Social capital is seen as social policy’s panacea, the antidote to the contemporary social ills accompanying growth of laissez-faire capitalism. From the World Bank, to national, regional and local governments, the cry is ‘build networks, build community’ to repair the damage of possessive individualism. Partnerships and participation are the touchstones of populist Third Way Politics. In Australia, it is a decade since Eva Cox’s Boyer Lectures promoted Robert Putnam’s concept of social capital and called for a truly civil society. Australian governments have invested heavily in ‘rebuilding community’ and have developed policies, infrastructure and research funding committed to enhancing social capital. It is now timely to take stock. Banking on social capital has certainly generated meta-social capital, but what of the outcomes of this new policy industry? This paper theorises social capital and considers its potential for conservative or reformist outcomes. It argues that the dominant paradigm of social capital, by viewing participation as a good in itself, deflects attention away from addressing the regressive redistribution of the broader political economy. Capacity building and community development then become technologies of minimal social change. However restoring the political economy frame to thinking about social capital provides real potential for achieving social change. Such an approach to social policy would re-politicise welfare practice and channel the energies of capacity building and community development to underwrite the agenda of, and give momentum to, sustained campaigns for social justice.
MY CREDENTIALS AND PARTISAN MANIFESTO
Before I start I want to declare my credentials to speak of the politics of community building. They do not derive solely from scholarship but rather from the lived experience of growing up in rural Western Australia and raising my own family, single handed, in an ‘urban village’ in inner Melbourne. As a daughter of the wheatlands, I witnessed first hand how civic amenity was provided and enhanced by voluntary effort and citizen participation. The local store was run on cooperative principles, as was the grain railed to the metropolis through Cooperative Bulk Handling. These were good times and the town took civic pride in being go-ahead. Its farmers, local business owners and company reps held fundraisers and working bees to construct the war memorial, townhall, church halls, swimming pool, museum and parks. This sense of prosperity is now being hollowed out by the new political economy. No matter how efficient the holdings, it is hard to free trade successfully against protected agricultural competitors. Family farms have been sold up, people shop in the larger regional areas and the maintenance of local services is a challenge.

Although my heart continues to belong to that country, I have long since lived elsewhere. For twenty years I’ve been part of a small inner city suburb of Melbourne where I have put into practice the civic lessons I learned in my youth, working alongside others on a host of civic projects such as child care, schools, neighbourhood centres, heritage and local planning, scouts, football and soccer clubs. With the new political economy, there is undoubted affluence reflected in the arrival of café society and the 24/7 convenience store. There is also increasing heterogeneity. Property values have risen sharply, but so have rates of homelessness. Suffering and degradation is visible. Too many live on the streets. Too many beg on the streets.

The witnessing of dispossession and deprivation are radicalising. I am also a partisan. I do not share the enthusiasm for the world of deregulated capital. I reject the philosophy of utilitarianism. It is true that the new political economy enhances general material wellbeing. But this, as John Stuart Mill would describe it, is only half the truth. The deeper truth is that a few have done exceptionally well, some have down very well and it has been at the expense of many who are now marginalised and dispossessed. I do not believe in the revived tradition of neo-functionalism and neo-institutionalism with their associated methodology of value free measurement. I am deeply committed to the value of social justice and I subscribe to a humanistic sociology that reads both the larger picture, the historical forces of deregulated political economy and their impact on biographies of ‘individual lives’. I endorse a critical theory that rejects consensus in favour of an agonistic tradition that advocates on behalf of those who are now suffering. I look for evidence to those micro-studies of street life that use a grounded embodied approach to substantiate the deprivations of poverty that exists alongside the exclusivities and excesses of privilege.
THE ROAD MAP

I start by looking at the new world order – a return to neoliberal political economy. I analyse its structural impact, an increasingly hierarchical society that is lacking cohesiveness, and examine the way this is fuelled by a culture of competitive and possessive individualism. In such a society, fraught by differentiation, exclusivity and competition, the longing is for harmony, cooperation and restoration of community. The current political paradigm of third way politics capitalises on this longing by selling the notion that political economy can be transcended and that cohesiveness can be restored by localised community capacity building. I then look at the functionalist theory of social capital that has served to amplify the conceptualisation of third way politics and legitimate the notion that participation is useful for patching the frayed social fabric especially through the associated policy initiatives that encourage community building in deprived and disadvantaged areas. Finally I turn to theorize social capital from a critical perspective, drawing on the work of Pierre Bourdieu, that addresses the broader political economic framework and reminds us that ‘the social’ is not a reified notion, but is embodied in the day to day transactions of political economy. It advocates reform of the flow of distributional resources to more progressive ends in the interests of a truly civil society.

