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Social Capital within Ethnic Communities

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Abstract

An ethnic community's social capital encompasses resources available to an individual through their membership in that community or group. It involves the shared feelings of social belonging that enable groups to set up institutions and other networks that members can access. Social capital in these communities exists in the social relations among parents, between parents and their children and their relationship with the institutions of the community.

This paper reviews some of the literature on ethnic community formation and social capital with special reference to six groups: Germans, Dutch, Hungarians, Poles, Italians and Greeks. It argues that social capital within the family is particularly important in overcoming deficiencies in other forms of capital; although it can only be successfully utilised when close relations exist between parents and children. Thus cultures that place greater emphasis on the family and are collectivist in nature, such as Greeks and Italians, are more likely to utilise social capital. In contrast cultures that have an individualistic focus, for example, Germans and Hungarians, are more likely to under-invest in social capital.

Moreover, social closure is important for social capital to be effectively facilitated. Closure helps facilitate norms and creates trustworthiness, allowing for the proliferation of obligations and expectations. In an open community, groups are less able to sanction behaviour because of the absence of mobilising forces and reduced consensus in regards to standards (Coleman 1988: S106-107).

Overall, I argue that ethnic community formation has served as a positive strategy for immigrants in overcoming social isolation and economic difficulties by providing employment opportunities and a sense of familial surroundings within their own ethnic group. Social capital is utilised more effectively by groups with stronger cultural boundaries and a collective sense of identity.

An ethnic community's social capital encompasses certain resources available to an individual through their membership in that community or group and is found in the "closed system of social networks inherent in the structure of relations between persons and among persons within a collectivity" (Zhou and Bankston 1994: 824). Social capital is not a single entity but rather a process defined by its function. Although social capital comes in a variety of forms,[1] according to Coleman (1988: S98) there are two common aspects of any form of social capital: it "... consist[s] of some aspect of social structures, and facilitate[s] certain action ... within the structure (Coleman 1988: S98). *Action*, therefore, is considered by Coleman as occurring within a social context and is embedded in the structure of social relations.

According to Coleman, social capital existing both in the community and within the family is important in creating human capital (Coleman 1988: S116). Social capital is distinct from human capital in that it does not emphasise the necessity for formal education or skills. Rather, it is the shared feelings of social belonging that enable groups to set up institutions and other networks that members can access. This approach contrasts with conventional labour market approaches that emphasise the importance of education, labour force experience and skills for social mobility.

Social capital within the family is particularly important in overcoming deficiencies in other forms of capital (Coleman 1988: S113). However, it is successfully utilised only when close relations exist between parents and children. Thus, parents are better able to define and successfully guide the behaviour of their children through social control. When individuals conform to such expectations, the community provides individuals with the necessary resources, such as support and direction (Coleman 1988: S110; Zhou and Bankston 1994: 824). Coleman (1988: S110) adds,

> ... if the human capital possessed by the parents is not complemented by social capital embodied in family relations, it is irrelevant to the child's educational growth that the parent has a great deal, or a small amount of human capital.

For a child to receive the greatest benefit from any human capital possessed by their parents, it must be complemented by social capital. This suggests that it is the *interaction* of human capital with social capital that promotes the educational development of the second generation[2] (Coleman 1988: S110-S111).

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[1] Coleman (1988) identifies three forms: obligations and expectations; information channels; and social norms.

[2] Australian-born children of the first generation of immigrants. I consider first generation as persons who have migrated to Australia during the post World War II period (herewith referred to as *post-war* period).

This process is amply demonstrated from Australian research undertaken by Marjoribanks (1979, 1986, 1991), which considered the relationship between family learning environments and school-related outcomes among Greek, Southern Italian and Anglo-Australian students. The overall results from these studies show that the association between family context,[3] the adolescents' aspirations and social-status attainment differed among the three groups. Both Greeks and Italians tended to have more supportive family contexts, expressed stronger aspirations as adolescents and had higher social-status attainment scores compared to Anglo-Australians. Greeks had the highest scores overall. Marjoribanks (1991: 22) suggests that these three studies taken together show clear variations in socialisation processes affecting children's academic achievement. They illustrate the pervasive influence of ethnicity on the learning environments of school-aged children.

