

## Social Capital and its Popularity\*

Denise Thompson\*\*

### ABSTRACT

*The concept of 'social capital' has met with huge success among governmental agencies, including governments at all levels and transnational entities such as the World Bank. And yet the concept has been subjected to a devastating critique. This paper investigates a number of reasons given in the literature for its popularity. It starts with a brief overview of the social policy context in Australia, where the social capital framework has been influential. It goes on to discuss some of the reasons for the framework's popularity, both admiring, e.g. it broadens our understanding of community well-being beyond the economic, and critical, e.g. it ignores the power of (real) capital. The paper concludes by suggesting that 'social capital' continues to prevail, despite its dubious epistemological status, because it serves a useful ideological function for (real) capital.*

**Keywords: Social capital, social policy, capitalism, welfare state, academic standards**

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\* University of New South Wales Postal Australia.

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## INTRODUCTION

The concept of 'social capital' has been highly influential in governmental circles (including governments themselves at all levels, and transnational entities such as the OECD and the World Bank), as well as among non-government organisations, community groups, policy-makers and -analysts, and academics. And yet the concept is open to serious intellectual objections.

This paper looks at some explanations for the popularity of a notion like 'social capital'. These explanations are of two types. The first type of explanation comes from social capital's proponents and uncritically assumes that something called 'social capital' exists, and that it contributes beneficially to the well-being of those who participate in it. The second type of explanation is mounted by social capital's critics and questions the validity of the notion altogether, cast doubts on its existence, and find its usage more or less deplorable.

Along with its other critics, I would argue that there is a sense in which there is no such thing as 'social capital'. Instead, there is a 'social capital framework', i.e. a discourse structured around a *notion* of 'social capital', a notion which assumes without question that social capital exists, whatever the difficulties in identifying or measuring it. That framework, to give a typical definition, involves notions of 'spontaneous sociability' and 'voluntary and equal ... networks of relationships between individual and groups', characterised by 'reciprocity', 'trust', 'social norms [as] a form of informal social control', and 'personal and collective efficacy'. This, say the authors, is 'the basic raw material of civil society' (Onyx and Bullen, 2000: 24-5). The phenomena listed in this definition do exist, but the term 'social capital' adds nothing informative to this list.

The next section describes briefly some of the ways in which 'social capital' has had a major influence on the social policy context in Australia. The section after that discusses the reasons, both approving and disapproving, given in the literature for the popularity of the concept of 'social capital'. This comprises the largest part of the paper and is divided into two main sub-sections. The first of these discusses the positive explanations given by the proponents of social capital, the second, the critics' negative explanations. This second sub-section contains a further sub-section devoted to one of those criticisms, i.e. the failure of the social capital framework to acknowledge the power of (real) capital, and the ideological functions that silence serves in justifying the business as usual of business.

## Social Capital Research and Policy in Australia

The idea of 'social capital' has unquestionably enjoyed wide popularity among those concerned with social policy in Australia. Its influence is usually dated from Eva Cox's 1995 Boyer Lectures on ABC radio, *A Truly Civil Society*.<sup>1</sup> She introduced the series by interpreting social capital in terms of 'explor[ing] what holds society together, what may cause us to come apart and what constitutes a truly civil society in which we trust each other and face our futures optimistically'. She referenced the work of Robert Putnam as a major influence on her thinking, specifically his 1995 paper, 'Bowling alone: America's declining social capital' (Cox, 1995).

Whether or not policy makers in Australia have been inspired by Cox's optimistic view, they have embraced the concept with unqualified approval. In the case of the federal government, its *Stronger Families and Communities Strategy* has been firmly linked with the notion,<sup>2</sup> although it is not entirely clear from the official account what is the relevance of 'social capital' to the Strategy.<sup>3</sup> Other federal government initiatives relevant for social capital are its *National Agenda for Early Childhood*, its volunteering programs, the Prime Minister's *Community Business Partnership*, and the inclusion of a social capital component in the Funding of Public Health measurement trials conducted by the federal Department of Health and Ageing (ABS, 2004: 10). The state and territory governments are also committed to social capital research and policy formation (Mowbray, 2004a: 11). For example, the Victorian government's Department for Victorian Communities, created in December 2002 (Roberts, 2005) has funded a number of Community Building Demonstration Projects in various localities.<sup>4</sup> The preferred terminology is 'community' and variations on the word 'strength', but social capital is seen to be a vital component of this (Pope and Warr, 2005; Pope, 2006a, 2006b). As well, government health departments are interested in the potential for social capital to have positive effects on health (ABS, 2004: 10).

