



Observatory PASCAL - Place Management, Social Capital and Learning Regions

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Social Capital: a Commentary on Issues, Understanding and Measurement

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"Social capital should be the pre-eminent and most valued form of any capital as it provides the basis on which we build a truly civil society. Without our social bases we cannot be fully human. Social capital is as vital as language for human society."

This passionate statement by the Australian social commentator Eva Cox reflects the growing interest in understanding, describing and fostering social capital in communities (Cox, 1995).

Many community workers and citizens would agree with Eva Cox. They have understood, perhaps intuitively, the importance of networks, trust and cooperation in communities for decades. Social capital has escaped the domain of solely academic debate, with a lot of grassroots interest in understanding its role in maintaining functional communities.

Despite this interest, social capital retains many interpretations and expectations - unlike financial capital or physical capital. It remains hard for policy analysts to grasp; government and the private sector often struggle to see it as part of core business; measuring social capital requires sophistication and flexibility; and a service delivery culture in many agencies and businesses struggles to incorporate it.

Much of this is due to the very nature of social capital. It is necessarily intangible, often has indirect benefits and outcomes, rarely involves a clear cause and effect, and doesn't suit traditional performance indicators and measures of inputs and outputs.

This paper explores what we know about social capital and what issues and questions remain. It is a commentary, raising issues and questions and seeking to stimulate debate.

A major issue that this paper focuses on is measurement. Many indicators and frameworks have been developed to measure social capital and evaluate the role of networks and trust in communities. What conclusions can we reach about the measurement of social

capital? What are the issues that need to be managed? What ongoing dilemmas and issues remain?

What We Know about Social Capital

Social capital is not a new concept. It has been a key component of community practice for decades, although not often specifically named and debated.

Social capital has many definitions and perspectives. There is no one clear definition of the concept and this diversity of interpretation is an important element of social capital. Despite this complexity, some key common characteristics of social capital in the literature are:

- Participation in networks
- Reciprocity
- Trust
- Social Norms
- A sense of the 'commons'
- Proactivity and co-operation.

Coleman (1988) described social capital as "inhering in the structure of relations between actors and among actors". Flora and Flora (1993) saw social capital as entrepreneurial social infrastructure consisting of diversity, resource mobilization and the quality of networks in communities. Granovetter (1973) and Lin (1988) stressed the importance of "weak ties" between people as social networks develop in communities.

Honadle (1986) emphasised the decision-making capacity of communities with high social capital - local people being able to anticipate change, make informed decisions, attract resources and evaluate performance. Networks, norms and trust helped local people work together for their mutual benefit (Putnam, 1993a; Flora, 1997). Coleman (1988, 1990) defined social capital as aspects of social structure that facilitate community members taking action. He felt social capital included obligations, expectations and the trustworthiness of community structures; information channels; and norms and effective sanctions. OECD defined social capital as "networks, together with shared norms, values and understandings, that facilitate co-operation..." (OEWCDC 2001).

Bullen and Onyx (1998) suggested the following defining elements of social capital

- Participation in the local community
- Proactivity in a social context
- Feelings of Trust and Safety
- Neighbourhood connections
- Family and friends connections
- Work connections
- Tolerance of diversity
- Value of life.

Other established understandings of social capital are:

- Social capital consists of three related forms (Woolcock, 1999). Bonding social capital refers to relations between relatively homogenous groups such as families and ethnic groups. Bridging social capital relates to ties across heterogeneous groups such as friends and colleagues. Linking social capital includes ties across social strata and community members accessing resources and information beyond the community itself.
- Social capital interacts with other forms of capital. For example, Schmid and Robison (1995) found that social capital affected prices, the acceptance of risk, the choice of leasing contracts, loan approval and bank loyalty. Coleman (1988) and Beaulieu and Isreal (1997) showed that greater social capital within and outside families increased the development of human capital in children through greater success at school.
- Communities have large reserves of latent social capital. During crises such as bushfire or flood, community members readily participate and interact. This begs the question - How do communities capture even a small fraction of this latent involvement in dealing with everyday issues?
- Social capital is both a means and an end. As a means, it mediates relationships and participation that lead to concrete outcomes such as community owned enterprises or community assets. As an end, the relationships and networks that mediate action become strengthened in themselves, increasing cooperation between individuals and the function of organisations.
- Social capital is a public good that increases as community people 'use' it, and it decreases if they don't use it. In contrast, use consumes physical, financial and environmental capital.

