

# Reconnecting Communities: Two Scenarios for the 21<sup>st</sup> Century\*

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## Two Scenarios for the 21<sup>st</sup> Century

### 1. *A Polarized Society*

Marginalization of citizens—youth, minorities, low-skilled workers.

Less social spending, but more spending on public security.

Professional and technical workers with high skill are well compensated and have scope to create their own social security.

The middle class begins to retreat into “gated communities”.

### 2. *A Resilient Society*

People develop ways to adapt to the new labour market and new family structures.

People take responsibility for themselves and their colleagues, neighbours, kin.

New forms of collective action emerge to strengthen communities.

Public investments in human and social capital are given priority.

I am not prepared to forecast the 21<sup>st</sup> century. But I am convinced that the seeds of both of these scenarios are being sown now. On the one hand, we see more homeless and marginalized people. We know that global economic trends are destabilizing our communities. There is harsh talk of cutting social services and strengthening public security.

At the same time, we see evidence of traditional social values in our research and in the behaviour of citizens. Canadians identify strongly with three basic human values: 1) self-reliance; 2) a moral responsibility to heal each other; and, 3) an investment in future generations.

If the resilient society is to win out in the 21<sup>st</sup> century, it will be because these fundamental values have formed the basis of public policy and of private action. It will be because Canadians invent new forms of collective action to support each other in times of hardship. These new forms of collaboration will

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have to occur in our communities and I think that community foundations and the voluntary sector will play a critical role in reconnecting communities.

First, let us look at the forces of polarization bearing down on us, and on other industrial countries. Then I want to discuss social capital—what it is and how we create it.

When a country faces a time of hardship, it has to draw upon its store of social capital—the *trust* and *reciprocity* and *collaborative behaviour* which help people to adapt, to solve problems, to bounce back. This social capital is the underlying source of resilience.

A community with high levels of trust and reciprocity is better placed to respond when a major plant closes or an important government program is cut. People with the habit of working together can rally to the cause, can mobilize hidden resources, and can make a huge difference to the fate of individual citizens.

I want to argue that it is this social capital, this ability to work together, which creates the foundation for wealth creation in modern industrialized economies. For this reason we can make a strong business case to the employers in our communities that their long-term capacity to grow and prosper will be enhanced if they begin to collaborate with community organizations and governments.

### **The Forces of Polarization**

These forces are hurricane strength. They are systemic, sweeping across all the industrialized countries. Canada is particularly vulnerable for three reasons:

- we are so dependent on international trade;
- we are a highly fragmented society (divided by language, region, and culture); and
- we are so close to the United States that our unique identity is often obscured.

In the postwar period, we have relied upon three stabilizers to help citizens cope with times of stress: secure employment, family support systems, and the social safety net. Now, all three are in a state of flux.

#### *1. Changes in the Workplace*

As employers face heightened competition, they are creating more insecurity among their employees. They are redefining the nature of work, creating a contingent workforce where an increasing proportion of employment is short-

term, part-time, temporary, with relatively low pay and little or no security. Nonstandard jobs now account for 30 per cent of employment in Canada.

## 2. *Changes in Family Structure*

The breakdown of the marriage contract, combined with the fact that most two-parent families have two adults at work, places enormous stress on the nurturing and caring skills of today's parents. They suffer from this stress and so do their kids. Too many children are latchkey kids, unsupervised for long hours. Too many arrive at school not ready to learn. Twenty per cent of families with children are headed by a sole-support parent.

## 3. *Cuts to the Safety Net*

The social safety net includes both last-resort supports (i.e., social assistance) and long-term risk sharing for all citizens (public education and health insurance). Both kinds of safety net are at risk these days, as governments struggle to bring their deficits under control. We should bear in mind that the polarization in earnings has been underway for at least 20 years. Still, until very recently, we could demonstrate that the safety net was rich and elastic enough to prevent the inequality in earnings from affecting family incomes. That success story is probably ending.

