

## APPENDIX A: Literature Review

Appendix A includes an edited version of the literature review used in the development of the survey and a supplementary review that was commissioned to address findings from the survey results. Sections of Appendix A appear in the body of the report.

### 1 Exploring the concepts of social capital, social inclusion and exclusion

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#### 1.1 Social Exclusion

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The term 'social exclusion' was first used in France in the mid 1970s in reference to people who were unable to access welfare entitlements. In the 1990s, the term was being used as an analytical concept for understanding social inequality by European Union countries, often to denote anti-poverty strategies. The 1997 election of the UK Labour Government saw social exclusion become a central component of Blair government social policy. The Social Exclusion Unit was established within the Prime Minister's policy team in order to coordinate government policies and programs addressing poverty and social inequality (Arthurson & Jacobs, 2003: i).

Exclusion is as old as civilisation and has taken many forms (Estivill, 2003: 5). Its progressive adoption as a concept has gained credence because it is structural, multi-dimensional and dynamic, it incorporates other concepts such as people being on the periphery, stigmatisation and rupture, it gives a more accurate view of the process involved where exclusion is both the cause and the outcome, and everyone can identify with it because exclusion of some kind is a universal experience (Estivill, 2003: 21–22).

Silver (1994) formulated three paradigms that are implicit to the concept of exclusion. The first paradigm – solidarity – explains exclusion as a rupture of social bonds, where relations between individual citizens and their wider society become weakened. The second – specialisation – describes exclusion as the outcome of a change in relationships between individuals with different skills and interests occurring as part of exchanges within society. Exclusion can occur because of discrimination, or because of rights not being respected, or as an outcome of contractual relations. The third paradigm – monopolistic – reflects society as a hierarchy in which competition occurs for resources and power so that exclusion occurs as an outcome of decisions made by those in control.

Central to the concept of social exclusion is its emphasis on relational processes. These include linkages and networks and the strength or otherwise of these, participation in social and community activities, and the collective impact of different aspects of disadvantage (for example, attitudes to education and subsequent educational attainment, and the implications of this for employment and overall life opportunity). An emphasis on relational processes helps to understand the outcomes of disadvantage because it demonstrates the interrelated nature of its causes.

Consequently, research utilising the concept of social exclusion is considered a counterbalance to past research on social problems that focused largely on structural explanations of inequality, such as deprivation caused through a sluggish economy ... and mostly ignoring social interactions and dynamics (Arthurson & Jacobs, 2003: 8).

The concept of 'social inclusion' became evident in European social policy debates of the late 1980s in reference to overcoming social exclusion. The European Commission first made reference to the term "social exclusion" in its third pan-European poverty program issued in 1988. In these debates poverty was no longer to be seen just as economic deprivation but part of a pattern of social disadvantage, which was termed "social exclusion". The latter term had its origins in Durkheimian notions of social solidarity (Levitas 1996, European Commission, 1990).

In France in particular, the social exclusion debate was based on a perceived social need for 'cohesion' and 'solidarity' (Levitas 1998, 1996). This paradigm required the re-assimilation of those who had deviated from the social norm in some way.

Social exclusion entered British public policy debates from 1997 under Tony Blair's "New Labour" government. Blair sought to substitute Labour's traditional concern with addressing poverty and inequality with policies to address social exclusion. Previous Labour Governments in Britain had pursued policies based on an understanding that poverty was multi-faceted, involving income, housing and health. This "Old Labour" understanding required the redistribution of resources from the well off to the poor to address poverty, but the Blair Government's "New Labour" has promoted this interpretation –

Exclusion is understood as the breakdown of the structural, cultural and moral ties which bind the individual to society, and family instability is a key concern' (Levitas, 1998: 21).

The European debate on social exclusion has had parallels in the USA. Part of the project of the so called "New Right" of the 1980s was propagating the thesis of a moral underclass to explain the persistence of poverty despite the "unleashing of market forces" under the stewardship of President Reagan. Reagan discontinued many of the relatively modest US welfare programs instituted in the 1960s by the Kennedy and Johnson administrations. The New Right argued that welfare recipients suffered from a "culture of dependency" from which they must be weaned. For example, Murray (1980: 23) referred to a malaise among the poor "whose values are contaminating the life of entire neighbourhoods" expressed through their rejection of work and family ethics. In this sense the New Right reframed the issue of poverty as a cultural phenomenon rather than one of structural inequality.

Levitas (1998) and Silver (1999) suggest the changing discourses on social justice and social exclusion can be conceived of as three distinct typologies.

The first typology is a redistributive, egalitarian discourse based on social rights and citizenship and firmly associated with the social policies pursued by most Western countries prior to the 1980s. It positions social exclusion as the result of the

domination of power by certain privileged groups in society who because of their power enjoy a disproportionate share of the national wealth. For social exclusion to be reduced it is necessary for the state to redistribute wealth from privileged to less privileged groups through the institutions of a welfare state.

The second typology of social exclusion is based on the New Right's moralistic view of an underclass that is culturally distinct from the societal mainstream and heavily dependent on welfare. In this typology the underclass have embraced values of "shirking" and "bludging" as a natural consequence of their own rationality. That is, if people are offered welfare benefits for not having work they will make a rational choice to not take work. In this discourse, the predicament of socially excluded people is caused by their own actions rather than by structural factors. State intervention might be directed to preventing other groups from joining the "underclass" but since it is assumed that the condition of the underclass is largely their own fault there is little imperative to direct resources to alleviate their distress.

The third typology is the social integrationist perspective, which currently dominates European Union debates on social exclusion, including those emanating from Britain under the Blair government, and is increasingly evident in Australian "Mutual Obligation" social policies. The social integrationist perspective is informed by the concept of social solidarity that can be traced back to the work of Emile Durkheim.

Durkheim's interest in social solidarity like that of Marx and Weber was a response to the alienating and anomic effects of the transformation of the small agrarian communities of post-industrial Europe into urban, industrialized societies. According to Durkheim, the disintegration of society into atomized units is prevented only by social solidarity arising from shared beliefs, that is, a core belief in certain "truths". Society is conceptualized as an organism whose systems represent functions necessary for social equilibrium, or the stable reproduction of the organism. Social reproduction takes place because people consent to follow social rules anchored in perceived truths. These truths are revitalized and sanctified in industrial societies through rituals associated with religion, membership of associations, clubs and unions, the formalities of paid work and the education and qualifications necessary to enter professions and occupations. Organic solidarity is held to arise from democratic and rational participation in social groups. Without the bonds of solidarity and the meaningfulness provided by ritual, individuals lapse into "anomie" – a condition characterized by the rejection of society and aggressive anti-social behaviour (Durkheim in Giddens 1971).

Like Durkheim, the work of Max Weber is often cited in studies of social inclusion. Weber argues that particular forms of social interaction designed to arouse emotions operate to create strongly held beliefs and a sense of solidarity within the community constituted by participation in regular events (Weber in Collins 1974). Weber focuses on the emotional effect that results from interacting with others, the placement of attention on a common object, and the coordination of common actions or gestures. According to Weber, the creation of emotional solidarity does not lessen conflict as Durkheim believed, but is one of the main weapons used in conflict. Emotional rituals can be used for domination within a group or organization. These rituals can be a

means by which alliances are formed in struggles against other groups. Moreover they can be used to impose a hierarchy of status prestige in which some groups dominate others by providing an ideal to emulate under inferior conditions, which the “others” find impossible to achieve.

Patterns of domination arising from the manipulation of emotional solidarity can be mapped as various forms of community stratification. Caste, ethnic group, educational-cultural group, or class “respectability” lines and even football hooligans might all be forms of stratified solidarities, depending on varying distributions of the resources for emotional production, according to Weber (in Collins 1974: 56–61). Weber’s thinking on emotional solidarity is reflected in Jock Young’s recent work on social exclusion and ‘civil society’.

Young (1999a) contends that in late-modern multicultural societies governed by political parties committed to social integrationist “Mutual Obligation” principles, multiple points of identity are of necessity celebrated, consumed and valued, but societal relationships and especially inter-community relationships, are not. Social integrationists display an intolerance of “difficult people and dangerous classes” (Young 1999b: 390). Prior to the emergence of the social integrationist discourse in public policy the focus was on what to do about recalcitrant groups (i.e. the working class, the poor and minorities), which were not seen as dangerous *per se*, but in need of redistributive assistance to overcome socio-economic disadvantage, or simply to be marginalized and ignored by those who subscribed to the moral underclass thesis. The social integrationist debate, Young (1999b) suggests, is about defining difficult individuals and dangerous classes, (e.g. young homeless people, the unemployed, militant workers, sole parents and criminals) who are to be treated as exceptional social problems, which must be addressed. Little or no attention is paid to the root causes of social problems because this might require questioning the functioning of capitalism. Instead the new, insecure economy provides a source of anxiety, which leads to patterns of blame as scapegoats are sought for the new social uncertainties. For social integrationists, the capitalist system itself is basically just; and problem individuals and classes are cultural misfits rather than products of the system.

The social integrationist approach fails to address the structural causes of social exclusion yet social problems occur where there is both *cultural exclusion and structural exclusion* (Young, 1999b citing Merton).

In Young’s (1999b) thesis, social exclusion cannot be understood by any of the three discourses on social exclusion that have dominated public policy in recent years. Rather social exclusion is a cultural phenomenon arising from relationships between identity and social acceptance and the contradiction of a supposed meritocracy in which the poor lack the material means to meet the aspirations they are encouraged to embrace.

