REVIEW ESSAY:

Social Capital and Social Economy in Sub-National Island Jurisdictions

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Abstract

This paper explores the concept of social capital in terms of the capacity of sub-national island jurisdictions (SNIJs) to exert their jurisdictional powers through formal and informal social policy and structures for economic purposes. It examines the ways in which jurisdictional capacity can generate (or conversely, deplete) social capital in the pursuit of economic sustainability. Strong bonds amongst islanders, effective relationships with the metropole, and resourceful use of jurisdictional capacity present advantages. Recommendations on how island jurisdictions can learn from each other in formal and informal policy initiatives are presented.

Keywords: sub-national island jurisdictions, jurisdictional capacity, social capital, bridging, bonding, economic sustainability, policy initiatives

Introduction

The study of social capital in the economic activities of sub-national island jurisdictions (SNIJs) is challenging: there is both an abundance of data that can be extracted from SNIJ social interactions and a lack of formal research on the topic in that specific context. Broadly defined, social capital is the "ability of a people to work together for common purposes and to trust each other" (Coleman, 1988:98). On SNIJs, as in any other context, social capital does not exist on its own, but is rather a socially constructed concept borne out of the interactions of groups of people. Consequently, social capital either exists in some form in all group interactions, or it is notable in its absence. While social capital is a factor in every social interaction, there is limited research on its effects on economic development in terms of the study of sub-national island jurisdictions.

While they share similarities, and these can be used as a basis of comparison, jurisdictions that are both island entities and enjoy sub-national autonomy, should not be considered either homogenous or non-problematic (Karlsson, 2006). This is evidenced by the varying levels of economic success that sub-national island jurisdictions enjoy (Baldacchino, 2006a; 2005b) and by how jurisdictional powers can be an economic resource. This paper proposes that social capital within sub-national island jurisdictions may also contribute to economic success (Baldacchino, 2005b), and that jurisdictional powers influence, and are influenced by, the efficacy and nature of social capital.

Social capital is a relational concept, as it acts as a catalyst for the investment of other, more tangible, types of capital (Carroll, 2000). It is different from traditional forms of capital in that it is self-sustaining; a prudent investment in social capital has the affect of generating more social capital in addition to potential spin-offs in other areas such as the economy. Social capital also differentiates itself from other forms of capital in the multiple effects it can have. For example, it can have both visible economic effects (as in the development of cooperatives that promote communal success) and can contribute to the general social fabric of a place that is measured by less tangible indicators such as trust, sense of community and quality of life.

While the conditions are often set for social capital on island jurisdictions, its presence is not inherent and should not be assumed. Social capital is like any other type of capital, such as physical or financial, in that its value comes from the way it is invested. "Social capital itself is value free. It can be used to include, support, develop and create thus helping the development of a community and of society as a whole. Equally, it can be used to exclude, undermine, destroy and suppress" (Kay, 2005:165).

This paper will begin with an introduction to social capital, specifically in terms of its qualities of *bridging* (inter-group ties) and *bonding* (intra-group ties). Referencing numerous case studies of SNIJ economic development and sustainability, it will illustrate how sub-national island jurisdictions have deployed, or not deployed, social capital in its various forms. According to Woolcock & Narayan (2000:242):

> "The concept of social capital offers a way to bridge sociological and economic perspectives and to provide potentially richer and better explanations of economic development. One important way it does this is by showing that the nature and extent of social interactions between communities and institutions shape economic performance."

By examining the social interactions in the context of sub-national island development in a global context, this review essay will generate suggestions on how to use and better invest in, social capital for effective public policy and jurisdictional capacity. While the paper concentrates on semi-autonomous islands, the recommendations may have wider implications in, and for, other jurisdictions.

Social Capital Defined

Before examining the phenomenon of social capital within the specific contexts of sub-national island jurisdictions, it will be helpful to clarify the definition of the concept as considered in this review. Woolcock & Narayan (2000) define social capital as being the "norms and networks that enable people to act collectively" (*ibid*.:225) and Woolcock (1998) offers a critical and comprehensive analysis of burgeoning literature on this topic as it relates to economic development. For the purposes of this review, however, two qualities of social capital will be brought into focus: the 'bonding' ties within a group of people and the 'bridging' relationships amongst groups (*ibid*.) at both the grassroots and civil institutional levels. For SNIJs, 'bonding' refers to the ties within groups, such as the social

cohesion within an island community, whereas 'bridging' refers to the vertical and horizontal linkages between groups at macro and micro levels, such as the relationships with external bodies like the metropole, or between local groups on the island.