- Putnam (1993b) suggested that social capital of communities tends to be polarised with communities moving towards opposite ends of a spectrum of social capital. While disputed by some, Putnam provided evidence that a self-reinforcing virtuous cycle sustained competent communities with high social capital. Uncivic communities are sustained by a vicious cycle, where people are not empowered to act, leading to poor involvement and little cooperation.
- Social capital fundamentally involves values. Social capital supports the values that community members want to uphold in their community. What is considered good social capital is also a value judgement.
- Social capital should not be treated as an isolated ingredient. It needs to be considered in the context of broader community development.

The 'Dark Side'

It is too simplistic to think that the more social capital the better, and that strong social capital necessarily leads to more functional communities. Social networks are embedded in different sectors of communities and social capital can support unhealthy norms. It can reinforce existing cleavages in communities and lead to social cartels prone to corruption (Putnam, 1995). Social networks can also lock people into declining social sectors such as ethnic groups involved in low wage informal work (Edwards and Foley, 1997). In communities with a culture of illicit drug use, social norms can ostracise community members acting to change their circumstances (Portes, 1998).

Social capital can also sanction the civic action of community members and fortify unjust community power structures. For example, Putnam (1995) suggests that the declining racial discrimination in middle-class America since the 1950s may well be related to the erosion of social capital that upheld discriminatory norms. Social capital can consist of not only trust but also mistrust; information transferred between people can also be misinformation; and unjust norms can be perpetuated. Strong bonding social capital can reduce tolerance of outsiders, stifle innovation and disagreement, support unhealthy norms, and cause people to reject alternatives (Knack, 1999; Kern, 1998).

While both this 'dark side' of social capital and its broad characteristics appear generally accepted, many issues and questions still surround the topic.

Issues and Questions

Issues and questions include levels of social capital, value judgments, confounding with the existing levels of social capital, relationship to 'hard' outcomes such as economic development, and cultural changes required to better manage social capital.

Levels of Social Capital

Social capital is far from a generic overarching element of communities. Rather, communities are a mosaic of social capital in families, friends, neighbourhoods, organisations, and across communities at large. I contend that social capital could be considered at four levels:

1. Individual level – relationships between individuals within families and friendships;
2. Group level – networks within and between neighbourhoods, community organisations, and groups;
3. Community and/or institutional level – the accumulation of individual and group relationships together with interaction between sub-communities and broad community sectors. This would also include the norms embedded in public organisations and societal institutions;
4. State or National Level – the cumulative total of networks, norms and trust across regions, states or even nations.

For example, conclusions made about social capital in regional towns (such as in Bullen and Onyx, 2003; Plowman et. al., 2003 and Woolcock et. al., 2004) involve measurements of the mosaic of relationships and trust between individuals, families, and groups, together with people's broader perceptions of society. Hence conclusions about social capital in communities as a whole, such as towns or local government areas, could be seen as the culmination of relationships at lower levels.

OECD (2001) supports this concept of levels, identifying families, communities, firms and nations as sources of social capital.

This raises questions about the function and consequences of social capital at these different levels. For example, strong social capital at the individual and family level may create strong “tribes” and segregation at the group or community level.

Ultimately, communities change through individual behaviour change. Relationships and norms in communities are both determined and expressed by individual behaviour. The extent of networks and trust depends on how individuals behave towards each other and interact with community institutions. These individual choices are in themselves shaped by norms and expectations. Hence, in fostering social capital, what are the ways of supporting and encouraging individual behaviour change? How does community social capital support or inhibit individuals forming and operating within their personal networks?

Confounding

Social capital can be confounded with the existing social and economic well being of communities. Residents of communities of high social capital may have the ability to build relationships and functional organisations, further building networks and trust. Indeed, Putnam (1993a) made the argument for self-reinforcing cycles of interaction that allowed social capital to build on itself. As community members cooperate, they extend social networks and cooperation leading to more vital, interactive communities. In contrast, Putnam argued that un-civic communities can be self-sustained by weak social networks, reducing the ability of community members to develop trust, cooperation and empowerment. This self-reinforcing proposal appears consistent with the view of social capital as both a cause and consequence of the social and economic improvement in communities.