## 1.2 Social Capital

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The concept of social capital has been interpreted by most researchers as having a benign relationship with social inclusion by virtue of the importance of social ties, social interaction, networks, and the trusting relationships in building cohesive communities (Coleman 1990). Social capital draws sustenance from regional traditions and cultural expectations (Putnam *et al.* 1993). Eva Cox (1995) extends the concept of social capital to include the household and informal sectors, which contribute to civic engagement and well-being and build social trust relationships by creating identity.

There is considerable debate regarding how social capital should be defined and how it should be measured. A reasonable degree of agreement is evident among researchers that social capital brings benefits through membership of social networks and related social structures (Portes, 1998). However, there is no consistent theoretical definition that identifies what social capital is, who benefits from it and how it can be measured, and this may be due in part to the multiple disciplines (including sociology, education, political science) that have been involved in researching this concept (Taylor *et al.*, 2006: 3). Nevertheless, there are numerous definitions and exploration of the concept that remain useful and provide valuable insights that can underpin public policy.

The UK cross-government Social Capital Working Group uses a definition of social capital that is consistent with the OECD interpretation, and emphasises the role of networks –

... networks, together with shared norms, values and understandings, that facilitate cooperation within or among groups. (Cote and Healy in Lloyd 2001: 22–23)

The World Bank uses this definition –

The social capital of a society includes the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development. Social capital, however, is not simply the sum of institutions which underpin society, it is also the glue that holds them together. It includes the shared values and rules for social conduct expressed in personal relationships, trust, and a common sense of 'civic' responsibility, that makes society more than just a collection of individuals (1998: 5).

In their provision of advice, based on research evidence, to the Australian Government Department of Family and Community Services, Johnson *et al.* (2005: 2) also use the World Bank definition, describing social capital in terms of networks and norms that enable collective action. Within this definition, the structure of social capital involves describing the size and density of networks, while the content of social capital includes the degree of trust and the prevalence of reciprocity within networks. Stone (2001) draws a similar distinction between the structure and content of social capital. The PRI (2005a: 25) draws a further distinction between individual social capital (that is, the benefits individuals derive from their social networks) and collective social capital (the benefits a community derives from its set of networks).

Research findings indicate that care should be applied in aggregating social capital as the strength of one community can occur at the expense of another. While statistical associations have been identified by researchers between high levels of social capital and a range of benefits (for example, improved physical health, self-rated happiness, economic performance), Johnson *et al*/ identify the need to distinguish between those associations that are correlational and those that are causal.

The Canadian government's Policy Research Initiative has identified the importance of applying a definition of social capital that is useful for public policy makers -

Social capital refers to the networks of social relations that may provide individuals and groups with access to resources and supports (2005a: 6).

This network-focused conceptualisation is seen by the PRI as enabling the concept of social capital to be applied strategically for public policy, as enabling a distinction between social capital and other closely related concepts, and promoting consistency in research and measurement (2005a: 6). A network-based approach is described as supporting the investigation of the effects of government policies and programs on the mobilisation of social capital by both individuals and communities. It is also seen as distinguishing social capital from civic engagement and social cohesion, which the PRI regards as being confused in much of the research literature with social capital when they are more correctly determinants, outcomes or both. The concept of trust is also differentiated from social capital as a phenomenon in its own right, with a different dynamic from social networks (2005a: 8).

Although researchers have long been interested in the nature and importance of social relationships, thinking of these social ties as a form of capital asset provides a new lens for examining how these ties can be invested in and drawn on in ways that complement other capital assets available to individuals and groups (PRI 2005a: 9).

### **Bridging, Bonding and Linking Social Capital**

A major step forward in building a strong evidence base has been research that identifies three forms of social capital – ‘bonding’, ‘bridging’ and ‘linking’ (Frank, 2005: 2). Putnam (2000) drew a distinction between bonding and bridging social capital. *Bonding* refers to relations between homogenous groups, for example, ethnic communities with the ties being likened by him to a ‘sociological super glue’ and identified as best suited to providing the social and psychological supports needed for everyday living. Bonding brings the potential for negative consequences, such as, a stifling of individual freedom and the exclusion of outsiders.

*Bridging* social capital is more heterogenous and is useful in connecting to external resources and for information diffusion. These ties can be useful in linking to work and other life opportunities. Putnam presents both forms of social capital as dimensions along which different networks can be compared, rather than either-or categories.

*Linking* social capital has been identified by other scholars as capturing the vertical dimension of social capital by identifying ties between different strata of wealth and status (Woolcock: 2001). It refers to Relationships between people who are interacting across power or authority social structures, which leverage advantages for the owners of this form of capital (Szreter 2004). These networks are critical for leveraging resources, ideas and information from agencies beyond normal community linkages and are, therefore, significant for economic development (Frank, 2005: 2). The important role played by government professionals (for example, teachers, social workers, legal service officers) in linking the state to local citizens means that they can make a significant difference to the success or failure of public services (PRI, 2005a: 12).

In sum, not all networks of social ties share the same characteristics or provide access to the same range of support and resources. ... The bonding, bridging, and linking distinctions may help point public policy researchers to different forms of social capital that are more or less relevant to the particular issue with which they are dealing (PRI, 2005a: 12).

Harvard political scientist Robert Putnam (1993: 35) defines social capital as

a set of horizontal associations among those who have an effect on a community, and these can take the form of networks of civic engagement” and “features of social organizations such as networks, norms and truths that facilitate coordination and cooperation for mutual benefit.

According to Putnam these networks lay the groundwork for reciprocity, solidarity and participation, which in turn reinforce sentiments of trust in communities and the effectiveness of communications between individuals and organizations.

Putnam's definition of social capital is based on a model of society built on participation and trust in a wide range of civic institutions and associations, which he argues are the building blocks of social capital. Kawachi and Berkman (2000), argue that high stocks of social capital also lead to socially inclusive and cohesive societies. Moreover, socially cohesive societies high in social capital are more likely to achieve the twin virtues of sustainable economies and human development, according to Stanley (1997).

In the late 1960s and 70s, Pierre Bourdieu, a French sociologist produced a series of studies that argued social capital was not only dynamic and creative but a structured phenomenon. Bourdieu draws on Marx's discussions of aggregate social capital in *Capital* (Volume 2) to loosely define social capital as the aggregate of the resources of institutionalised relationships between groups and classes:

The aggregate of the actual or potential resources that are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition (Bourdieu, 1985: 248).

Bourdieu understands social capital to be a process of deliberately constructing sociability in order to acquire the benefits of being part of a group. That is, social networks are not a natural given and must be constructed through investment strategies, which are grounded in the institutionalization of group relations. The latter are useable as a source of other benefits. Bourdieu (1985) suggests social capital is comprised of two elements:

1. The social relationship that enables individuals to gain access to resources possessed by their associates.
2. The amount and quality of those resources.

It is the association between these two elements and accumulated human capital that gives access to economic resources. Through social capital actors can gain access to loans, investment tips, protected markets etc. and can increase their cultural capital through contacts with experts, or can join institutions that can bestow valuable credentials (e.g. business clubs, associations, unions, etc.). However, Bourdieu (1985) is clear that acquiring social capital requires a deliberate investment in both economic and cultural resources. Individuals without the initial resources to make this investment might have difficulty building social capital.

In a similar sense, Grootaert and Van Basttelear (2002: 10–11) suggest there are two types of social capital, structural and cognitive.

Structural social capital facilitates information sharing, and collective action and decision making through established roles, social networks and other social structures supplemented by rules, procedures, and precedents. As such, it is a relatively objective and externally observable construct. Cognitive social capital refers to shared norms, values, trust, attitudes, and beliefs. It is therefore a more subjective and intangible concept.

Grootaert and Van Basttelear's (2002) two forms of social capital can be, but are not always, complementary. For example, cooperation between neighbors can be based on a personal cognitive bond that may not be reflected in a formal structural arrangement. Similarly, the existence of a community association does not necessarily signify strong personal connections among its members, either because participation in its activities is not voluntary or because its existence has outlasted the external factor that led to its creation. Social interaction can thereby become social capital through the persistence of its effects at both the cognitive and structural level.

Portes (1998) also points to the importance of distinguishing between the recipients of social capital and the donors. That is, what are the motivations of those donors who are willing to bring the recipients into their circle and confer their social capital upon them? Drawing on Coleman (1988) and Bourdieu (1985), Portes (1998: 7) suggests these motivations may be conceptualized as a "consummatory vs instrumental" dichotomy.

*Consummatory* motivations for extending social capital to others may include a desire to follow internalized norms such as paying fines on time or obeying traffic rules. These norms are appropriable by others and allow holders of such social capital to undertake activities such as extending loans without fear of default and letting their kids to play in the street without concern. Social capital donors' instrumental motivations might include an expectation that they will be repaid in full in future for offering privileged access to resources, that is to say, the recipients of the donor's largesse will be obliged to repay the debt (Portes 1998).

### **1.3 Bounded solidarity and social exclusion**

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Identification with one's own group or community can be a powerful motivational force, which Portes (1998) suggests leads to forms of solidarity bounded by the group identity. Bounded solidarity is in essence the basis for the formation of both industrial unions and business councils. While communities can use bounded solidarity as a weapon to wield against social injustice and to further the interests of the group, it can also be used to exclude others or establish dominance over other groups. For example, Waldinger (1995) discusses the control Italian, Irish and Polish migrant groups have gained over the construction trades in New York and the control exercised over key sectors of the economy of Miami by the Cuban community. These forms of control might be considered the "dark side" of bounded solidarity, or modes of social exclusion.