In this analysis, for social capital to be effective, there must be a balance of both bonding ties ("roots") and bridging ties ("routes") (*after* Clifford, 1997). For example, a peripheral island may use its close bonds to survive hard times, but may not have developed bridging ties to develop beyond subsistence activities. Conversely, a jurisdiction with strong bridging ties and weak inner bonds may use its inter-group relationships to advance economically, but sacrifice its cultural identity and social fabric in the process. Woolcock (1998) explains that the nature of social capital required for economic development is dynamic, with a complex interplay of the linkages and networks within and between state and societal entities (*ibid*: 180). Furthermore, it is a superficial approach to assume that the mere presence of bonding and bridging social capital is beneficial and that the stronger the ties the better. "Close attention must be paid to the balance between the bonding and bridging ties, since an excess of bonding ties can result in over-insularity, while an excess of bridging ties can result in a homogenization of distinctive socio-cultural features" (Kilpatrick & Falk, 2003:511). This equilibrium is particularly important for small island entities, where the effects of shock are greater felt (Lowenthal, 1987).

As it relates to economic development and its contribution to standards of living, Woolcock and Narayan (2000) have examined the multiple perspectives on social capital and categorized the approaches into four groups: communitarian, networks, institutions and synergy. The *communitarian* perspective "equates social capital with such local organizations as clubs, associations, and civic groups" (*ibid:*229), with the presence of these organizations being positively correlated with economic prosperity. The *networks* perspective expands upon the communitarian approach of *intra*community bonds and incorporates *inter*community bonds, with the former being strong enough to maintain cohesion, and the latter being sufficient to explore broader opportunities. The networks view takes into account both bridging and bonding ties and recognizes that the 'more is better' communitarian approach is oversimplified. The *institutions* approach holds that "the vitality of community networks and civil society is largely the product of the political, legal, and institutional environment" (*ibid*:234), which places the state and social institutions in a privileged position to both generate social capital and organize its effects. The *synergy* view is a synthesis of the networks and institutions approaches wherein institutions play an important part in mobilizing networks within and across groups and communities. The state and the community members both play an important role in social capacity by influencing the quality of formal and informal networks and institutions. It is with the synergy lens that this paper examines social capital in sub-national island jurisdictions. The synergy perspective best exemplifies the importance of the collaborative roles of SNIJ citizens and institutions, in the prudent investment of social capital and exercise of jurisdictional capacity.

Woolcock and Narayan (2000) offer three conclusions from their examination of social capital research in the context of economic development, which are salient in the review of sub-national island jurisdictional capacity. First, "neither the state nor societies are

inherently good or bad" (*ibid*:236) which opens the possibility for agency on the part of the citizenry, the metropole and the sub-national jurisdiction to explore and expand upon the foundations of social capital, however nebulous they may be. Second, "states, firms, and communities alone do not possess the resources needed to promote broad-based, sustainable development" (*ibid.*), which emphasizes the collaborative and cooperative requirements of social capital and economic development. No one group has all the solutions, but the community, institutions and all levels of government, both local and metropolitan, must work together. And finally, there must be both complementarity and partnerships across these sectors. This is where the concept of bridging social capital plays a crucial role, wherein mutually supportive relationships between societies, institutions and government work to achieve mutual prosperity.

Armstrong and Read (2002), argue that "social cohesion and homogeneity in small states leads to greater single-minded and communal consensus in decision making which in turn leads to greater social capital" (*ibid*.:438). Using sub-national island cases, this review suggests that, if this is true, it is only so when the correct combination of bonding and bridging social capital is present. While island jurisdictions often lend themselves to social cohesion, the consensus created by conformity and exclusion would only serve the interests of the elite and thus *deplete* social capital. The challenge is to develop dynamic strategies, appropriate to each social, cultural and historical context, that capitalize upon the bonding and bridging ties that exist, and to develop environments which nurture ongoing social capital.