The confounding question becomes far less clear when considering economic status. The confounding argument would say that economically well off communities would have higher social capital than poorer communities. A critic would say that a link between social capital and economic status is obvious. More wealthy communities have the resources to organise and cooperate, and poor communities don't.

On the one hand, there appears to be something to this. Putnam (1993b) concluded that there was indeed an association between social capital and economic wellbeing in the rich north and poor south of Italy. Heying (1997) and Goudy and Ryan (1982) both show that

relatively wealthy local elites lead civic involvement. Likewise Berry et al. (1993) found that the limited resources of minorities and the poor restricted the representation of citizens in neighbourhood organisations.

On the other hand, social capital appears to have more to do with power and participation than financial resources. There are many examples of poor communities that have become remarkably empowered and built high levels of social capital (Piven and Cloward, 1979; Perry, 1987; Freire, 1973; Hollnsteiner, 1979, Gilbert, 1987). Australian examples include Wendouree West Neighbourhood Renewal (2003) and the Goodna Service Integration Project (2003). Indeed, people in many financially rich communities can live in 'social poverty' (Cirillo, 1995; Flora and Flora, 1995). Cushing (2001) recently showed an almost inverse relationship between social capital and economic status across a range of national economies.

Kenworthy (1997) also disputes the link between civic engagement and economic development arguing that Putnam's conclusions were more an artefact of the Italian communities rather than a general effect across developed nations.

'Hard' Outcomes

Social capital is often dismissed as social work – an interesting by-product of the real community issues of access to infrastructure, service delivery and economic development. "After all," as an economic development worker once put it, "people need to have a job before they can network". Yet, social capital is not just a matter of having stronger networks and 'soft' outcomes. It can lead to 'hard' outcomes such as improved community infrastructure, employment and services. In turn, better facilities and economic prospects can foster social interaction, confidence and community organisation.

Indeed, social capital is an important element in economic development and a lot of interest in social capital is driven by the perceived promise of improved productivity and cost savings.

Social capital can contribute to economic outcomes in a range of ways:

- Reducing costs e.g. Neighbourhood Watch can reduce policing costs
- Increasing production e.g. a person starting a business relies on networks and contacts to establish a clientele and supply chains
- Increased efficiency e.g. individuals or companies sharing inputs or marketing cooperatively
- Transfer of information and knowledge e.g. better decisions from greater sharing of information and innovation
- External benefits e.g. health benefits of people being involved in their community.

The Productivity Commission (2003) describes a range of economic and social outcomes of social capital including in education and child welfare, government efficacy, health, crime reduction and economic performance. Social capital may also be crucial to governments managing natural disasters and how communities recover from disasters. OECD (2001) outlines economic benefits such as increased productivity of firms, more effective production units, access to employment and regional innovation. However, macro-economic benefits from social capital were less clear.

Rebuilding the social fabric of disadvantaged communities is also increasingly being seen as a powerful way to improve their overall situation. For example, the Cape York Partnership is focusing on the cultural and social well being of indigenous communities of Cape York Peninsula as the foundation of broader economic and social development.

A word of caution here. Social capital is a component of a broad process of change in communities and will not, of itself, overcome fundamental disadvantages in communities. A much broader realignment of power, opportunity and social change would also be involved in addressing disadvantage.

Evidence also shows that effects are localised. It may be inappropriate to expect investment in social capital to have wide societal benefits. For example, while trust indices have been used across nations (OECD 2001), there is little evidence of broader nationwide effects.

Deficit Model

One of the issues that may limit the use and interpretation of social capital is the risk of it being narrowed to deficits in civic participation. Traditionally, service delivery has been based on a needs or deficit model. Applying a similar model to social capital may mean that inappropriate benchmarks for social capital may be applied, and attention focused on intervention to improve networks and trust in communities of low social capital.

This raises two apparent risks. First, there is a risk that conclusions can be based on an overall measure of social capital for a community. Conclusions about the overall level of social capital in a community can mask a great deal of variation and community dynamics.