The concept of social capital has a utility that fits well with debates on social cohesion, social exclusion and social inclusion. Social capital has been described as "*the glue than binds society together*" (Serageldin 1996: 196). If notions of social capital are set beside other explanations of social inclusion and social exclusion then two relatively distinct categories of concepts can be discerned. These are detailed in *Figure 1* which is adapted from work by Wilson (2006).

**Figure 1. Conceptual categories<sup>1</sup>**

Category A – community level concepts	Category B – social level concepts
<p><b>Mechanical solidarity</b> Social inclusion and cohesion based upon the likeness and similarities among individuals in a society, and largely dependent on common rituals and routines</p>	<p><b>Organic solidarity</b> Social inclusion and cohesion based upon the dependence individuals in more advanced society have on each other. Though individuals perform different tasks and often have different values and interests, the order and survival of society depends on their reliance on each other to perform their specific task</p>
<p><b>Bounded solidarity</b> Processes that facilitate the reciprocation of aid and produce norms that work towards the communal good.</p>	<p><b>Aggregate social capital</b> The aggregate of the actual or potential resources that are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance or recognition</p>
<p><b>Bonding social capital</b> Bonding networks that connect people who are similar and sustain particularised (in-group) reciprocity.</p>	<p><b>Bridging social capital</b> Bridging networks that connect individuals who are diverse and sustain generalized reciprocity.</p>
	<p><b>Linking social capital</b> Relationships between people who are interacting across power or authority social structures, which leverage advantages for the owners of this form of capital.</p>
<p><b>Emotional solidarity</b> The solidarity that binds groups together through the emotional bonds forged by collective activities, can exclude those who have not shared the collective experience.</p>	<p><b>Social exclusion</b> A subjective experience of inequality and unfairness as materially deprived people seek to obtain the unobtainable.</p>

Category A concepts are concerned with understanding the relationships which bring communities together. Category B concepts are about understanding inter-community relationships and how aggregate societies form.

## **2 Measuring social capital and social inclusion**

There has been growing international and local interest in the development of indicators of community well being and of participation in the public sphere, which provide measures of social inclusion and social progress in given communities. Such indicators are valuable tools for policy formulation and for evaluating policy and program progress and outcomes. Recent studies have drawn attention to the

<sup>1</sup> Adapted from Wilson, L. (2006) 'Developing a model for the measurement of social inclusion and social capital regional Australia', *Social Indicators Research*, 75: 335-360. The article was accepted for publication in *Social Indicators Research* 18 months prior. It discusses the conceptual framework for the survey. International journals have long waiting times for publications to come to press.

limitations of existing measures of social progress, such as the Gross Domestic Product, and have sought to develop integrated sets of indicators, which take into account social, cultural, environmental as well as economic concerns.

There appears to be general agreement in the literature about the dimensions of social exclusion, which Atkinson (2002: 4) summarises as: 'poverty, income inequality, low educational qualifications, labour market disadvantage, joblessness, poor health, poor housing or homelessness, illiteracy and innumeracy.'

Work on indicators of social exclusion has been particularly marked in Canada and Australia where there has been a surge of interest in community indicators since the 1990s (Wyman 2000). In Australia, projects have been initiated by local government in Victoria, New South Wales, South Australia and Tasmania. Major projects on the development of state wide indicators have been commissioned by the State Governments of Victoria and Tasmania (Salvaris 2000). In many cases these projects have been associated with attempts to restore trust in democratic processes in communities adversely affected by economic restructuring in the 1980s and 1990s. In this context it is timely to consider the relevance of such research for planning and policy development in South Australia.

Indicators of community-well being typically focus on value rather than cost (Stilwell 2000: 1). In many cases they have been developed by social scientists as an alternative measurement of social progress to the Gross Domestic Product (GDP) indicator favoured by economists.

Projects which seek to measure community well being reflect the convergence of three events. The first of these is the recognition that broad social and economic problems need community wide solutions. The second factor is the need to strengthen democratic institutions at a time when 'social capital' is perceived to be declining. The third is a challenge to the ways governments and citizens have traditionally defined progress and measured well-being (Salvaris 2000: 5).

The latter represents a challenge to the over-reliance on measures of GDP as signifiers of economic progress. In other words, measuring the market value of economic production does not tell us a great deal about the broad health of the community or the environment. It also tells us little or nothing about the social costs that have been produced by economic processes, or their sustainability.

Salvaris (2000: 6) suggests there is a need to go beyond measures of production such as GDP to consider indicators of social progress and community well-being. Such measures might include indicators of social capital, environmental sustainability, community health, participation and citizenship, equity and social justice, and the health of democracy. Indicators or benchmarks may form a map for communities to find where they are going as part of a collaborative process with governments, business, unions and the non-profit sector.

If measurement projects are grounded in democratic processes, the legitimacy that will accrue to them can create powerful pressure for institutional systems to be brought into the service of communities (Salvaris, 2000: 7). In this sense the outcomes should not be the indicators themselves but increased community activity such as local community projects and improved standards of local governance, enlarged capacities for participation and empowered communities.

Eckersley (1999: 20) suggests that trends in Gross Domestic Product and social inclusion have diverged since the mid-1970s in all countries in which indices of community well-being have been constructed, including the United States, Great Britain and Australia. Social indicators and measures of community well-being enable policy makers to look more closely at economic growth to examine what is growing, what effect growth is having on social inclusion/exclusion and what alternatives might exist. But meaningful cross-national comparisons of trends over time cannot be made unless consistent sets of tracking data are established.

The relationship between social inclusion and social capital is clarified by Fran Baum (2003) in a recent discussion of the Adelaide Health Development and Social Capital (AHDSC) study. Baum suggests good health status, a healthy environment and access to health care are hallmarks of an inclusive community, as are the quality and extent of social interactions and relationships.

While many studies have sought to develop social indicators and measures of community health and well-being, these have for the most part been point-in-time studies and few have attempted to gather longitudinal data using consistent methods. But as Putnam suggests processes of social inclusion and social capital formation unfold over time and are best conceived of as long-term cultural shifts. There is a clear need for the development of longitudinal indicators of social inclusion and social capital. The scope and breadth of the debate on indicators of social inclusion, social indicators and social capital suggests it is not possible to meaningfully measure every aspect of these processes. A clear rationale for what is to be measured is required.

Measures selected must also be of use to Government in its strategic planning and in the implementation of its social inclusion policies in Northern Adelaide. The measures selected will be part of a model to inform social inclusion policy development, implementation and evaluation.

## **2.1 Indicators and Factors associated with social exclusion**

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In their review of the literature on social exclusion Bradshaw et al. (2004) aimed to identify drivers or factors that generate social exclusion identified in research studies in the preceding ten years. The review explores the evidence from a domain perspective (that is, in relation to the elements of social exclusion and their inter-connection). This led them to identify these factors as the most two important drivers of social exclusion -

- demographic, wherein changes in social exclusion reflect a changes in the demographic structure – for example, in relation to youth unemployment, ageing, household formation patterns, the increased number of lone parents, migration, and
- labour market – with demand for labour identified as the key factor driving social exclusion noting the increases in poverty paralleling decline in labour demand in the early 1980s and early 1990s (2004: 11).

The review explores research and identifies a relationship between social exclusion and these domains –

- Income
- Employment
- Education
- Health
- Housing
- Neighbourhoods and networks
- Crime and the fear of crime.

An earlier review by Bradshaw (2001) found clear evidence of an association between poverty and these factors –

- ⇒ Increased post-neonatal and child mortality, especially in relation to accidental death
- ⇒ Low birth weight
- ⇒ Most infectious diseases
- ⇒ Poor dental health
- ⇒ Obesity and poor diet
- ⇒ Physical abuse
- ⇒ Teenage pregnancy
- ⇒ Poor environment and housing conditions
- ⇒ Homelessness
- ⇒ Poor educational attainment
- ⇒ Youth suicide
- ⇒ Mental illness.

### **Income**

Using the National Child Development Study, Hobcraft and Kiernan (2001) found a clear association between childhood poverty and adverse outcomes in adult years. Bradshaw *et al*/cite other studies that suggest that poverty is a generational process, with poverty leading to ‘poverty of aspiration’ (2004: 15). Their review also explores the relationship between poverty and income exclusion by examining the characteristics of the income poor. The annual *Households Below Average Income* (HBAI) series analyses the *Family Resources Survey* which provides data on low income households in Britain. Using these data Bradshaw *et al*/identify an association between

low income and the drivers of 'economic status' and 'family type', specifically involving unemployed people and inactive people (mainly lone parents), single female pensioners and households with children. In addition, disability, ethnicity, having three or more children, having young children, and being a young mother are all associated with low income (2004: 15–16). Other gender-focused work by Bradshaw and others (2003) has identified that women and girls have a higher risk of poverty.

The variables driving poverty interact and to examine this effect, other research using logistic regression on *Family Resources Survey* data in order to model the odds of adults and children being poor is reviewed. Bradshaw and Adelman (1998) found that the odds of children being in poverty were –

- o X2 for lone parents;
- o X5 for unemployed people;
- o X2 for ethnic families;
- o X1.5 for those with two or more children;
- o X2 for people living in local authority housing;
- o X3 for those leaving school before the age of 16 (cited in Bradshaw *et al*, 2004: 17).

## **Employment**

Lack of participation in the labour market is both an important indicator of social exclusion as well as a key driver of other aspects of social exclusion – including poverty, homelessness, physical and mental ill-health, drug misuse, and transport difficulties. The interactive effect of these factors is also significant – for example, poor health can increase the risk of unemployment and vice versa, and unemployment increases the risk of homelessness while homelessness itself is a barrier to effective labour market participation (Bradshaw *et al*, 2004: 25).

