Building Social Capital and Political Will through Place-Based Initiatives:

A Practitioner's Perspective on How to Accelerate Progress toward Social Equity

Molly Clark

Vested Interests

Vested Interest n An interest (as in an existing political, economic, or social arrangement) in which the holder has a strong personal commitment as a result sometimes of long association but more often of present or future benefits.

Vested Interests is a program that works with low income community groups, community organizers, economic development and public health practitioners, funders and others to include social capital-building values and practices into their work as a way to better achieve their goals and create a more equitable, secure and sustainable society.

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INTRODUCTION.

WANTED: BETTER WAYS TO BUILD SOCIAL TIES, POLITICAL WILL, AND A MORE EQUAL SOCIETY.

This is an encouraging time in the movement to restore fairness and equality of opportunity as core tenets of American society. The social equity movement is emerging as a coherent and catalytic force at the local, state and national levels, following generations of public policy decisions that have plunged us into a deep and prolonged recession, created the largest wealth gap in a century, generated a still-growing epidemic of obesity and chronic disease, exacerbated global warming, and intensified animosities across lines of class, race, ethnicity, religion and political ideology.

Momentum to change the inequitable systems and policies that have produced this mess is increasing, as microfinance, social determinants of health, marriage equity and other social equity movements progress from early experiments to gaining mainstream acceptance. As thought leaders such as Richard Wilkinson, Kate Pickett and Michelle Obama have observed, we know what needs to be done: All we need now is the political will to do it.

Which brings us to the next question: How do we build broad support for better policies in a society that has become as fragmented and distrustful of government as ours? This is not an issue of better social marketing, more forceful advocacy, or electing more skillful politicians who will do the right thing. New York Times columnist David Brooks has noted that, as things presently stand in the U.S., politicians have no center to govern from.[i] Moreover, in the absence of public support that is both deep and broad-based, even the best policies enacted now could easily be reversed in the next election cycle.[1]

The pathway out of this conundrum is to rebuild what Robert Putnam calls "social capital" – the store of personal relationships and community bonds that are the foundation of social consensus, economic opportunity and a functional democracy. Building social capital cannot be achieved by fiat; it must be steadily and intentionally cultivated from the ground up, building identity of interest among people of different backgrounds and beliefs, and changing who knows whom, who trusts whom, who depends on whom, and who feels accountable to whom.

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[1] Health care reform being a case in point.

An ideal home for this work would be in the "place-based" [2] community-building initiatives that have emerged over the past decade or so, and are being heavily promoted through the federal government's Promise Neighborhoods and Choice Neighborhoods initiatives, as well as major foundation-sponsored programs such as The California Endowment's Building Healthy Communities initiative. Yet none of these mention the creation of social capital as an explicit goal and indispensible piece of social equity work.

If place-based initiatives were to invest substantial time, intellectual energy and money into models that weave resilient social ties both within low income [3] communities and across barriers of class, race, political ideology and religious affiliation, it would strengthen and accelerate the achievement of all other facets of the work. And if they fail to do so, many of the most worthy goals of the equity movement may be neither achievable nor sustainable.

CHAPTER 1. IN WHICH WE DISCUSS WHY SOCIAL CAPITAL IS THE CRITICAL PATH TO POLITICAL CONSENSUS AND SOCIAL EQUITY.

What is at stake is not merely warm, cuddly feelings or frisson of community pride. [There is] hard evidence that our schools and neighborhoods don't work so well when community bonds slacken, that our economy, our democracy, and even our health and happiness depend on adequate stocks of social capital.

--Robert Putnam, *Bowling Alone*

The relationships between inequality and poor health and social problems are too strong to be attributable to chance…. It is very difficult to see how the enormous variations which exist from one society to another in the level of problems associated with low social status can be explained without accepting that inequality is… the common denominator and a hugely damaging force.

— Richard Wilkinson and Kate Pickett, *The Spirit Level*

As Robert Putnam eloquently discusses as the central thesis of his game-changing book, *Bowling Alone*, starting in the 1960's social bonds in the U.S. have steadily eroded, with negative consequences for Americans' health, economic vitality and levels of civic participation.[ii] In *The Culture of Contentment*, economist John Kenneth Galbraith points to a growing class divide between the people who became

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[2] "Place-based initiative" is a term of art that has currency in the world of government, philanthropy, and social activism. According to a White House briefing paper issued by Peter R. Orszag, Office of Management and Budget, Melody Barnes, Domestic Policy Council, Adolfo Carrion, Office of Urban Affairs and Lawrence Summers, National Economic Council dated August 11, 2009, " Place-based policies leverage investments by focusing resources in targeted places and drawing on the compounding effect of well-coordinated action." http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-28.pdf

[3] It is hard to find a succinct term for people who lack financial resources that doesn't insult them and have pejorative overtones. A colleague, Andy Nelson, once suggested a better term would be "poorly paid," which indeed has a more accurate ring to it. However, for simplicity's sake, I succumb to convention in this one matter and use the terms "low income residents" or "poor", with apologies to my poorly paid friends and colleagues.

middle class thanks to New Deal and post-war policies, and the poor. This new middle class majority gradually forgot their roots, and began to vote for policies that allowed the haves to have more, and against policies that allowed the have-nots to have something, resulting in what Galbraith called a large and growing "semi-permanent underclass" in the U.S.[iii] And years before the Great Recession hit, In *Wealth and Democracy*, social analyst Kevin Phillips laid out how the growing concentration of wealth among a small percent of Americans subverts principles of fairness and democracy, effectively turning America into a plutocracy that promotes the interests of the rich and powerful at the expense of the rest of us.[iv]

The breakdown of social capital has direct bearing on the causes and consequences of rising poverty rates and income inequity in the U.S. For example, in their recent book, *The Spirit Level*, public health researchers Richard Wilkinson and Kate Pickett make a compelling case for a causal relationship between social inequity, low social status and the fragmentation of society and the rise in chronic disease and poor outcomes in all standard international measures of health and well-being in the U.S.[v]

At this juncture, most people who work to promote greater equality in the U.S. recognize both the theoretical and practical relevance of the breakdown of community to high rates of poverty, chronic disease, mental illness, drug trafficking, gang-related violent crime and other seemingly intractable social problems. Social capital is critical to the equity movement in at least two ways:

- Social Capital as an Outcome: Because we are social animals, social bonds and trust-based relationships are as essential to human survival as air, food, water and shelter. A number of studies have shown that people fail to thrive in the absence of trust-based relationships and strong community ties.[4] In addition, we get most of our information, even most of our job and business opportunities through informal social networks and people we know and trust.[vi] This implies that a key success measure of equity activism and policy change has to be the amount of social capital it produces across lines of class, race, religious affiliation and political convictions.