Jurisdictional Capacity

Jurisdiction relates to the competence to pass laws, build effective administrative processes, facilitate inward capital flows, encourage education and support the development of a climate conducive to economic growth (Baldacchino, 2002:349). Social capital contributes to jurisdiction in the flexibility and innovation required for change. "A society must recognize its core values and identity so that it can confront change without compromising what it stands for as a people" (Baldacchino & Milne, 2000:12).

Jurisdictional capacity is about effective linkages and good governance. Good governance promotes the use of social capital to "provide access to resources and support" (Bouchard *et al*., 2006:71), to generate more than a bartering system of goodwill. Trading one favour for another, or *balanced* reciprocity, is advantageous in the short term, but the principle of *generalized* reciprocity, is "the touchstone of social capital" (Putnam, 2000:134). Generalized reciprocity is the foundation of cooperative behaviour both within and amongst groups, wherein goodwill is altruistic, and the payback is felt "in the fullness of time, by others, and not always with the knowledge of the initial act" (Evans, 2006:51). It is the challenge of the sub-national island jurisdiction to motivate this type of behaviour beyond the strict geographic parameters of the island and between groups at all levels of society. It is within these altruistic relationships that the value of social capital (such as economic prosperity, quality of life, and positive response to change) is realized.

Effective jurisdictional capacity must also employ engaged governance, which facilitates relationships between the public and government (Franke, 2006) that are akin to effective bridging social capital. In terms of sub-national island jurisdictions, this bridge would span from Islanders to sub-national government to metropole and back again. Sub-national island jurisdictions potentially have an advantage in the security of being protected by the metropole while at the same time demonstrating the capacity to be recognized as a semi-autonomous entity internationally. Yet the relationship with the metropole ought to approach a balance between dependence and autonomy (Beller *et al.*, 1990:371) for the SNIJ to enact its agency.

Social Capital and Sub-National Island Policy Initiatives

Kilpatrick and Falk (2003) demonstrate that islands are ideal settings in which to study social capital, as the formal and informal social networks and institutions are more easily isolated. In their study of bonding and bridging social capital in agricultural island communities, they found that networks are social capital resources that are drawn upon in learning to manage change (*ibid*.:503) and that "these links have the power to influence whether communities survive and thrive in a rapidly changing global economy" (*ibid*.). They also found that it is in the balance between bonding and bridging ties that social capital had the most advantageous economic influence. Inclusive and extensive social networks were more likely to be correlated with successful economic development of knowledge, than dense bonding within the homogenous, internal network. Social capital is the conduit for shared resources both within the group and external to it, and will be examined in this article in five aspects: identity, relationships with the metropole, bonding, bridging or linking, and resourcefulness. Using the accumulated evidence presented in the following SNIJ case studies, policy initiatives that incorporate these five aspects and adopt a *synergy* approach to mobilize social capital are suggested.

Identity

In his lessons from small North Atlantic societies, Felt (2003) emphasized the importance of citizens and government alike believing in their capacity to achieve (*ibid:*108). This belief is a fundamental principle behind the generation of social capital, as it underpins the confidence and trust that is required within and between groups to respond positively in the face of challenge. The capacity is what Massey (1993) refers to in her concept of a "progressive sense of place" (*ibid.:*64), wherein a place is not defined by static boundaries, either physical or social, but by the dynamic processes involved in the articulation of social relations in both local and global contexts. (*ibid:*66). For many SNIJs, a *progressive sense of place* is borne from a cultural identity that is supported by the networks, structures and institutions of a metropole. Consequently, jurisdictional policy initiatives should be taken to strengthen identity through investment in both formal and informal structures.

In light of the economic challenge of inward and outward migration of people that affects many island jurisdictions, one such structure that could be addressed by public policy is the assumption that the home and away are static and opposing concepts. Rather than viewing the 'brain drain' and the 'brawn drain' as a threat, SNIJs may benefit from the deployment

of their social networks and institutions in service of a 'brain rotation strategy' (Baldacchino, 2006b) which works to maintain ties with the island diaspora and welcomes newcomers to effectively leverage their knowledge and skills. This type of cyclical strategy, which promotes the generation of Island identity on both local and global planes, capitalizes on the bridging networks that enable Islanders to succeed abroad and the strong bonds that result in Islanders returning with new skills and experiences. Such a strategy, as in the case of Barbuda (Lowenthal, 1992) is the embodiment of Massey's (1993) progressive sense of place, wherein citizens of Barbuda living abroad are both home and away at the same time. Barbuda networks are maintained in the diaspora through voting and citizenship rights when off island, and regular return reinforces family and community bonds.

