

Re-Interpreting Social Capital — A Political Hijack or Useful Structural Concept in Community Regeneration?

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Abstract

Whilst social capital has undoubtedly enjoyed renewed popularity in recent years, a debate centres on the applicability of different theorist's perspectives of social capital, and its measurement. This paper argues that the dominant neo-liberal approach to the concept of social capital obscures the importance of identifying the political objective in its use, and that it is this objective that will dictate how it is theorised and implemented.

This paper categorises the concept of social capital into two separate theories — a neo-liberal and a pluralist — through analysing the common elements of different interpretations of the concept. In recognising the alignment of current dominant interpretations of social capital with a neo-liberal approach, empirical research was undertaken in two NSW rural towns to investigate the validity of the pluralist theory as an alternative approach. Adhering to a pluralist theory of social capital, this research draws upon quantitative and qualitative data collected in 2004 to assess the internal and external relationship networks affecting social capital in the two communities. These two communities, whose economic and demographic prosperity diverged in the period since 1991, displayed a distinct variation in the role played by local government. A more active role is played by local government in the relationship networks of the community which enjoys greater prosperity, the same community which also has higher levels of social capital. The research indicates that where there is increased interplay between civil community and local government, there are higher levels of active democracy and social capital, which also coincides with the community of greater economic prosperity.

Lastly, the paper comments on the implications of the reinterpretation of social capital for its assessment and the development of rural Australian policy. The findings soundly support the hypothesis that a pluralist theory of social capital has greater relevance to the effective use of social capital in contributing to community capacity. The pluralist theory of the concept of social capital also assists all levels of government in the formulation of effective, assessable policy designed to generate community capacity and growth in Australian communities.

Keywords

Social capital, neo-liberalism, pluralism, theory, government policy

Introduction

Social capital, whilst being a widely used concept, has been so commonly and loosely employed as to have become questionable in its ability to illuminate social interactions, and as a result has suffered the criticism of failing to contribute meaningfully to issues of community capacity and growth.

This paper contends that the focus on the validity of different methodological approaches to social capital obscures the underlying importance of identifying how the political objective, in using the concept, affects the theory of it, and consequently, the methodology employed to assess social capital and its implementation in the policy domain. It is the foundations of how we theorise social capital that should be questioned rather than the concept itself. This re-focus of the social capital debate on the political paradigms underpinning its use, re-establishes the legitimacy of the concept by recognising its ideological context.

The regeneration of regional Australian communities has been on the political agenda for the last twenty years due to declines in agricultural economic viability and rural population (Robison and Schmid 1996; Selman 2001). Consequently, the factors that contribute to successful rural renewal, including social capital, have been of interest to policy makers in a range of government departments (Productivity Commission 2003). Social capital has been proposed as one of the essential components in the capacity of communities to regenerate in times of stress and changing circumstance, complementing both the economic and environmental aspects of community sustainability (Becker 1962; Schultz 1961). In this regard, social capital and community capacity are often seen as the 'keys' to rural sustainability and are often, though fallaciously, used inter-changeably. 'Community capacity' has recently been offered as a more meaningful concept than social capital. However, as Cavaye has established, 'community capacity' comprises both social and human capital, as summarised in his definition of it as " the ability, attitudes, organisation, skills and resources that communities have to improve their economic and social situation" (2000, p. 4). Therefore, while social capital is a building block of community capacity, which is a valid stand alone concept, the current contention of its construction means that it requires clarification and further investigation before it can be employed usefully.

The ambiguity of the term social capital and how it fits into higher level policy concepts has created contention over the role government might play in its development. This contention has two causes: the first being how it is theorised, and the second being that these different theories affect decisions of how and to what extent the concept should be assessed. While debate has focussed on the assessment (Cavaye 2004; Productivity Commission 2003; Reimer 2002; Saggars et al. 2003; Scanlon 2004; Schuller 2000; Stone 2001; VanDeth 2003), the objective here is to elucidate the foundations on which

social capital may be theorised, and subject to that, how it should then be assessed. This paper identifies that differing theoretical approaches require different methods of assessment, and therefore the methodological debate must be focussed upon the perspectives that underpin the use of the concept. Further to this, the current dominant neo-liberal approach also obscures the political objectives in employing the social capital concept. As a result this paper reinterprets social capital into two distinct politically aligned theories of the concept — a neo-liberal and a pluralist — which have different ramifications for not only the methodological deployment of the term, but also government culture, structure and interaction with communities.