- Social Capital as a Means to Other Ends: Social bonds, trust and identity of interest are also fundamental to achieving other social, economic and political aims. In civic and political life, people support policies and practices that are in the interest of the group or groups they most strongly identify with. This means that, to build the kind of broad-based political will needed to promote equitable policies, there is work to be done not merely forging short-term coalitions,

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[4] For instance, in "Trust, Health, and Longevity," (*Journal of Behavioral Medicine*, Vol 21 No. 6, March 23, 1998), researchers John C. Barefoot, Kimberly E. Maynard, Jean C. Beckham, Beverly H. Brummett, Karen Hooker, and Ilene C. Siegler, conclude that "the evidence indicates that trust is associated with psychological and physical wellbeing in a way that enhances functional health as well as longevity."

but expanding resilient social networks and fostering the interdependencies that both produce these policies and assure they translate into more equitable social norms and behaviors.[5]

In this light, it is surprising how little time and money funders and practitioners of social equity invest in understanding the nature of social connections within low income communities and between low income and better-off groups, and in creating models that could generate strong intracommunity and inter-community social ties. If we examine the structure of most statewide or national place-based initiatives, for instance the "Ten Outcomes" and "Four Big Results" of the California Endowment's flagship Building Healthy Communities Initiative (BHC), there is no mention of greater social cohesion or improved social status of residents either as a desired outcome or as an essential vehicle of change.[6] It's not that BHC's outcomes, methods and success indicators are bad; as stated, they are simply much too service-centric to make fundamental changes to the status quo of social networks and social hierarchy. There is a gaping hole where the ingenuity, generative capacity, and social connectedness of low income residents should be.

CHAPTER 2. IN WHICH WE PRESENT THE INTERPERSONAL THEORY OF SOCIAL CHANGE
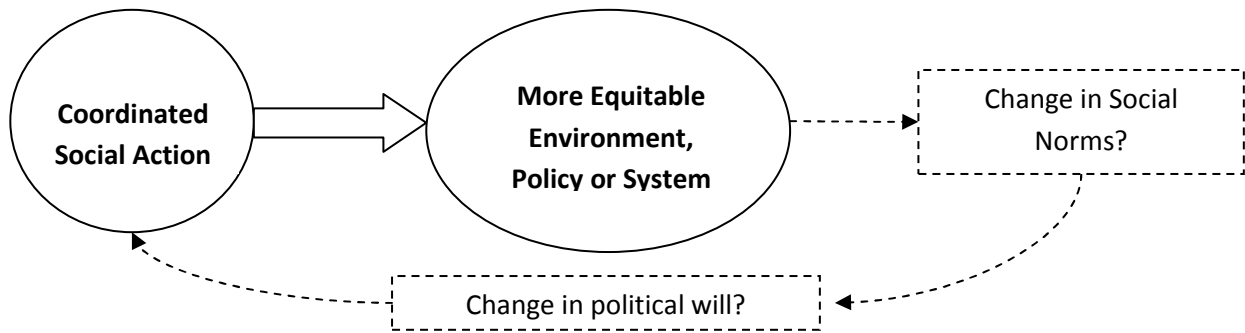
> Economies and societies are not machines. They are more like living organisms. Individuals do not act in isolation, but affect each other in complex ways.
>
> --Paul Ormerod, *Butterfly Economics*

A weakness of most place-based initiatives is that they tend to sponsor only two general strategies. These can be summed up as *coordinated social action* and *policy (or systems) change*. The work of relationship-building – if mentioned at all—is treated as as a tactical matter in contexts such as coalition-building to clean up a park or support for a new city ordinance. The assumption seems to be that a critical mass of these actions and policies will change social norms over time, but it is unclear how. A diagram of most place-based models might look something like this:

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[5] For example, in his promotion of immigrant integration strategies, Dr. Manuel Pastor discusses the need for long-term relationship-building models as opposed to short-term coalitions or community action, as the best pathway to overcome racial and ethnic biases.

[6] http://www.calendow.org/healthycommunities/pdfs/Ten%20Outcomes.pdf and http://www.calendow.org/healthycommunities/pdfs/FourBigResultsUpdate8_06_09.pdf. The only mention of relationships and social status receive are in the context of youth development or coalition-building to improve services or policies.

Coordinated Social Action → **More Equitable Environment, Policy or System** ⇢ Change in Social Norms?

Change in political will?

Coordinated social action and better policies have undeniably produced good things for society. Prime examples are the significant reduction in tobacco use in the U.S. and a new understanding of the social determinants of obesity and chronic disease. What these strategies are *not* effective at is significantly increasing social connectedness, or substantially altering the social status of low income residents. While it is not impossible that incremental changes in environments and policies could reduce social tensions in the long run, to invoke economist John Maynard Keynes, in the long run we are all dead.[vii] So why not take a faster and more direct route if we can?

A more straightforward and powerful approach to social transformation would elevate building social capital to a strategic level, and leverage the dynamic inter-dependencies of social networks, social action and social policies. Such a model would look more like this:

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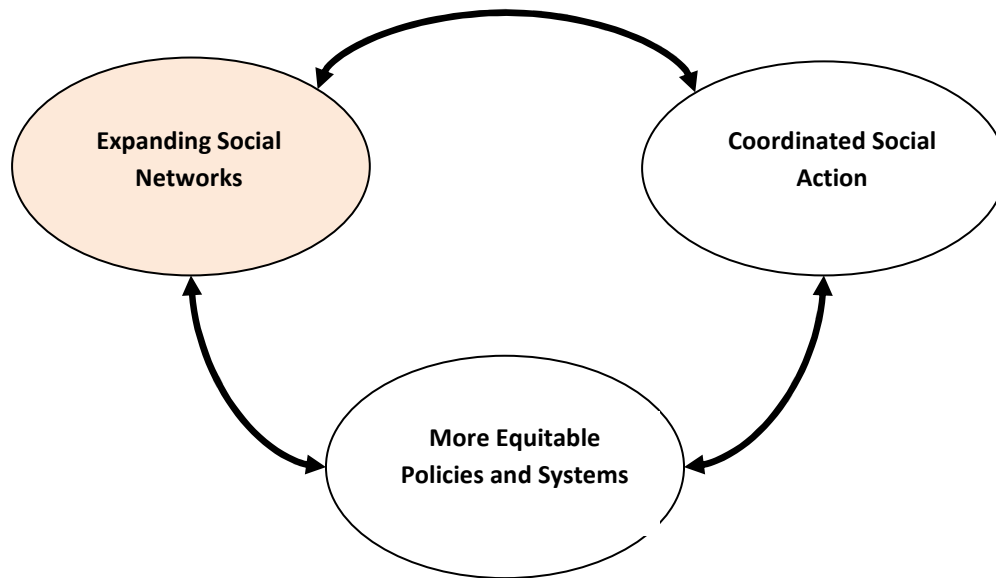
This model begins with and is rooted in the development of social networks and peer-based relationships over time. The expansion of social networks catalyzes coordinated social action that emerges from shared goals of ever-broader constituencies, and builds political support for policy change in a self-reinforcing dynamic. Each strategy entails its own activities and outcomes that are inter-dependent with the other two strategies.