A second risk is the assumption that deficits in social capital should be improved almost independent of community goals and ownership. Community members may rightly see fostering social capital as a key community goal. However, the networks and relationships in different communities and groups may well be at different equilibrium points with little ownership or motivation for improving social capital.

Social capital requires different assumptions from a deficit/needs approach. It requires a broader holistic understanding of community dynamics, and tailor-made approaches to fostering citizenship.

Cultural Change

Another important issue is the need for cultural change in agencies and communities. At present, the conceptual understanding of social capital outstrips the practical consideration of it in government, business and communities. While major changes have occurred, the community strengthening agenda is not yet fully owned by communities, governments or business. Because social capital is difficult to measure (and understand) it is often seen as less important than bricks and mortar (Craig, 2002). Many agencies also continue to address social capital using the assumptions of service delivery and struggle to see its relevance to core business. Social capital requires different assumptions and approaches beyond service delivery and traditional views of physical or financial capital.

Hence, the debate about social capital must not only address technical aspects, such as understanding community dynamics, measurement and practical ways of enhancing networks. It also needs to go hand in

hand with a cultural change where local and state government see social capital as core work, and where social capital is demystified. In an environment of limited resources and time, and volunteer pressure, the question “Why should we be concerned about this?” needs to be clearly answered.

This cultural change will require champions in the rank and file of government, business and communities; repeated affirmation by key leaders; and real world demonstrations of social capital and its benefits.

In placing social capital more clearly on the agenda of government, business and communities, there is a risk of perpetuating its faddish status. There has been a lot of attention on social capital. Emphasising its importance may build its perception as trendy and actually diminish how seriously it is taken, or build it into a panacea for communities.

Value Judgements

Social capital involves value judgements rather than absolute truths. For example, anecdotally there is some evidence of people relocating to relatively prosperous coastal areas and not engaging in the local community. A major reason appears to be personal motivation and active disengagement from communities. Can this individual choice be described as poor or undesirable? Is it weak social capital, or is it simply the values and goals of a sector of the community? Clearly community engagement and social networks are desirable values in communities. However, to suggest that people should be involved in their community, and should build networks and participate, is nonetheless a value judgement.

Measurement of Social Capital

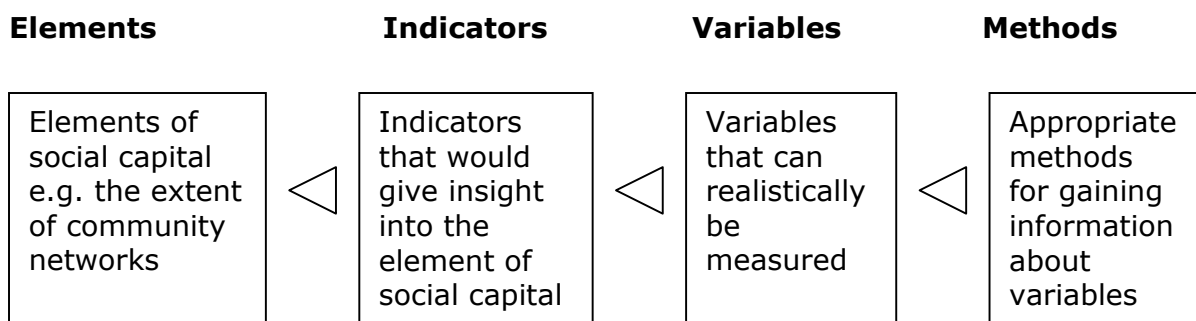
One of the most important current issues in social capital is its measurement. Measuring social capital gives policy analysts, managers and community workers a solid basis for decision making and planning.

Social capital requires a different approach to traditional measures of performance. Social capital is dynamic, involving more than simple cause and effect, or investment and return. It can be viewed and measured from many different perspectives. Measurement entails qualitative and quantitative data working together, different methods

of measurement, and a clear context and expectations for evaluation. Yet many of the principles of traditional evaluation still apply.