Similarly, American sociologists Portes and Zhou (1993) consider resources within an immigrant's community as an most important factor in improving the chances of upward mobility. This is where immigrants can protect themselves from discrimination and the threat of vanishing mobility ladders. Moreover, for the second generation, the ethnic community[4] can be the means by which they obtain both economic and moral support. For example, values regarding the importance of educational attainment and economic success can be maintained and transferred to the second generation (Portes and Zhou 1993: 85-87).

More importantly, ethnic communities also make available certain material and social resources that second generation can access and utilise. Larger and longer established groups develop distinct institutions and organisations which then provide support and economic opportunities. Material and social resources are in the form of social capital and are embedded in the social relations of the community. The successful facilitation of social capital impedes downward mobility. Thus, second generation persons unable to access appropriate economic resources from society more widely can utilise their social resources and networks to improve their chances for social mobility (Portes and Zhou 1993: 82). These material and social resources are considered as an ethnic community's *social capital*, which, Portes and Zhou argue, is at times more important than human capital in explaining why some second generation groups do better than others economically (Portes and Zhou 1993: 82). In other words,

> [t]hrough creation of a capitalism of their own, some immigrant groups have thus

[3] Marjoribanks (1991) defines *family context* as the social-psychological learning environment of families.

[4] I consider the existence of an ethnic community in terms of organised activities and cultural bonds and where a common identification, interest and behaviour exist (Holton 1994: 201).

> been able to circumvent outside discrimination and the threat of vanishing mobility ladders (Portes and Zhou 1993: 87).

However, they also note that the capacity of a group to utilise this strategy is dependent on a range of factors, such as each group's history and its specific profile of vulnerability and resources (Portes and Zhou 1993: 96).

This view contrasts with traditional assimilationist theories which postulate that cultural maintenance hinders successful adaptation (Zhou and Bankston 1994: 822). Collective identity in this context can be considered a significant resource in the process of assimilation (Fernandez-Kelly and Schauffler 1994: 663). A group's culture is one where it encompasses "... an entire way of life, including languages, ideas, beliefs, values, behavioural patterns ... " (Zhou and Bankston 1994: 822). As Fernandez-Kelly and Schauffler (1994: 670) state:

> ... social networks are complex formations that channel and filter information, confer a sense of identity, allocate resources, and shape behaviour. Individual choices depend not only on the availability of material and intangible assets in the society at large, but also on the way in which the members of interpersonal networks interpret information and relate to structures of opportunity.

As such, ethnicity can be considered a distinct form of social capital which is constructed from one's cultural endowments and includes obligations and expectations, information channels and social norms (Coleman 1988; Zhou and Bankston 1994: 824).

Thus, the continuation of cultural patterns and the formation of institutions resembling those in their country of origin provide both protection from outside discrimination and, for the second generation particularly, opportunities for economic advancement (Portes 1995: 257). Such situations Portes (1995: 256) refers to as *linear ethnicity*, which provides both a sense of identity and belonging, facilitating communication with co-ethnics.

Moreover, a sense of solidarity develops among immigrants which provides them and their children with protection from discrimination by the host society (Portes 1995: 256). In this instance solidarity represents a strategy which provides moral support in an antagonistic environment and represents a search for economic survival (Portes 1995: 256). Thus, rather than a reaction leading to further oppression, it provides opportunities for the maintenance of values and norms conducive to economic mobility, as well as providing other valuable resources such as employment opportunities. As stated above, it also provides the second generation with positive reinforcement of values about educational attainment as an important factor for economic mobility. This process is achieved through social control and its effect is greater when social cohesion is greater (Portes 1995: 257).