*Expanding social networks***:** This strategy requires focused attention to social connectedness and interpersonal dynamics. It more resembles Community Group Therapy than it does traditional service provision, community organizing, and advocacy for policy change, because it precipitates the creation of new cross-constituency relationships and trouble-shoots the inevitable conflicts and misunderstandings that arise. Like community-building organizations such as service clubs or faith groups, expanding membership around identity of interests and common values is the point-- in this case, with egalitarianism as the core organizing principle.

Measures of success would include things like the number of individuals who are included in the group; the diversity of people involved, across lines of class, race, education, age, profession, religion, legal status,political affiliation and other social markers; their continued involvement over time; the deepening of trust within and across affinity groups; acknowledged mutual dependencies and increased identity of interests. It should also measure what happens to participants as they form peer-based relationships with more diverse groups of people. We would want to know the extent to which expanding formal and informal social ties are creating a "multiplier effect", improving the status of low income residents in the broader community, and resulting in a more vibrant exchange of information and opportunities far beyond the scope of formal programs and services.

Coordinated Social Action: Strong social networks and relationships alone do not solve all social problems; but they lay the essential groundwork to make problems solvable through coordinated action on the part of ever more diverse stakeholders. These actions can be almost anything that the community sets as a priority: improvements in a local environment, such as cleaning up a park, creating a community garden, organizing Neighborhood Watch to improve safety, or advocating for a change in state, local or federal policy.

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In the Interpersonal Theory of Change model, it is only essential that all participants work *as peers* and pay as much attention to process (for instance, whether low income residents are really treated as peers) as they do to the concrete thing they are trying to achieve.

Success measures would include not only the achievement of a tangible improvements or policies, but even more importantly, what happens to participants in the course of the action: Who was involved in what ways? Did people really operate as peers? Do these actions continually increase the skills, knowledge base and influence of low income and other stakeholders? Are these actions building on each other over time, and inspiring the next round of action? Are they having a "ripple effect" in the broader community?

More Equitable Policies and Social Systems: Policy and systems change play a critical role in promoting social equity. They are not, however, ends in themselves. Without a solid constituency that ensures their appropriateness and assures their implementation, policies can be ineffective. Systemic changes are only valuable to the extent that they promote an expanding "virtuous cycle" of social cohesion, increased economic opportunity and improved well-being for Americans.

Therefore, success measures should include not only whether a specific policy or systems change is adopted, but whether these changes are adopted, supported and put into action by increasingly diverse constituencies. The networks in the Interpersonal Theory of Social Change provide a structure that translates new policies into expanded, increasingly resilient social networks that carry social action forward to a new level.

This Interpersonal Theory of Social Change model was developed over the years with a number of colleagues and thought leaders from different fields, and is informed by my own background in literary studies, psychotherapy, microfinance, community health, and the social enterprise movement. It draws on experiences with peer loan group models in the U.S., the Support Action Team [SAT] model

developed by TEAMS: Transformation through Education and Mutual Support [TEAMS][7], the Public Health Institute's Partnership for the Public's Health Initiative[8], and the Family Independence Initiative [FII][9], which is one of the most ambitious national experiments working to identify and leverage the close social bonds in immigrant and other low income groups to promote family self-sufficiency.   The Theory has also been vetted and improved through the years by colleagues who are leaders from low income communities.

The Interpersonal Theory of Change was put to the test in the context of a place-based initiative in Concord, California, when I became the first Executive Director of two sister organizations focused in the low income Monument neighborhood: Monument Community Partnership (MCP)[10], a cross-sector, community-driven collaborative; and its offspring, Monument Futures[11], a day labor center that we morphed into a grassroots economic development center.

In brief, at MCP, we used Neighborhood Action Teams (NATs) as our central community organizing model. The strength of this model is that it combines individual and community goals, personal development with community action, and social network development for broad-based, long-term impact.[12] The NATs functioned in the context of a cross-sector community collaborative model that engaged residents, service providers, high level local government officials, and business leaders. Unusually for a cross-sector collaborative, MCP was incorporated as an independent 501(c)(3) organization to help ensure its long-term institutional viability. (See case history for further details.)

Monument Futures was among MCP's first projects. In an attempt to address a perceived problem for local businesses-- the growing number of day laborers congregating on a community thoroughfare,Monument Boulevard--in 2001 business leaders and the City initiated a day labor program. It was spun off as an independent 501(c)(3) nonprofit in 2001, but by 2003 was in deep trouble. Once I joined as Executive Director, we turned it around by taking an integrative, instead of segregative, approach and expanded it to become a community-led economic development organization open to the entire community.[13] Unlike any other economic development center I am

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[7] TEAMS no longer has a web site. It was an Oakland-based organization founded by Judith Rosenberg that promoted innovative, team-based models of community organizing.

[8] www.partnershipph.org

[9] www.fiinet.org

[10] http://www.monumentcommunity.org/

[11] http://www.monumentfutures.org/.   Nomenclature for Monument Futures can be confusing, as has changed with its different foci. It is incorporated as the Concord Community Economic Development Center, Inc. The original day labor program was called Monument Labor Works. To reflect its new mission, we called it Monument Futures. In 2009, it became the Michael Chavez Center for Economic Opportunity.

[12] The Neighborhood Action Team model is a variation on TEAMS' Support Action Team model.

[13] Through his promotion of immigrant integration strategies this approach has been made respectable by Dr. Manuel Pastor, Professor of Geography and American Studies & Ethnicity at the University of Southern California and Director of USC's Program for Environmental and Regional Equity (PERE) and co-Director of USC's Center for the Study of Immigrant Integration (CSII). At the time, we were swimming against the tide of standard practice and conventional wisdom.

aware of, we made the cultivation of social networks, leadership development of our members, and increasing the social status of immigrants and other residents as core to our mission as the day labor hiring hall, job training, business development and other services we provided. [Again, see case history for further details.)