Many frameworks for the measurement of social capital and community well being have been developed involving a wide variety of indicators, logic and rigor (Black and Hughes, 2001; Bullen and Onyx, 1998; North Central Regional Center for Rural Development, 1995; Wills, 2001; Salvaris, 2000, Aspen Institute, 1996; Putnam, 1995; Krishna and Shrader, 2000, Australian Bureau of Statistics, 2004). OECD (2001) summarised measures of well being. Some common themes from this wide variety of approaches are:

- The use of both qualitative and quantitative data and a mix of techniques suited to gaining qualitative feedback
- Measures of the cognitive elements of social capital (attitudes, norms and trust) and the structural elements (networks, roles, organisation)
- Community members are a key source of information (as opposed to secondary sources of data). Many of the approaches involve feedback from community members in various forms
- There appear to be two broad contexts for measurement. First, goal oriented measurement involves evaluating changes in social capital resulting from a project or intervention. Second, absolute measurement involves assessing
- levels of social capital and community wellbeing regardless of particular activities.
- The logic of social capital measurement in the frameworks above generally follows the generic logic of evaluation as follows:



Yet many issues in the measurement of social capital remain unresolved, such as:

- A clearer understanding of the context and purpose of the measurement of social capital
- Understanding the limitations of evaluation and measurement, and ensuring that the interpretation of measures is held within these limitations
- The practical mechanics of gaining community feedback such as community representation and coverage, feedback to communities, use in local decision making, and resourcing measurement
- Benchmarking vs. measures of incremental change
- Dealing with qualitative information, diversity, variation and complexity
- The nature and rigour of indicators
- The interpretation and use of measurement information
- How evaluation itself can contribute to fostering social capital.

The next section explores these issues.

The Context and Purpose of Measurement

It is easy for attention on measurement methodology to outweigh consideration of the context and purpose of evaluation. Yet establishing the context and purpose of social capital measurement is a crucial basis for any measurement. Key aspects in considering these aspects are the broader understanding of social capital, the purpose of measurement, the interpretation and use of information and the rethinking that comes from evaluation.

First, there is tension in developing measures for social capital and the broader issue of why social capital is the way it is. For example, measurement involves not only assessing the nature or extent of networks and trust, but also gaining insight into their contributing factors and what makes social capital 'work' in a particular community. Hence, to what extent can measurement identify the social capital levers in communities that most influence community building? Can measurement give insight into why networks are strong or weak, how participation is encouraged or discouraged?

Second, measurement requires a clear purpose. This will largely determine the nature of criteria to be measured, indicators and methods. Yet, many approaches to measuring social capital need to do

more to define a clear purpose. Stewart Weeks (2002) found that many place management projects lacked coherent objectives and assumptions for evaluation to be meaningful. He argued for projects involving social capital and community change to have an underlying theory of change – a logic of what to evaluate, when and how.

Third, there is a risk of having comprehensive measurement but not having the assumptions and processes to interpret and act on the information. Developing appropriate, rigorous measurement is one challenge. Another challenge is to demystify social capital and better allow people to formulate responses and act on the results of measurement. How do policy makers and practitioners respond to social capital issues identified by measurement? Do governments and communities have the policy, service delivery or community building responses, or ways to develop them? Is measurement at risk of creating community expectations without the processes to adequately support communities in addressing social capital issues?

Fourth, assessing social capital and community change involves evaluation, not just measurement. That is, the data is not as important as the rethinking that comes from it. Evaluation involves understanding community goals, measuring appropriate indicators and interpreting information. It supports rethinking, helps people redefine assets and enhances local decision making and planning. Hence, it is not just a matter of measuring outputs, but also supporting local deliberation of how outputs occurred and what they mean for future action.

Service Delivery Context

The measurement of social capital still struggles for space within a dominant service delivery approach to evaluation. A service delivery culture has largely driven a high level of interest in evaluation and performance measurement. It brings with it assumptions that do not necessarily suit the measurement of social capital.

