collaborated with small business development cen-
ters at local colleges and universities to connect potential entrepreneurs
with business assistance. Similar interactions also existed between
CDCs, local financial institutions, local planning agencies, economic
development departments in local government, and national founda-
tions interested in local economic development. Notably, there was a
qualitative difference in the nature of the relationships between the
CDCs and organizations with their origins inside of the black commu-
nity, as opposed to the relationships between CDCs and non–African
American-controlled groups.

The most prominent distinction between the two types of relation-
ships involved the manner in which CDC directors differentiated
between limited partnerships and true collaborative partnerships. CDC
directors did not readily characterize interactions with groups from out-
side the black community as true collaborative partnerships. These
interactions were described as being less sustained in nature, more spe-
cialized in function, and based on a specific need. In contrast, partner-
ships between individual CDCs and other organizations in the black
community were described as being sustained and based on multifac-
eted interactions. In essence, the existence of dense relationships
between black CDCs and other organizations in the black community
made it easier to nurture interorganizational ties based on shared values
and the cultivation of a bond of mutual trust. Predominantly, these val-
ues were linked to the promotion of self-determination in the black
community and the support of black capitalism. In part, this was an
outgrowth of factors linked to patterns of discrimination that African Americans have encountered historically. As a by-product of these experiences and the perceptions growing out of them, the ability to develop a bond of mutual trust between directors of black CDCs and groups from outside of the black community was reduced. Thus, the formation of stable interorganizational networks and collaborative partnerships was less likely to occur. In contrast, the tendency for black CDCs to form partnerships with other black organizations was the product of shared social capital among key actors in those organizations, particularly social capital based on the value of black capitalism. Although grounded in the analysis of black CDCs, this finding is not confined to them. The same general phenomenon was discernable when charitable organizations were examined, although the relevant experiences, perceptions, and values differed.

Like black CDCs, faith-based charitable organizations interacted within a distinct group of organizations. In this case, charitable organizations and their collaborative partners shared a consensus concerning the value of faith-based social action, volunteerism, and community service. Organizations that entered into partnerships with charitable organizations accepted these basic core values. The correlation between this form of social capital and collaborative activities was expressed in several manners by the directors of charitable organizations. For example, when the directors of charitable organizations discussed the types of groups they partnered with, all of them identified at least one faith-based organization. Even the charitable organizations that were not faith based indicated that they regularly entered into collaborations with faith-based groups. In many instances, this was a necessity since religious groups were the most prevalent types of organizations encountered. In other instances, partnerships were considered possible since the philanthropic missions of nonreligious groups were perceived as being compatible with the religious missions of faith-based organizations. As the director of a non-faith-based organization indicated, faith-based groups were “natural partners” because of their focus on community service projects.

Still, a common project orientation was not the sole criteria for forming a partnership. An organization also had to share common values. This requirement became clear when one director of a faith-based organization extemporaneously distinguished between a true partnership and a mere collaborative effort:
Now there’s a difference in my mind between a partnership and a collaboration. We can collaborate with people who may not share our values. But our partnerships are always with people who share the same values that we share, because they’re the only ones that really understand how important it is to transfer values within this development process.

It was a group’s ability to infuse religious values into its charitable activities that helped to solidify sustained partnerships with faith-based organizations. In short, partnerships with charitable organizations were facilitated through the mobilization of religiously based social capital. This was true where partnering occurred among faith-based organizations exclusively, as well as when bridging took place between these organizations and nonreligious institutions. In fact, each director indicated that collaborative partnerships were pursued with specific governmental agencies, the public schools, certain departments in local colleges and universities, and other nonreligious institutions. Yet, these collaborative activities were facilitated by accessing religiously based social capital. Personal and professional networks were the source of key contacts that led to partnering activities between charitable organizations and other institutions. Interestingly, many of these key contacts were identified and recruited in religious settings. For instance, one director described how many of the representatives from local government who helped to facilitate partnerships between their agencies and her faith-based organization were identified through the church affiliate of her organization. In essence, religiously based social capital was mobilized to screen for institutional partners who saw faith-based organizations as legitimate and trustworthy, particularly in the areas of community and social service delivery.

When such social capital was not available, efforts to form interorganizational networks were frustrated. This became clear in comments that directors of charitable organizations made about the difficulty in attempting to work with larger social service organizations. Statements about the difficulty in collaborating with other institutions focused on two themes. In most cases, directors of charitable organizations indicated that they had difficulty working with other organizations because of differing values. This was particularly true among faith-based charities, whose directors commented on the lack of acceptance that they faced when approaching secular organizations due to their religious orientation. In other cases, the directors of charitable
organizations focused on the cold clinical features of some organizations with which they had limited success forming collaborative partnerships. These comments tended to emphasize the “red tape” and “bureaucracy” that entailed dealing with some organizations. For instance, one director discussed difficulties in dealing with the “monolithic public schools” that grew out of the contrast between organizationally complex educational institutions and his own organization, which was positioned in a more circumscribed organizational field. Similarly, directors of CDCs cited divergent values, competition with entrenched bureaucratic agencies, and political alignments within government as obstacles to collaborative activities. In the case of both types of organizations, incompatible values and foreboding and inaccessible institutions were cited as reasons for failed efforts to form collaborations. In both instances, the absence of appropriate social capital contributed to the demise of efforts to form interorganizational networks.