In both organizations, with strong resident leaders, as well as supportive service providers and local government officials, we created and tested a number of innovative community-building models in which (a) residents geniunely drove organizational priorities; and (b) building strong social networks among people of diverse backgrounds was treated with the same seriousness and intentionality as bringing in new services and resources and advocating for changes in local policies. (See MCP and Monument Futures case histories for detail.)

The interpersonal approach to social change got results well beyond what we could have foreseen when we first headed down this path. It convinced many of us involved that building resident capacity and expanding informal social networks with the broader community is integral to and indispensible in achieving social equity. Treating social capital as a strategic, instead of tactical, component of the work, we saw rapid changes in both attitudes and behaviors of many participants, some of whom were severe critics of this approach at the outset. I have since met a handful of other practitioners of community-building efforts who have taken similar paths and have corroborated the difference in results.

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And there is yet another major benefit to building social capital as a key strategy in equity work. It changes the paradigm of social action in some basic ways, and provides a lens to more clearly observe, evaluate and improve the work on the ground, including who is involved, what models we use, where the work is housed, how the work is financed and how success is measured.

CHAPTER 3. IN WHICH WE EXPLORE HOW THE INTERPERSONAL THEORY OF SOCIAL CHANGE MOVES US FROM COMMUNITY ORGANIZING TO REORGANIZING COMMUNITIES AND CREATING EQUITY IN REAL TIME AND PROPOSING FIVE MAJOR IMPROVEMENTS TO PLACE-BASED INITIATIVES.

I now want to present what I used to call the one-genus hypothesis, or postulate. This hypothesis I word as follows: *We shall assume that everyone is much more simply human than otherwise…*

--Harry Stack Sullivan, M.D., *The Interpersonal Theory of Psychiatry*[viii]

At the local level, social equity work is less about community organizing than about the wholesale reorganizing of communities and restructuring of personal and professional relationships to be more egalitarian. Organizing and advocating for expanded resources, better community environments and more equitable policies are undeniably critical to achieving a more equitable society. However, in the end, it is interpersonal attitudes and behaviors that determine social norms and societal values.

Reorganizing communities entails getting people from different backgrounds –including those who perceive themselves to be in opposing camps—to know each other and to work together productively. Starting with low income and other people against whom the social and economic deck is stacked, the goal is for "strange bedfellows" to get to know each other as individuals, start to identify and trust one another, openly and tacitly challenge each others' belief systems and behaviors, work through differences, and establish a critical mass of lasting social ties based on mutual trust, mutual accountability and mutual dependency. This not only changes the way low income residents think and behave; it changes everyone involved and opens opportunities unimaginable when social networks remain narrowly homogeneous and social hierarchies are preserved.

However, deeply examining and rearranging interpersonal relations is unfamiliar, even disturbing, territory for many. We all tend to self-organize around people we readily identify with, and to shy away from those who challenge our assumptions and belief systems. (This is even true of social activists, government officials, and funders.)

When we work to restructure social networks, interpersonal relations, and social status, we must deliberately deconstruct and disrupt the comforting assumptions we make about ourselves and the world. When you get to know and work as peers with, for instance, a day laborer or people from the Hmong community (or for that matter, a supporter the Tea Party movement), it forces us to raise awkward questions, not just about our institutions and policies, but about ourselves and others as purveyors of inequity, including those who are poor. It is so much easier, but much less effective, to confine our activism solely to blaming systems, discussing equity at conferences, and yearning for the day when our policies will change social norms and free us to treat one another better.[14]

In this light, the amount of personal discomfort we experience in taking an interpersonal approach to the work can be a strong leading indicator that something is actually changing. Incorporating a focus on interpersonal behavior and social networks is not only a more productive pathway to equity; it is deeply satisfying because we are able to create and see social change in real time, as we live and breathe. If

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[14] A compelling recent example of the influence of social networks on policy change is the extent to which support for marriage equity has gained ground over the past decade. A Gallup poll result published May 29, 2009 concludes, "Views of gay marriage are strongly related to ideology. But the increase in support among those who personally know someone who is gay or lesbian is not merely a reflection of the fact that liberals are more likely to know someone of same-sex orientation. Further analysis reveals that, when controlling for ideology, those who know someone who is gay or lesbian are significantly more supportive of gay marriage than are those of the same political persuasion who do not personally know someone who is gay or lesbian." http://www.gallup.com/poll/118931/Knowing-Someone-Gay-Lesbian-Affects-Views-Gay-Issues.aspx

done well enough, the work is fun, intellectually challenging, and expands the personal and professional horizons of all participants, not soley low income residents. Not without its own frustrations, the interpersonal approach produces the opposite of the kind of burn-out that social activists often experience when they feel they are beating their heads against the wall and getting nowhere.

Last but not least, paying attention to personal and social aspects of the work allows us to see equity work through a new lens, exposing flawed reasoning, counter-productive aspects of models and tools we use, key improvements we can make, and better uses of available resources.

The following is a discussion of five major areas where we could get much greater mileage from place-based equity initiatives and achieve equity more directly and rapidly. It takes:

1. **A different kind of leader to build relationships and social networks**
2. **Models and tools that don't sabotage what we are trying to achieve**
3. **Creating new institutional homes for the work**
4. **Better ways to finance and sustain the work**
5. **Better ways to measure success**

1.   A DIFFERENT KIND OF LEADER TO BUILD RELATIONSHIPS AND SOCIAL NETWORKS.

> Simply by finding and reaching those few special people who hold so much social power, we can shape the course of social epidemics. In the end, Tipping Points are a reaffirmation of the potential for change and the power of intelligent action. Look at the world around you. It may seem like an immovable, implacable place. It is not. With the lightest push – in just the right place – it can be tipped.
>
> --Malcolm Gladwell, *The Tipping Point*

Each one of the 3 major strategies for social transformation outlined above requires a different kind of leadership. We are familiar with the kind of focused management and issue expertise needed for effective social action and advocacy efforts. However, building social networks requires leaders who are natural connectors; are open-minded; are perceptive about other people; value collaboration over competition; and are as eager to learn about themselves as they are about others. So the first step in an interpersonal social change model is to find such leaders among residents in the community, social activists, business owners, funders and other key stakeholders; cultivate their skills; and equip them to experiment in the interpersonal dimension of the work.