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<sup>1</sup>. Winter, ed., 2000, 4; Winter, 2000b: 3; Winter, 2000c: 17-18; Lyons, 2000: 168; Stone, 2001: 2.

<sup>2</sup>. Black and Hughes, 2001; ABS, 2002: 1; Johnson, Headey and Jensen, 2003; Mowbray, 2004a: 11; Roberts, 2005: 11; Western et al. 2005.

<sup>3</sup>. The *Stronger Families and Communities Strategy Overview Booklet* (FaCSIA, nd) contains no references to 'social capital'. The focus is on 'early childhood' and 'to providing better opportunities for children and their families and to building stronger communities, through strengthening the Strategy's focus on early intervention years'. However, two social capital studies have been produced under the aegis of the Strategy (Black and Hughes, 2001; Western et al. 2005), neither of which discusses 'early childhood'. It is not possible to say whether or not the emphasis of the Strategy has changed, because the original statement from April 2000 is no longer available on the FaCSIA website.

<sup>4</sup>. [http://www.communitybuilding.vic.gov.au/graphic/programs\\_projects/dp.shtml](http://www.communitybuilding.vic.gov.au/graphic/programs_projects/dp.shtml).

Two major statistical collection agencies, the Australian Bureau of Statistics (ABS), and the Australian Institute of Family Studies (AIFS), have both embarked on extensive social capital research projects – *Families, Social Capital and Citizenship* in the case of AIFS, resulting in a number of publications.<sup>5</sup> The ABS has developed a Social Capital Framework, which has also produced a number of publications, as well as hundreds of suggested data items for measuring it (ABS, 2000, 2002, 2004, 2006).

There have also been other research initiatives and publications. The work of Onyx and Bullen, for example, *Measuring Social Capital in Five Communities in NSW*, has received widespread recognition.<sup>6</sup> A number of projects have followed on from their work, including an Adelaide community health study undertaken by Baum et al (2000); and a qualitative study consisting of interviews with people in 12 households, investigating whether and to what extent ‘social capital’ is relevant to their everyday lives (Stewart-Weeks and Richardson, eds, 1998). The Productivity Commission’s report, *Social Capital: Reviewing the Concept and its Policy Implications*, despite some reservations, found social capital to be ‘potentially, important for public policy’ and ‘an important topic for formal investigation’ (Productivity Commission, 2003). There are also a number of data collections which include social capital components: the Healthy Communities Survey conducted by the Tasmanian Department of Health and Human Services; a Community Participation and Planning in Surf Coast survey in Victoria conducted by the Swinburne Institute of Social Research; and a survey conducted by the Queensland Department of Health (ABS, 2002: 2).

The next section looks at what the literature has had to say on the question of why the notion of social capital has made such a big impact on the social policy environment in Australia (and not only in Australia).

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<sup>5</sup> Stone, Gray and Hughes, 2003; Stone and Hughes, 2002; Hughes and Stone, 2002; Stone, 2001; Stone and Hughes, 2000; Winter, 2000a; Winter, ed., 2000; a paper called ‘Social Capital, social cohesion and social security’, given at a conference on social security in Helsinki in 2000; Saunders and Winter, 1999; a special issue of the AIFS journal, *Family Matters* (No.50, 1998).

<sup>6</sup> The authors refer to their findings as ‘a well validated measure of social capital for general use within the third sector’ (Onyx and Bullen, 1997. See also: Bullen and Onyx, 1998; Onyx and Bullen, 2000a; Onyx and Bullen, 2000b; Onyx, Edwards and Dale, 2005).