Aside from the amount and quality of these resources and their availability to the second generation, Portes (1995: 258) also the notes that their *mobilisation* is dependent on social capital. According to Portes (1995: 258) "... it makes little difference for immigrant youth that all members of their parents' generation are physicians or lawyers if they are spatially dispersed and feel little obligation toward each other". Thus, social capital is effective only when there is a sense of collective purpose. Members of the second generation are, therefore, more likely to comply with the normative expectations of their parents if they are provided with an incentive to do so.

This form of social capital is increased when emphasis on linear ethnicity is greater and when social networks become dense. Density of social networks increases the number of adults in a community upon whom parents can rely for support. Additionally, it increases the resources available to the second generation. Moreover, the successful facilitation of this social capital impedes downward mobility (Portes 1995: 258). This observation forms the basis of Portes' hypothesis:

> The more immigrant solidarity is grounded in a common cultural memory and the replication of home country institutions (linear ethnicity); [t]he greater the density of social networks within these communities ... [t]hen, the greater the social capital available to: (1) parents for social control, and (2) their offspring for access to scarce community-controlled resources. The greater 1 and 2 ... [t]hen, the lower the probability of downward assimilation (Portes 1995: 258).

A distinguishing feature of social in comparison with human capital is its *public good* aspect. That is, benefits brought about through social capital are more likely to benefit all members of the particular group, whereas any investment in human capital usually benefits the individual (Coleman 1988: S116). Thus, cultures that place greater emphasis on the family and are collectivist in nature, such as Greek, Italian and Polish cultures, are more likely to utilise social capital. In contrast, cultures that have an individualistic focus, for example, those of Dutch, Germans and Hungarians, are more likely to under-invest in social capital (Smolicz 1984: 133; Coleman 1988: S119).

To illustrate this point further, among Greeks a strong link exists between the individual, the family and the community. The social status and honour that an individual achieves is also valuable to the family and to the Greek community more generally (Tsolidis 1995: 124). Educational attainment is, therefore, not only important to secure the individual's economic well being; it also helps elevate a family's social standing within the community. Thus individuals have a responsibility not only to themselves but also to the family and to the community itself (Tsolidis 1995: 124). This contrasts with cultures that focus on

individualism and self-interest such as those of the Dutch, Germans and Hungarians.

The above considerations emphasise the importance of social capital in cultures that place a greater stress on the family and are collectivist in nature. However, for social capital to be effectively facilitated there needs to be a closed community or at least one with relatively strong ethnic boundaries (Coleman 1988: S105). In an open community, groups are less able to sanction behaviour because there is an absence of mobilising forces and less consensus in regard to standards (Coleman 1988: S106-S107). Coleman argues that closure helps facilitate norms to limit the effect of negative influences and to encourage positive ones. The existence of effective norms is dependent on closure (Coleman 1988: S105). In addition, closure creates trustworthiness, allowing for the proliferation of obligations and expectations (Coleman 1988: S107-S108, S117).

Trustworthiness is particularly important among Italians. Given their strong regional loyalties, Italians prefer to maintain links with those with similar regional origins. This preference often leads to distrust of outsiders. For example, post-war Italian immigrants were distrustful of church services conducted by either Irish (Catholic) priests or even priests from other regions of Italy. Many of these immigrants were reluctant to give funds to the Church and many stopped attending church services altogether (Bosworth 1988: 615). Family and friendship links also formed the basis for their choice of street and suburb in which to reside. These tendencies enabled Italians to maintain interrelationships that existed prior to migration and chain migration played a key role in this process (Ware 1988: 618). As Ware (1988: 618) suggests,

> [s]uch localised concentrations of people sharing a single minority language also greatly facilitate the establishment of small towns within the main town, where shopkeepers speak Italian and sell familiar foodstuffs, where travel agents and taxation consultants specialise in Italian needs and where business goes more smoothly because it is between fellow regionals who understand and trust each other.

Moreover, for similar reasons Italian immigrants were often employed by compatriots already in Australia (Ware 1988: 620).