2.   MODELS AND TOOLS THAT DON'T SABOTAGE WHAT WE ARE TRYING TO ACHIEVE.

When we pay close attention to rearranging social networks and changing the status of residents, we quickly find that the social equity movement is caught in a paradox: in too many instances, we are trying to create social equity by using tools, models and institutions that preserve the status quo of social hierarchy. It is no wonder that low income residents, service providers, government officials and activists get frustrated at how slow change is. It would be like trying to fly to the moon in a yacht: it

doesn't matter how well-constructed the craft is, it is just the wrong vehicle to get you where you want to go.

For example, in a positive move from paradigms of the past, most place-based equity initiatives are disposed to take what John McKnight dubbed an asset-based, rather than a needs-based approach to community-building. ("Asset-based" means that there is a baseline assumption that low income residents are just as smart, capable and ambitious as anyone else: what they lack are the information and resources required to act on these strengths.) Thus, they make an effort to assure that residents are "at the table" with other community stakeholders in determining community priorities.

But too often the seats reserved for residents are still at the children's table. The "real" work is determined and carried out by the usual suspects – professionals and powerbrokers. In the worst cases," resident leadership" can be window-dressing that tends to reinforce, rather than fundmenantally challenge, social hierarchies. This happens, for instance, when residents are included in an advocacy campaign, but it is the "experts" who identify the issues, make the real decisions and lead the action. Or when service providers engage promotoras to carry out a health-related "education and outreach" program within their communities, but fail to include them as project designers, problem-solvers, and trouble shooters. Or when a Family Resource Center pays lip service to resident "assets", but uses an "intake and assessment" form that focuses on their needs and deficiencies, to the exclusion of their talents, ambitions, and the contributions they can make as colleagues. So long as residents are not being engaged as peers and problem-solvers, they remain comfortable inferiors—a distinction in status that is felt and understood by all, if seldom articulated.

Many models we use can create equity in real time, but it demands critical thinking and constant course correction by residents and other participants to break our unconscious bad habits of unequal behaviors. We need to structure models and tools in ways that fundamentally challenge the status quo; force us to see people as multi-dimensional human beings with both strengths and foibles, not examples of a stereotype; and build multi-faceted relationships based on mutual trust and mutual support.

Here are two examples of what this looks like on the ground: At MCP, we found that enlightened service providers were interested in learning how to better engage residents as peers in their work. Instead of a 'peer-to-peer' training, in response, our most experienced resident leaders, the Neighborhood Action Team (NAT) facilitators, developed a 2-day training targeted to service providers. It light-heartedly demonstrated how patronizing and counter-productive many services are, and provided participants with exercises on how to work in tandem with residents on program design, implementation and evaluation. This created demand among service providers for what we called the Community Consultant program, where our resident leaders provided consulting services to, for example, the county Children and Family Services and Transportation departments, helping them design and evaluate projects in ways that respond to community demand and treat residents as intelligent

peers.[15] Not only did this provide a valuable service to providers and professional growth opportunities for the Consultants. It reversed expected roles, and introduced a healthy confusion about who is the client and who is the expert.

Likewise, at Monument Futures, we created a number of venues in which our member day laborers challenged social norms by interacting as peers with others in the community--not only other residents, but business leaders, City staff, city office holders, and service providers, among others. For instance, building on five years of volunteerism and leadership in the community, when the recession hit our day labor members hard and work dried up, we developed a promotional campaign by positioning them as philanthropists and benefactors in the community[16]--more our association with business leaders from Rotary than a day labor center-- flipping the expected narrative about day laborers as either parasites or victims.

When a critical mass of people share such experiences often enough and over a long enough period of time, it almost inevitably alters the people involved and begins to have a ripple effect in the community, as participants influence their peer networks, who influence their peers, and so on. This is how social norms get nudged toward a tipping point.

3.   CREATING NEW INSTITUTIONAL HOMES FOR THE WORK.

> [O]ur institutions are too powerful, authoratative, and strong. Our problem is weak communities, made ever more impotent by our strong service systems.
>
> --John McKnight, *The Careless Society*[ix]

When building social networks has a central place in social equity work, it also requires us to pay close attention to where the work is housed. As a matter of fact, we probably need to invent new institutions that are designed expressly for the purpose, because existing institutions do other things, but not this. An equity-focused institution must have long-term viability; must embrace community-building and social equity as a core part of its mission; must be structured to rearrange, expand and solidify social networks; and must model and "export" social equity.

 At present, most place-based equity initiatives are simply housed in the wrong places to do this critical and distinctive part of the work. This is a major impediment to progress. Community collaboratives that engage residents as key stakeholders are pointed in the right direction, and are probably the most

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[15] This also had the potential to become a revenue stream both for resident leaders and MCP. MCP charged $47.50 per hour for Community Consultant services. The Consultants earned $35 per hour and MCP retained a finders' and administrative fee of $12.50. We did not bring this to scale during my tenure, but it was a promising model and provides an example of the revenue innovation discussed later.

[16] In a multi-week campaign to raise funds and food for the Monument Crisis Center, every one of the 80+ day laborers personally contributed $10 of their scarce pay, and volunteered many hours to collect food and cash donations from the broader community.

promising models we have at our disposal as things stand. However, they are almost never structured or used in ways that fundamentally change the ways communities are organized. Some fatal flaws include:

- *Primary emphasis on services and environment or policy change, under-emphasis on building long-term relationships*

  There are community-based organizations that "get" the interpersonal dimension of social change. Some of the most prominent locally-initiated community-building initiatives, such as Dudley Street Neighborhood Initiative in Boston or the Jacobs Center for Neighborhood Innovation in San Diego, recognize the value of relationship-buidling, and use community organizing and social action projects not just as ends in themselves, but to expand and solidify social networks.

  However, this dimension of the work has not translated into an evidence-based practice that is promoted nationally on a scale with service expansion, social action and policy change. It certainly is not practiced on a big enough scale to make a broad difference in community structures, resident status or broad social norms.

  The statewide and national place-based equity initiatives sponsored by foundations or the federal government could have far greater impact if they incorporated interpersonal models as a key strategy. These would have the clout and resources to support experimentation with relationship and equity-building institutions, such as the model we developed at MCP. This would generate a new and powerful tool for the equity movement, and a critical mass of centers to innovate and track what works and what doesn't in promoting equity.