## Why is it so Popular?

### Proponents' Positive Reasons For its Popularity

There exist very few positive and approving explanations for the popularity of the notion of social capital. On the whole its success is taken for granted and no reasons given to explain how or why that success might have come about. And indeed at first glance it is difficult to see how anyone could object to the notion, referring as it does to such benefits as a truly civil society (Cox, 1995), or 'the resources available within communities in networks of mutual support, reciprocity, and trust' (ABS, 2004: 5). As one author said, it's 'shorthand for the positive consequences of sociability' (Portes, 1998: 1). These are all good things, and as such their widespread acceptance is clearly self-evident.

It is acknowledged, even by its proponents, that social capital does have a 'dark side', a negative form which operates in anti-social ways by excluding others, imposing constraints on members' dissent or initiative, or encouraging members to engage in nefarious activities such as Mafia-type organisations or criminal gangs.<sup>7,8</sup> But this does not detract from the worthiness of the notion in its positive sense. As a resource for social policy, social capital is clearly seen to be useful and beneficial to all, and hence it seemingly requires no justification.

Nonetheless, there are some positive explanations for social capital's popularity. One of the most common of these involves seeing it as an antidote to the dominance of economics. The ABS says that the use of 'purely economic terms' to understand community well-being is inadequate, and that research informed by the notion of social capital promises to provide better accounts of communities and of 'disparities in health, housing, education, and other facets of social life' than economics does (ABS, 2000: 3). Cox and Caldwell felt that social capital, with its view of people as social beings, was a long-awaited corrective after a period during which the dominant discourse defined everyone primarily as economic agents (Cox and Caldwell, 2000: 45). The literature in general acknowledges that success in economic performance depends on factors that are not economic at all, and it is those factors that the social capital framework

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<sup>7</sup>. Cox and Caldwell argue that communities and social networks that cause harm do not count as 'social capital' (Cox and Caldwell, 2000).

<sup>8</sup>. Cox, 1995: [lecture 3]; Portes, 1998: 15ff; Winter, 2000a: 4; Winter, 2000b: 28; Woolcock, 2000a: 18; Black and Hughes, 2001: 37; OECD, 2001: 42; ABS, 2002: 8; Hopkins, 2002: 5; Johnson, 2003: 10-11; Productivity Commission, 2003: xi.

purports to address (e.g. Mayer, 2003). One author found the framework epistemologically attractive because it 'promotes a "socialised" account of political phenomena—in contrast to the "under-socialised" explanations offered by both rational choice theory and behaviourism' (Lowndes, 2004: 46). Another author argued that the attractiveness of social capital for social science research lay in its ability to connect economic with social analysis. By including both 'capital' and 'the social', it was 'a concept that appears to engage with the real world' (Mayer, 2003: 115. See also: Portes, 1998: 3). So on this account, the notion of social capital has become so widely influential because it acknowledges that there is more to human existence than the purely economic utility maximisation, and that the economic aspect is influenced and modified by the social aspect.

There are other positive explanations for the strong growth of interest in social capital. The ABS has suggested that social capital deals with many of the same issues as the debates about citizenship did, but that social capital 'combines a broader range of elements that hold a society together' than those earlier debates did, e.g. a concern with health, or with 'community housing renewal', or work intended 'to support the development of sustainable local communities'. Social capital can also address worries 'that people are becoming more individualistic or self-absorbed, and that families and other social groups are breaking down'. The ABS also mentions concerns about social cohesion and about the weakening of democratic institutions within a context of increasing inequality, of widespread movements of people, and the development of violent international movements. Social capital, with its 'awareness of the energy and resources created when people interact', says the ABS, promises to provide ways of 'finding an appropriate balance between governmental, business, communal and personal responsibility in different social and economic areas' (ABS, 2004: 1-2).