It is from this basis of a theoretical reinterpretation of social capital that the empirical research referred to in this paper was undertaken. The objective of the research was to explore the validity of a pluralist theory of social capital and in particular the role of government in social capital in rural communities. Analysis of the data indicates that increased interaction between community and government (local, state and federal) coincides with higher levels of social capital and economic growth, validating the basis of interconnected relationships of civil and government networks in the pluralist theory of social capital.

Lastly, the paper critiques the implications a taxonomy of theory has for social capital in relation to government culture, policy development and implementation. The research findings soundly support the hypothesis that a pluralist theory has positive relevance to the effective application of social capital. Therefore, it contributes at all levels of government to the formulation of effective, assessable policies, designed to generate community capacity and growth in Australian communities.

The importance of the social capital concept

The pragmatic outcomes of social capital¹ of increased citizen access to information and participation, are commonly agreed to benefit many aspects of private and civil life, through increased economic, social, and political engagement (Offe and Fuchs 2002, p. 236). Social capital is believed to achieve these outcomes by utilising social networks to expedite communication and economic exchanges, with the result of decreasing the costs of these exchanges in terms of time and money, both immediately and into the future (Pretty 2001; Putnam 2001).

¹ This paper employs the OECD definition of social capital, which is also the definition employed by the ABS and the majority of other Australian government departments. This definition is that social capital consists of the “Networks, together with shared norms, values and understandings which facilitate cooperation within or among groups” OECD 2001, *The Wellbeing of Nations: The Role of Human and Social Capital, Education and Skills*, OECD Educational Centre for Educational Research and Innovation, Paris, France.

The proposed benefits of social capital are corroborated by Knack and Keefer (1997), whose work provided evidence that social capital is a determinant of measurable economic performance. Economic rationalists claim that the benefit of social capital to private actions and operations is an efficient market operation which, from this perspective, has the further benefit of decreasing the amount of expenditure and bureaucracy required in the public sphere (Fukuyama 2001, p. 10; Holton 1992, p. 17; Szreter 2001, p. 291). However in this context it is seen as a purely civil community concept, exclusive of government operations, and in fact is often used to justify the withdrawal of government from the civic domain, contrary to the interpretations of social democratic or communitarian perspectives. Despite these variances, the concept of social capital is commonly agreed to contribute to social stability and economic growth, even by those of opposing political persuasions, hence its continued currency in promoting community capacity and sustainability.

In summary, while it may not be commonly agreed how social capital is constructed, it is still actively referred to as one of the essential elements in producing the capacity of communities to be adaptive and innovative in times of physical or economic stress. As a result, despite the current contention over the elements of social capital, the concept continues to feature prominently in the agenda of rural Australia, resulting in a continued need to clarify the theory underpinning social capital, and attendant methodological approaches.

Problematic nature of the social capital concept

It is what is omitted from the OECD definition of the concept of social capital that allows for variation in the perceptions of the term and gives rise to its current problematic elements. These omissions include: the flow of benefit in employing social capital; individual or group power to affect social capital networks; and the use of bonding and/or bridging and linking ties, in assessing the depth and breadth of the relationships involved. The confusion around these omissions is perpetuated by the use of the social capital concept for different purposes based on fundamentally opposed perspectives of the concept. Often the way we perceive social interactions is subjective, structured by our personal experience and belief systems. The ramification of each perspective will have different theoretical application. However, the concept of social capital, being networks and relationships that allow mutual beneficial interaction, embraces all different perspectives. This section of the paper outlines how these different perspectives give rise to alternative theoretical and methodological approaches and, dependent upon the perspective adopted, the problematic elements will shift in relevance or will cease to be problematic at all.