- *Temporary Partnerships and Collaboratives*

  Building relationships among strangers—particularly people from disparate or hostile classes, races, language groups, cultures and educational background-- is demanding, specialized and long-term work. Unfortunately, many place-based initiatives, collaboratives and partnerships are too short-term to have much impact. Coalitions form, might do some good work, then disband. In many cases, when the funding dries up, a collaborative falls apart. There can be a revolving door of participants, either because people change jobs, lose jobs, have a family crisis, lose interest, or have no incentive or venue to continue the work when a coalition dissolves.

  When this happens too often in a community, it does not merely signify a regretable loss of momentum, collective knowledge and experience. It can breed cynicism, fuel mistrust and reinforce the negative stereotypes people tend to embrace about each other. Community residents may roll their eyes when yet another do-gooder wants to engage them in community work. A technical assistance provider may become disenchanted when providing the same training to successive groups of promotoras, yet seems never to lead anywhere. Social activists burn out or give up on residents who don't show up for meticulously-planned campaigns or projects, or even appear to care about their communities.

It takes time to build relationships that are self-sustaining and take on a life of their own. The equity movement could get and greater maintain traction if housed in collaboratives that have long-term viability and are equipped to make the required long-term investment in expanding and strengthening social networks among disparate stakeholders.

- *The Wrong Institution To Model Social Equity and Change Social Status*

Most place-based equity initiatives try to overcome the longevity problem by identifying a "host" institution that will anchor a community collaborative, and have the resources to carry on social change work in perpetuity--typically government agencies, schools, social services or other organizations.

But building social equity and community is almost never part of their core mission. This means that the work is not truly institutionalized, and is subject to change or eradication with staffing, board or resource changes. Furthermore, host institutions with long-term resources are seldom the radical change agents in our world. Social services and government agencies, for instance, are usually on a short leash when it comes to major innovations like creatively broadening social networks or structuring things in ways where residents are high level decision-makers.

While there are institutions such as faith groups or service clubs (e.g., Girl Scouts or Rotary clubs) that build community, their missions and audiences are too narrowly defined to serve anything but a contributory role in building social networks and social equity.

> An Institutional Experiment: Monument Community Partnership
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> Monument Community Partnership is unusual in that the value of institutionalizing as a collaborative was recognized early on, and after about three years in operation it incorporated as an independent 501(c)(3) nonprofit organization. While this had its own headaches and challenges because it was an unfamiliar model, it also provided a blank canvas that spurred enormous creativity as we were forced to explore questions like: What is the purpose of an organization like this? What should it try to achieve to make it a worthwhile investment of people's time and money? What actions should it take and why? How do you structure an organization so that it builds relationships, assures all members are genuinely equal, provides value to all participants, and still gets stuff done? How do you describe it? How do you fund it? How will we know if its succeeds? While none of these questions have been fully resolved, over the years MCP not only provided platform that introduced a number of solid programs and community campaigns; it provided a center of gravity around which a diverse community genuinely began to coalesce and reorganize. [See attached MCP Case History for more detail]

The problem is, the vast majority of institutions that could responsibly manage major community investment are oriented to provide social services, not to build community and social equity. To achieve its aims, the social equity movement should really be anchored in a critical mass of new local institutions that are explicitly designed to *model social equity* and *build relationships across interest groups for the long haul* as the central part of their mission. This could provide a focal point for experimenting with

processes and structures that can then be "exported" to other venues, like social services and economic development centers.

4. BETTER WAYS TO FINANCE AND SUSTAIN THE WORK

It is difficult to get a man to understand something, when his salary depends upon his not understanding it.

--Novelist and socialist politician Upton Sinclair

Money is a powerful tool. Depending upon the way social equity financing is structured and managed, it can accelerate the achievement of equity, preserve the status quo, or, in some cases, even set things back. There are currently at least three big problems with financing the equity movement: where money comes from, what it is used for, and who controls it.

- *Where money comes from*

It is widely recognized how problematic it can be to accept financial support from, say, BP, Wal-Mart or Citigroup, when we are trying to change the systems that concentrate wealth in the hands of the few, find more sustainable fuel sources, or restore a balance between the influence of corporations and the general public in public policy.

However, far less attention is paid to the ways in which even well-intentioned and mission-targeted revenue streams, such as foundation or government grants, can either promote or get in the way of attaining the goals of social equity. This is particularly the case when a major grant is the sole or primary funding source for an equity initiative. While few practitioners would refuse such an opportunity, it forces them to over-depend on the grantor in order to sustain program activities. In situations like this, the funder inevitably supplants the community as the primary customer because it is she who pays our salaries. In the name of "accountability", funders may end up micro-managing ostensibly community-driven processes, superseding the judgment of residents and other local stakeholders in terms of serious decision-making. This can frustrate practitioners who know the difference, and can send a "counter-empowerment" message to residents, fueling disillusionment and further mistrust in "the system" and persuading them that it is not worth their time or effort to participate.

This reinforces the message of social activists like Kim Klein, who for decades have argued for diversification of resources in the social change sector, not just for greater sustainability, but because it better aligns accountability with mission. Klein emphasizes raising funds directly from low income communities: When they help pay our salaries, we are more likely to make sure programs are demand-driven and more directly serve their interests. Similar observations have emerged through the microfinance and social enterprise fields, which analyze how revenue flow affects society and the social purpose sector, and experiment with revenue models that cross the lines of standard nonprofit and for profit business boundaries.

Having said this, major funding sources like foundation and government grant initiatives play a unique and critical role in the field of social equity because they mobilize large-scale resources to fuel change. But it matters how these funds are structured and managed.

Like any other business venture, it would be a positive step to require place-based grantees to build long-term revenue generation into their models from Day One, thus diversifying accountability and establishing a healthier dynamic for the organization or collaborative.[17] Revenue generation strategies should be taken just as seriously as program delivery, and should integrate best practices from the social enterprise and microfinance movements. There should be heavy investment in revenue innovation as a function of the work, particularly generating funds directly from key stakeholders, and in ways that benefit residents and organizations alike[18]. This provides the kind of direct feedback loop that for-profit businesses enjoy, where constituents can vote with their dollars: if an organization fails to provide them with sufficient value, it will lose their financial support. This kind of discipline would help assure productivity and mission-focused lines of accountability.