Other authors have linked the popularity of the notion of social capital to its accessibility. Its meaning can be fairly easily conveyed to a non-academic audience, it is said, and hence it enables members of the communities being researched to participate in the research and to understand the results. The authors arguing this also believed that the social capital framework was a versatile one, 'as demonstrated', they said, 'by the variety of ways it has been interpreted and implemented in social analysis' (Wall, Ferrazzi and Schryer, 1998: 318). Another author believed that social capital offered an alternative to the usual esoteric terminology of the social sciences, terminology that too often impeded discussion across academic disciplines, that meant little to those who sponsored research, and that was therefore ignored by the policy makers who were in the best position to rectify social

problems. In contrast, using the term 'social capital', this author felt, enabled the discussion of issues of common concern across many different frameworks, and opened up the possibility of linking theoretical concepts with empirical evidence, everyday experiences and practical responses (Woolcock, 2000b: xviii). So social capital has become popular because it can be easily understood both by those with no academic training and by those from a range of academic backgrounds and disciplines.

There is another reason for social capital's popularity, implicit in much of the literature, and that is that it focuses on citizens' capabilities rather than on their incapacities and disadvantages. It supplies a hopeful and sanguine outlook on social life rather than accounting for it in terms of disadvantage and lack. As two of social capital's chief proponents in Australia said, the notion implies 'a sense of personal and collective efficacy'. They went on to say that '[t]he development of social capital requires the active and willing engagement of citizens within a participative community ... [It] refers to people as creators, not as victims' (Bullen and Onyx, 1998). This favourable view of social life has implications for social policy in relation to the welfare state (a theme which is developed further below).

So the proponents of social capital either find its popularity self-evident, or they explain it in terms of

- a. a necessary counter-weight to the predominance of economics in the social policy environment;
- b. a wider scope than earlier citizenship debates covering much the same area;
- c. concerns about threats to social cohesion;
- d. its accessibility to a wider audience than simply professionals and academics; and
- e. its optimistic view of society.

### **Critics' Negative Reasons For its Popularity**

There are, however, other explanations for social capital's popularity, explanations that take a less sanguine view of it. There is no disagreement about the fact of this popularity - both proponents and critics are in agreement about that. But whereas social capital's proponents regard this as a positive sign, its critics find the framework more or less reprehensible, because it fails to deal with the power of (real) capital, it is based on poor scholarship, and it takes a cavalier attitude to criticism.

To take the latter point first: Critics agree that 'social capital' is an accessible notion, but they see that as a failing rather than a virtue – it is simplistic rather than simplified. This is largely because it is impervious to criticism. In Fine's account, the social capital framework absorbs criticism by turning it into yet one more variable (Fine, 2001: 190).

But although the framework does tend to proliferate variables in an attempt to address criticisms, that attempt at absorption is less than successful. Take, for example, the ABS' treatment of power. The ABS does not mention the fact that social capital has been criticised for failing to address questions of power, but it is reasonable to assume that its incorporation of 'Power relationships' into its Social Capital Framework is a response to that criticism. 'Power relationships' is listed in the Framework under the heading 'Network structure', and there are four components: 'Contact with organisations', 'Perception of access to public services and facilities', 'Personal sense of efficacy' and 'Mentoring' (ABS, 2004). But it's not clear what this has to do with power. It's true that a 'personal sense of efficacy' is a reference to a kind of power – efficacy involves capabilities and being able to make a difference and to have an effect on the world – and it's the kind of power (i.e. agency) that everyone should have access to (although there's probably a difference between a *sense* of efficacy and actually having an effect). But there is no mention under the ABS' 'Power relationships' heading of negative kinds of power, of domination or 'power-over', of the types of power that render people helpless, deprived of resources and prevented from acquiring what they need through their own efforts. The 'power relationships' included in the ABS social capital framework are bland and uninteresting (if they count as power relationships at all) – there's no mention of structured inequalities, much less exploitation, oppression or destitution on the one hand, or privileges, prerogatives and accumulations of wealth on the other. So although 'power' has seemingly been absorbed into the ABS Framework, the concept has been divested of everything that makes it important. (I will return to power below).