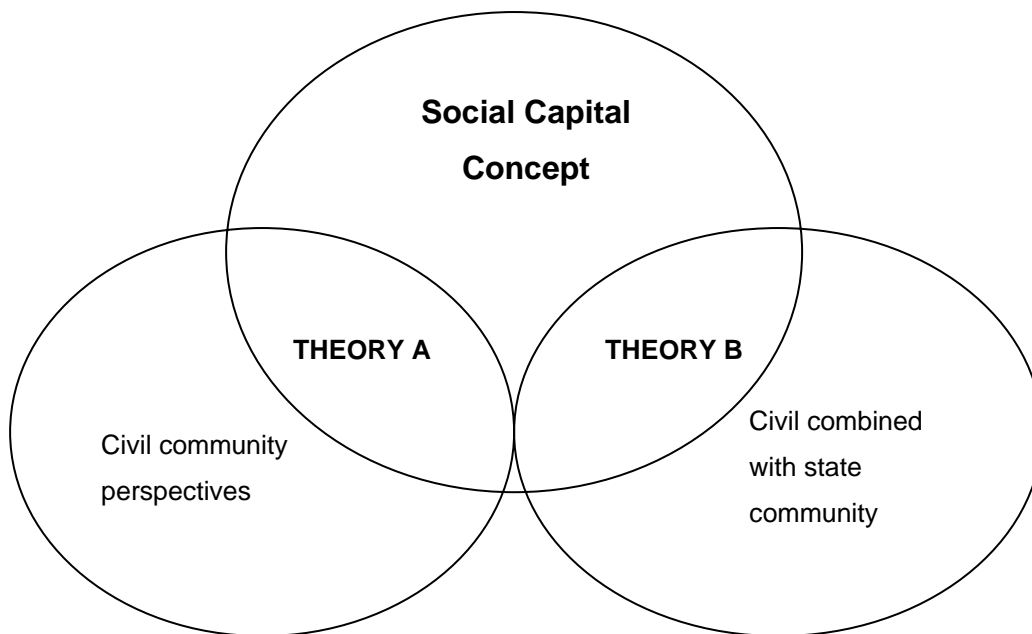


Figure 1. Structure of concept, theory and perspective

Bourdieu talked of the benefits to individuals of employing networks in the form of social capital (Calhoun et al. 1993, pp. 69, 126), while in contrast Putnam’s focus was on the collective benefit to be derived from social capital (Putnam 1993). Therefore it is clear that the nature of the benefits attributed to social capital changes depending upon how the concept is perceived — is it employed purely for individual benefit, or for that of the community as a whole? It has been suggested that the benefits ascribed to concepts such as social capital have changed over time in line with the prevailing political climate (Everingham 2001, p. 4). This is reflected in the shift of focus from the sovereignty of the individual to maximise personal benefit — a neo-liberal perspective — to the alternative pluralist perspective where the objective of community benefits mediate individuals’ behaviour. Consequently, depending upon the aims of those employing the concept, either the individual will be focussed upon and their actions measured for the benefits they are deriving from their social networks; or alternatively, the community as a whole may be assessed to identify the networks that produce positive or negative outcomes.

A further problematic aspect of social capital has been the locale of power. Putnam maintains that the power to employ networks resides in the individual (1993, 2001, 2000). This contrasts with Coleman and Bourdieu’s perspectives which maintain social capital to be a collective resource, inhering in the relationships between and among individuals (Bourdieu and Wacquant 1992; Coleman 1988), that can only be employed and affected by the interaction of multiple individuals with the resources to communicate. Putnam’s perspective deems that individuals possess the unrestrained ability to employ

networks to realise their social capital. It is consequently a perspective which has been extensively utilised by neo-liberalists to justify the withdrawal of the state from the civic domain, maintaining that this removes impediments to individual action (Alston 2002a, 2002b; Edgar 2001; Lawrence 2005; Stayner 2005). Alternatively, the perspectives encompassed in Coleman and Bourdieu's work hold that the environment, or 'habitus' as discussed by Bourdieu (Calhoun et al. 1993), in which an individual operates, impacts their ability to access networks to participate in and generate social capital. This is therefore a perspective that is employed by socialist and democratic political proponents to support, in varying degrees, a greater role for the state in civic affairs (Everingham 2001; Latham, 1997; Levi 1996; Temple 2001).

The principal focus on social capital is its measurability. To date, the dominant measurement tool employed in Australia has been Putnam's, that social capital consists of trust and reciprocity, for which the number of bonding² networks are the proxy measure (Putnam 1993, 1995). This approach commonly quantifies the civic networks in geographically defined communities (Bullen and Onyx 1998; Stone 2001), resulting in a civically bounded assessment, exclusive of external civic, government or corporate resources that might support or develop the abilities of that community. This can result in a 'blame the victim' mentality, as power over social capital is ascribed only to civic individuals on whether or not they choose to participate. Consequently, this methodological approach is also commonly employed by those who support a neo-liberal, or sovereignty of the individual, perspective of social structures and consequent political policies (Alston 2002b; Gray et al. 1997; Lawrence et al. 1999, p. 73). By contrast, Woolcock's examination of social capital resulted in questioning the extent of networks which affect community trust and reciprocity. Woolcock maintains that both the micro (civic networks) and macro (government and external communities) links are essential to the development of trust and reciprocity generating social capital (1998, p. 165). The necessity to incorporate bridging³ and linking⁴ as well as bonding networks in an assessment of social capital is discussed by a number of authors, including Aldridge et al.(2002), Granovetter (1972), Edwards et al.(2003), Spies-Butcher (2002; 2003a; 2003b), Everingham (2001) and Gray and Lawrence (2001). Adhering to this approach requires measurement techniques that incorporate macro structures in the definition of 'community' and assessment of its consequent relationship networks. Therefore, dependent upon the point of view adopted, a significant difference in focus is required on the boundaries of the community being measured.