"An island is a nervous duality" (Baldacchino, 2005a:248), facing the challenge of finding the balance between local and global, openness and closure, threat and opportunity, trust and xenophobia. Characteristics often found in island jurisdictions, such as a level of "sovereignty, homogeneity and a sense of national identity are not by themselves necessarily sufficient for a country to flourish in today's global economy" (Srebrnik, 2000:63). For a sub-national jurisdiction, these lines can be increasingly blurred by the influence and international identification with the metropole. The Faroes and Cook Islands are two examples of how effective networks between the metropole and sub-national governments (Bartmann, 2006) can result in the effective assertion of the SNIJ identity on the international stage. Conversely, on Aruba, the influence of the Dutch metropole "remains the antithesis to the cultural development of the island. As a consequence, many Arubians believe that they are losing themselves" (Razak, 1995:452). It is within the structures of social capital that these relationships, both beneficial and deleterious, are negotiated, and through the enactment of jurisdictional capacity that identity can be articulated.

Relationships with the metropole have significant impact on islander identity and social networks, as illustrated on Saint Helena. Prior to 2002, Saint Helena citizens were not granted full British citizenship, which united the "Saints", while at the same time prevented an outward migration from the island (Hogenstijn & Van Middelkoop, 2005). Once citizenship rights were granted, approximately one quarter of the population migrated, which both broadened the reach of the island network into diasporas, and altered the way of life on the tight-knit, conservative island. Saints now face the additional social challenge of metropole-sponsored air access, which may lead to development; but the increased interaction with the outside world could also jeopardize the island way of life. The challenge for the jurisdiction is to develop initiatives that both reinforce existing island bonds of identity and to mobilize new bridging networks within the dynamic populace.

On Tasmania, the local and federal governments worked together to attempt to harmonize the island identity with limited degrees of success (Stratford, 2006). The Tasmanian 20-year strategic plan, *Tasmania Together*, which was informed by island-wide community consultations before its release in 2001 and revision in 2006, attempted to promote the island's diversity and to work toward sustainable development (*Tasmania Together*, 2001). Despite numerous policy objectives, however, thus far Tasmanians remain divided on the

social, economic and environmental issues surrounding sustainable development. Tasmania is an example of how both bridging and bonding social capital and effective institutions are required for economic success. While bridging efforts were made, the lack of bonding within Tasmanian society, between what Stratford (2006) refers to as the 'bloody Greens' and the 'bloody developers', has lead to the initiative's downfall. Stratford's (2006) study suggests that to better understand "the complex interrelationships among islanders, economic globalization, sustainability, agency and identity" (*ibid.*:280), one must consider factors that include "innovation, belonging, and sense of place" (*ibid.*), all of which are intertwined with capacity for social capital. Identity, in particular, can be both a source of jurisdictional power in its mobilization for economic capacity, and in a cyclical pattern, this identity can then be itself reinforced by jurisdictional capacity (Karlsson, 2006).

The identity of a people is embedded in the complexities of social networks and relationships. These complexities in turn have an effect on public policy making, as seen in the metropole's development initiatives in Nunavut (Nilsen, 2005). In Nunavut, advanced social networks exist locally, and between communities and regions. For grassroots initiatives to be a considered part of Northern and Aboriginal planning, these nuances must be properly contextualized and conceptualized. For example, because identity and community networks are traditionally based on family lines, Nilsen (2005) notes that planners are more successful at developing networks at the regional level, a level which may be more open to dialogue with outsiders.

Social capital and identity can have a direct impact on economic development. Berma (2001) examined the behaviour of Iban craftspeople on Sarawak to determine why some prospered and others did not. Specifically, Berma (2001) analyzed the craftspeople's ability to innovate within the grassroots economy to successfully bridge into other markets. While the practice of craft is one way the Iban maintain their ethnic identity and is an economic generator, success was impeded by limited market capacity, the perception that craftspeople are confined to a lower socio-economic status, and inadequate institutional supports. In this case, the island jurisdiction could work to remove these barriers and develop an institutional framework so that cultural identity is preserved and economic development is possible.