RESTORATION OF NEOLIBERAL POLITICAL ECONOMY

It is roughly twenty years since Australian governments, nationally and at state level, started to embrace neo-liberalism. This was a re-endorsement of the nineteenth century belief that the way to increase national prosperity is to de-regulate capital and labour markets and to compete in the global free trade market. The task of government is to focus on optimising conditions to attract foreign capital to invest in local business opportunities and to encourage local businesses to compete on world markets. The international institutions of economic governance promoted the notion that universal welfare would be best assured by the principles of the market. Corporate leaders and managers were trained to ensure delivery by introducing efficiencies, increasing productivity and maximizing the financial dividends of profitability. All would be rewarded by rising standards of living and to provide incentives, the greatest dividends would go to those who worked hardest and smartest and achieved most.

Euphemistically described as ‘globalisation’, as it was termed ‘industrialisation’ in the nineteenth century, this has precipitated a revolution in social relations that is every bit as dramatic as triumphal and painful. The leaders of this revolution – politicians, their economic advisers, bureaucratic careerists and their compatriots in the academy- are not keen on history. Believing, like Dr Pangloss, that we live in the best of all possible worlds and in the Spencerian notion of evolutionary progress, they are impatient to get on with it rather than look backwards. Had they bothered, they may have observed the social fall out that was evident in the nineteenth century romance with laissez-faire economics (Roberts 1999a, 1999b, 1997).

Pulling out of Public Investment

Australian governments from the mid 1980s commenced a decade of micro-economic reform that, alongside the rationalisation of corporate private enterprise resulted in major
cutbacks to social infrastructure that decimated local sites of community building. In Victoria, for example, there was a major restructuring of local government that created larger municipalities that were less accessible to local communities. The City of Melbourne completely did away with the ward system and now is governed by big business corporate teams. Small schools in rural areas were shut down as were country hospitals. The large commercial banks also rationalised their branch structures and smaller countries towns faced the prospect of extinction.

**Return of Hierarchy**
Structurally the impact is to enhance general living standards but this is not equitably shared. There are winners and losers. In a deregulated market where fee for service governs quality of life, winners exponentially increase their advantage, while losers experience a cycle of loss downwards. Studies show increasing income and wealth inequality and they show stark levels of poverty.

A cosmopolitan elite are increasingly mobile, capitalising on their advantaged position and networking further advantage on the global screen. For them, citizenship is becoming increasingly deteritorialised. Moving in privileged circles they remain oblivious to the plight of those left behind by free market global trading, deprived of earning a living in manufacturing or agriculture and facing the future with the quiet desperation of stoicism.

Differentiation of fortune, Zygmunt Bauman (1998) reminds us, is one of the human consequences of globalization:

Globalization divides as much as it unites; it divides as it unites –the causes of division being identical with those which promote the uniformity of the globe. Alongside the emerging planetary dimensions of business, finance, trade and information flow, a ‘localising’, space-fixing process is set in motion. Between them, the two closely interconnected processes sharply differentiate the existential conditions of whole populations and of various segments of each one of the populations. What appears as globalisation for some means localisation for others; signaling a new freedom for some, upon many others it descends as an uninvited and cruel fate.

All of us are, willy-nilly, by design or by default, on the move. We are on the move, even if, physically, we stay put: immobility is not a realistic option in a world of permanent change. And yet the effects of that new condition are radically unequal. Some of us become fully and truly ‘global’; some are fixed in their ‘locality’ –a predicament neither pleasurable more endurable in the world in which the ‘globals’ set the tone and compose the rules of the life-game.

Being local in a globalised world is a sign of social deprivation and degradation. The discomforts of localised existence are compounded by the fact that with public spaces removed beyond the reaches of localised life, localities are losing their meaning-generating and meaning-negotiating capacity and are increasingly dependent on sense-giving and interpreting actions which they do not control –so much for the communitarianistreams/consolations of the globalised intellectuals.

(Bauman 1998: 2-3)

Ironically, at a time when the talk is of republicanising the head of state, the old republican ideals of liberty, equality and fraternity have never been less respected. Practical democracy, which is a radically levelling project, has been replaced by the empty formalities of institutional democracy. Society is becoming increasingly
hierarchical and interaction increasingly stratified. The winners from the deregulated global economy tend to move in their own circles, cocooned by what John Galbraith (1992) referred to as a sub-culture of contentment, certain that they live in the best of all possible worlds although mindful of the need to keep at the competitive edge.

**The Culture of Competitiveness**

The deregulated economy is complemented by a culture of competitiveness, risk taking, anxiety and uncertainty. Discontent and conflict are as submerged as they are ubiquitous. Marginalised households in rural areas and small countries towns become politically radicalised and vent their frustrations on those more marginalised, the local indigenous populations. Within the metropol, there is commensurate lack of harmony in the body politic. Growing the city and conserving infrastructure costs has meant a corporate policy of raising population densities with virulent contestation between developers and redevelopers in coastal and inner localities. In the city centre the enhanced glamour of corporate power showcased in the gargantuan towers of chrome, glass and steel and the heavy silences of their emptied reception spaces is contrasted with the growing number of those, huddling in their shadows, who beg on the streets. In the suburbs, there is increasing differentiation between the affluent areas boasting state of the art lifestyle homes and gardens buttressed by boutique shopping strips and society cafes and those struggling to maintain law and order amidst populations deprived of work and demoralised to the point of personal self-destructiveness and social recklessness. Within affluent and languishing areas alike there is the indescribable and the undiscussable rivalry between those on the rise and on the make who are getting on and those struggling to get by, haunted by the prospects of those they see who have given up.