But absorption is not the only way the social capital framework deals with criticism. Another way is to mention the criticism briefly and then simply drop it and never refer to it again. To take another example from the ABS (although the practice is not confined to the ABS), the authors note that 'there are some concerns about using the term', and go on to say: 'It is sometimes criticised as using economic language to make a social idea sound more important. Conversely, some see the use of "capital" as betraying the value of the social dimension by invoking an economic justification' (ABS, 2004: 5). These are the only two concerns mentioned, and there is no further discussion – of the fact that these positions are mutually

exclusive (it is not possible to hold both of them at one and the same time); or about which one the authors find preferable and why. Nor are any references given. The issues are left there and the discussion moves on to something else.

As a consequence of the way it deals with criticism, the framework is all-encompassing. If it fails to acknowledge criticism – which either slides off it or disappears into a welter of variables – it can seemingly explain anything. It supposedly provides solutions for a myriad of disparate and hitherto intractable social problems. As Fine comments, it has ‘a gargantuan appetite’. As examples of the phenomena social capital can supposedly account for, Fine lists the following: ‘the sick, the poor, the criminal, the corrupt, the (dys)functional family, schooling, community life, work and organisation, democracy and governance, collective action, transitional societies, intangible assets’. In short, it claims to be able to explain ‘any aspect of social, cultural and economic performance’ quite devoid of context, ‘equally across space and time’ (Fine, 2001: 190). But it attempts to explain too much. A framework that is impervious to criticism can in fact explain nothing because it cannot incorporate new insights in order to change and expand. So to the extent that ‘social capital’ owes its popularity to its wide scope, that popularity is undeserved.

Fine says that the widespread embracing of social capital is one aspect of a much wider problem, as part of ‘a more general trend towards the popularisation and degradation of scholarship’ (p.191). He refers to it (not altogether seriously) as a ‘benchkin’.<sup>9</sup> This refers to a concept which becomes extremely popular and gives rise to much grand generalisation, but which is later found to be based on false empirical results. Fine notes that the empirical studies of both Coleman (1988) and Putnam have been found to be questionable. Benchkins, says Fine, ‘generate a voluminous literature that prospers by devastatingly criticising the initial contributions’. But far from having the effect of falsifying the concept, the criticism is incorporated, although not necessarily coherently or successfully, and the original concept survives, evolving in ways that ‘remain influenced to a greater or lesser extent by the (false) starting point’ (if it changes at all) (Fine, 2001: 82).<sup>10</sup>

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<sup>9</sup>. Fine doesn’t give any derivation for this word, but it is presumably a combination of a shortening of ‘benchmark’ and the suffix ‘-kin’, meaning diminutive (e.g. lambkin = little lamb).

<sup>10</sup>. Fine gives two other examples of ‘benchkins’. The first is NAIRU (p.217n2), a ‘non-accelerating inflation rate of unemployment’. This is a level of unemployment that must be maintained if inflation is to be kept down. The NAIRU framework assumes without question that inflation is caused by wage rises, and wage rises by too little unemployment.

On this account the popularity of social capital is a weakness and not a strength at all, a product of intellectual faddishness and sloppy thinking, a quick-fix solution in an academic climate of publish or perish, of funding cuts and competitive grants, of under-staffing and overwork, of political interference with academic freedoms, and of a homogeneity of scholarship and teaching that comes with threatened livelihoods (Fine, 2001: 195). The blandness of social capital, while reassuring, betokens its lowest common denominator status.

### **The Power of (Real) Capital**

But the argument in terms of lax academic standards is not Fine's only, or even main, explanation for the popularity of the notion of social capital. He also argues that its influence is a consequence of the power of (real) capital itself (Fine, 2001: 15). Others have made a similar point. For example, in her second Boyer Lecture Eva Cox said that she was 'deliberately using the term "capital" because it invests the concept [of social capital] with the reflected status from other forms of capital' (Cox, 1995). The ABS says that 'Capital, in the economic sense, is a widely used term'; and just as economic capital is valuable, so too are relations of 'altruism, reciprocity ... philanthropy' and trust characteristic of social capital. The implication is that calling these latter relations 'capital' is a way of saying how valuable they are. (The ABS did not actually spell out this implication apart from the repetition of the word 'value' and 'valuable') (ABS, 2001: 20). Researchers from the Melbourne Institute said that, 'An obvious reason for rebadging social networks as social capital is to imply that social capital is a stock of sufficient importance to be thought of alongside physical capital and human capital' (Johnson, Headey and Jensen, 2003: 68-9). These commentators regard this appeal to (real) capital positively. In their view, it is a good thing that social capital acquires value to the extent that it bears similarities to real capital.