- *What money is used for*

One thing that funders seldom pay for is sufficient time, expertise and activities required to do the interpersonal and networking aspects of the work, such as those that have been outlined throughout this discussion. In all fairness, this is partially because we have not developed convincing success measures for building social capital. However, we cannot develop an evidence base for social capital-building strategies until there is enough investment in and experimentation with social capital-based models to understand how they work and what their impact is. (See below, "Better Ways to Measure Success")

An exception to this rule was the original Partnership for the Public's Health initiative sponsored by The California Endowment. The purpose of this four-year funding stream was to support a specific process—getting local health departments to partner with residents in setting and implementing community health priorities -- not a pre-determined project or outcome. MCP, one of the original PPH grantees, proved a fertile field for this kind of investment. Likewise, this kind of funding was pivotal to MCP's success, providing a resource, an incentive, and a forcing function to disrupt old social norms and establish new ones. (Again, see MCP case history for detail)

It would accelerate progress if—at least in the first few years—funders of place-based initiatives built this kind of flexibility into their grant making, and held their grantees accountable for rigorous

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[17] As opposed to the year the grant is about to end.

[18] For example, Monument Futures charged a $20 monthly fee for membership in its day labor program, which they consistently ratified as a good deal. As noted elsewhere, MCP piloted its Community Consultant model that expanded resident leadership opportunities, increased their earnings, and created a small revenue stream for MCP. And Jacobs Center for Neighborhood Innovation has pushed the envelope by developing investment vehicles in which low income residents can qualify as investors.

innovation in and evaluation of network-building models. Once sound equitable process is well-established and embraced by a critical mass of residents and community power brokers, funders should then invest in the capacity of organizations and communities to sustain this aspect of the work for the long haul through (for instance) membership fees or other community-generated revenue streams such as those developed by the Jacobs Center for Neighborhood Innovation, or MCP's Community Consultant model, where experienced resident leaders provided consulting services to local agencies and MCP charged a premium on their hourly rate for administration and training.

- *Who controls the money*

Whoever controls the money controls the agenda, and that is almost never low income residents. To paraphrase comments made by Maurice Lim Miller, founder of the Family Independence Initiative, our society (including most social equity practitioners) doesn't trust poor people with money, thereby helping to assure poor people have no opportunity to develop financial muscle in the formal economy. In essence, if we in the equity movement don't provide a platform for building this kind of capacity among residents, who in the for-profit sector will?

One of the most pernicious fallacies that continues to cloud our thinking is the assumption that poor people are clueless when it comes to managing resources. In studies conducted by FII and microfinance researchers, there is strong evidence that most low income people manage their scarce resources exceptionally well, because they have to in order to survive. This is particularly true in groups with solid intra-community ties. For instance, people from many tightly-knit immigrant and other low income groups spontaneously share resources through tandas and other forms of informal savings groups.[19]

Having debunked the myth of their financial incompetence, it has become clear that even very poor people can ingeniously mobilize and leverage available resources in informal economies. What they tend to lack are opportunities to acquire information and opportunities to build these skills in the context of the formal economy. The microfinance movement has gone furthest to get money directly into the hands of low income individuals to use for individual and family gain. Initiatives like Jacobs Center for Neighborhood Innovation have pushed this into the realm of social investing, experimenting with the development of a community foundation, where residents are among the decision makers in how funds are invested. If we are sincere about resident empowerment, we need to continue this type of innovation, equipping residents with information, pathways and latitude to responsibly exercise control of both spending and revenue generation as an integral part of the structure of place-based initiatives.

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[19] Savings group models, for instance, are being heavily promoted internationally by Oxfam's Manager of Community Finance, Jeffrey Ashe, among others.

5. BETTER WAYS TO MEASURE SUCCESS

> The economists messed everything up…. The main barrier to getting progress has been that statistical agencies around the world are run by economists and statisticians [a]nd they are not people who are comfortable with human beings.
>
> --Alex Michalos, former chancellor, University of Northern British Columbia
> on the Canadian Index of Well-being[x]

Measures of success and accountability that are the standard fare of the equity movement are focused on things like the addition or expansion of services and service-related outcomes of clients, concrete changes in local enviroments, or changes in public policy. However, in the view of practitioners and evaluators who embrace interpersonal and social capital-building strategies in equity work, these outcomes fail to capture the things that constitute deep-seated, self-sustaining community transformation. Changes in resources, environments and policies are undeniably important. But, the real story is that of the people and groups that generate this change: what happens to them and their social networks, in terms of increased capacities, connectedness, inclusion and social status. We need ways to tell if this level of personal and group transformation is taking place on a large enough scale.

So, starting in 2002, a group of us who are equity practitioners and evaluators formed the San Francisco Grassroots Civics Lab[20] to develop and test such an evaluation model. The model tracks the inter-dependencies of individual and group empowerment of low income residents, their social connections, changes in their social status, reorganized community relationships, concrete changes in resources, the local environment or policies, and how these things can catalyze a self-reinforcing virtuous cycle. If fully and broadly implemented, this or similar evaluation models would paint a far more complete picture of what community change and emerging social equity looks like, and provide a useful guide to what works (or what doesn't) for equity practitioners, investors, and researchers.

The vital importance of changing what we measure has, in fact, emerged as a global issue. A recent New York Times Sunday Magazine article, "The Rise and Fall of the GDP,"[xi] provides an overview of international efforts to find alternatives to the GDP as the primary measure of national and global well-being. Among several initiatives to change measures of social and economic well-being, at the request of French President Nicolas Sarkozy, three economists, Joseph Stiglitz, Jean-Paul Fitoussi and another Amartya Sen, formed a commission in 2008 to develop alternative measures to the GDP. Among those

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[20] The Grassroots Civics Lab was initiated by Robert Putnam in a national challenge to develop and measure the growth of social capital. The San Francisco Bay Area Grassroots Civics Lab was hosted by the Northern California Council for the Community (NCCC) (now reintegrated with United Way of the Bay Area). Its members were NCCC evaluator Larry Best; independent evaluator Melanie Moore Kubo, now of See Change Evaluation; Judith Rosenberg and Jody Parsons of TEAMS: Transformation through Education and Mutual Support; Henry Izumizaki and Verna Lim, then of the California Community Protection Foundation (Henry Izumizaki is currently with the Russell Family Foundation and Verna Lim with Vida Studios); and Molly Clark, of Vested Interests and Monument Community Partnership.

who served on the commission is Robert Putnam, who argued, "it seemed possible that measuring social connections, and putting those measures on a national dashboard, could be in society's best interests.[21]

It is critical to the success of the social equity movement to create reliable and convincing ways to track and measure the development and impact of social capital in communities, in addition to more traditional success measures. As importantly, place-based initiatives are an ideal venue – perhaps the only venue—where we can capture and meaningfully analyze this pivotal aspect of our human story. If we did this in enough places and on a large enough scale, it could be a great contribution to our understanding of human motivation, spur an increase of social cohesion in the U.S. and elsewhere, and be instrumental in allowing us to act on our best values as a nation and a society.