The neoliberal political economy has delivered risk society, where there is no longer certainty about life-rules or outcomes (Sennett 1998). In a deregulated economy it’s survival of the fittest, with the winner take all. With such high stakes, work place competitiveness is heightened and it is a rivalry that talks up opportunity as the level playing field and discounts differentiation in an individual’s support base. It’s a work place culture that speaks of excellence, parades a patina of civility but actually engenders incivility. The elevation of economic rationalism legitimises managerialism at the expense of professionalisation. The mantra of efficiency rationalises downsizing and outsourcing and entrenches structural exploitation in the form of casualisation and contractualism. A culture of risk, uncertainty and fear nurtures corporate conformity and the indoctrinated but unthinking tribalism of the ‘yes’ crowd, accompanied, in an increasingly large-scaled and hierarchical organisations, by the bullying temptation to kiss up and kick down. The force and extent of this corporate violence turns in on itself to fuel ever increasing volleys of vitriol and the fallout is felt in unprecedented levels of domestic violence and road rage as well as self-destructive addictions and depression.

Those who win in workplace, development or investment enterprises are the grinners on Consumer Street. The most successful are the true cosmopolitans who have the freedom to move and groove on the global stage, as the Masters of the Universe. The successful travel extensively abroad, own an expensive city house or two as well as a comfortable
holiday retreat, preferably near the coast. Travelling in style, expensively dressed and groomed they have mastered the art of conspicuous consumption as well as conspicuous compassion. Known for their extensive knowledge of, and appreciation for, the finer labels and entertainments in life, they enhance their profile by practising corporate social responsibility, endowing philanthropic ventures and enthusing on the necessity for the demise of third world poverty. Caught in the grip of affluenza, recent surveys reveal that the most affluent remain unsatisfied. Although the richest, they consider that they are simply not rich enough, especially by international standards, and so continue to pump up the pursuit of material gain.

Private Networks
The imperative towards individual competitiveness and possessiveness has been accompanied by a debasement of public service and public life. The getters and spenders of money are too much on the move and too busy to be concerned with local politics. The civic enterprise is left for the dwindling middle classes. Political life itself is now dominated by career politicians who seek to secure and advance their own prospects in a political space corrupted by their own ambitions in collusion with party machines and the media spin doctors. Governments, according to the neoliberal imperatives, run government as businesses. Obsessed with running up budget surpluses they have withdrawn from investing in social infrastructure that provides universal coverage of high quality health and education in favour of a system where the privileged have freedom to access any number of consumerables electives on a user pays basis, while the working and marginalised poor queue for attention to the most basic of social needs. Government bureaucracy has replicated the corporate mergers of private enterprise and senior executives preside over mega-departments that have used economies of scale to justify and rationalise management over wildly disparate areas that cannot be sensibly responsive to competing publics with senior managers less concerned by this anomaly than by the imperative of obeying their political masters. Public policy making is increasingly self-referential, directed by policy networks whose members cross cut senior management positions in government and those with whom they negotiate agreements to contract services in the non-government sector, consultancies in private enterprise firms and research from the academy. Moving in the same privileged circles, their discourse and policy ideas are mutually reinforcing and supportive to the ideas in good currency with government.

BRING ON COMMUNITY!
It is not surprising in the context of increasing structural inequality, a culture of competitiveness and the retreat from public life, that the notion of consensus, cohesiveness, cooperation and community building should be so appealing.

Consumerism, through Adland, builds a vision of Nirvana where the winners are the ones who own the most toys. Common sense has it that there is a common path: the Yellow Brick Road of striving and achieving. This stitches up tears in the frayed economic and social fabric and builds a common political culture. Just as in the nineteenth century, social divisions were ignored and vistas of ostensible equal opportunity were welcomed.
and legitimated by a politics of hope, so now, in the contemporary reworking of deregulated political economy, a system of possessive individualism and unequal dividends is made politically palatable by the politics of aspiration. The commons is the shared pilgrimage of getting and spending and the illusion that we all have a fair go at being a winner and collecting all the prizes. We certainly don’t begrudge the winners their prizes, that’s the lure, of being worthy the winner.

Parliamentary politics has all but copy-righted harmony and consensus. Bi-partisan support is usual to settle the issues of the day. The main game of institutionalised politics is ‘reading community’ via focus groups and polling to ascertain what the majority of voters want, with the party machines of both the major parties only contesting who can best claim inheritance and branding of the common ground at centre. Rigorous questioning of received opinion or government policy is roundly condemned. The new authoritarianism is based on the Facts of statistical massaging and Evidence of opinions. It is considered un-democratic to be a contrarian.