² Bonding networks refer to those networks of relationships which connect homogenous groups of people.

³ Bridging refers to those social relationship networks of a relatively strong nature between heterogenous groups of individuals and organisations.

Clearly, as this discussion of some of the problematic aspects of the social capital concept demonstrates, different perspectives give rise to alternative theoretical and methodological approaches. Consequently, the issues that are currently debated and held to detract from the validity of the concept, may cease to be problematic if cast in the context of the relevant perspective in which they are either proposed or criticised.

Theorising the concept of social capital

The concept of social capital is employed in the process of developing ways in which to help support, nurture, punish, cajole, criticise, impinge upon or redevelop communities that are not classified as 'successful', usually in economic terms. As with other concepts, the particular objective pursued in the use of it, is dependent upon, and may diverge markedly from, the political perspective of those who developed it. Uhr provides a very clear and concise review of such a divergence in the interpretations of 'democracy' (1998, pp. 4-24). He discusses Aristotle's original thesis of the democratic concept and follows this through to how this has diverged into quite separate interpretations by Rawls, whose perspective is based on rational choices of the individual, and Habermas, who focussed on a communitarian form of consensus in the achievement of democracy. Similarly, and as a further development of aspects of democracy, the interpretation of social capital, contrary to its roots in educational opportunities (Hanifan 1920; Jacobs 1961), has diverged dependent upon political perspectives from which use of the term arises. As with democracy, a categorisation of social capital into at least two theories according to fundamental political belief structures can be illustrated as in Figure 2. This effectively explicates the political nature of the concept and the different methodological approaches that will accordingly apply. This view of social capital underlines how important identification of the political objective in employing the concept is, in understanding the nuances of its application in communities. The political interpretation of optimal social structures and how these should be managed is intrinsically related to how social capital is perceived.

⁴ Linking, or 'weak ties' refers to those social relationships between individuals who may have either infrequent contact or who are known to each other through a third party. Granovetter M 1972, 'The Strength of Weak Ties', *American Journal of Sociology*, vol. 78 ,pp 1360-80.