Bradshaw *et al* (2004: 26) identify a spatial significance in relationship to unemployment or what they term '*the geography of worklessness*'. Local authorities with very high levels of unemployment and of long term unemployment also experience very high levels of economic inactivity. A high correlation is also identified between these local areas and levels of Incapacity Benefit claimants, indicating a movement of unemployed people into ill health and early retirement. Consequently, some groups of people have not benefited from the falling unemployment and rising employment rates of the past decade, with a generational, longer term impact expected.

## **Education**

Education has also been identified as playing a critical role in preventing social exclusion and Bradshaw and his colleagues review the research evidence on the factors which influence this relationship (2004: 32 – 49). The literature indicates that three factors are particularly salient in influencing what schools can achieve in providing generic skills and formal qualifications. These are –

- o Changing socio–demographic factors (notably family instability, sole parenthood, teenage motherhood, immigration and refugee settlement which create conditions where children experience higher rates of interrupted schooling and greater insecurity).
- o Structural changes in the labour market that affect demand for labour and young people’s pathways to independence. The transition from school to work has been lengthening in the past decade and becoming more fragmentary and more dependent on formal qualifications.
- o Policy tensions wherein policy designed to improve school performance and increasing parental choice of schools has created marked divergences in attainment between schools and students of different ability levels. Low attainment is particularly evident among some ethnic minority groups and students on free school meals, especially boys (Bradshaw *et al*, 2004: 33 – 34).

Predictive of adult social exclusion are poor reading rates and low literacy and numeracy levels among school students, all of which have been found to be associated with poor transition to the labour market, low earnings, poorer self–reported health, depression and lower levels of civic and community participation (Bradshaw *et al*. 2004: 35).

The school effectiveness literature indicates ... that schools can and do make a (varying) difference to children and young people’s educational attainment and, ultimately, life chances. It also indicates that they do this ... in ways that can be described as pedagogic (focusing on teaching and learning methods, and on curriculum content and structure) or social (reflecting the ethos, values, organisation and social life of the school and its relationship with families and the local community).

The six key (and interrelated) variables emerging from the review of literature associated with low educational attainment are –

- o The student’s personal characteristics and experience
- o Socio–economic factors (eg low income, parental unemployment, housing, family structure)
- o Parents’ educational attainment
- o Family structure, including family disruption
- o Ethnicity and language
- o Other – parental interest or involvement in the school, locally based factors (Bradshaw *et al*. 2004: 40).

In their review of the literature Johnson *et al* (2005) conclude that the public policy momentum for building community and social capital cannot continue to develop without addressing two sets of issues – the first pertains to developing an agreed set of principles of measurement, and the second relates to the governance of community sector organisations (2005: 49). Referring to the 1999 workshop held by FaCSIA to identify issues and measures relating to indicators of Social and Family Functioning, and the *Growing Victoria Together* summit in March 2000, Johnson *et al* (2005: 53 –

54) note the push from government to derive an agreed set of social capital measures. Despite the plethora of indicators to have emerged, they argue that these are limited by the absence of a conceptual framework, and in particular, a lack of matching between structural measures and content measures, and a lack of mechanism to combine indicators in order to measure change in social capital over time.

Finally, consideration is given to the possibility of including measures of social capital in the national income accounts, mainly because social capital is ‘a stock of sufficient importance to be thought of alongside physical capital and human capital’ (2005: 54). Johnson *et al*/ note that a number of economists and social scientists have proposed such a strategy and that government and business application of triple bottom line accounting reflects similar priorities. An ambitious study undertaken by Juster for the American National Science Foundation proposed a new system of national accounts based on the approach developed by the UN’s System of National Accounts. This proposed measuring stocks (physical capital, human capital, socio-political capital and environmental capital), flows (current account) and outcomes (current account). Socio-political capital included social networks, voluntary organisations and government agencies which Johnson *et al*/ argue constitutes social capital.

Taking this model further, Johnson *et al*/ (2005: 55 – 56) note that specific measures of stocks and flows are required.

We believe it is valuable for policy purposes to distinguish between stocks and flows. Such a framework, applied to social capital, could lead policy makers to ask such questions as: ‘Are stocks being run down – do we need to invest more?’ and ‘Could flows be increased and better directed to target clients?’ (Johnson et al, 2005: 55)

The chart below describes the measures they propose, applying these to an annual measurement at the end of the financial year. Flows would be recorded in the usual way in the current account and a judgement made by both national and state governments about the performance of the community sector and the need for specific or targeted interventions.

<b>Stocks/Assets</b>	
Financial capital	Endowments and other accumulated financial assets of community groups
Human capital	Numbers of active members (office holders and those doing voluntary work) and the skills they have in running the organisation and doing voluntary work; passive members (paying subscriptions, receiving mailings etc)
Networks and public support	Linkages (measured perhaps by joint committee representation) with the government, private and community sectors; support and trust of the community sector among the public (reputation for good works, fairness, openness, lack of corruption)
<b>Flows/annual transactions</b>	
Financial - income	Annual donations and membership subscriptions
Financial – expenditure	Annual expenditures on voluntary work and running the organisation itself
Time	Time spent by members in voluntary work and running the organisation itself
Outcomes	Voluntary work that is more or less satisfying to providers and clients.

In a study designed to address a gap in the research literature about how social capital can contribute to improving the health of disadvantaged communities at a population level, the South Australian Department of Health identified two disadvantaged metropolitan suburbs to be part of a community capacity building research project. Baseline data from the project were used to compare the two suburbs with the rest of the metropolitan area and the rest of the State using a series of large-scale population surveys of randomly selected adults<sup>2</sup> and a range of measures of social capital. The aim of the analysis was to determine the relationship of these concepts to (self-reported) health status and more broadly, to increase understanding of social capital and its role in creating healthy communities (Taylor *et al*, 2006: 4).

Analysis of findings identified five demographic and social capital variables that were significant in predicting fair or poor health for people living in the designated suburbs. These were older age group membership, deriving income from pensions, playing sport less than once per month, rarely seeking help from neighbours and not attending public meetings (page 8). The researchers concluded that despite previous research findings of a relationship between health and social capital, the relationship is ambiguous (Taylor *et al*, 2006: 8).

<b>Social Capital Dimensions used in the Study</b>	
o	Perceptions of neighbourhood (friendly, safety at home, in community)
o	Level of trust
o	Reciprocity (eg help from neighbours)
o	Civic participation
o	Participation in community action in the last 18 months
o	Membership
o	Social participation in the last 18 months (sport, gym or group exercise, self help or support group, social club, restaurant, club, other social event)

In their review of the literature for the Australian Government Department of Family and Community Services that addresses the connections between social capital and prevention and early intervention strategies, Gauntlett *et al* (2000: 5–6) identify a range of indicators. They separate these into Social Indicators (SI) of building resilience and indicators of Stronger Communities (SC) – see box. These indicators draw on the dimensions of civil society identified by Putnam (1993) and further developed by other analysts.

<b>Social Indicators</b>	<b>Stronger Communities Indicators</b>
Strengthened local economic capacity	Knowledge and skills, including volunteering
Reduce crime, including vandalism	Networks and partnerships
Reduced welfare dependency	Community leadership
Better health outcomes	Local solutions to local problems

<sup>2</sup> The SA Health Omnibus Survey, 2001 and the Health Monitor Survey, March 2002

Reduced long-term unemployment	Community capacity to use best practice
Increased social capital	

These indicators form the basis of the Department's *Stronger Communities Strategy* announced in 1999 and have been further developed since then.

### 3 The nexus between research and policy development

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There is a discernible trend for public policy in many OECD countries, including Australia, to draw on or commission, research that informs the development of initiatives designed to build social capital and social inclusion. This is part of a wider drive by governments to formulate policy from an evidence base. In this section, we illustrate this trend with examples from Australia, Britain, and Canada, and begin with an exploration of the potential role of public policy in minimising social exclusion and building social capital.

#### 3.1 The role of public policy

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Public policy intervention is never neutral, having both intended and unintended consequences. Not intervening in itself will have an impact on social exclusion and social capital. The research evidence identifies a number of approaches that are possible for government, and in this section we overview the work of Estivill (2003) and Bradshaw and his colleagues (2004).

Based on a review of the research literature, Estivill (2003: 80– 84) has developed a typology to reflect the diversity of approaches that are possible for public policy. None of these has been found to be effective on its own, reinforcing the importance of multiple points of intervention that reflect the complexity of social exclusion.

- o The first involves giving priority to **economic growth** in order to reduce or eliminate exclusion, reflecting a belief that increased growth involves increased employment and earnings, standards of living and other opportunities.
- o The second involves developing **social protection** systems supplemented by minimum income benefits and social services to provide both preventive and palliative intervention.
- o **Minimum income** strategies represent a third type of intervention and are described as an important mechanism that is poverty-sensitive and provides a further component to social protection systems.
- o A fourth typology involves **public measures** (both general or specific in focus, and centralised or decentralised in structure) to address exclusion.

Analysis of these approaches led Estivill to identify the following 'cornerstones' of most European Union and Member State programs. Again, these are found to be most effective when adopted as part of an overall strategy rather than in isolation.

1. **integration** – involving direct action to address poor quality housing, inadequate income, poor health, low levels of educational attainment and vocational skills, precarious employment and the erosion of rights;
2. **partnership** – although this takes on different meanings in different contexts and cultures, it is essential in order to address the multiple dimensions of social exclusion;
3. **participation** – which has a range of levels and intensities; and
4. **spatial** – acknowledging that exclusion can be diffused across more than one location and requires intervention at the local level as well as centrally.