Relationship with Metropole

The nature of the relationship with the metropole has implications on SNIJ confidence and identity, wherein the institutions and structures in place can either empower a semi-autonomous state or create downward spirals of dependency. In the former, mutually supportive relationships exist between society, institutions and all levels of government. There must also be an assertion of jurisdictional capacity that can transcend potentially ineffective partnerships and network building capacities of the motherland. The SNIJ must be able to recognize and assert itself when the relationship with the metropole puts the SNIJ at a disadvantage in other network capacities. The following examples illustrate the impact that the relationship with the metropole can have on social capital and, in turn, economic prosperity.

The nature of the sub-national island jurisdiction's relationship with the metropole can manifest itself in many different ways. On modern Rapa Nui (Easter Island), the effects of globalization and the influence of the metropole are one-way, and present themselves in language use (Makihara, 2005). Since the implementation of a civil administration and the inward migration associated with it, the indigenous population on Rapa Nui first became bilingual and then developed a hybrid between Rapa Nui and Spanish. On the Faroes, on the other hand, the island identity is omnipresent in political, economic and cultural structures (Hovgaard, 2002). On Corsica, the relationship with the metropole has been damaged by a history of cultural domination by the French state, economic disparity and inconsistent dealings in governmental relationships. Corsica remains a sub-national jurisdiction, but there are clear (even violent) signs of dissatisfaction with that status (Sancton & Walker, 1999).

Skinner (2002) posits that there can be an ambivalent identification with (and a dependency on) the motherland, as evidenced on Montserrat. The relationship, like all other aspects of island culture, is not inherent. The Netherland Antilles, for example, have opted to remain under Dutch rule, possibly because of the practices of good governance the metropolitan power demonstrates (Hoefte, 1996) and the real risks associated with sovereignty. The cycle of dependency on the metropolitan assistance is a hard one to break, if the island jurisdiction is even motivated to do so. On the Marshall Islands, social and economic problems prevail, and despite external expenditures, an active civil society and participation in regional organizations, the long term prognosis for sustainability is grim (USGAO, 2006). In this case, there is a lack of synergy between the existing state and societal institutions, the result being an inability to mobilize networks either within or across Marshall Island community groups toward self sustainability.

Perhaps the cycle of dependency can be broken if the relationship with the metropole is empowering and development initiatives are generated from the grassroots. In Cape Breton, for example, social capital could have been employed in the federally funded Cape Breton project, whose aim was to enhance the labour force (DeRoche, 2001). Rather than capitalizing on the resourcefulness of the community's agencies and voluntary groups, the rigid federal initiative was imposed upon the region, with limited success (*ibid*.). Milne's (2000) *Ten Lessons for Economic Development in Small Jurisdictions* speaks against this very type of initiative. He claims "it is this consciousness of a community being a real actor in the determination of its own fate that seems to make the most decisive difference."

Sub-national jurisdictional capacity often provides the secure environment (within the metropolitan state) to explore innovative economic solutions. The example of Kish Island, Iran, discussed by Baldacchino and Milne (2006), shows that within the safety net of the metropole and under the guise of smallness of scale, islands can depart from standard economic strategies. The Kish Island case is also demonstrative of how cultural identity can be at risk if sub-national island jurisdictional capacity is not combined with bonding social capital. "Non-monetary, 'status goods' such as identity, pride, international clout, and self-respect" (Baldacchino, 2004:85) have a role in the use of this capacity.

The island/metropole relationship, however, does not only provide benefits. Oostindie (2006) recognizes that there are distinct advantages to being a sub-national island jurisdiction, in reference to the Kingdom of the Netherlands, but cautions as to the implications of these benefits. He warns against a cookie-cutter approach to all matters of autonomy and stresses that critical examination is required, to be aware that "granting too much autonomy to territories that may be too limited in human resources and governmental capacities to handle such autonomy" (*ibid*.:624) comes with risks. Consequently, public policy initiatives that address the island/metropole relationship must take into account the dynamic nature of historical, cultural and social contexts.