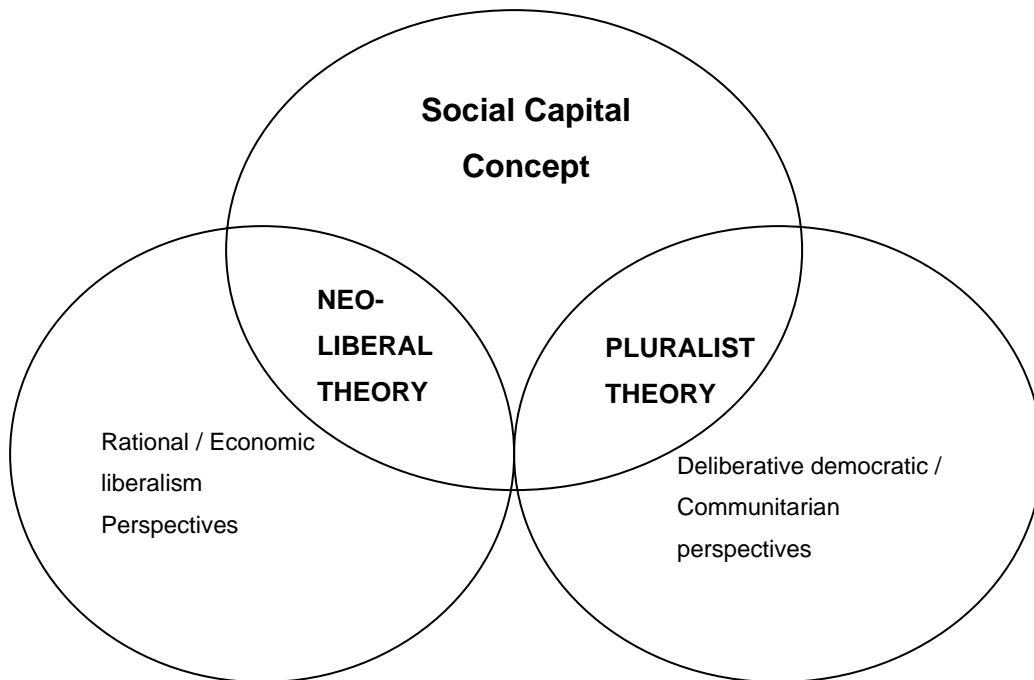


Figure 2. Perspectives, and their attendant theories, of social capital

While social capital has been referred to as an ‘attribute’ belonging to communities, which they must draw upon in order to utilise their ‘community capacity’ (Costello 2003; Latham 2002), a distinct difference lies in whether this attribute is seen as a possession of the individual, or as a group resource requiring two or more persons acting in concert to realise its benefit. As Figure 2 represents, the neo-liberal and pluralist theories of social capital treat the concept differently, as either an entity possessed by the individual (neo-liberal perspective) or as a conceptual framework of the environment in which individuals interact (pluralist). Significantly, these two approaches to politically managed social structures vary considerably in the perceived optimum level of government interaction and intervention with the civil community. The neo-liberal approach is one of minimising government apparatus and interference with the sovereignty of the individual, while the pluralist theory is one which, to varying degrees, recognises the need for intervention in the civil domain to ensure equity of access to deliberative and democratic processes. Consequently, these political categories are well placed to clarify and explain the differences in current interpretations and applications of social capital.

While different perspectives may be ascribed to these two political theories, I have outlined in Table 1 the perspectives and attributes that I ascribe to these theoretical categories and use to differentiate the interpretation of social capital concept and how it should be applied.

Table 1. Attributes of social capital theories

Neo-liberal theory (Individualist)	Pluralist theory (Multidimensional)
<ul style="list-style-type: none"> • Individually operationalised 	<ul style="list-style-type: none"> • Dependent on the ability of a number of individuals to interact
<ul style="list-style-type: none"> • Geographically bounded communities of civic networks only — considering in the main, the number of bonding networks 	<ul style="list-style-type: none"> • Incorporates internal and external bonding, bridging and linking networks of community, between community and also government structures
<ul style="list-style-type: none"> • Bottom up only development of social capital 	<ul style="list-style-type: none"> • Simultaneous top down and bottom up development of social capital
<ul style="list-style-type: none"> • Social capital is regarded as an entity or 'bank account' belonging exclusively to individuals in the community 	<ul style="list-style-type: none"> • Social capital is regarded as a resource available to the community under the right conditions which both give rise to its development and facilitate access to resources

It is important to note that while a categorisation has been undertaken here on the basis of individualist and open deliberative views of democracy, it would be possible to further differentiate the concept of social capital into categories of perspectives, either in addition to or within the categories offered, which would again change how it was interpreted or assessed.

Testing the Pluralist theory of social capital

While others have discussed the inadequacies of current theories of social capital (Cuthill 2001; Lowndes and Wilson 2001; Saggars et al. 2003), there is no identifiable research which specifically categorises different approaches to the concept, as has been done above, and then goes on to assess the applicability of them. The majority of case study research on social capital to date has focused on the civic networks within an identified community, using what I have defined as a neo-liberalist approach to the concept (Bullen and Onyx 1998; Onyx and Bullen 2000; Stone 2001). Consequently, the research set out here tests the idea that social capital leading to economic prosperity requires proactive and cooperative partnership participation between community and government at all levels — a pluralist theory of social capital.

The research was undertaken using quantitative and qualitative methods to compare the elements of the social capital of two rural communities. Two geographically similar communities in the same state, which had been on par in 1991, in terms of growth, incomes, and age as the primary indicators, but which had since diverged, were identified through recommendations by the Murray Darling Association,

which covers four states. The Corowa and Murray Shires were selected subsequent to this recommendation and after verification by the Australian Bureau of Statistics Population and Housing Census data for the period 1991 to 2001, that they fitted the required profile. Since 1991 Corowa Shire has demonstrated an average rate of growth for rural NSW, while the Murray Shire has been the fastest growing rural shire in the State. SEIFA⁵ scores (Table 2), which are a commonly accepted benchmark of community health, are not available for 1991; however the figures for 1996 and 2001 concisely illustrate the continuing divergence of the two communities in those five years. As social capital is seen to be the glue that holds communities together and allows them to work towards economic prosperity (Cox 1995;1997;1998), SEIFA is a useful indicator of the effect of social capital in the form of the combined social and economic fortunes of a population group.