The evaluation of service delivery is largely based on measuring clear inputs and outputs, has a focus on quantitative information, has quite specific performance indicators, and measures change over a relatively short time period (often based on funding cycles). In contrast, the measurement of community change and social capital attempts to assess relatively ill defined outcomes based on flexible processes. It relies on largely qualitative information with differences seen over long periods of time

Moreover, while a lot of effort has gone into developing rigorous and accurate indicators, there is a risk that they will be interpreted using the assumptions of service delivery. These assumptions could easily create inappropriate conclusions, such as if social capital has not changed after an intervention, then the intervention could be deemed unsuccessful, when longer term changes are indeed happening. Broad conclusions could be drawn from data taken in isolation, such as school retention rates. Measures of service inputs and outputs could be used to infer that the input has caused the output, such as community building activities leading to a greater sense of safety or enhanced networks. This may be simply coincidence. No such cause and effect may exist.

It is important for investments in services and community building to be assessed in terms of concrete outcomes and changes in behaviour. However, assumptions beyond service oriented inputs and outputs are needed to fully appreciate and interpret social capital impacts.

Issues in Evaluation

A range of issues influence the design and interpretation of social capital measures. It is important to consider these issues in the development of measurement frameworks.

Isolating Effects

A particular community intervention is one of many factors that influence changes in the social situation of communities such as economic change, demographic shifts, and alterations in the provision of services. Where possible, the effect of activities on social capital needs to be isolated from other effects. For example, in surveying, people can be asked the extent to which they felt changes were due to a particular activity, rather than other influences. In the evaluation of the impact of Learning Communities in Victoria, community members were asked to isolate the influence of Learning Community activities from other influences on community networks and contacts (Cavaye, 2004).

The Moving Baseline

Ideally, changes in social capital need to be measured against not what the level of social capital is now, but what it would be over time. For example, the starting point for activities aimed at fostering social capital is often taken to be the benchmark for comparison to measure

impacts on social capital. However, the real comparison is against not what social capital was at the start, but against what social capital would have been if no intervention had occurred. For example, in a particular community, social capital may have declined in the absence of intervention. Comparison with the starting point would underestimate the impact of the activities (figure 1).

It is clearly very difficult to measure this future without-intervention baseline. The starting point becomes a proxy baseline. However, the concept of the moving baseline needs to be considering in the interpretation of social capital impacts.

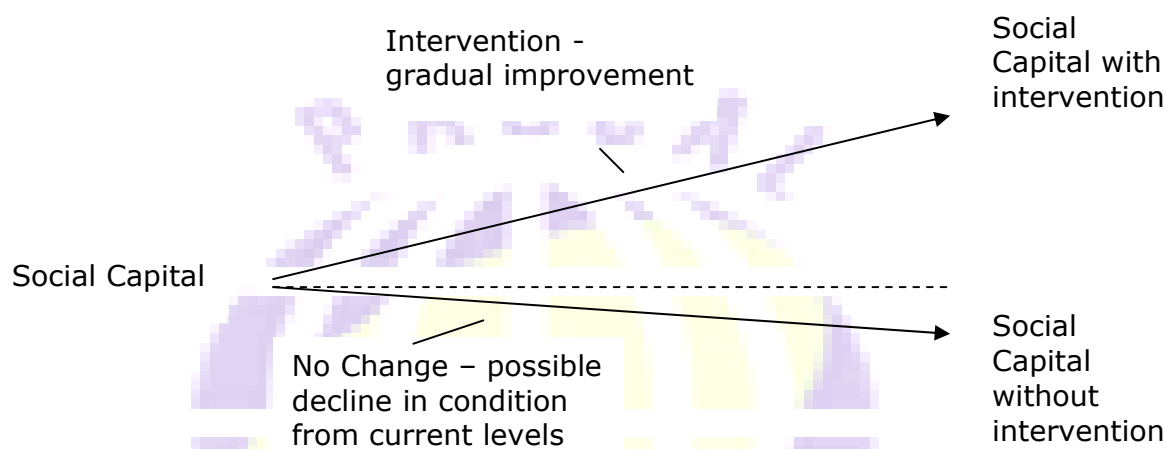


Figure 1. A hypothetical example of a moving baseline.

Direct and Indirect Effects

Measuring the impact of activities to foster social capital involves both direct and indirect effects. Changes to networks, norms and trust are likely to occur first within particular sectors of the community directly involved in community building activities. Broader community impacts are likely to occur indirectly as networks flow from these groups and cultural change gradually occurs. Hence measured changes are likely to be different between those directly affected and community members involved more indirectly.