The potential role of public policy is evident in the review by Bradshaw et al. (2004) which linked research to government intervention in the areas of education, health, housing, neighbourhoods, crime (and the fear of crime), employment and income.

There is also a key role for public policy in redressing **health** inequalities but the findings of the literature review on this issue are described as complex because they range across a number of dimensions, including socio-economic status, geographical area, age, gender and ethnicity (Bradshaw *et al*, 2004: 50 – 51).

With regard to **housing**, Bradshaw *et al* note that homelessness is itself a form of social exclusion and in turn, can exacerbate other drivers, including poor health (2004: 63). Macro level factors, such as unemployment and the affordability of housing emerged from the literature review as the most important drivers of homelessness (2004: 69). Risk factors identified for homelessness are family background, institutional experience, socio-economic and health.

Australian researchers from AHURI (Arthurson and Jacobs: 2003) support this finding, concluding from their review of the literature that policy needs to address a range of areas including education, health, welfare and employment, highlighting the importance of ‘joined-up’ policy and programs. They argue that the main value of the concept of social exclusion is found at the level of implementation in promoting joined-up policy responses which recognise the complexity and interrelated nature of inequality (Arthurson and Jacobs, 2003: ii).

In reviewing social exclusion research and housing policy in Australia, Arthurson and Jacobs (2003: 25) identify only two State governments making this connection – South Australia, through its Social Inclusion Unit and the NSW Department of Housing – as well as the Australian Government Department of Family and Community Services. However, their conclusions are that a significant gap exists in policy.

The research on the role of neighbourhoods reflects the spatial concentrations of poverty and disadvantage and these have been found to have become more pronounced in Britain in the past two decades (2004: 85). Bradshaw *et al* note that a critical question for policy is whether the neighbourhood itself is a cause of social exclusion. The small but growing evidence base indicates that neighbourhoods do have a significant but modest impact on health, child development, educational

attainment, poverty and unemployment but further research is required to extend these findings (2004: 89). Mobility exclusion, based on barriers to participation arising from reduced independent means of transport in a society based on assumptions of high mobility, and its relationship to social exclusion has been the focus of research by the Social Exclusion Unit. At the same time, people in the most vulnerable groups have also been found to suffer most from air and noise pollution associated with growing road transport (Bradshaw *et al*, 2004: 77). Again, public policy has a critical role to play in changing these circumstances.

There has been considerable research that identifies a two-way relationship between unemployment and crime, and localities with high crime rates have been found to be related to lack of access to job markets (Bradshaw *et al*, 2004: 91). Several studies report an association between youth crime and growing up in dysfunctional families and involvement in crime while at school has been found to be one of the main causes of truancy (2004: 94). There is also a strong association between problem drug use and crime.

The review by Bradshaw *et al* also explores the relationship between poverty and income exclusion by examining the characteristics of the income poor. The annual *Households Below Average Income* (HBAI) series analyses the *Family Resources Survey* which provides data on low income households in Britain. Using these data Bradshaw *et al* identify an association between low income and the drivers of 'economic status' and 'family type', specifically involving unemployed people and inactive people (mainly lone parents), single female pensioners and households with children. In addition, disability, ethnicity, having three or more children, having young children, and being a young mother are all associated with low income (2004: 15–16). Other gender-focused work by Bradshaw and others (2003) has identified that women and girls have a higher risk of poverty. Research also suggests that poverty is a generational process, with poverty leading to 'poverty of aspiration' (2004: 15).

Unemployment is both an important indicator of social exclusion as well as a key driver of other aspects of social exclusion – including poverty, homelessness, physical and mental ill-health, drug misuse, and transport difficulties. The interactive effect of these factors is also significant – for example, poor health can increase the risk of unemployment and vice versa, and unemployment increases the risk of homelessness while homelessness itself is a barrier to effective labour market participation (Bradshaw *et al*, 2004: 25). There is also a spatial significance in relationship to unemployment or what Bradshaw *et al* term '*the geography of worklessness*'. Local authorities with very high levels of unemployment and of long term unemployment are found to experience very high levels of economic inactivity. A high correlation is also identified between these local areas and levels of Incapacity Benefit claimants, indicating a movement of unemployed people into ill health and early retirement. Consequently, some groups of people have not benefited from Britain's falling unemployment and rising employment rates of the past decade, with a generational, longer term impact expected.

The recurring theme in the research literature is the need for public policy to traverse a range of portfolio areas, promoting 'joined-up' policy and programs, in recognition of

the multiple issues that need to be addressed in order to promote social inclusion. An integrated approach is essential across government itself, and through partnerships that link the public sector, the private sector, the non government sector and communities.

The Canadian Government's Policy Research Institute (PRI) has overviewed approaches taken by public sector and statistical agencies in Canada and other countries in applying the concept of social capital and distinguishes three major approaches, each bringing different implications for public policy, namely –

- a) *'micro'*, which emphasises the nature and forms of cooperative behaviour. This approach defines social capital as the potential of collective action to strengthen group processes. The World Bank has described this approach as 'cognitive social capital'.
- b) *'macro'* which focuses on the conditions (favourable and unfavourable) for cooperation. The macro approach emphasises the value of social cohesion and integration and social capital is analysed as a product of a community's environmental, cultural, social and political structures. As with the micro approach, the interest is in social capital as a collective benefit.
- c) *'meso'*, which highlights structures that enable cooperation. This approach links the concept to the potential of social networks to produce resources like information and support, and examines structures that may enable cooperation. The World Bank describes this analytical approach as 'structural social capital'. The underlying premise is that social capital arises from the interdependence between individuals and groups within a community, a resource that emerges from the social ties used by members of networks. Benefits are both individual and collective (Franke, 2005: 2).

The United Kingdom, through the Office of National Statistics (and in common with the OECD), is described as adopting a *macro*-approach to social capital, based on its social integration value. This locates social capital as the collective end result of various aspects of the lives of individuals, and identifies five major dimensions against which survey data are gathered (and which are being tested through a general household survey) –

- ⇒ Participation, social engagement, commitment
- ⇒ Control, self-efficacy
- ⇒ Perception of community
- ⇒ Social interaction, social networks, social support
- ⇒ Trust, reciprocity, social cohesion.

In July 2004, Statistics Canada (Cycle 17 of the General Social Survey, Social Engagement in Canada) released the country's first large-scale national survey that integrated the dimensions of social capital as identified by the OECD and the UK Office of National Statistics. Social capital is treated as a dependent variable, (that is, it is explained using a range of other determinants) and involves a limited exploration of its

impact as an independent variable to explain specific socio-economic or health-related issues.

The PRI describes the Australian approach in extremely positive terms, identifying the work of the Australian Bureau of Statistics (ABS), the Institute of Family Studies (*Social Capital and Citizenship Project*) and the Productivity Commission (2003: *Social capital: reviewing the concept and its policy implications*) as having had a significant impact on policy and program development at various levels of government. The Australian model, in line with the 'meso' approach, is described as conceptualising social capital on the basis of social networks and an acknowledgement of the complementarity of four types of capital – natural, economic, human and social.

The PRI argues that the model adopted by a particular government affects both research directions and strategies employed to examine social capital. Statistical agencies are seen as having played a leadership role in collecting information about the different dimensions of social capital, but without the benefit of an underpinning conceptual or analytical framework. Consequently, social capital is widely documented but understood only as an outcome rather than a source of influence on particular social and economic end results (Franke, 2005: 6). Australia is identified as standing out from this trend because it represents the first attempt to make the concept of social capital more relevant for public policy development.

The meso level of analysis led to a conceptual and analytical framework based on social networks that paved the way to a more concrete understanding of social capital based on an impressive set of indicators that captures many dimensions (Franke, 2005: 6).

Nevertheless, Australia is seen as being limited by the absence of a 'next step', moving from a statistical inventory to implementing the social capital concept in a manner that is useful to public policy by distinguishing between what social capital is, and what it does.

The PRI notes that few data exist anywhere in the world to evaluate the contribution of social capital to specific public policy issues, or to assess the potential impact of public policy interventions on social capital. Available data provide a description of the manifestations of social capital within identified population sub-groups but without the analysis needed to understand how it operates. To overcome this lag, the PRI recommends that government efforts focus on a more systematic study, using the Social Networks model as its structure, and establishing interconnections between social capital and public policy in departmental research programs rather than constructing a separate research agenda (Frank, 2005: 37).

Using networks of social relationships as the entry point opens up the possibility of looking at the relational aspects of various spheres of life, including the sphere of participation (relationships among family and friends, wider social relationships, networks of contacts, business networks, local networks, co-operation networks, partnerships, joint action etc.) (Frank, 2005: 37).

### 3.2 Linking of research and policy by the Canadian Government

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In early 2003, the Canadian government's Policy Research Initiative (PRI) began work on a major project (*see box*) to operationalise the concept of social capital so that it can be used effectively in Canadian public policy (Franke, 2005: 7). The *Social Capital as a Public Policy Tool* Project was implemented to examine the role and potential of social capital to contribute to public policy, and to develop an analytical framework for the Canadian government.

#### *The PRI Social Capital Project*

In 2003 a meeting of assistant deputy ministers the Government of Canada's Policy Research Initiative launched an interdepartmental project to investigate the relevance and usefulness of social capital as a public policy tool. The Project has been guided by these three objectives –

- o Develop an operational definition and rigorous framework for the analysis and measurement of social capital.
- o Identify key policy and program areas where social capital may play an important role in attaining policy objectives.
- o Incorporate the project findings into a strategic set of recommendations for testing new approaches, improved measurement and policy action.