Intellectuals of a post-modern persuasion are hell bent on providing further justification of community. According to them the antagonisms of class have disappeared amidst a nirvana of affluence. All we need to do is cultivate a culture of pluralist acceptance of diversity, celebrating differences of gender, ethnicity and life-style preference. Rejecting the distinction of high and low cultures they complemented populist politics by studying popular culture, the media and communications.

THIRD WAY POLITICS
Post-modernism is the hallmark of the thinking of Anthony Giddens (1998), the guru of Third Way politics, that was introduced in the late 1990s and is now the dominant policy paradigm in America, Britain and Australia.

Reflecting the culture lag that exists in much of the academy, the post-modernists claim we’ve entered a ‘post-materialist’ era transcending the political economy rivalries between social democracy and neoliberalism. Instead, Giddens argues that Third Way politics is ‘dead centre’ and that we should focus on globalisation!, modernisation, families and ecology. Welfare reform is encouraged as a means of getting the ‘welfare dependent’ back into the workforce. Poverty is seen as best tackled as a people and places issue that involves community building in disadvantaged areas. Writes Giddens:

Conventional poverty programmes need to be replaced with community-focused approaches, which permit more democratic participation as well as being more effective. Community building emphases support networks, self-help and the cultivation of social capital as means to generate economic renewal in low-income neighbourhoods. Fighting poverty requires an injection of economic resources, but applied to support local initiative. Leaving people mire in benefits tends to exclude them from the larger society. Reducing benefits to force individuals into work pushes them into already crowded low-wage labour markets. Community building initiatives concentrate upon the multiple problems individuals and families face, include job quality, health and child care, education and transport.’ (Giddens 1998: 110-111)

The vision is for a revitalisation of civil society where individuals form mutual help associations to create a welfare society that will replace a welfare state. The ‘revival of civic culture is a basic ambition of third way politics’ (Giddens 1998: 127). The
opportunity is there for local communities to work with voluntary organisations, the third sector, and to develop what Giddens refers to as ‘the social economy’ (Giddens 1998: 127), as though that were somehow different from the larger economy. Giddens has a vision of a project of social investment that will be worked on not just by the state but ‘in partnership’ with businesses and non-government agencies (Giddens 1998: 127-8).

COMMUNITARIANISM IN THE ACADEMY

The vision of the political agenda is scant on detail but the deficit has been remedied by conceptualisation from the academy that complements the aims and methods of Third Way politics, by emphasising harmony, cooperation and consensus.

From the mid 1980s American sociologist Amitai Etzioni had attacked the moral basis of competitive individualism, with its emphasis on rights and propounded a return to working together, as ‘we’ to fulfil duties and obligations for the good of the whole. He advocated a return to the building of communities and local civic endeavour of the kind de Tocqueville reported following his tour of America in the nineteenth century.

As well Etzioni argued that building norms for trust and focussing on connectivity would not only restore civic grace but in fact underwrote business dealings. He went so far as to advocate a discipline of socio-economics that would focus on taking account of the way market transactions are embedded in social interaction.

Sociologist and former engineer, James Coleman, had, in his attempt at grand theory building already noted how social interaction was not only demonstrably a good in itself that radiated amiability but also had utility in assisting the functioning of society. He referred to this as social capital, which he defined in the following terms.

Social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common. They all consist of some aspect of a social structure, and they facilitate certain actions of individuals who are within the structure. Like other forms of capital, social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence….Unlike other forms of capital, social capital inheres in the structure of relations between persons and among persons. (Coleman 1990:302)

Social capital… is created when the relations among persons change in ways that facilitate action….social capital is embodied in the relations among persons. (1990:304)

The function identified by the concept ‘social capital’ is the value of those aspects of social structure to actors, as resources that can be used by the actors to realise their interests. (Coleman 1990:305)

For Coleman, using a systems approach, social capital is an outcome that functions for the good of society as a whole. He argues that any social grouping that operates through, and depends upon, trustworthiness, norms and values and reciprocity produces social capital. Social interrelationships that constitute and perpetuate group life in this way not only facilitate individual transactions but more importantly generate an outcome, social capital that is good for society as a whole. Social capital is by definition a social good.

The benefits of social capital were popularised for the business of making a living, by a sociologist, Francis Fukuyama, and for democratic governance, by a political scientist,
Robert Putnam. Both, inspired by the functionalist framework of Coleman's social theory, stressed social capital as a social outcome. It was a product that worked or functioned for the good of the whole.

The Utility of Social Capital for Politics
Putnam's seminal work *Making Democracy Work: civic traditions in Modern Italy*, (1993) set out to find 'what are the conditions for creating strong, responsive, effective representative institutions' (p. 60). Taking account of institutional design, socio-economic factors and socio-cultural ones, he argued that while successful socio-economic performance was important, what most accounted for stable government were traditions that shaped the character of civic life.