Community Involvement

Another issue in evaluation is community members' involvement and ownership of social capital measurement. Often, evaluators external to a community collect information from community members and from

other sources. Conclusions about the nature and extent of social capital are then provided to communities. However, in many circumstances it is appropriate for community members themselves to be engaged in the measurement of social capital together with external evaluators. For example, members of the local business community could conduct brief interviews with fellow business operators about changes in social capital in their sector. This approach was used in the trialling of the Victorian ACE Sector evaluation framework (Cavaye, 2004).

Measurement can be a social capital building exercise in itself. The measurement itself becomes an opportunity for community members to reflect on how their community has changed. Often local people gaining feedback from other local people creates rich information. Training and support is important and rigour and consistency need to be maintained. However, in the Victorian example local people were willing to conduct local interviews and develop a picture of how their community's social capital had changed.

Timeframe

Changes in social capital often involve long term cultural change. In many cases, the timeframe for measurement is determined by funding arrangements or project timelines. Both often require measurement of social capital change within 1 to 2 years. In this timeframe, there may only be minor changes in networks, attitudes and trust. A longer term approach needs to be incorporated into evaluation frameworks to assess more fundamental changes. Hence, evaluation would ideally include measures of short term outputs and long term outcomes.

Data Measurement and Management

A range of tools and methods has been developed specifically to measure aspects of social capital such as the Social Capital Assessment Tool (Krishna and Shrader, 2000) and Network Charting (Golding, 2004). Yet, data measurement remains a particular issue for assessing social capital. For example, OECD (2001) mentioned difficulties in accessing appropriate data and inconsistencies in the interpretation of notions such as trust.

Another difficulty is that many indicators of social capital are not independent. That is, if you measure one indicator, such as people's participation in the community, you partly measure another indicator, such as people's networks and contacts. The argument is that if

community members participate in the community, they are likely to have higher level of contacts from their participation. In this situation, the rigour of qualitative data can be maintained and valid conclusions can be drawn. However, the lack of independence of variables is one of several constraints on statistical analysis of data.

Triangulation remains a key way to maintain the rigour and reliability of social capital measurement. The rigor of qualitative feedback is often criticised because of the subjective nature of attitudes and opinions. However, if a social capital variable can be triangulated by being measured in at least two ways, such as by verbal feedback and a Likert Scale score, then the reliability of the information can be enhanced.

These broad issues in evaluation need to be borne in mind when measuring and interpreting social capital. The actual measurement of social capital raises other considerations such as benchmarking, the nature of indicators, and coping with complexity.

Benchmarks Vs Incremental

A common way to measure social capital has been to benchmark criteria (Craig, 2002; Salvaris et. al., 2000), that is, to measure indicators at one point in time, measure the same criteria at another time, and compare the two. Benchmarking is quite legitimate but it is difficult for many social characteristics, since considerable community representation and methodological rigour is required to establish an absolute level of social capital, that is, to say that one community has more social capital than another, or that the absolute level of social capital in a region or community is "x". There would also be a large degree of variation in the extent of social capital within most communities.

Another way of measuring social capital is to assess incremental change. Rather than establishing an absolute benchmark, incremental change measures the change in social capital that has occurred over time, for example, how networks and trust have changed between now and this time last year. This creates artificial benchmarking, because people are being asked to compare the situation now with what they remember it to be like previously. While it presents methodological problems in itself, this overcomes the difficulty of establishing an absolute benchmark.

Either approach faces a dilemma. Social capital involves diversity, acceptance of difference and bridging between individuals and groups. Yet benchmarking could be seen as establishing an overall level of social capital that summarises considerable variation in social interaction into a single 'level'. While this may be valid, the contrast between diversity and benchmarking remains a contradiction.

Indicators

The measurement of social capital has featured the development of a wide range of indicators such as trust indices, levels of volunteering, election turnouts etc. Putnam (1993a) monitored a wide range of individual and broad societal indicators. Australian studies have also featured an extensive range of indicators (Salvaris et. al., 2000; Bullen and Onyx, 1998; Black and Hughes, 2001; Woolcock et.al., 2004).