The project has been divided into three interrelated streams – conceptualisation, implications for public policy and measurement, and has produced three major publications –

- o Social Capital as a Public Policy Tool: Project Report
- o Social Capital in Action: Thematic Policy Studies
- o Measurement of Social Capital: Reference Document for Public Policy Research, Development and Evaluation.

Additional information can be found on [www.policyresearch.gc.ca](http://www.policyresearch.gc.ca)

The *Social Capital as a Public Policy Tool* Project has produced a number of research and policy-related resources. One of these is a reference for Canadian public policy researchers measuring social capital that presents a number of methodological options while proposing various avenues for examining the concept for public policy purposes (Franke: 2005). Another is a series of thematic policy studies involving a number of federal government agencies including Canadian Heritage, Health Canada, Indian and Northern Affairs Canada, Social Development Canada and Veterans Affairs Canada (PRI: 2005c). These studies had the goal of developing policy briefs on issues where the concept of social capital could be usefully applied to areas of strategic concern to the federal government. Each study involved collecting and assessing evidence indicative

of a link between the policy area of their study and network-based social capital, and identifying promising practices from current initiatives where the use of social capital played a role.

The studies included the following –

- o The influence of social capital on people's individual financial circumstances, drawing on a large body of work in the fields of employability and job progression as well as existing research. This study identified the importance of networks for escaping poverty and the impact of public policy.
- o The role of social capital as a resource for ageing well which identified the relative importance of formal care networks and informal support networks. This study found that while formal care networks are clearly important to frail older people, they can bring the unwanted consequence of dependence thus undermining the goal of ageing well. It demonstrated how government programs can reduce the reliance placed on care networks by strengthening the role of support networks, although little prior research exists on this issue.
- o The role of social capital in the settlement and integration of immigrants identified the importance of family and friendship networks during the settlement process and identified the role that government can play in promoting the development of new social ties.
- o The role of social capital in the educational attainment among Aboriginal communities drew on lessons from Canada, Australia and New Zealand.
- o The disengagement of Canadian young people and the role of social capital in encouraging their civic participation was explored in relation to the impact of family and peer group networks and ties.
- o The relationship between social capital and community crime prevention programs was the subject of another study.

There is substantial literature that illustrates the importance of social networks to individual well-being based on their role in a range of life spheres, including access to new work opportunities, ageing well in retirement and educational attainment. Network-generated benefits have been found to positively affect not only individuals but groups and organisations. The Policy Research Initiative (PRI) identifies the importance of this concept for public policy purposes but making it practicable is seen as requiring research to answer the following questions –

- o How do people access and realise benefits from social capital?
- o How can social capital complement or enhance the value of other resources, such as human and financial capital?
- o Should governments play a role in the creation of social capital?
- o Can we design more effective policies and programs by taking the social capital concept into consideration? (2005b: 1)

Following two years of research, the PRI concluded that government action could be more effective if the role of social capital was taken into account more *systematically* in

the development of policy and programs. In particular, the following three areas of policy were identified as being of particular relevance –

- 1 helping populations at risk of social exclusion, for example, new immigrants, certain Aboriginal communities, long term unemployed people, at risk young people and single mothers;
- 2 supporting major life course transitions by enabling social networks to provide the support and assistance needed in overcoming the challenges involved;
- 3 promoting community development efforts by enabling a more coordinated approach to service delivery, decision making and problem solving based on a recognition of the role of social networks (2005b: 3).

*If social capital were to be a useful tool in the way that the concept of human capital has become, it clearly needed to be operationalized in a manner that could allow public authorities to concretely identify what it was, open it up to effective measurement, and thereby explore its productive potential in achieving broader public policy goals (PRI, 2005a: 4).*

The PRI has developed a framework to describe government choices in incorporating social capital into policy and program development. Based on its own research, the PRI (2005a: 17; 2005b: 4) identifies four key approaches that governments can adopt in order to incorporate social capital into public policy making, each varying in the degree of direct government involvement and with the issue concerned as the Chart below illustrates.

Degree of influence	Option for intervention by government
Direct	Build and support networks where relevant for specific program objectives
⇕	Tap into existing networks to deliver services
	Establish favourable conditions for desired network formation and maintenance
Indirect	Increase program sensitivity to existing social capital

### ***Applying the Framework***

Option for intervention by government	Example of government intervention
Build and support networks where relevant for specific program objectives	Examples already exist in programs like immigration settlement, job search, community crime prevention, public health promotion etc. Keating <i>et al</i> (2005) explored how government programs might better support the care networks of older people and promote ageing well policy

	<p>goals. Older people needing care become increasingly reliant on close friends and family but their care needs may place these networks under stress. Keating <i>et al</i>/argued that the care burden can be reduced by providing direct care and support to the older person and by supporting caregiver networks through respite and other programs and through employment-based leave schemes. Levesque (2005) demonstrated the importance of government facilitating appropriate social networks to underpin social capital and labour market re-entry programs for long term social assistance recipients. Levesque noted that many such programs typically perpetuate the formation of networks between social assistance recipients rather than linking them to networks that can assist in labour market entry. In reviewing these studies, the PRI emphasises the importance of a social capital perspective in enabling interaction between a diversity of groups including those normally outside of existing contacts (2005a: 18-19).</p>
<p>Tap into existing networks to deliver services</p>	<p>The field of public health and health promotion provides numerous examples of this approach. The PRI identifies health promotion programs that use influential figures to influence health-related behaviours within targeted networks. These include programs designed to change the behaviours of gay men to prevent the spread of HIV in the USA, and anti-smoking initiatives in the UK that used a peer support model in schools (2005a:19).</p>

<p>Establish favourable conditions for desired network formation and maintenance</p>	<p>The PRI notes that there will be instances where it is more appropriate for government to invest in establishing favourable conditions for the generation of social capital rather than playing a more direct role in shaping network development. The PRI identifies two key strategies for this approach –</p> <ol style="list-style-type: none"> <li>1. supporting opportunities for social interaction by providing assistance to disadvantaged people in developing social ties and rebuilding lost relational skills before engaging in more formal network building (eg as part of labour market integration);</li> <li>2. investing in public infrastructure, such as, public recreational and social spaces, community centres and mixed housing developments that support social interaction;</li> <li>3. brokering and facilitating networks and alliances through the use of social ‘brokers’ or ‘entrepreneurs’, for example, local non-traditional leaders, sports coaches, neighbourhood activists etc. Public service representatives are seen to have a potential role in mediating between networks and supporting communities to develop their own networks. In the context of community development partnerships, Charbonneau (2005) found that success involved government representatives leaving the direction of activities to local networks while providing reliable funding and expertise, and building on existing community collaborations (2005a:19–21).</li> </ol>
<p>Increase program sensitivity to existing social capital</p>	<p>This approach involves collecting and integrating information about existing social networks into policy and program design, implementation and evaluation phases. The goal is to raise the awareness of policy makers about the potential impacts of new interventions on the social capital already present in communities (2005a: 22).</p>

The *Social Capital as a Public Policy Tool* Project has also undertaken a number of activities to measure social capital, complementing the efforts of Statistics Canada’s *General Social Survey on Social Engagement*. As a result of the research undertaken, an operational framework for social capital has been developed that is based on a **social network** approach. In common with Australian government approaches, social capital is viewed as complementary to other forms of capital that individuals or groups can draw upon to achieve goals.

The Policy Research Initiative contends that while many government agencies have been measuring the social capital of the population and obtaining data to capture its major dimensions, their efforts have been limited by their focus on social capital as a dependent variable. The PRI has explored the notion of social capital also being an independent variable (Franke, 2005: v). Specifically, this has involved an exploration of the networks of relationships between individuals and groups using the Social Network model.

In its final report on the *Social Capital as a Public Policy Tool* Project, the Policy Research Initiative (PRI) identified five key insights from its work (2005a: 1–2).

- 1 *The networks of social ties that a person or group can call upon for resources and support constitute their social capital. This may be an important but underestimated factor in their well-being and their participation in community life.*
- 2 *A focus on social capital allows for a closer examination of the capacity of individuals and groups to forge linkages with each other and with local level organisations.*

By understanding relational dynamics, governments can better support local communities through partnerships and by helping to mobilise local resources. This understanding also illustrates how links occur between key stakeholders in a community, enabling government to promote a more coordinated approach to action and better access to unused resources while generating new community resources (2005: 2).

- 3 *A social capital perspective is particularly crucial in three areas of policy – helping those at risk of social exclusion, supporting those in key life transitions and promoting community development.*

An explicit consideration of people's social networks is identified as particularly critical to policy development in these three areas, with substantial benefits for particular population groups, including immigrants, frail older people and at risk young people (2005a: 2).

- 4 *Governments inevitably affect patterns of social capital development and acknowledging the role of social capital in a more systematic way in policy and program design, implementation and evaluation will make a significant difference in the achievement of policy objectives.*
- 5 *There is a need for more concrete and context-specific empirical evidence on best practice for integrating social capital into government policies and programs.*

The PRI recommends that specified measures of social capital be integrated into government agency research and data development plans, evaluation

frameworks and demonstration projects in policy areas most likely to benefit from a social capital focus (2005a: 2).

In its conclusions, the PRI confirms the importance of placing a '*social capital lens*' on public policy processes.