When the sub-national island jurisdiction government itself is ineffective, citizens can assert their network with the metropole. The case of the Citizens' Committee in Defence of El Rinco on Tenerife is an example of how collective action was instigated by a citizenry against a proposed economic development (Aguilera-Klink & Sanchez-Garcia, 2002). The committee was able to navigate the Spanish constitution to effectively evoke their right to interfere in the legislative sphere, a power that was only available to them through the *de jure* jurisdiction of the patron state.

The case of Greece and its negotiations within European Union (EU) memberships illustrates the importance of social capital in regional policy in SNIJ relationships beyond the metropole. Getimis and Demetropoulou (2004) examined the social capacity in the Southern Aegean Islands, compared with the rest of Greece in dealing with the EU. Greece's reputation as a whole was that of a country with "traditionally weak presence of civil society, the lack of a consensus-building climate among elites and the predominance of state corporatist arrangements in interest representation" (*ibid*.:356) which was inconsistent with the EU policy and practices. Getimis and Demetropoulou (2004) demonstrated that the presence of social capital on the Aegean Islands was higher than that of the patron state, and consequently the associated social institutional capacity created an advantageous environment in which to effectively implement European regional policy. While the Greek metropole was mistrusted, the Aegean Islands were able to assert their jurisdictional capacity to transcend the weak partnership and network building capacities of the motherland.

Bonding

The bonds within SNIJ groups are as important as the networks and relationships that are developed external to the jurisdictions. For this reason, a contextualized approach to network and social capacity building, wherein the specific nature and quality of existing social networks are considered before strategies are developed, is required. A foresight into informal power structures that may be affecting prosperity and democratic deliberation must be a part of any economic policy initiative. Informal and formal institutions, at both the micro and macro level can hinder or help the mobilization of social capital. To enable effective collaboration, social policy initiatives must consider the bonds that exist within the group and recognize the important role the community and informal institutions play in collaborative development.

"Is interaction and cooperation easier to achieve in small island communities where people tend to know each other, practise flexibility and tend to have many irons in the fire? Or do personality clashes prevent enterprises and institutions from working together?" (Baldacchino & Bonnici, 2005:69). For some, particularly those in the in-group, the concept of *islandness* results in the "intense feeling of collective identification" which acts as a stabilizing influence in an ever-changing world. While this may be true in some cases, one must be reminded that social stability is not inherent to island jurisdictions and even if it were, maintaining the status quo may not be in the best interests of the island (Giavelli & Rossi, 1990). The nature and effects of these tight-knit bonds are not always clear cut. On Åland, food prices are higher than elsewhere in Finland, and the province's strong social bonds may contribute to this disparity. That Ålanders are willing to pay more for their own products (Aalto-Setala *et al*., 2004) could mean that they are either economically disadvantaged or contributing to their local economy, depending on the vantage point.

Elitism, that can be associated with strong bonding social capital, is leading the Malaysian island province of Sarawak down a shortsighted path to timber resource scarcity, without the flexibility and foresight required for a sustainable sub-national island future (Jomo & Hui, 2003). On Aruba, one is either born or married into high society, family names are highly indicative of social status, and political patronage is simply the way of doing business (Razak, 1995:452). Similarly, on American Samoa, there is a heritage of chiefly privilege that transcends politics and culture, and there is strong societal pressure to conform to prevailing religious beliefs (Strategic Assessment, 2000). Strong bonds can lead to "conspiracies against the public" (Carroll, 2000:12) such as gang formation, and cultural enclavism that prohibits social mobility and universal community participation (McElroy & de Albuquerque, 1990). On the British Virgin Islands, citizenship itself is based on lines of paternity, thereby excluding immigrants and their BVI-born descendants from the social status and property rights associated with citizenship (Maurer, 1997). In cases such as these, public policy must both recognize the informal structures that these strong in-group bonds create, or risk jeopardizing the efficacy of developmental initiatives.