Social capital's critics, however, while they agree about the appeal to real capital, do not regard it in a positive light. As one critic put it pungently: 'The word "capital" may stir those caught in mesmeric economic trances in a way that no other word would do' (Leeder, 1998: 7; Leeder and Dominello, 1999: 426). Once again, this is a comment about laxity of academic standards – those espousing social capital are not thinking clearly because they are mesmerised and entranced by (real) capital.

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The second is the notion of 'voluntary' unemployment (p.82). He says that it is no accident that both examples come from economics, because there is some suggestion that 'all economics contains benchkin elements' (p.217n2).

Fine, however, is making a somewhat different point in this context. He refers to 'a sort of capital- and capitalism-fetishism' and draws an analogy with Marx's concept of commodity fetishism (Fine, 2001: 15). The term 'commodity fetishism' refers to the process whereby relationships between people are disguised as relationships between things ('commodities'). The relationships involved in the production of those things, and in the generation of the profit which is the sole reason for the things' production, are exploitative and dehumanising. On the one hand, there are those who own, control and profit from the means of production; on the other hand, there are those who have only their labour power to sell and those whom capital does not need – the 'unemployed' and the unemployable. Commodities appear in the marketplace without those relationships attached to them, as though they arrived fully formed in the sellers' hands without any preceding history (apart from the technical details of their construction). Fine says this is the essential nature of capitalism. Because it presents itself as 'the economy', neutral with respect to social relationships (the existence of its own having been denied), it divides the social world into two spheres – economy and society. The notion of 'social capital' appears to heal this division, bringing together what has been sundered in a climate where the (supposed) mediating role of the state is increasingly being brought into question (Fine, 2001: 28).<sup>11</sup> But 'social capital' cannot mend the schism between economy and society because it participates in it. By using the term 'social' to qualify the term 'capital', it implies that there is another form of capital, an economic one, that is not social.

In that sense, the term 'social capital' incorporates a blindness to the actual social relations of capitalist society. The 'social' it refers to is just *not* those social relations which facilitate, and are engendered by, the pursuit of economic interests. Social capital does not include, for example, the behaviour of corporations and what they do to maintain (or increase) rates of profit, including withdrawing jobs and services from those 'communities' subsequently expected to access their 'social capital' to compensate for these withdrawals. The ABS inadvertently makes this explicit. Many of those interested in social capital, the authors of the Framework say, 'are working to support the development of sustainable local communities'. They go on to say that '[s]ustainability has been a concern because of reduced employment opportunities or the withdrawal of some services such as banks and post offices from the townships'. These reductions and withdrawals are not social capital; the social capital in this context is '[t]he active engagement of the

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<sup>11</sup>. I could spend quite a long time discussing issues around the state and whether or not it 'mediates' between economy and society, and about what it does and doesn't do, what it can and cannot do, and what it ought and ought not to do. But this is not the place to do so.

local people in envisioning, planning and implementing possible futures' (ABS, 2004: 1).