Table 2. Socio-Economic Index for Areas (SEIFA) scores

	SEIFA score (Australian Standard:1000)	
	1996	2001
Corowa Shire	989	988
Murray Shire	994	1013

Source: Australian Bureau of Statistics (2001)

The SEIFA scores in Table 2 demonstrate that the levels of disadvantage in the Murray Shire have been decreasing (indicated by the higher score in 2001) while the social and economic conditions of the Corowa Shire have remained largely unchanged. On the basis of work by Knack and Keefer (1997) it is reasonable to assume that the greater level of advantage in the Murray Shire should also be reflected in higher levels of social capital. Consequently, the research sought to assess and compare quantitatively the levels of social capital in both communities. Subsequent to this, the research used qualitative techniques to identify any differences in how their social capital is constructed, with particular regard to the relationship networks affected by government actions. Four research methodologies were employed to gain an understanding of the breath and nature of the community and local government relationship networks. These included an historical review, analysis of the key issues in local papers

⁵ SEIFA has been developed by the Australian Bureau of Statistics, which defines it as: “derived from attributes such as low income, low educational attainment, high unemployment, jobs in relatively unskilled occupations and variables that reflect disadvantage rather than measure specific aspects of disadvantage (e.g. Indigenous and Separated/Divorced.) High scores on the Index of Relative Socio Economic Disadvantage occur when the area has few families of low income and few people with little training and in unskilled occupations. Low scores on the index occur when the area has many low income families and people with little training and unskilled occupations. It is important to understand that a high score here reflects lack of disadvantage rather than a high advantage, a subtly different concept.” Australian Bureau of Statistics 2001, *Socio-Economic Indexes of Areas, Australia*, (ABS 2001, p. 3) Australian Bureau of Statistics, Canberra.

from 1991 to 2001, quantitative surveys of resident ratepayers and a total of 38 qualitative interviews with community, council and corporate leaders and association participants in the community. The survey and interviews are the preliminary findings of the research used in this paper.

The quantitative survey utilised questions developed by Bullen and Onyx (Bullen and Onyx 1998; Onyx and Bullen 2000), to which were added further questions to assess community perceptions of their local government and of their local government's interactions with other levels of government. These were distributed by the Councils with either rates notices or regular mail communications. The response rate was higher in Corowa Shire (20 per cent) than the Murray Shire (12 per cent), with a total of 805 surveys returned over both locations. The reasons for the variation in the rate of survey return is not evident and is particularly interesting considering a Corowa councillor's reaction when securing support for the survey — which was that it was a waste of time as in her experience people never returned the surveys.⁶ Anecdotally, in situations where respondents are dissatisfied or perceive an opportunity to have a say in issues that are of concern to them, they are more likely to respond. The following graph (Figure 3) demonstrates the differences between the communities, in their aggregated scores for the four categories of questions⁷. The respondents in both communities were not representative of the demographic mean of the community, being older and a higher number of retirees than the general population. However, the survey sample in each community diverged from the general population in the same manner in each case.

The survey data indicates that the Murray Shire community, the economically stronger of the two, has a higher level of interaction with external resources in terms of community and family bridging beyond the immediate region, as well as a higher level of 'bonding' with their local government. In the fourth category of community perceptions of the local government's bridging relationships with other levels of government (state and federal), both communities were the same. However, it is interesting to note that the aggregated responses of the first three and last three questions of the section produced a clear division between the two Shires. The first three questions related to the level of communication the community felt their council had with state and federal representatives, while the last three questions in the section related to how effective that communication was, and also the communication that the council had with the surrounding councils and regional bodies. The Murray Shire was perceived by its community as having higher levels of regional interaction and effectiveness. In contrast, while the community of the Corowa Shire perceived its local government to have good communication with state

⁶ Comment made during a council meeting at the Corowa Shire Council Offices, Corowa, at which the author presented the research proposal for approval and the support of the council in distributing the survey (Tuesday 19 January 2004).

⁷ The questionnaires consisted of sixty five questions which were divided into five sections; 'Your Community'; 'Inter Community'; 'Your Local Government'; 'Inter Government' and 'Yourself'; the first

and federal levels of government, it did not rate as highly their local government’s effectiveness on — resolving regional issues with other government sectors.