Strong bonds, however, are not counterproductive to economic development. Investment in Hainan by Singapore Hainanese, for example, demonstrates how strong bonding social capital can be used as an economic resource (Tan & Yeung, 2000), with investment behaviour embedded in social and ancestral networks. Emphasizing the value of trust and cooperation, the Hainanese mobilize the capital of their expatriate community to ensure economic stability. Bonding social capital, in this case, works in Hainan's favour, but it has yet to establish the bridging relationships with the Singapore government to attract its investment. "A community's stock of social capital … can be the basis for launching development initiatives, but it must be complemented over time by the construction of new forms of social capital, that is, linkages to non-community members" (Woolcock, 1998:175). It is the role of the jurisdiction, at both state and societal levels, to find ways to best utilize these bonds and to develop effective networks.

Bridging or Linking

Mobilizing effective networks between citizens and institutions is at the heart of the synergy approach to social capital and economic development. Accordingly, SNIJ policy

initiatives that include and a formal recognition of the role of social enterprise, and the importance of the institutions and networks, can potentially mobilize social capital for the purposes of economic sustainability. Often this requires a collaborative, cooperative and innovative approach to building effective bridges or linkages as evidenced by numerous island jurisdictions.

One level at which the importance of effective linkages is demonstrated is outside the island/metropole relationship. For example, island associations such as the Organization of Eastern Caribbean States (OECS) and the Islands Commission of the Conference of Peripheral Maritime Regions (CPMR) pool knowledge and resources to face common challenges (Marlow, 1992). The Community Development Quota program is a regional cooperative initiative of which the Aleutian Islands are taking advantage. The US National Resource Council reported that "the program is an innovative attempt to accomplish community development in rural coastal communities in Alaska, and in many ways it appears to be succeeding" (Bering Sea, 2006). Enactment of jurisdictional capacity should begin with the ability to recognize and develop opportunities for mutually beneficial collaborations and the work to develop effective bridging networks.

The LEADER project in rural Northern Ireland, supported by European Union funding, exemplifies bridging social capital in the enactment of jurisdictional capacity. Scott (2004) examined the efficacy of the LEADER programme, which mobilized area-based local action groups to develop new approaches for the diversification of the rural economy. Scott (*ibid.*) noted that the strength of the project lay in its ability to develop the institutional capacity of rural communities and to develop networks in the local economy. The initiative involved multi-level partnerships between local community, the jurisdiction and the UK patron. In essence, its success relied upon the leveraging of bonding and bridging social capital towards a common purpose, wherein trust, reciprocity and cooperation were key factors. Given the history of conflict, this meant a concentrated effort for attitudinal shifts on the part of all stakeholders. While the program does not claim to have solved all rural problems, it has managed to develop a synergy wherein knowledge and collaboration cross sectors and jurisdictions.

On Guernsey, an adapted approach to a bottom-up initiative was developed in response to insufficient bridging ties between local communities and the state (McAlpine & Birnie, 2006). Agenda 21, a project to develop sustainability indicators on the Island of Guernsey, required active involvement at the community level. The problem was that there was no grassroots interest, as illustrated in the apathetic turnout at initial consultation sessions. Agenda 21 was working against historical wariness of external initiatives. Rather than converting the project to a top-down delivery format, the project took advantage of the extensive network of community based organizations to leverage the interest of key opinion leaders within. Through this strategic use of Guernsey's social network, Agenda 21 was able to slowly involve the community, whose participation was vital to the program's success. Agenda 21 is an example of how bridging ties can be built through an open and transparent process of community involvement in key-decision making.

Resourcefulness

Community level involvement is often underutilized in its potential for resourceful solutions to economic challenges. Viable institutions can be developed from within the community, with the collaboration of the local and regional government that effectively address economic challenges and capitalize on resourcefulness of the community. This could involve a leveraging of opinion leaders and existing networks in community-based organizations, such as those involved in Guernsey's Agenda 21 (McAlpine & Birnie, 2006). That Agenda 21 was initially unsuccessful in garnering community support is evidence of the flexibility and resourcefulness that are often required to mobilize networks. Initiatives must ensure that local communities are involved in all levels of planning, including policy making, so that initiatives are crafted within rather than imposed upon.