*A focus on social capital allows public authorities to consider the importance of non-material assets in social policy.... This means creating new opportunities ... for connecting people with others in ways that are beneficial for the individuals and for the community. This requires, at a minimum, a focus on the impacts of policies on networks of social relationships, and being aware of the importance of preserving or protecting social ties, without draining their resources....*

*A focus on social networks allows governments to gain a better understanding of the dynamics of social participation, or the conditions under which participation can occur. (2005: 28)*

The PRI notes that the effectiveness of a person's social networks is likely to make an important difference to the successful negotiation of key life-course transitions – for example, from school to paid employment, from paid employment to retirement, from independence to loss of ability to care for oneself, or fundamental changes to family through parenthood, bereavement, marriage or divorce. Social networks and public policy interventions can be critical, especially if they intersect in a way that allows them to leverage from each other. However, the PRI notes (2005a: 16) that a significant gap exists in research on this issue.

### ***Policy change with a legislative basis***

In early 2002, the Quebec government introduced Bill 112 *An act to combat poverty and social exclusion*, following eight years of community activism. The Bill brings together several anti-poverty initiatives in an integrated legislative framework. This represented the first Canadian strategy to target poverty through legislative means rather than through traditional social policy interventions. The bill led to the research that has been undertaken by the Policy Research Initiative and Justice Canada which investigated four issues –

- o Does it matter that poverty is addressed in a more integrated way?
- o Are rights relevant to poverty-oriented policy?
- o Is there a policy-relevant link between exclusion and poverty?
- o What does legal policy offer to the equation? (PRI, 2005a: 34)

One of the project's outcomes has been a series of recommendations to policy makers to integrate legal policy more explicitly in the policy development process and to ensure policy development is responsive to and informed by the needs of people living in poverty. It also identified an absence of a federal level, comprehensive policy framework to address poverty and exclusion.

In developing a national strategy, policy makers need to consider the broader impacts of interventions on the life choices and circumstances of poor people, as well as the possibility that policy measures ... may create unfair exclusions .... (PRI, 2005a: 36).

In the course of research, decisions of the Supreme Court of Canada and courts of appeal were examined to assess whether judicial consideration was given to the relationship between exclusion and equality. The researchers found that the role exclusion plays in equality rights was reasonably well established in Canadian case law. They recommend that legal policy needs to be integrated in the early stages of social policy development

As part of a national strategy to address poverty, Canadian policy makers need to deal with the integration of international human rights standards and domestic law and policy. A proposed approach uses an international law filter. When policy proposals are being researched in their early stages, researchers would ... review applicable international treaties and covenants to which Canada is a party, assessing the compliance of the proposal with international law. This process would apply to policy proposals being implemented through legislative instruments ... and to other kinds of policy instruments. (page 38)

### ***Community-driven national policy – the Pan-Canadian Community Development Learning Network***

The *Pan-Canadian Community Development Learning Network* was a two and a half year (October 2003 – March 2006) project of the *Canadian Economic Development Network* (CCEDNet) that sought to promote learning about and examine how integrated, community-based initiatives can contribute to social inclusion (2004: 1). With more than 300 members, the Network has been actively working to build a 'communities agenda' in Canada, promoting community economic development for the social, economic and environmental improvement of communities. Part of this process involves the building of an appropriate evidence base.

*CCEDNet is working towards a communities agenda in Canada where CED is recognised by all levels of government as a proven and effective development strategy. The Network wants to revolutionise how CED is understood, practiced and funded in Canada by promoting evidence-based policy recommendations to all levels of government. CCEDNet members believe that CED has the potential to dramatically reduce inequality in Canada and foster innovation and productivity. CED has a proven track record for building wealth, creating jobs, fostering innovation and productivity, and improving social well being, with numerous success stories documented across the country .... What's needed now to scale up these successes to other communities across the country is further evidence, education and policy changes to provide better support for CED organisations, to develop human capital, to increase community investment, and to support social enterprise (2004: 3).*

The Project was funded by the Social Development Partnerships Program (SDPP) of the Canadian government agency Human Resources Development Canada (now part of Human Resources and Social Development Canada) which sought proposals on social inclusion. The project model adopted used a peer learning network approach combined with research to strengthen integrated models of service delivery, with one outcome being to provide evidence to inform policy and program development at all levels of government.

### **3.3 Linking of research and policy by Government in the United Kingdom**

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The United Kingdom's Social Exclusion Unit was established by the Blair government in 1997 with a broad agenda to reduce social exclusion by finding joined-up solutions to inter-connected problems (Office of the Deputy-Prime Minister, 2004: 1). The program mechanism established to pursue this agenda is known as *Impacts and Trends* and is designed to provide an understanding of how government policies have addressed social exclusion. This includes an identification of patterns and trends in social exclusion and developing an evidence base for policy making. Much of the Unit's work is underpinned by prior and specially commissioned research on social inclusion and exclusion.

The Social Exclusion Unit is responsible for a suite of projects within a program known as *Improving Services, Improving Lives*, which aims to make public services more effective for disadvantaged people. This has six components relating to information and communication, interactions with frontline staff, building personal capacity in service users, joining up services, the role of the third sector, and levers and incentives. In focusing on the role of information and communications technology (ICT) in social exclusion, the British Government is seeking both to minimise the digital divide and to use ICTs as an equity tool. The initiative has been informed by five pieces of external research and a wide-ranging consultation process (Office of the Deputy-Prime Minister, 2005: 13-14).

One of the proposals arising from the report of the initiative proposes that excluded groups should be made the major beneficiaries of *e-government* and that efforts be made to avoid the development of a '*digital underclass*' (Office of the Deputy-Prime Minister 2005: 3). ICT is seen as being used to address social exclusion in three main ways –

- o through strategic planning and evaluation of services;
- o by joining up services around the needs of individuals, particularly those who are clients of multiple agencies;
- o using technology to assist personal development, and to promote active inclusion in employment, social groups and community participation.

One of the study's recommendations was for a government established *Digital Inclusion Unit*, involving local and national third sector representation on its governing body, and with the purpose of identifying good practice, providing technical and

practical guidance on the implementation of good practice, and stimulating communities of users and leaders to promote discussion and understanding (2005: 63). This is envisaged as part of a wider partnership approach of industry, government and community.

The Blair Government has applied a strategy with multiple dimensions and points of intervention, in recognition of the complexity of social exclusion. This includes addressing two of the key causes of social exclusion – unemployment and low income. A range of programs to support those who cannot work and to increase employment opportunities for those who can has been implemented through the ‘New Deal’ initiative. A guaranteed minimum income has been provided for people on low salaries through the introduction of a national minimum wage and working tax credits, and a minimum income guarantee and pension credit for older people on low income.

In recognition of research findings, early intervention approaches have also been part of the strategy given the importance of early childhood experiences on future life chances (a similar approach is evident in Australia). Significant investment of resources has been directed to children’s health, childcare and education services.

This is complemented by a range of interventions designed to enhance family health and well-being and to strengthen community capacity. These can be grouped into three major initiatives – the *Single Regeneration Budget (SRB)* program (which funded more than 1,000 deprived areas), *New Deal for Communities* (which has funded 39 extremely deprived neighbourhoods) and the *Neighbourhood Renewal Fund* (which has targeted 88 deprived localities). Funding bids are made by local partnerships between the public, private and voluntary sectors (the ‘three-thirds’ model) in the locality with local government usually acting as the coordinator to achieve ‘joined-up’ delivery. An ‘*Index of Local Deprivation*’ is used to assist targeting. Local partners use funding to leverage additional funding and evaluation shows that every pound of SRB funding has attracted an additional £2.7 of private expenditure and leveraged £3.96 altogether (Johnson *et al*, 2005:42). In addition, ‘capacity building’ funding has been provided to help build partnerships and enhance skills in areas like negotiation, monitoring and evaluation.

Lessons learned to date for policy makers about effective approaches to address social exclusion include the following (Office of the Deputy-Prime Minister, 2004: 21) –

- o Individual tailoring to reflect specific need;
- o Multi-agency working so that multiple need can be addressed;
- o Making services accessible, for example, through one-stop-shop models, outreach and delivery through local intermediaries;
- o Developing common objectives that operate across agencies;
- o Stable provision to enable longer term approaches and continuity in relationships between providers and clients;
- o Floor targets that enable a focus on those in greatest need.

### 3.3.1 *The approach of the Government of Ireland*

The National Action Plan prepared by the Government of Ireland is part of a wider European Union strategy to meet the objective set by the European Council in Lisbon in 2000 to reduce poverty and social exclusion by 2010. Apart from providing a focus in each member country, the NAP strategy brings the added value of increasing mutual understanding through a sharing of knowledge while working to common objectives. NAPs work towards 36 agreed poverty reduction targets across a range of policy areas and with a focus on groups vulnerable to poverty and exclusion.

The Irish Government has established specific structures to coordinate and advance the social inclusion agenda, including the establishment of an Office for Social Inclusion, an annual Social Inclusion Forum and the Social Inclusion Consultative Group (a government cross-agency and cross-statutory body and key social partners that advises the progress of the NAPs).

The first round of NAPs focused on improving government capacity to support people vulnerable to social exclusion and to address poverty, homelessness and drug dependency. Measures were implemented to enhance access to services and to break down the 'digital divide'<sup>3</sup>. Prevention was also a feature of the interventions put in place. For example, the Family Support Agency established in 2003 was structured to both provide intensive support to at risk children and their families and foster a supportive community environment. Homelessness has been addressed by a dual strategy – one focused on provide accommodation and related services and the other on preventing homelessness.