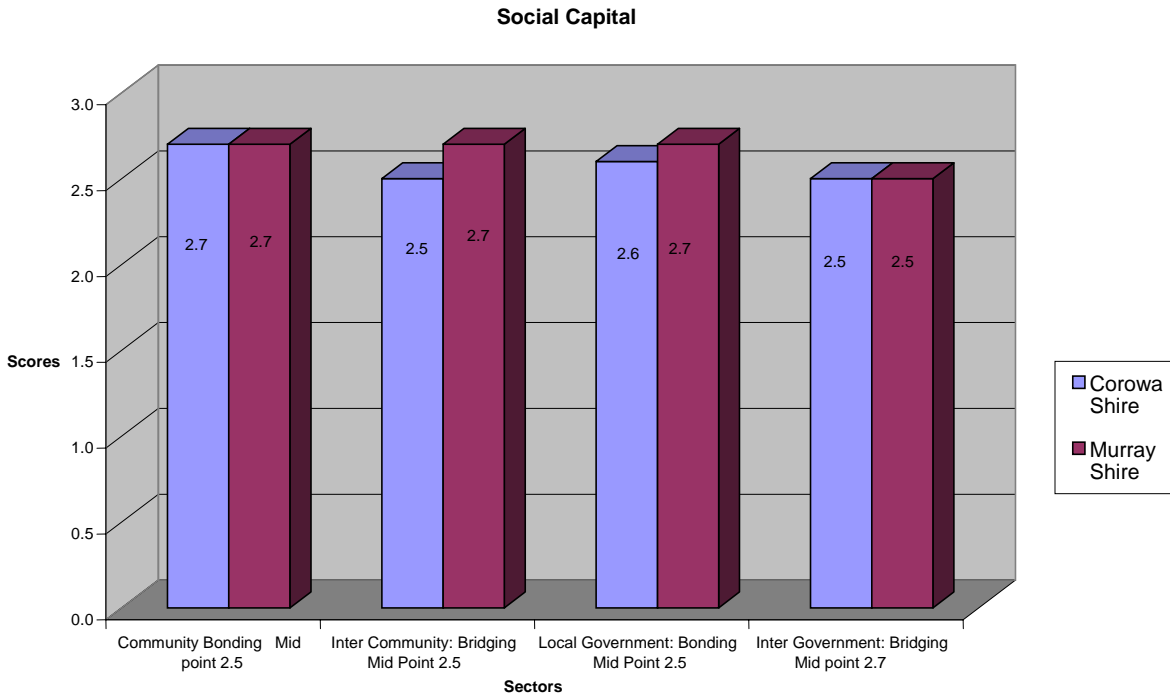


Figure 3. Aggregated scores of social capital

While the differences between the two communities are only small, they support those also identified in the interview data, which indicates a difference between the approaches of the two community’s Shire Councillors. The Murray Shire’s general manager and mayor appreciated the council’s role as more than the traditional provider of ‘roads, rates and rubbish’, but also as a community motivator and instigator of vision for the Shire. A further difference between the two communities that emerged, which is economically significant, related to their attitudes to, and use of, their border location. Both Shires are bounded on one side by the Murray River, on which their largest town is also located, with the bulk of the Shire extending to the north. Both Shires also have active tourism and economic regions immediately adjacent to them on the Victorian side of the border. However, despite these similarities, Corowa Shire is dismissive of any opportunity that may be provided by the proximity of the successful Rutherglen region, because it is interstate:

“... that’s across the river but we don’t have a lot to do with across the river at all. In Mulwala/Yarrowonga we do this sort of acts as one complex, more so than Corowa /Rutherglen, there’s not much happening here.(...) Practically there’s not much we could do together, I mean

four of which incorporated questions aimed at assessing both bonding and bridging. The last category

the fact we're in two different States makes a fair difference there and the two Associations operate a bit differently too, different styles of Council in some areas.”⁸

In contrast, the Murray Shire is extremely cooperative with Echuca due to the possibility of both communities reaping the benefits of 'playing off' State governments against each other to get the best 'deal' for the overall region:

“I reckon we're pretty fortunate here, we've got a very strong council and community on both sides of the river who both work in very well together. Echuca Moama Tourism are a prime example.”⁹

As is apparent by the comments of the Mayors from each Shire, the attitudes of the Councils to the opportunities that may be provided by developing interactive relationships with adjoining regions are significantly different. A pluralist perspective takes equal account of local government interactive relationships in assessing levels of social capital. The differences between these two case studies, as demonstrated above, highlights the relevance of this pluralist approach.

Therefore, these initial research findings support the theoretical conclusions that there is a role for government in the generation of community social capital and realisation of its benefits. The community with a higher SEIFA score and higher levels of growth in the decade from 1991 to 2001 also has higher levels of inter community and community/local government social capital, but also has a notably different attitude to interactive government opportunities. While it has been suggested (Sorensen and University of New England Rural Social Sciences Network 2002) that these differences relate to individual leaders in the community, what has been identified here is that council attitude and motivation may also assist regional leaders to access government resources at the local, state and sometimes higher levels. As a result, the data of these case studies support the contention that proactive and co-operative local government interaction with their community and other government sectors for community benefit, engenders higher levels of social capital and economic prosperity.