In the Shetland Islands, the citizens' response to oil industry development illustrates how the absence of effective collective networks can be detrimental, but that resilience and resourcefulness can help a jurisdiction recover. Blackadder (1998) describes the historical account of the Fishers' Association agreement with oil industry developers that clearly exploited the fishers' naivety in big business negotiations. One could argue that this exploitation resulted from a lack of effective networks between the fishers and knowledgeable industry sources. The Shetlands recovered, however with the SNIJ's negotiation of the Disturbance Agreement (*ibid.:*110) whereby the community received a share of revenue from the oil industry which was used to finance local social programs. The Shetland Islands Council remains a debt-free Council in the British Isles.

Buchans, the former mining town in Newfoundland, is an example of collective, positive response to an economic challenge that demonstrates high levels of bonding and bridging social capital. Greenwood (1998) describes the community's response to the mine shutdown. The community rallied to establish a local development corporation, which was supported by the miner's union, the Town Council and a regional development association, all of which worked together to take control of the mine's assets. In this case, local and regional networks converged toward a common goal and the relationship with the metropole (that is, federal government) opened opportunities for trade and procurement. Greenwood shows how a production system dependent on trust and co-operation cannot be imposed upon a region. Just as small firms can gain from alliances with multinationals, local development groups must plug into provincial and national development agencies. And, like the relationships between small and large firms, local groups must maintain the autonomy and flexibility that typifies success in the new global economy" (*ibid.:*148-149).

Resourceful use of social capital, or the lack thereof, is most obvious in the face of challenge. And outward migration can be a significant challenge for island populations, particularly in terms of the workforce. Social capital can be leveraged, however, to maintain ties with the émigré community, as in Lowenthal's (1992) discussion of Barbuda. Inward migration can also be considered a threat to island way of life without adequate social capital in place. On the Isle of Man, immigration is seen as a threat to authentic Manx culture, despite the needed economic benefits which the associated influx to the workforce created (Boyle, 1999).

On Sakhalin and the Kurile Islands, jurisdictional capacity was enacted *de facto* during the Russo-Japanese territorial dispute. The sub-national actors in this case successfully lobbied to prevent the transfer of any island to Japan, while at the same time taking advantages of Japan's inherent interest in the islands by accepting economic aid from the potential patron (Williams, 2006). In this case, the SNIJ resourcefully generated effective bridging networks with both the metropole and Japan to the islands' advantage. In Northern Ireland, resourcefulness was enacted *de jure* in the level of formal state involvement in volunteerism (Acheson, Harvey & Williamson, 2005). In a comparison between Northern Ireland and the Republic of Ireland, "proactive Government attitudes have played an important role in establishing institutions to support the voluntary and community sector" (*ibid*.:189), whereas the community-generated initiative in the Republic of Ireland has not affected the same impact. Acheson *et al.* (2005) argue that the difference in voluntary sector efficacy can be directly related to the level of government support.

Van Kemenade *et al.* (2006) describe the difficulty public policy initiatives typically face in addressing an often intangible concept like social capital. Our social capital affects and is affected by everything we do as a society, and therefore social policy initiatives must reflect the complexities and breadth of our interactions. While there is no one fixed solution, sub-national island jurisdictions can contribute to social capital by enacting their jurisdictional capacities towards "building and reinforcing the capacity of local membership groups and organizations along with building support linkages above and beyond the community" (Carroll, 2000:xv).

Conclusion

This review of SNIJs and their deployment of social capital in economic development is neither conclusive nor exhaustive. Further research is needed to empirically substantiate the role that social capital may play in development strategies in particular contexts. Nonetheless, one can draw from the numerous lessons of the sub-national islands described, and apply a dynamic approach that capitalizes on island identity, mutually beneficial relationships between SNIJ and metropole, the potential for bonding and bridging capacities, and the resourcefulness of islanders in the face of global challenges.

"Economic globalization has created a host of new challenges: but they will best be met by societies that have a strong tradition of social cooperation and can adapt to change" (Fukuyama, 1996:318). This capacity to cooperate and adapt has its base in social capital. That there is no one magic formula for nurturing social capital betrays its own complexity: it is as dynamic and varied as the players involved and the context in which they operate.

Woolcock and Narayan (2000) remind us that "… it is different combinations of bonding and bridging social capital that are responsible for the range of outcomes observed above and incorporates a dynamic component in which optimal combinations of these dimensions change over time" (*ibid.:*227). SNIJs are well advised to learn from the successes and challenges of similar jurisdictions and how they are able to mobilize their social stock.

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