Some regions of Italy...are blessed with vibrant networks and norms of civic engagement, while others are cursed with vertically structured politics, a social life of fragmentation and isolation, and a culture of distrust. These differences in civic life turn out to play a key role in explaining institutional success. (Putnam 1993: 15)

Putnam argued that differences in the character of civic life between regions could be explained as the historical legacy of 'a powerful monarchy in the south and a remarkable set of communal republics in the centre and north. From this early medieval epoch through the unification of Italy in the nineteenth century, we trace systematic regional differences in patterns of civic involvement and social solidarity. These traditions have decisive consequences for the quality of life, public and private, in Italy's regions today.' (p. 16)

Putnam extended his analysis by using Coleman's notion of social capital:

'Voluntary cooperation is easier in a community that has inherited a substantial stock of social capital, in the form of norms of reciprocity and networks of civic engagement...Social capital here refers to features of social organisation, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions.' (p. 167)

Seeking to generalise from his findings, Putnam argued that 'social trust in complex modern settings can arise from two related sources: norms of reciprocity and networks of civic engagement.' (p. 171). His theory, simply put, was the equation: 'strong society, strong economy; strong society, strong state' (p. 176) Putnam concluded that 'building social capital...is the key to making democracy work.' (p. 185)

The Utility of Social Capital for Commerce
Conservative sociologist Francis Fukuyama took up the first part of Putnam's equation and in *Trust: The Social Virtues and the Creation of Prosperity* (1995) argued that social capital enabled stronger markets and greater economic productivity. Like Putnam, Fukuyama emphasised that social capital was derivative from cultural practice and the norms, beliefs and values.

Social capital is a capability that arises from the prevalence of trust in a society or in certain parts of it. It can be embodied in the smallest and most basic social group, the family, as well as the largest of all groups, the nation, and in all the other groups in between. Social capital differs from other forms of human capital
insofar as it is usually created and transmitted through cultural mechanisms like religion, tradition, or historical habit. (Fukuyama 1995: 26)

Acquisition of social capital…requires habituation to the moral norms of a community and, in its context, the acquisition of virtues like loyalty, honesty and dependability. The group, moreover, has to adopt common norms as a whole before trust can become generalised among its members. In other words, social capital cannot be acquired simply by individuals acting on their own. It is based on the prevalence of social, rather than individual virtues. The proclivity for sociability is much harder to acquire than other forms of human capital, but because it is based on ethical habit, it is also harder to modify or destroy. (Fukuyama 1995: 26-27)

While Fukuyama acknowledged that different social groupings within society could produce social capital, he nonetheless, like Putnam, attached special significance to the voluntary associations of civic engagement, that he characterised as being formed through 'spontaneous sociability'. He argued:

The most useful kind of social capital is often not the ability to work under the authority of a traditional community or group, but the capacity to form new associations and to cooperate within the terms of reference they establish. ..Spontaneous sociability..refers to that wide range of intermediate communities distinct from the family or those deliberately established by governments. Governments often have to step in to promote community when there is a deficit of spontaneous sociability. But State intervention poses distinct risks, since it can all too easily undermine the spontaneous communities established in civil society. (Fukuyama 1995:27)

Fukuyama's main conclusion is that the generation of social capital was good for a society because it enabled more efficient business transactions and assisted the creation of a more prosperous community.

Social capital has major consequences for the nature of the industrial economy that society will be able to create. If people who have to work together in an enterprise trust one another because they are all operating according to a common set of ethical norms, doing business costs less. Such a society will be better able to innovate organisationally, since the high degree of trust will permit a wide variety of social relationships to emerge….By contrast, people who do not trust one another will end up cooperating only under a system of formal rules and regulations, which have to be negotiated, agreed to, litigated, and enforced, sometimes by coercive means. This legal apparatus, serving as a substitute for trust, entails what economists call 'transaction costs.' Widespread distrust in a society, in other words, imposes a kind of tax on all forms of economic activity, an act that high-trust societies do not have to pay. (Fukuyama 1995:27-28)

**Alarm Bells: Build Community!**

Robert Putnam (2000) sounded the alarm bells when he argued that Americans were ‘bowling alone’. Using the findings of an array of social survey data he sparked social and political concern when he concluded there had been a dramatic decline in civic engagement and challenged leaders to encourage the building of community. The message of communitarianism nicely complemented the agenda of Third Way politics.

Community building became the vogue. Its conservative mission was assured by coupling it with the notion of ‘social capability’ advocated by Nobel prize winning economist, Amartya Sen, who, in reexamining development of third world countries argued for the participation of locals in growing their own communities. (Sen 1999).
COMMUNITY CATCHES ON IN AUSTRALIA
From the late 1990s Australian governments have embraced communitarian self-help with eager enthusiasm. Complementing restoration of conservative political economy, third way policy paradigms have sought to ameliorate its social impacts by focusing on regionalism, ‘people and place’ and the virtue of families and civic voluntarism as a way of building social capital, social trust and better futures.