But the employment and services that have been reduced and withdrawn are not available to be engaged with by the local people, no matter how active they might be. Neither can the reductions and withdrawals be investigated within the social capital framework. In the ABS paper, there is no indicator or data item under the sub-subheading 'Economic participation' that might track the behaviour of the corporations responsible. Any such tracking is ruled out from the beginning because 'Economic participation' appears under the subheading, 'Common purpose', and there is no common purpose between downsizing, lean, mean and efficient corporations (including corporatised public utilities), and the communities left without employment and services. The ABS authors know this. 'The loss or reduction in the range of commercial facilities, or lack of a sustainable economic base, in many rural localities in Australia has created many challenges for the long-term viability of these communities', they say (ABS, 2004: 63). But they do not recognise the difficulty this poses for their framework - 'economic participation' that results in threats to 'the long-term viability of ... communities' hardly qualifies as 'common purpose'. Neither do the authors recognise that those economic enterprises that caused the threats are also social, not just economic, that this has implications for any framework that purports to give an account of the social, and that, therefore, they ought to be included, not ignored. If 'social capital essentially leaves economic issues alone' (Fine, 2001: 195), it does not bridge the split between economy and society characteristic of capitalist society, it reproduces it. On the one hand, there is a bland *mélange* of social 'variables', and on the other, an economy which is still not required to give an account of itself and its effects on the wider society.

There are a number of commentators who have noted that the social capital framework is unable to deal with what is actually happening in the world. It has been pointed out that the sources of the social malaise which 'social capital' is being called upon to cure lie, not in those 'communities' being surveyed for their levels of trust, reciprocity or civic participation, etc., but in the depredations of global capitalism. As one source said: 'the absence of togetherness may be rooted precisely in the existence of capitalism and competitiveness and their adverse effects in alienating and atomizing our citizenry' (Navarro, 2002: 427). And again: 'What is striking in recent accounts of the decline of social capital and the sources of citizen disenchantment in the United States and elsewhere is the glaring omission of reference to two of the most far-reaching changes in late 20<sup>th</sup> century life, both in the United States and worldwide - namely, the twin phenomena of

economic restructuring and the dismantling of the welfare state' (Edwards and Foley, 1997: 674).

What these commentators are saying is that the social capital framework (paradoxically) cannot deal with the power of real capital. Frequently, the reference is not to 'capital' or 'capitalism', but to 'economics', but it is still capitalism because capitalism is the only economy we have.<sup>12</sup> And yet, if what is at stake is people's well-being (if that is what 'social capital' means), the investigation of real capital and what it actually does to maintain or undermine that well-being is surely central. But any such investigation falls outside the 'social capital' framework, based as it is on an enjoined silence about the actual social relations of capital.

As a consequence, 'social capital' not only cannot deal with the most pressing of social problems in advanced industrial societies, it systematically ignores them. In doing so, it serves the interests of those forms of power and privilege that operate most efficiently when they remain hidden. In that sense, 'social capital' serves an ancillary, ideological function for real capital.

Over quarter of a century ago, Bryson and Mowbray made this point, not in relation to social capital – the term was not in general circulation then – but in relation to government appeals to 'community' (i.e. to the central concept of the social capital framework). Such appeals, these authors say,

direct attention away from a specific consideration of the political nature of the society, thus avoiding the risk of recognition that the so-called urban, social or community problems in question are endemic to capitalism itself (Bryson and Mowbray, 1981: 257).

On this account, extolling the virtues of 'communities' and their resources (as the social capital framework does) is an ideological ploy to shift away from governments the responsibility for doing something about poverty and disadvantage, and locate it instead with those suffering the poverty and disadvantage. The right-wing in the US unashamedly makes this explicit, inveighing against 'swollen government' (explicitly named as 'the welfare

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<sup>12</sup>. As opposed to, say, a socialist economy based on the values of cooperation, production for need not profit, and a fair distribution of basic necessities to all; or a feminist economy which would place the needs of women and children first, but without condemning men to starvation wages or the meagreness of 'welfare'. In contrast, the logic and values of capitalism are competitive individualism, profit before people, and the creation of wealth and its accumulation in the hands of the few.

state'),<sup>13</sup> which 'saps society's strength' because it 'displaces other institutions'. These are variously referred to as 'voluntary associations', 'civil society' and 'civic engagement/responsibility', all of which have become synonymous with social capital (Skocpol, 1996).