People experience these polarizing forces in the form of layoffs, cuts in working hours, falling real earnings, illness, shutdown of government programs or marriage breakdown—all of which can lead to poverty, and in some cases marginalization.

Some people bounce back relatively quickly; others need time and support if they are to recover. The people who are most vulnerable are those with limited education and low skill, but even educated young people now find that it is difficult to find a career-oriented job.

What we have to understand is that we are living a major social and economic transformation—a transformation comparable to the Industrial Revolution. Most of us find it difficult to imagine what lies ahead. It is also difficult to understand how the predicament of one person fits into the total picture. Few, if any, of us have the necessary new mental maps to guide us through this transformation.

Let me give you an example. Two years ago I was speaking about these issues to a group of secondary school teachers and I showed some charts which highlighted the precarious situation of young people. Those charts created a new mental map for at least one of those teachers. He suddenly realized that his own kids were floundering in the labour market because of a systemic problem—not because they were lazy or stupid. He told me he was going

home that night with a different attitude. I hope that he and his kids were able to work out a different game plan as a result.

What citizens and community leaders need these days are new mental maps—maps that show us how to navigate the turbulence caused by polarization of earnings, fragmentation of the family, and cutbacks in the social safety net. With those maps to guide us, we can begin to reinvent the way in which we express our moral responsibility to each other.

### **What Creates Resilience?**

If the old stabilizers—employers, families, and the safety net—have been weakened, what resources are there to help people to bounce back from adversity in the face of powerful systemic forces?

I would identify five dimensions of social capital that can create the necessary resilience, first for individuals and then for society as a whole:

1. The first dimension is at the personal level where individuals can rely upon their own self-confidence, their work experience, their creativity and professional skills.
2. Personal attributes can be buttressed by the family and other networks of associates which are the second dimension. The networks may be neighbours, grandparents, colleagues. They may be religious, ethnic, or professional. They may offer contacts, personal advice and support, even some money to tide people over. Whatever their characteristics, they will be based upon trust and altruistic reciprocity—the willingness to make an exchange with no promise of immediate or even long-term payback.
3. Going wider still, the third dimension involves the extended networks of community services which tend to be voluntary, collaborative services—after-school programs and homework clubs for young people; home care and Meals on Wheels for the elderly; job-finding clubs for the unemployed. Here, trust and reciprocity are extended to include collaborative behaviour.
4. The fourth dimension involves more formal programs which mix voluntary and professional skills to provide more complex support systems. Shelters for battered women and community-based job creation programs like the Human Resources Development Agency in Halifax are two examples. Typically, these human services depend on some (or a lot of) government funding. But the government funding is highly leveraged by the use of community resources, especially volunteers. One of our great concerns, as the

fiscal cuts go deeper, is that this extensive web of community services will be damaged by the loss of government funding. Communities with a strong tradition of collaboration will be in a much better position to sustain those services than those with limited social capital.

5. Finally, the fifth dimension of social capital, and by far the most visible one, is provided by the federal and provincial safety net programs such as social assistance, social services, health services, public education, government-financed training programs, etc.

There are five visible dimensions to social capital but we have many layers of support systems in our society which are invisible. Together, they provide elasticity or resilience in hard times. With the withdrawal of so much federal and provincial funding, many programs and institutions are now at risk. We face hard times. But, looking back over history, I have to tell you that hard times can be the crucible in which new social capital is created.

### **Building Social Capital**

I believe there are three essential elements in the creation of social capital: recruiting/renewing the social safety net; employers as partners; agreeing on the social values and principles which should guide our behaviour as individuals and institutions.

#### *Renewing the Safety Net*

I would be the first to admit that the old safety net is not appropriate for the 1990s. It is based on outdated perceptions of the labour market and of family structure. It offers the wrong kinds of support and misses out on many key social needs of Canadians, especially those of children. The new safety net has to take a comprehensive approach to sharing risk. We need a safety net focused on creating resilience.