As rural disadvantage started to be articulated and discontent translated into the ballot box, the policy solutions have focused on regional development. The outcome has been an acceleration of trends predictable to neoliberal political economy: large regional growth centres have become larger and small towns smaller and facing extinction.

Government addresses this not as a process but as a ‘people and places’ project that focuses on disadvantaged areas (usually rural but including some urban areas) and offers special resources to work on regeneration and capacity building. Having gutted social infrastructure, small funds are earmarked for community building. In order to avoid the charge of ‘top down’ work, communities have to apply for funds either to obtain funds for local purposes or to hire community development officers to nurture local leadership and work with locals on small scale projects that address local issues.

The Commonwealth’s Family and Community Services Stronger Families and Communities Strategy first announced in 2000 was ‘about empowering communities to develop local solutions to local problems’. Its philosophy is to encourage community self-help and independence through building local ‘social coalitions’ that reflect partnerships between families, government, non-government organisations and businesses. The current strategy (2004-2008) has a budget of $366m of which $60m is allocated to the ‘Local Answers’ program.

These initiatives have been complemented by similar projects by each of the State Governments. In Victoria, for example, the Department for Victorian Communities was created in December 2002, ‘to give effect to the Government’s objective of strengthening communities through a more integrated approach to planning, funding and delivering services at the local level’. Like the Commonwealth Department of FACS the Department places a major emphasis on the development of social capital through community strengthening at a local level. It employs an identical strategy of making funds available for local communities to apply for to assist with community building to achieve small scale projects.

In both cases there is particular emphasis placed on self-reliance in communities: getting local leaders to develop partnerships to build local resources that might include funding from businesses as well as service organisations and volunteered labour. The essence of the new deal in community is to resist dependence on government funding and to nurture civic engagement through voluntary effort.

Both the Commonwealth and the State Governments have been eager to use the new information communication technology to disseminate information and have developed
specific websites dedicated to the community building strategy and to assist with accessing further information and knowledge about its key ideas.

THE META-SOCIAL CAPITAL OF POLICY RESEARCH
All the policy development work to date has been complemented by an extensive investment in policy research focussing on measuring community building. This, like endorsed government policy, has been framed by the functionalist theory of social capital. The prime focus has been on developing indices of key variables such as trust, networks and participation in order to carry out major surveys that will measure levels of social capital.

There were multiple sites for this policy research. Amongst the foremost were Melbourne’s Australian Institute of Family Studies (AIFS) and the University of Technology Sydney (UTS). The AIFS hosted a series of national conferences (Winter 2001) that was significant in addressing the conceptualization and measurement of social capital. UTS funded a chair in Social Economy, established a Centre for Australian Community Organisations and Management (CACOM) whose mission was ‘to enhance the Australian community sector’ and developed a research partnership with Charles Sturt University that set up the Australian Centre for Co-operative Research and Development (ACCORD) that focused on community building and cooperatives.

Among the leading policy researchers using and developing survey methodology were Wendy Stone and Jody Hughes from the Institute of Family Studies (Stone 2001, Stone and Hughes 2002, Stone et al 2003), Mark Lyons (2001) and Paul Bullen and Jenny Onyx (1999) from CACOM. Their work focused on developing measures of rates of participation, social interaction and trust and applying them to selected communities to look at aggregate levels of social capital. The analysis has been directed towards understanding the interrelationship of family and community and the role of the non-profit sector in the community.

Many of the government sponsored community-building projects have been in rural areas and disadvantaged areas. The issue of “people and place” is being developed as a particular policy research agenda across Australia (Smyth, Reddel, Jones 2005) and in Victoria the Department for Victorian Communities has been particularly interested in developing and publishing indictors of community strength in defined localities. Social justice is increasingly here defined in territorial terms, and there is a renewed interest in identifying disadvantaged areas. Jesuit Social Services has published two important studies by Tony Vinson (1999, 2004) that map territorial disadvantage by post code and uses survey methodology and analysis to correlate community wellbeing with civic engagement. Department for Victorian Communities sees its funding of community-initiated community development strategies as vindicated by research-based evidence that demonstrates the utility of particular case studies and the association of community development with higher measures of trust, social interaction and civic engagement. The belief is that community development will overcome disadvantage. People living in deprived areas can pull themselves up by their boot straps.
CALLING UTILITARIAN SOCIAL CAPITAL TO ACCOUNT

My own position is that of contrarian. I am persuaded neither by the utilitarian theory of social capital nor its evidence. I want to begin by challenging the communitarian assumptions on which the functionalist paradigm of social capital is built. Communitarianism reifies communities and presupposes homogeneity, yet this is the very issue at stake. The abstracted empiricism of survey methodology can only measure aggregate outcomes but cannot decipher processes of causation. Like average measures of per capita income, such aggregations demonstrate the half-truth that more are participating, but masks the unpalatable truth that some (with larger resources) are participating much more and others (with fewer resources) less. The focus should be less on reading aggregate levels of participation, valid if egalitarianism prevailed, but on deciphering who participates and for what purposes. To understand this dynamic there is a need to return to political economy and the unpalatable truths of inequality and class.

