

An Abstract of
**SOCIAL CAPITAL AND THE CREATION OF COMMUNITY NETWORKS:
AN ESSENTIAL COMPONENT OF COMMUNITY DECISION-MAKING**

An Applied Project
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Abstract

Rural communities throughout the United States and especially the Midwest have undergone a profound socio-economic transformation during the 20th century. Change has been sparked by expanding global markets, migration of low-skill manufacturing jobs to developing countries, computer-based manufacturing networks, decreasing Federal aid to rural areas, financial deregulation, higher interest rates, and a decline in natural resource-based occupations. This change has led to a dramatic loss in rural community populations, agriculture based jobs and area youth. Results have included an increased elderly population, the number of working poor, and an increased demand on depleted public revenues.

The economic transformation has caught many rural communities unprepared to respond to the economic change. The question is can the residents of rural communities do anything to reverse this downward spiral, by promoting economic and community development? This applied project argues that rural locales can take steps to revive their communities. In addition, it proposes to show how the development of organized community networks can help rural communities take control of their destiny.

Organized community networks can help rural residents solve community problems, set goals for the future, and undertake strategic planning that will help them achieve those goals. The web of community networks or interpersonal connections in a community represents the foundation of social capital. Social capital is a local public asset or public good that a community draws upon to achieve community development goals. This thesis project shows how these networks can be developed and made sustainable to respond to community needs.

Pike County leaders identified the need to enhance forms of networking within the County to improve planning and decision-making. The purpose of this project is to develop a framework that will empower local elected officials, community leaders, and other interested individuals to be successful agents of positive change in Pike County, Illinois. This framework was constructed of both formal and informal networks.

Formal networks require some form of permanent agency or institution. For this project the Pike County Economic Development Corporation was formed to serve as an ongoing organization to sustain community and economic development initiatives. To implement the corporation the Peace Corp Fellow established a 22 member advisory committee to develop the bylaws, Articles of Incorporation, Federal tax-exempt status, work plan and fundraising.

Informal networks included forums for interested community members and roundtable discussions for community leaders. Informal networks developed in this project included a mayor's forum and town meeting. The basis for the informal networks was establishing new lines of communication and researching appropriate information to help local leaders and community members make informed decisions.

This project showed that enough support could be generated in Pike County to form a permanent formal community network based on the 18 communities of the County. Moreover, the community was successful in developing a permanent authority and structure to provide community stability and mount a response to changes in the community's socio-economic conditions. The project demonstrated that formal networks can help build cohesion among fragmented communities. The project also established a form of leadership that will coordinate the community's planning efforts, and enhance decision-making and project implementation.

Lastly, it was demonstrated that informal networks can open lines of communication among community members as well as between rivalry communities. In this project informal networks played a key role in bringing everyday community issues out into the forefront allowing more people to be involved, vocalize concerns and ultimately prompt action.