Overall, social capital within an ethnic community exists in the social relations among parents, between parents and their children, in their relationship with the institutions of the community, and is promoted through the closure exhibited by this structure of relations (Coleman 1988: S113). According to Zhou and Bankston (1994: 825) the social capital thesis, as proposed by Coleman, is closely related to Emile Durkheim's theory of social integration. That is, individual behaviour is a product of an individual's integration into a social group. Thus, second generation members who are integrated into their ethnic community are more likely to maintain behaviour consistent with the group's norms. In turn,

> ethnic social integration creates a form of social capital that enables an immigrant family to receive ongoing support and direction from other families and from the religious and social associations of the ethnic group (Zhou and Bankston 1994: 842).

Moreover, these authors state that the reinforcement of community norms and standards protects the second generation against assimilation into an underclass subculture (Zhou and Bankston 1994: 842). Such notions support Portes' hypothesis: density of social networks facilitates social capital. However, Portes (1995: 257) notes that when closure decreases so does the importance of social capital.

Zhou and Bankston's notion of ethnic social integration is also supported by Australian evidence. According to Jones (1967: 413),

> ... systematic differences among ... groups ... reflect differences in cultural and social distance from the receiving society and consequently in the rate of group assimilation to that society.

What is also revealed by this statement is the relevance of social distance. Social distance increases or decreases social interaction because people who are more alike are more likely to interact with one another. In this instance, social distance is both a cause and a consequence of ethnic concentration and community formation. It is also related to Coleman's notion of closure. As Jones (1967: 412) states,

> [r]esidential proximity increases the probability of social interaction, and persons with similar social positions, and values, and expectations tend to locate in relative close proximity so that group interaction can be maximised and group norms maintained. Over time the different residential areas of a city acquire a social evaluation reflecting the social characteristics of their resident populations, and spatial distance becomes an indicator of social distance.

Thus, a group's norms are maintained and fostered through closure and distance (Coleman 1988: S117). Social distance, therefore, is an indicator of the degree of closure of an ethnic community and of the extent to which social capital can be successfully utilised to facilitate the creation of human capital through the maintenance of group norms.

In sum, social capital and social distance are important factors in explaining differences in the social and economic outcomes of post-war first generation of immigrants. For all groups, community formation provides a sense of security and familiarity in a new environment. It also provides immigrants with protection from discrimination and alternative sources of moral and material resources. However, the extent to which they are useful in explaining differences in economic outcomes among the second generation is dependent on the ability of the first generation to develop social networks and closure through ethnic community formation. As Portes (1995) has argued, density in social networks increases social capital, which in turn enables members of a community to utilise alternative social and economic resources not available elsewhere in society. These

alternative social and economic resources also become available to the second generation. Ethnicity itself becomes a distinct and powerful form of social capital developed through cultural endowments (obligations and expectations), information channels and social norms (Zhou and Bankston 1994: 824). This argument has a particular relevance for Australian conditions.

Greek and Italian immigrants arriving during the post-war period had a greater ability to command moral and material resources from within their own community because of shared goals and a collective sense of identity. Greeks, for example, see themselves not as individuals but as members of a family and part of a community. So they are better able to organise and unite for a common purpose. This propensity fostered community development (Mistilis 1985: 521). Among Italians, church services and other cultural activities provided Italians with opportunities whereby they could maintain connections with others from similar regional backgrounds, thus adding to their collective sense of identity (Ware 1988: 617).

This situation contrasts with the experiences of Dutch immigrants. Dutch immigrants maintained the highest degree of contact with the (Anglo) Australian-born. They also had the lowest propensity to join ethno-specific organisations and were the least likely to pass on cultural values to the second generation. Second generation Dutch were found to be well integrated into areas of Australian institutional life (Overberg 1988: 357, 360). Moreover, Dutch immigrants have become familiar with the general institutional framework of Australia. Given their increasing need for welfare services and aged care, they have become increasingly dependent on financial support from mainstream institutions. Unlike the Greeks and Italians, such financial support is less readily available from within their own community (Overberg 1988: 361).