That means a significant redirection of funds to:

- Create incentives for life-long learning in the home, the school, the community, and the workplace; a learning culture will buttress the personal level of resilience.
- Provide support for the caring role of the family; this will buttress both the first level of resilience by giving children a better start in life and it will also strengthen the family and related networks which make up the second level of resilience.
- Evaluate progress by tracking outcomes for people, not how much money is being spent.

- Nurture and protect social capital in all its forms—public education, public health, but also the numerous forms of collective action which are the expression of citizenship and responsibility for others.

In short, we need a social safety net which: 1) invests in people, 2) encourages self-reliance, 3) maintains the tradition of sharing risk, and 4) ensures that there is a basic level of last-resort support for those who are desperate.

Clearly, the role of the state will have to be redefined if we are to build a resilient society. We are compelled to re-create our communities for a world where governments are partners, not omnipresent. But as governments' role changes so will the roles of others, including the community foundation and the role of the corporation and the family. We need new forms of collective action.

### *A New Role for the Corporate Sector*

Employers have to be part of this re-creation scenario. By using their people, their expertise, their surplus supplies, their premises and equipment, and their cash, they can help to tackle problems like urban decay, poverty, job creation, and opportunities for young people. What employers must do is invest in social capital, not out of charity, but because every community needs to build the social infrastructure which helps people to cope with insecurity and hard times.

Why should corporations go beyond their traditional role as passive donors to make active investments in social capital? Because active investment will enhance employee morale and productivity and help employees to develop valuable leadership and problem-solving skills; because active investment will ensure that there will be a future work force with the necessary technical and problem-solving skills; because corporations' presence in the community as constructive partners will foster consumer and employee loyalty.

Investment in social capital is a demonstration that competitiveness goes well beyond short-term success in minimizing costs. Instead, competitiveness is the capacity to generate growth for the long term. That long-term growth will not happen if large groups of Canadians are marginalized by their employers and abandoned by their communities.

### *Committing to Public Dialogue*

Another important tool for building social capital is public dialogue about the social values that will guide the decisions of individuals and institutions.

Some community foundations have agreed to be partners in public dialogue with a Canadian Policy Research Networks (CPRN) project called *The Society We Want*. *The Society We Want* is, in effect, a tool kit. It consists of a set of

issue guides for citizens, gathered in small groups, for in-depth discussion of five issues—Our Children, Health, Work, The Social Safety Net, and The Role of Government. At the end of a two-hour discussion of one of these issues, the groups are asked to identify key social benchmarks which can be used to measure progress toward the society they want. This information is sent back to CPRN so that we can summarize it and report back to citizens and community leaders.

Groups who have used the issue guides are excited at the energy and depth of the discussion. They see this dialogue as a way to give citizens a voice in issues that are important to their well-being. They also see that participants learn from each other. They learn more about their own inner thoughts and they have a chance to go from off-the-top-of-the-head opinions to much better informed judgments.

We at CPRN believe that policy advisors in governments and corporations desperately need to hear the results of this type of dialogue. We believe this kind of public dialogue builds social capital. It also helps people to create new mental maps, to identify common ground, and to focus on what binds us together as a society, and as communities. Knowing what our shared social values are is a way to build trust and reciprocity. It is a way of mobilizing the energy needed for collaborative behaviour. When all is confusion and turbulence around us, it is these shared social values that give us a practical mental map to follow.

## **Conclusions**

As leaders in their communities, community foundation leaders will be in the forefront of those who seek solutions to the problems that lie ahead. They will need new partners and new forms of partnership with government agencies and employers, but to achieve these new partnerships they will need to be able to articulate the values that drive their organizations. They will need a shared mental map which defines the problem—and the goal.

Out of that shared mental map will come the trust and reciprocity we need to get us through this transformation period and to help us to build a more resilient society.