It is important for a wide range of indicators to be developed and trialled. There are also common themes that indicators cluster around. However, the point has been reached now where there is considerable interest in agreed local, state and national frameworks, and consistent indicators. OECD (2001) argues for more comprehensive questions in measurement and points out the limitations of available data in measuring social capital.

In developing consistent frameworks, there are no best indicators. Rather, some key characteristics guide the choice of indicators such as:

- specificity – targeted to the variable to be measured,
- measurability - ease of measurement,
- comprehensiveness - measures of a range of social characteristics,
- reliability and rigour,
- continuity – ability to translate across situations and be consistent in local state or national frameworks.

The challenge is to develop consistent indicators that can allow conclusions to be drawn across local, state and national frameworks. Salvaris et. al., (2000) include 'headline indicators' and Bullen and Onyx (1998) discuss consistent indicators. At the same time, indicators need to be tailor-made to the objectives of particular evaluations and to local community ownership. They need to have the flexibility to incorporate local values and what community members may want to measure.

One way to achieve this compromise is to have local indicators as sub sets of a more comprehensive set of state or national indicators. In this way, local measures are consistent with broader frameworks. A broader challenge is for indicators to be sustainable from a project to a policy to a strategy.

Diversity, Variation and Complexity

The measurement of social capital fundamentally involves complexity and diversity. This can take many forms:

- Each context for social capital has its own interpretation and priorities. For example in a health setting, social capital may be interpreted in terms of the social determinants of health. A policing setting may emphasise the social networks that foster or reduce crime.
- How social capital is measured and considered in a city may be very different from how it would be approached in a small rural town.
- The segmentation of communities is important for the consideration of social capital. Who is the community? Does it include all residents, or only certain groups?
- Communities are complex. The measurement of social capital has to cope with the diverse groups and sub-communities and it may even play a role in fostering cohesion across a diverse society.
- Service delivery value for money measures are needed together with measures of broader outcomes.

Given this diversity and complexity, it is not a matter of discovering ideal indicators of social capital. It is a matter of using imperfect descriptions and indicators, and developing the confidence to work with inherent imperfections and uncertainty.

There has been a focus on measuring the overall extent of social capital in communities. However, there is also a need to measure the diversity and variation in social capital. Some individuals and groups are active and participatory and others not. These differences need to be better measured to give some insight into why they occur and how equity issues can be addressed.

The Contribution of Evaluation to Social Capital

Evaluation can be a social capital building exercise in itself. The measurement of social capital can help community members rethink local issues, make better planning decisions, and build ongoing community cohesion. As discussed earlier, community involvement is an important element of measurement, and measurement can help sustain a broader process of community improvement.

Measurement can also be part of a cultural change process allowing government and business to better appreciate and incorporate social capital. For example, appropriate measures could help agencies better incorporate social capital in their priorities and outcomes. It can also garner political support for investments in social capital and the raise the awareness of the social implications of government and business decisions. Having appropriate indicators and rigorous measurement will help both communities and government develop greater ownership of the community strengthening agenda.

Conclusion

The consideration of social capital is at an important point. Key understandings of social capital are relatively well established and the concept has a high profile, arguably bordering on the status of a fad. Several issues and questions remain, including levels of social capital, confounding effects, relationship to 'hard' outcomes and cultural change. One of the key issues is measurement. This includes ensuring a clear purpose for evaluation, considering fundamental limitations of measurement, having consistent yet flexible indicators, and broadening service delivery approaches.

Social capital involves technical issues such as the refinement of indicators and developing policy options. However, the use and interpretation of social capital, and its effective measurement, remains largely attitudinal and cultural. It involves not just appropriate indicators but also community ownership, political will, understanding and acceptance of social issues, and motivation to foster networks and norms. The appreciation of social capital and its incorporation into the core business of government, communities and business will not depend so much on knowledge and resources as on the will to understand the concept and the confidence to embrace broader social outcomes.

Despite considerable knowledge of social capital and taking forward measurement to the point of developing state and national frameworks, many questions remain. Why does social capital operate the way it does? Why do different sectors of communities have such different social capital characteristics? Why do networks and norms change in the way they do?

The challenge for measurement is not only to develop consistent rigorous ways to assess social capital but also to provide further insight into these questions.



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