

## CONSCISE PROJECT – ABSTRACT

The concept of social capital features in recent European policies and programmes for local development and social economy, but is beset with definitional problems making it a concept that is difficult to put to use. The CONSCISE Project - "The Contribution of Social Capital in the Social Economy to Local Economic Development in Western Europe" – has examined ways in which **social enterprises** in 8 different locations in Europe use and build social capital.

The CONSCISE Project developed a **working definition** of social capital comprising of six elements - trust, reciprocity and mutuality, shared norms, sense of belonging and commitment, social networks and information channels. This was then used in **local socio-economic profiling** to explore whether local social capital had an impact upon the emergence of social enterprises and a **social accounting framework** to examine how social enterprises use and build social capital. The project has produced a number of insights.

A survey-derived **index of local social capital** was produced for each of the eight localities, which compared well to other proxy indicators of social capital for the localities. However, this told us little about whether social capital enhances local development. What was more important than **measurement** was examining the operation of social capital in a **local context**, where aspects of social, political and economic development might effect the level and impact of social capital. While local social capital was in evidence in small, isolated rural localities we found that in large, dense and socially diverse urban locations, social capital was more associated with various communities of interest, groups and organisations. In addition it became clear that the balance and ‘management’ of **bonding** (within group) and **bridging** (between group) social capital would be important for social enterprises to gain positive advantages from the resource.

A range of **key findings** emerged from the research. Social capital is clearly an important resource for social enterprises in all phases of organisational and local development, as it reduces transaction costs, is appropriable (once built up for one action it becomes available for others), does not diminish with use, and enables social cohesion. In many cases however, social enterprises needed to first develop **awareness** of the importance of building, nurturing and maintaining relationships of trust and reciprocity with all their stakeholders. While social enterprises do **network** with other local social enterprises, they are also often in competition; rarely for market share but most often for public sector support. Of the eight social enterprises in the fieldwork almost all were found to be rooted in social capital that had emerged from people joining together in a **social movement** to address a local problem / need. Despite the popular idea that individual **social entrepreneurs** are responsible for mobilising social capital to develop social enterprise, there was no evidence of this and more apparent was a sense of **collective entrepreneurship** driving social enterprises as different stakeholder groups subscribed to the **shared values** inherent in their social objectives.

The main **policy implications** of the research were that raising **awareness** of social capital and doing a regular ‘**stocktake**’ of it should become part of the social management ‘tool kit’. As part of this a balance needs to be maintained **between bonding and bridging** social capital in order to prevent at one extreme possible exclusivity in local development, as against the risk of diluting local social cohesion and potential loss of commitment on the other. From the public sector perspective, it was clear that social capital could be built by the investment of resources. Enhancing **sociability**, providing **community meeting places** enabling interaction between diverse groups, and supporting **social enterprises with high potential for generating social capital** (credit unions, Time Banks, LET schemes) were just three areas with policy potential.