Some Limitations

The extent to which first and second generation persons actively *participate* in their communities has not been addressed in this paper. Rather, my focus has been on examining the characteristics of each ethnic community, the apparent salience of ethnicity and the role of the family. As such, the extent of the social integration of the second generation and the prominence of social capital in different ethnic communities have been ascertained in order to examine the propensity of the second generation to participate in their ethnic communities. Despite this constraint, existing research (for example, Bottomley 1976, 1979; Vasta 1993) suggests that second generation Greeks and Italians are closely connected to their communities, whereas second generation Germans and Dutch do not possess such strong ties (Muenstermann 1997; Overberg 1988).

Community involvement among Poles, on the other hand, is dependent on their friendship networks (Smolicz and Secombe 1985: 130; Smolicz 1988: 746). In addition, in a separate analysis[5] I examined the cohesiveness of each ethnic group studied and found that among the non-Anglo groups Greeks tended to be the most cohesive across generations, while the Dutch were the least cohesive. The survival of the Dutch as a community beyond the first generation is questionable, because the Dutch are the least likely to facilitate the development of ethnic social capital.

As for the first generation, continuing research is required to ascertain the nature of community links and their importance to immigrants and the extent of their involvement in their respective communities. There are also negative implications for community participation that need to be examined. For example, the ties that bind members to the community often exclude outsiders. Thus, any benefits to be gained from employment opportunities are less accessible to newcomers (Portes and Landolt 1999: 2). Moreover, membership in a community often demands conformity to prescriptive norms, thereby inhibiting individual innovation. Thus, although social capital facilitates a particular social action, it can also inhibit others (Coleman 1988: S105; Portes and Landolt 1999: 3).

In addition, social capital creates *downward-leveling* pressures[6] in opposition to attempted entry into the mainstream. Thus, among those well integrated into the community, social capital may stifle the acquisition of human capital and other benefits available outside the community (Portes and Landolt 1999: 3). A similar point is made by Borjas (1999), who suggests that ethnic concentration "... may effectively hinder the move to better-paying jobs by reducing the immigrants' incentives to learn the culture and language of the American labour market" (Borjas 1999: 55). Thus, ethnic enclaves can have negative economic effects by creating disincentives among immigrants to acquire the skills useful in the larger national market (Borjas 1999: 57).[7]

A final aspect of the formation of ethnic communities is their integration and role in Australian society. Jamrozik, Boland and Urquhart (1995: 223-224) suggest that, although the cultural heritage of ethnic communities needs to be maintained, it also needs to be progressively integrated into the dominant Anglo-Celtic heritage. In other words, the core values of a given ethnic community need

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[5] I examined the cohesiveness of each ethnic group by considering the propensity for intermarriage across generations. Greeks, Hungarians and Italians were found to have stronger preferences for in-marriage compared to the Dutch or Germans.

[6] Downward leveling norms reflect an adversarial attitude towards mainstream society (see Portes 1995: 253).

[7] Borjas' (1999) claims reflect the traditional arguments underpinning assimilation theory

to be drawn upon in Australian society more generally and drawn into the institutions of Australia specifically. Assimilation needs to be reciprocal. What is uncertain is what this process implies for social closure and the maintenance of group norms. As already discussed, social closure and social distance are important facilitators of social capital. Dilution of cultural boundaries could weaken ethnic groups, as has been the case among the Dutch and Germans (Muenstermann 1997).

Although some aspects of community formation and participation require further investigation, two positive points emerge from the previous discussion. An ethnic community provides immigrants with a sense of familiarity and protects them from discrimination; and secondly, it provides the second generation with alternative economic and social resources. Thus resources within an ethnic community are beneficial in protecting immigrants against discrimination; they also provide the second generation with the appropriate economic and moral support necessary for social mobility. For example, Greeks and Italians overcome disadvantage because they are better able to access such resources as a result of the provision of employment opportunities and moral support through the replication of institutions and organisations and through the maintenance of social networks. As Portes (1995: 274) asserts, community formation is, therefore, a rational strategy, not an indicator of escapism and failure.

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