Other interventions include the following:

- o The *National Children's Strategy* (2000) – a ten year plan of action for children covering all aspects of their lives and with specific interventions for child poverty.
- o The *RAPID* (Revitalising Areas by Planning, Investment and Development) Program which focuses on the most disadvantaged urban areas and targets a proportion of all social inclusion funding to them. This Program also promotes better coordination across government agencies and closer integration in service delivery. The *Program for Disadvantaged Rural Areas* targets the 18 most disadvantaged counties.
- o The *Local Development and Social Inclusion* Program provides funding and support to local Partnerships, Community Groups and Employment Pacts in response to strategic plans that encourage sustainable local development.
- o The Community Development Program supports the development of a network of community development resource centres or projects in communities with high levels of poverty, unemployment and disadvantage.

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<sup>3</sup> Measures include provision of internet access, development of IT accessibility guidelines and capacity building of individuals and organisations in order to increase the number of people using information and communication technologies.

Since late 1998, the principal strategy for mainstreaming social inclusion at central government level has been 'poverty proofing of policies' (Government of Ireland, 2005: 49). This involves an assessment at design and review stages to identify their impact on people experiencing poverty. A 2000 review of this strategy identified that it was effective in sensitising policy makers to poverty issues but limited by an absence of relevant statistical data, and a need for greater information, training and expert support for policy officials. As a result, the Central Statistics Office has begun work on a Framework for Social and Equality Statistics to assist in evidence-based policy making, with an initial focus on maximising the potential of administrative data. A Technical Advisory Group was also established to support the work of the Office for Social Inclusion in its development of a research and data strategy to underpin the National Anti-Poverty Strategy and the NAPs.

In 2000 County and City Development Boards were established as part of a reform of local government and one of their key functions involves preparing ten year strategies for the social, cultural and economic development of their counties/cities and the coordinated delivery of social inclusion activities. Local authorities will also develop local social inclusion strategies to strengthen national action being taken. Pilot Social Inclusion Units have been established in nine local authorities.

### **3.4 Linking of research and policy by the Australian Government**

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The Australian Government Department of Families, Community Services and Indigenous Affairs (FaCSIA) has been a strong proponent of evidence-based policy and program development, particularly in relation to promoting social inclusion and the growth of social capital. In the past five years FaCSIA has supported a strong research and evaluation program with components that include -

- o Publication of a refereed journal - Australian Social Policy;
- o Longitudinal Data Initiatives - including the Household, Income and Labour Dynamics in Australia (HILDA) Survey, Growing up in Australia - the Longitudinal Survey of Australian Children (LSAC) and Footprints in Time - the Longitudinal Study of Indigenous Children (LSIC);
- o Social Policy Research Paper Series - a refereed series by which FaCSIA disseminates findings from major research projects and evaluations;
- o Occasional Paper Series - non-refereed papers providing information, data and analysis of use for government, researchers and the community;
- o Statistical Paper Series - a non-refereed series to meet the needs of policy makers and researchers for reliable data on customer numbers and departmental longitudinal data collections;
- o FaCSIA Research News - a quarterly newsletter that overviews and updates research within the Department.

As part of the 2000-2004 *Stronger Families and Communities Strategy*, the Department funded the *Stronger Families Learning Exchange (SFLEX)* under the auspice of the Australian Institute of Family Studies. SFLEX was designed to contribute to the

formation of an evidence base to inform policy, practice and research in strengthening families and communities, providing a *Stronger Families Clearinghouse* and an Action Research Training and Support Team which supported projects funded under the Strategy. With the current Strategy (2004–2009) SFLEX has been replaced by the *Communities and Families Clearinghouse Australia (CAFCA)* which is designed to improve access to information and resources for those working in the fields of early childhood and community development ([www.aifs.gov.au](http://www.aifs.gov.au)).

The Department has five year agreements (2005–2009) with these three universities to conduct research on social policy issues –

- ⇒ The Social Policy Evaluation, Analysis and Research Centre (SPEAR) at the Australian National University
- ⇒ The Social Policy Research Centre at the University of New South Wales
- ⇒ The Family and Community Health Research Unit (FCH) and National Centre for Epidemiology and Population Health, Australian National University. The FCH conducts research on health with an emphasis on mental health and on substance misuse.

This research is used to inform the process of evidence–based public policy and program design (*FACS Research News*, Issue 22, page 13). One of the best examples of the Department’s application of evidence–based policy development can be seen in its *Stronger Families and Communities Strategy (SFCS) 2004–2009*. This further develops the original strategy (2000–2004) using findings from research and evaluation<sup>4</sup> and commits \$490 million in funding to implement the Strategy. The new SFCS continues the focus on building social capital and social inclusion, but has a strong emphasis on early intervention and prevention, in line with research and evaluation findings and has four streams, three of which are dedicated to creating opportunities in the early childhood years. The Department describes its commitment to an evidence–based approach in this way –

The Strategy has been developed on a strong platform of existing evidence about what works and what doesn’t work in helping families and communities to prosper. It draws on research that shows that prevention and early intervention programs and capacity building approaches are effective long–term responses to many social issues. The Strategy also commits to adding to the Australian evidence base around practical ways to strengthen families and communities and to gauge the effectiveness of various interventions. (Paper given to Australian Institute of Family Studies Conference (unnamed author), February 2003)

The Department also promotes action research as a strategy to add to the evidence base, encouraging service providers to reflect on their interventions and to respond directly to feedback. Structural change in the Department has been designed to ensure that feedback from the action research process informs policy development.

Action research encourages service providers to observe what they do, reflect on how it's going and to respond to feedback as it occurs. So, endorsing action research as the preferred methodology in the Stronger Families Fund is a way of Government validating what occurs in many well-run community organisations as a matter of course. It explicitly values reflective practice by funding project staff to take the time and attention they need to systematically observe, reflect upon and explore relevant issues as they unfold. In practical terms, this translates to about 10% of total budget costs – a significant investment in learning and improvement. (Presentation by FaCSIA to the Australian Institute of Family Studies Conference, February 2003)

Based on national and international evidence that the early years of a child's life are crucial to future development and to learning, behaviour and health over the life course, the '*Communities for Children*' strand of the SFCS is designed to address a range of risk factors including school difficulties, welfare dependency and poor mental and physical health. Such risk factors have been found to be offset by protective interventions like good antenatal and maternal health and nutrition, family harmony and participation in broader social networks. *Communities for Children* is described by the Department<sup>5</sup> as a direct response to both research and consultations undertaken for the development of the *National Agenda for Early Childhood* and has five key action areas –

- o Early child and maternal health – focusing on pregnancy and post-natal care, promoting healthy lifestyles and support for children with additional needs
- o Early learning and care – focusing on better integrated service delivery, early learning from birth and the transition to school
- o Child-friendly communities – creating environments that support children and families
- o Supporting families and parents – strengthening relationships and support for parenting
- o Working together – focusing on partnerships.

*Communities for Children* takes a community development approach to improving outcomes for young children and their families, incorporating principles such as collaborative action, building on community strengths and promoting family and community capacity building. *Facilitating Partners* are funded as 'brokers' or 'enablers' who engage the community in implementing *Communities for Children* processes and outcomes. They are drawn from local expertise as people who know their locality, the strengths of their community and have the ability and networks to facilitate local partnerships. *Facilitating Partners* oversee the development of a four year Community Strategic Plan and annual Service Delivery Plans, working with a local Committee to manage the funding allocation on behalf of the community.

Related initiatives for children are the *Australian Early Development Index* – an early childhood development measurement tool that is being tested for applicability to Australian children – and *Invest to Grow* – which funds initiatives designed to develop robust early intervention programs for children and/or their parents. It aims to develop

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<sup>5</sup> [www.facs.gov.au/internet/facsinternet.nsf/aboutfacs/](http://www.facs.gov.au/internet/facsinternet.nsf/aboutfacs/)

the Australian evidence base about what works in prevention and early intervention in early childhood. A third initiative – *Local Answers* – is designed to strengthen disadvantaged communities by funding small-scale, local projects that help build skills and capacity to identify opportunities of benefit to a community. This includes giving children a better start in life, adopting preventive and early intervention strategies to a range of issues, supporting people through life transitions, developing more integrated services and using evidence to build future directions.

Johnson *et al* (2005) identified that the Australian government and State governments have commissioned a number of large reviews of overseas and Australian initiatives in order to evaluate local programs and to promote best practice in community strengthening. The Australian Bureau of Statistics, following a review of OECD, World Bank and other international sources, issued the *Measuring Social Progress (2002)*.

So there is now a wealth of proposed, as well as implemented, measures of community strengthening to draw on ... but ... we believe that further efforts are needed to integrate and perhaps link them to existing systems of national wealth (Johnson *et al*, 2005: 44 – 45).

The Australian Institute for Family Studies received funding from the Australian Government for the *Families, Social Capital and Citizenship* research project which was designed to inform growing policy concern about the erosion of community networks and social civility. The AIFS describes the policy driver for the research in this way –

A social capital informed view of public policy advocates addressing how governments intervene in family and social life. Social capital friendly public policy avoids undermining existing networks and norms of trust and reciprocity, and designs programs to enhance social capital. This is the discourse informing policy discussions about building community strengths, which seek government interventions that build upon existing social capital to more effectively deliver services. The government's lexicon for this approach refers to a 'social coalition' and 'partnerships with business and the community'.

This policy approach is founded upon the assumption that social capital does indeed matter to a wide range of outcomes – an assumption that the Families, Social Capital and Citizenship project is designed to test. ([www.aifs.gov.au](http://www.aifs.gov.au))

Specifically, the project is examining levels of social capital associated with varying family circumstances and the importance of different elements of social capital (trust, reciprocity, networks) to different sorts of family engagement outcomes. The overarching research question shaping the project is whether social capital is as important to effective economic, political and community engagement as the research literature indicates. The main data for the project were collected from a national random sample of 1500 households via telephone, during late 2000 and early 2001.

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