Survey methodology indeed shows a correlation between inequality and lower levels of civic engagement. Although he did not draw particular attention to it, Robert Putnam’s original study of Italian regions showed the more prosperous northern regions as having greater civic engagement and greater levels of aggregate social capital than the poorer ones in the south. Putnam’s later work, Bowling Alone (Putnam 2000), that surveyed contemporary American states found those ‘with the highest levels of social capital are precisely the states most characterised by economic and civic equality.’ (Putnam 2000: 359) and his survey of the history of civic engagement in America also confirmed the association over time.

Social capital and economic equality moved in tandem through most of the twentieth century. In terms of the distribution of wealth and income, America in the 1950s and 1960s was more egalitarian than it had been in more than a century...those same decades were also the high point of social conceitedness and civic engagement. Record highs in equality and social capital coincided...Conversely, the last third of the twentieth century was a time of growing inequality and eroding social capital. By the end of the twentieth century the gap between rich and poor in the United States had been increasing for nearly three decades, the longest sustained increase in equality in at least a century, coupled with the first sustained decline in social capital in at least that long. The timing of the two trends is striking: Sometime around 1965-70 America reversed course and started becoming both less just economically and less well connected socially and politically. (Putnam 2000: 358-9)

Putnam concedes that the dynamic responsible for this cannot be detected from the data itself. He conjectures three plausible accounts.

First, social capital may help produce equality. Historically social capital has been the main weapon of the have-nots, who lacked other forms of capital. ‘Solidarity forever’ is a proud, strategically sensible rallying cry for those, such as ethnic minorities or the working class, who lack access to conventional political clout. So it is plausible that well-knit communities can sustain more egalitarian social and political arrangements. Conversely, great disparities of wealth and power are inimical to widespread participation and broadly shared community integration, so it is also plausible that the causal arrow points from equality towards civic engagement and social capital. A third view is that social connectedness and equality are fostered by the same external forces, such as the leveling and annealing effects of massive (and victorious) war. (Putnam 2000: 359)

Putnam nonetheless concludes that ‘the evidence powerfully contradicts the view that community engagement must necessarily amplify inequality. On the contrary, there is
every reason to think that the twin master trends of our time - less equality, less engagement - reinforce one another. Thus efforts to strengthen social capital should go hand in hand with efforts to increase equality.' (pp. 359-360).

The sociological historian Theda Skocpol (Skocpol and Fiorina 1999) has challenged some of the focus on small scale civic engagement by reminding us of the importance of a tradition of civic engagement for political purposes. This activity may have been organized locally, but it mobilized upwards to state and national levels. Social movements have traditionally used ‘people power’ to mobilize against inequality.

INTERROGATING COMMUNITY
Pierre Bourdieu’s theory of social capital is useful in looking at the politics of class distinctions that arise in capitalist political economy. Far from assuming homogeneity within communities, Bourdieu takes exclusivities to be the very driving force of a deregulated economy and his theory shows the dynamic whereby a differential distribution of economic resources affects the capacity to associate with others and network advantage. Bourdieu's work has certainly been reviewed by Australian policy researchers, but what has been overlooked is the critical perspective on which his work is based that is diametrically opposed to the conservative paradigm of third way politics. Placing social capital in the context of political economy his theory of social capital is class based and offers an entirely different policy paradigm and research agenda.

Bourdieu's theory of social capital regards social capital as one of a number of different forms of capital that may be possessed by individuals and used by them to gain further resources to enhance their standing relative to others in a given society:

Capital can present itself in three fundamental guises: as economic capital, which is immediately and directly convertible into money and may be institutionalised in the form of property rights; as cultural capital, which is convertible, on certain conditions, into economic capital and may be institutionalised in the form of educational qualifications; and as social capital, made up of social obligations (‘connections’), which is convertible, in certain conditions, into economic capital and may be institutionalised in the form of a title of nobility. (Bourdieu 1997: 47)

He elaborates on social capital:

Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition -or, in other words, to membership in a group-which provides each of it members with the backing of the collectivity-owned capital, a 'credential' which entitles them to credit, in the various sense of the word. These relationships may exist only in the practical state, in material and/or symbolic exchanges which help to maintain them. They may also be socially instituted and guaranteed by the application of a common name (the name of a family, a class, a tribe or of a school, a party, etc.) and by a whole set of instituting acts designed simultaneously to form and inform those who undergo them; in this case, they are more or less really enacted and so maintained and reinforced, in exchanges. (Bourdieu 1997: 51)

Unlike the functionalist theorists who see social capital as a utility to be cultivated and accumulated for the general good, Bourdieu is interested in its distribution as a means of understanding the broader principles of political economy which underlie the way society works. He sees social capital as fundamentally resting on the possession or stock of
economic capital, although part of its efficacy or acceptability derives from this not being recognised.