IN CONCLUSION: WE CAN CREATE POLITICAL WILL FOR GREATER EQUITY—BUT IT TAKES REFRAMING THE LOCAL WORK

> [F]or the growing good of the world is partly dependent on unhistoric acts; and that things are not so ill with you and me as they might have been, is half owing to the number who lived faithfully a hidden life, and rest in unvisited tombs.
>
> <div align="right">--George Eliot, Middlemarch</div>

Over the past couple of decades, thanks to pioneering social, public health and economic theorists and practitioners such as Muhammad Yunnus, John McKnight, Robert Putnam, Richard Wilkinson, Manuel Pastor and Angela Glover Blackwell, among others, there is now plenty of evidence that there is nothing wrong with poor people that isn't wrong with the rest of us; but there is plenty that is wrong with our social systems and social norms. As theory has translated into practice through the microfinance, health equity and other components of the social equity movement, we are getting glimmers of the vast talent, ingenuity and insight that lies dormant in low income communities, waiting to be harnessed by mainstream society.

As a result, there are a growing number of best practice models and programs that are producing encouraging results: microloans and subsidized savings programs for the poor; advocacy for cities to make Health Impact Assessments as ubiquitous a planning requirement as Environmental Impact Assessments; engaging residents in political advocacy campaigns; and place-based initiatives and cross-sector collaboratives, which recognize the inter-dependencies of community constituents and resources, and leverage the power of different perspectives in solving complex problems. A remaining major gap would be filled if we applied the principles of social capital to social equity work in a systematic and concerted way.

Luckily, rearranging interpersonal relationships and creating new social capital is not rocket science. Just about everyone yearns to belong, to be included, to be recognized, and to be valued as a part of society.

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[21] The Rise and Fall of the GDP," Jon Gertner, the *New York Times Sunday Magazine*, June 30, 2010

It is (literally) in our DNA to connect and cooperate with one another.[22] This is the most potent tool we have to work with. But being human, we cannot do much to change society individual by individual, no matter how strongly we hold equitable values or want things to be different. As a middle-class, middle-aged woman who speaks inadequate Spanish, I could never have become friends and colleagues with day laborers and other low income immigrants without a structure like MCP or Monument Futures. We are psychologically and socially trapped by mutual expectations that steer our behaviors. This is why we need new institutions that help us collectively examine, challenge, and change those expectations, and provide a platform for all of us to act on our best values.

We have done it before, and we will do it again, because Americans believe in fairness as the most fundamental precept of U.S. society. And in the interest of equity, the most revolutionary step we can take is to change who we each know, who we trust, who we identify with and thus, who we, as a society, care about.

ABOUT VESTED INTERESTS AND MOLLY CLARK

Vested Interests is a program I started in 2003. It is an outgrowth of a three-decade career that spans literary studies, practicing psychotherapy, and work in the fields of microfinance, community health, and the social enterprise movement. The common thread is trying to figure out what it takes for people to be happy, healthy and more consistently treat one another with decency and respect.

Vested Interests is an attempt to weave this experience together and help expedite the progress of the social equity movement. The idea emerged from my work since the 1980's with thought leaders like Dr. Peter Gill, of the Cambridge Psychotherapy Institute and promoter of a collaborative approach to psychotherapy; Jeffrey Ashe, of Working Capital (now with Oxfam International); Judith Rosenberg, from TEAMS: Transformation through Education and Mutual Support; Henry Izumizaki, then of Groundswell Network (now the Russell Foundation); Maurice Lim Miller, founder of the Family Independence Initiative; Tracie Haynes, one of the best community-builders I know; and scores of resident leaders, including Kathy Renfrow, Esperanza Flores, Mary Lou Laubscher, Armando Garcia, Martin Segobia and others who have made me see and believe in human potential in ways I never could have without them. In different ways, these organizations and individuals examined, cultivated or made use of what is called "bonding" (or "strong") social capital – meaning the close-knit bonds of mutual trust and mutual support within affinity groups—to get people out of poverty.

Vested Interests was created because there was also a need for models that generate and use "bridging" (or "weak") social capital – the links between different affinity and interest groups. It is these social connections that provide most of the information, job connections, business contacts and other resources we need to thrive as individuals and a society. These links have been massive casualties of

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[22] John Forbes Nash, Jr., Bruce Bueno de Mezquita, and other game theory experts have conducted numerous experiments demonstrating that our self interests as human beings are not opposed to, but rather are tethered to group interests.

growing income inequality and our history of racial and ethnic bias, contributing to a viscious cycle of xenophobia and inter-group antagonism that drive ever-greater inequity.

To reverse this, Vested Interests works with people and organizations who value fairness and want to act in ways that produce greater social equality. With help from many of the above colleagues and friends, I first articulated a Vested Interest theory of change in 2003. The theory was applied and tested over the next five years at Monument Community Partnership and Monument Futures, producing strong indicators that this paradigm is on the right track. The work ahead is to share what we have learned, find those who hold similar values and have similar experience, experiment on a much larger scale, and collectively generate the social cohesion and political will needed to create the world we would prefer to live in.

[i] Brooks, David (March 11, 2010) "Getting Obama Right," *the New York Times*.

[ii] Putnam, Robert (2000). *Bowling Alone: The Collapse and Revival of American Community*.

[iii] Galbraith, John Kenneth (1992). *The Culture of Contentment*.

[iv] Phillips, Kevin (2002). *Wealth and Democracy: A Political History of the American Rich*.

[v] Wilkinson, Richard and Pickett, Kate (2009).*The Spirit Level: Why Greater Equality Makes Societies Stronger*.

[vi] Granovetter, Mark (1995). *Getting a Job: A Study of Contacts and Careers*, 2nd edition.

[vii] Keynes, John Maynard (1924). "The Theory of Money and the Foreign Exchanges". *A Tract on Monetary Reform.*

[viii] Sullivan, Harry Stack, M.D. (1953).*The Interpersonal Theory of Psychiatry*.

[ix] McKnight, John (1996). *The Careless Society: Community and Its Counterfeits*.

[x] [x]"The Rise and Fall of the GDP," Jon Gertner, the *New York Times Sunday Magazine*, June 30, 2010.

[xi] [xi]"The Rise and Fall of the GDP," Jon Gertner, the *New York Times Sunday Magazine*, June 30, 2010.