Or to take another example: the Melbourne Institute researchers quoted above do not overtly recommend the abolition of the welfare state (unlike the US right-wing). But they do suggest that 'social capital' in the form of 'voluntary or community work' be made a prerequisite for the receipt of unemployment benefits.<sup>14</sup> This could lead to 'a revival of "community"', they said, as '[o]ne possible remedy for social exclusion' (which they define in terms of unemployment and 'dependence on state benefits'), and as a way for 'participants' to 'fulfill [their] side of the "mutual obligation" between themselves and society' (Johnson, Headey and Jensen, 2003: 5). This is an odd use of the term 'voluntary', juxtaposed as it is to the notion of 'obligation' ('mutual' or not); and in fact 'mutual obligation' is not voluntary but coerced – 'participants' lose their benefits if they do not comply. This idiosyncratic usage of the word 'voluntary' is peculiar to the discourse of 'mutual obligation', where it lacks any connotations of 'freely willed' and retains merely the notion of being unpaid. In other words, some of the most disadvantaged members of society are being obliged to work for others for nothing. The notion of obligation is not typical of the social capital framework. Nonetheless, at least one aspect of 'social capital' – volunteering – is being used by policy makers as part of the stepped-up regime of 'activity testing' of the unemployed designed to move people off welfare. The usual rider, 'and into work', is meaningless as long as nothing is done to ensure employment is available.

Elsewhere, 'social capital' is being suggested as some kind of substitute for the welfare state. The point mentioned above, to the effect that 'social capital' portrayed people as 'creators' not 'victims', is one example. This was not a right-wing argument – these authors acknowledged that (government) 'services' were 'unquestionably important', rather than seeing them as a source of 'dependency' as the right-wing does. Nonetheless, they regarded 'the receipt of [government] services' as 'quite different from' social capital (Bullen and Onyx, 1998). If people are already creating from their own

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<sup>13</sup>. It is interesting to note that 'swollen government' never refers to spending for war, prisons, subsidies for agribusiness, or the bailing out of large corporations suffering the consequences of their own bad investment decisions.

<sup>14</sup>. This was one of the recommendations of final report of the Reference Group on Welfare Reform, called 'the McClure report' after its chairman, Patrick McClure (Australian Department of Family and Community Services, 2000).

resources everything that is necessary for their comfort and human dignity, there is no need for a welfare state. Seen in this light, the popularity of 'social capital' stems from the ideological function it serves as a justification for 'welfare reform'.

### Conclusion

While there can be no doubt that 'social capital' is popular as a framework for discussing many of the positive aspects of social life, opinions differ about whether or not that is a good thing. Social capital's proponents believe that its popularity is a result of such positive attributes as its accessibility and optimism, and the fact that it can provide a counterweight to the predominance of economics in accounts of well-being. Its critics believe otherwise. At the very least, they see it as the result of lax academic standards; at worst, it is regarded as a pernicious confidence trick perpetrated against vulnerable populations and an apologia for the dismantling of the welfare state. In that sense the gaps, elisions and omissions from the social capital framework are not random but systematic. The fact that the framework cannot deal with the power of real capital is not accidental. Rather, it is a consequence of the service 'social capital' provides for those relations of power the naming of which is so studiously avoided within the framework. That service is to provide an alternative culprit for, and an alternative pseudo-solution to, the social problems created by capital itself.

Postscript: Recent anecdotal evidence suggests that the popularity of 'social capital' is waning, at least in the field of social policy in Australia. Policy-makers have found the definitional and measurement problems insurmountable, and it is now being superseded by discourses around social exclusion/inclusion.<sup>15</sup> While this might be the case in relation to social policy, the academic literature shows no signs of diminution. The key word 'social capital' entered into the Web of Science database found the following annual counts of journal articles containing the term:

	2000	2001	2002	2003	2004	2005	2006	2007	2008 (March)
<b>No. of hits</b>	176	210	258	295	324	394	431	461	110

Clearly, the academic literature on 'social capital' continues to proliferate.

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<sup>15</sup> Personal communication, Ilan Katz, Social Policy Research Centre, 10 April, 2008.

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