So it has to be posited simultaneously that economic capital is as the root of all the other types of capital and that these transformed, disguised forms of economic capital, never entirely reducible to that definition, produce their most specific effects only to the extent that they conceal (not least from their possessors) the fact that economic capital is at their root, in other words- but only in the last analysis- at the root of their effects. (Bourdieu 1997:54)

Bourdieu's theoretical approach to social capital refocuses on the political economy of capitalism and the intricacies of the working of the political economy to produce a hierarchy of classes and status groupings. Some are better placed to network further advantage than others. The implications of the paradigm are therefore confrontational and unsettling. In a liberal democratic regime those schooled in the niceties of egalitarianism this is anathema. Elites acculturated in a belief in the fundamental universality of the equality of opportunity and the importances of level playing fields do not particularly want to recognise class. To the extent that it exists they may recognise its manifestation as reflected in variation of income and property but do not wish to understand its dynamics. It would reveal the exploitive and regressive nature of many business transactions, domestic relations and public determinations and ordinances.

A NEW POLICY PARADIGM AND A NEW RESEARCH AGENDA

Remembering political economy allows us to address fracturing in the body politic and in society, for what it is the outcome of increasingly regressive distribution of work opportunities and social supports. It directs us towards restoring a place for government in directing a distribution of resources in a manner that favours the least advantaged, rather than the most advantaged. It makes room for civic engagement for politicizing social justice.

Policy makers are asked to remember the community building that was developed as a legacy of the last world war that was founded on the sharing of economic resources as a common wealth. This was the spirit in which Eva Cox spoke in her 1995 Boyer lectures, spoke of social capital and the need for a truly civil society. It calls to mind the history of community building as this developed in the 1960s and 1970s when the policy of community building was linked to mobilizing a progressive distribution of resources from the advantaged to the disadvantaged. Community building in this tradition was inseparable from needs based social planning and social advocacy.

What it implies is a new direction for policy making. It can applaud what has been done to date to encourage community building. But what it requires is a complete shift towards addressing inequitable opportunities for work and industry development. It asks to rethink political economy and to redirect the policy goals from maximizing efficiency, that too often results in exploitation and marginalization of the most disadvantaged, to building social infrastructure through greatly enhanced public funding of community health centres, hospitals, schools and universities. It also implies a questioning of the new
doxa of economic rationalism to allow tariffs to protect industries that are vital to our nation, such as our rural heartland.

From a research perspective it requires a return to humanistic sociology and the sociological imagination that is both larger in theoretical enterprise but much smaller in methodological focus. As theorists and researchers we need to keep in mind the overarching vault of the neoliberal political economy and how that differentially affects individual lives. As researchers we need to ground our work in ethnomethodological observations of what this means for different status groups in a society that is increasingly comprised of hierarchical communities within communities. We need to remember the sociological tradition of community studies that did not assume homogeneity but mapped out internal tensions and differentiation. We need to remember above all the change in political economy and that political economy governs the distribution of social capital. In a deregulated political economy, the privileged are better placed to network advantage in a way that affirms and enhances their position, while the disadvantaged are further dispossessed. Such are the multiplier effects of the regressive distribution of social capital in a deregulated political economy.

We need to avoid being mesmerized by the ‘good news’ stories of communitarian policymaking and research and allow ourselves to be haunted by the images of the dispossessed and marginalized. We need to break through the Culture of Contentment. We need to renew the tradition of Gouldner’s partisan sociology. We need to contest the cosiness of communitarian policy and its policy network. We need to break away from imagined communities and study real ones. We need to look at the social fracturing within and between local communities and take up the cause of those suffering (Wilkinson 2004). In an increasingly class-based, status driven society, we need to remember Becker’s crucial question, ‘whose side are we on?’ (Becker 1967)

BIBLIOGRAPHY
BERGER, P(1963) Invitation to Sociology: a humanistic perspective, Anchor Books
BULLEN, Paul and Jenny ONYX (1999) Social Capital: family support services and neighbourhood and community centres in NSW


GOULDNER, Alvin (1968) The sociologist as partisan: sociology and the welfare state, American Sociologist, pp.103-116


MOWBRAY Martin (2004) The New Communitarianism; Building great communities or Brigadoonery? Just Policy No 32, June, pp. 11-20

MOWBRAY Martin (2004) Postcodes and destiny: the selective application of research on social capital, Just Policy No 34 December, pp 43-47


ROBERTS W (1999a) Getting on and Getting By: Social Supports in the Australian Urban Community of Hotham, 1860-1890 Doctoral thesis, Department of Political Science, University of Melbourne
SMYTH, Paul; Tim REDDEL and Andrew JONES (ed) (2005) Community and Local Governance in Australia, University of New South Wales Press.
TANNER L (1999) Open Australia Pluto Press
VICTORIAN GOVERNMENT. Department for Victorian Communities. (2005) Indicators of community strength at the local government area level in Victoria.
VINSON, Tony (1999) Unequal in Life, Jesuit Social Services, Melbourne
WYNHAUSEN, Elizabeth (2005) Dirt Cheap Pan Macmillan