Perhaps the most telling result from this study involves the degree to which CDCs and charitable organizations interacted with each other. Predominantly, the two types of organizations were indifferent and did not interact. Instead, the two types of organizations operated in a mutually exclusive manner. Primarily, this was the result of divergent values and the use of unrelated forms of social capital to promote collaborative action. To some extent, race and perceptions based on race affected the degree to which CDCs and charitable organizations interacted. However, race, and perceptions of racism more particularly, seemed to have a more subtle and ephemeral effect on collaborative activities, while the impact of social capital was overt and enduring. In fact, in the case of charitable organizations, attempts were made to neutralize the influence of race and distrust growing out of perceptions of racism in society. For instance, all of the charitable organizations adopted a policy of racial inclusion, and many promoted equality in representation in their organizations. However, even within that context, the faith-based organizations were not able to internalize all of the values that were salient to the black community in general or black CDCs in particular. Similarly, the black CDCs focused heavily on values embraced in a segment of the African American community, namely, those who advocated for black capitalism. The prominence of those values within the organizational culture of black CDCs created barriers to collaboration with organizations articulating competing views, regardless of whether potential partners were from within the black community or from
outside of the black community. In summary, collaborations occurred within well-defined parameters that were based on specific forms of social capital that grew out of values embedded in local context.

CONCLUSIONS

This article has argued that the mobilization of social capital is bound by the social context in which it is embedded. In essence, social capital is the product of values that are embedded in local context. Therefore, the promotion of collaborative action through the mobilization of social capital produced interorganizational networks that are circumscribed and do not necessarily produce benefits for all groups in society equally. This outcome is a by-product of the boundaries in which social capital is developed and maintained and the manner in which it is contextualized. Subsequently, there are no generic forms of social capital that can be transferred from setting to another. Rather, social capital is a bond of mutual trust emerging from shared values embedded in parochial networks. Subsequently, it is imperative that greater attention is paid to the underlying values that a given form of social capital is based on and their impact on community development if it is to be mobilized for specific public policy goals. This issue is particularly important where policy relevant to urban communities is concerned since these communities contain an increasingly diverse set of interests and values. In light of these findings, the current mode of discourse concerning social capital requires refinement. Instead of adopting the position that social capital, in any form, is beneficial to urban communities, social scientists should focus on identifying the most appropriate type of social capital for a given community and develop methods to evaluate programs that aim to mobilize that social capital.

This article also indicates that social capital is quite limited in its application. For instance, social capital based on the value of black capitalism had a specific utility to black CDCs that pursued economic development activities, while religiously based social capital was primarily mobilized to enhance social service programs. The circumscribed manner in which social capital operates presents an interesting paradox. At the parochial level, social capital appears malleable enough to incorporate community values into plans for social action. However, at the societal level, the embeddedness of social capital in local context
raises questions about its ability to facilitate the resolution of complex
tools, given this quandary, serious questions are raised concerning the extent to which social capital can be mobilized to address complicated urban problems. In urban settings, revitalization strategies that overemphasize social capital may be ill equipped to solve some of society’s more pressing issues.

The danger of overemphasizing the role of social capital in community development is twofold. First, too much emphasis on social capital may cause policy makers to overlook opportunities to address financial capital and human capital deficiencies in urban organizations and the communities in which they are found. Second, an overemphasis on social capital ignores the degree to which it becomes unstable as interorganizational networks proliferate. As a result, focusing too heavily on mobilizing social capital and implementing urban policy through nonprofits ignores the weaknesses that many of these organizations have in terms of capacity building and collaboration. Moreover, the emphasis on policy implementation through the nonprofit sector, and the characterization of this activity as a form of grassroots participation, may simply be a rationale for legitimizing a system based on subcontracting government services related to community development and neighborhood revitalization. Consequently, a broader role for direct intervention by large institutional actors using an integrative focus may be an essential component of any viable strategy to address the problems of inner cities.

In summary, the results of this study indicate that social capital is not a panacea for ameliorating urban problems. In many instances, the mobilization of social capital is only appropriate for localized issues. For more complex problems, it is merely one component of an integrated urban revitalization strategy. One of the excesses of the current social capital debate is that social capital is not always kept in perspective. Subsequently, the dialogue concerning social capital sometimes overshadows the continued need for enhanced human and financial capital in urban communities, as well as a role for organizations and institutions traditionally engaged in national and urban policy. Furthermore, it is likely that in some instances, the mobilization of social capital may actually compound social problems or simply preserve the status quo. The parochial nature of social capital thrusts current community values to the forefront, perhaps at the expense of alternative values. In some situations, this scenario might promote continuity,
while in others it may very well block innovation and community improvement. As a result, social scientists and policy makers need to be particularly vigilant in assessing and evaluating the effects of social capital to ensure that negative externalities are addressed and that social capital is only promoted when appropriate.

NOTE

1. The term charitable organization is used in this study instead of the term social service agency for two reasons. First, this terminology draws a clear distinction between community development corporations and other organizations in the nonprofit sector that fill a social service function in disadvantaged communities. Second, this terminology emphasizes the philanthropic orientation of the organizations examined in this study, which is not prominent among public sector organizations that provide similar services.

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