Policy implications of social capital theory

The theoretical and empirical analysis here points to the conclusion that not only is social capital a political concept, contextual to the political paradigm in which it is used, but that it is imperative to acknowledge its political foundations prior to its employment in any discussion of community capacity and renewal policies. A statement of the political interpretation of social capital being employed will dictate the contributors to social capital and how it will be consequently assessed. While an

was aimed at identifying demographic markers of the respondents for comparison to community means.

⁸ Interview with Bill Gorman, Corowa Shire Mayor, 11 February 2004

⁹ Interview with Brian Sharp, Murray Shire Mayor, 26 May 2004

examination of the empirical evidence can point to both the need to define the theories of social capital and the validity of a pluralist theory of the concept, such a categorisation also has significant implications for the development of rural Australian policy and the role that government is perceived to play in the process.

This analysis has highlighted that the neo-liberal approach to social capital does not recognise the influences on individual empowerment by the social and political environment in which services are delivered, but rather employs Putnam's earlier definition of social capital (1995), which posits it as being in the control of individuals. Consequently, policy developed under this paradigm is likely to be initiated externally to a community and disconnected from potential interactive effects of other policy initiatives. Such an approach is employed in the belief that communities will be able to use their social capital to adapt to changing circumstance and mitigate any negative effects, and that a 'one size' policy can fit all circumstances.

In contrast, a pluralist perspective acknowledges internal and external, government and civic influences on social relationships, causing it to be an approach that will engage both internal and external factors when considering policy initiatives and the social capital of communities. Therefore development of policy utilising the pluralist perspective of social capital will be a flexible process, acknowledging the need for communities to be actively involved in order to achieve community empowerment and long term 'buy-ins' to policy initiatives. Further to this however, to employ social capital according to the pluralist theory, a large shift is required in the acknowledged responsibilities of government departments to change the culture and structure of different levels of government to one of a partnership approach to communities and their development. A shift in community culture is also required towards one willing to engage with government departments and open to the possibility of government doing business differently. Most importantly, and perhaps more difficult to achieve, the cultural change in government that is required also involves a preparedness to devolve a level of power to communities, beyond the responsibility for policy implementation that has been already been passed down, in order to engender a sense of control over their own futures.

Conclusion

By refining the social capital concept into two distinctly separate political perspectives and theories, the criticisms of it as a meaningless concept are dispelled through recognising the very different objectives that are sought dependent upon the underlying paradigms employed. The problematic aspects of social capital may be resolved only when each is understood according to the context in which the term social capital is used. Despite this revision of the concept and theory of social capital, however, one problematic issue cannot be addressed using the current neo-liberal approach in employing social capital positively in government policy initiatives. To employ policy to build social relationship networks

is logically at odds with recognising the sovereignty of the individual to operate without interference. This paradox remains a confounding element of the neo-liberal perspective and theory of social capital, as it creates a circular and imprisoning theory of community regeneration for struggling communities.

This paper has dealt with the broad problematic aspects of social capital, demonstrating that these may be mitigated dependent upon the political perspective from which social capital is employed. The empirical research discussed here was designed to explore the validity of the proposed alternative approach of a pluralist theory of social capital and, based on the data collected, supports the use of it in the effective application of the concept of social capital in community capacity building and regeneration. However, adopting a pluralist position does require recognition of the role of active partnership that government must adopt in the process. In order to achieve the empowerment and improve the long term capacity of communities, maximum opportunities must be created for interactive partnerships between community and government. This interaction is required by communities to create and sustain their own futures, within the context of broader government policy and global approaches. Consequently, the relationships that are perceived to constitute social capital must include those of community interaction with government.

Regardless of the theoretical approach that may be adopted, what has been demonstrated here is that the political interpretation of the theory of social capital significantly impacts the role that government is understood to have in its generation and nurturing. I would also propose, given the unavoidable contradiction of the neo-liberal approach to social capital, that this use of the concept in the policy domain is a political hijack of a community's rights to be empowered; rather, it dis-empowers and blames them for external factors which affect their circumstances but are beyond their control. However, the pluralist theory of social capital offers a useful structural approach through which to understand and assess the group resources of communities that can enhance policy initiatives. Consequently, any discussion of social capital must be explicitly contextualised in the political paradigm from which it arises before it can usefully be critiqued and employed in the circumstance of community capacity or renewal.

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