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Social Capital in Practice

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Introduction

Our paper looks at the concept of social capital and in particular examines its relevance and applicability for not-for-profit organisations, using The Benevolent Society as a case study. The Benevolent Society is Australia's oldest not-for-profit organisation. It is medium sized and provides a range of services grouped under 4 broad headings - Ageing, Children, Leadership and Women's Health. Our paper aims to begin applying some of the theory of social capital to the day to day workings of organisations - social capital in practice. It is a work in progress for which Sydney University and The Benevolent Society have sought SPIRT funding to pursue in more depth.

Social capital and its associated ideas, such as community capacity building, have received considerable recent attention in academic, public policy and public interest debates. Yet social capital remains a muddy concept, with a broad range of definitions; many of which are incompatible with one another (Evans, 1996; Woolcock, 1998). To date there has been a lack of sustained attention to the actual or potential application of social capital ideas in the work of not-for-profit community services. One consequence is that the contribution of not-for-profit agencies to social capital formation is undervalued. Indeed, the practices of government and corporate institutions can inadvertently damage the special capacities of not-for-profits to engage with communities, through for example the insensitive application of competitive tendering processes to the not-for-profit sector. (Lyons, 2000; Scott, 1999).

Furthermore, because of the ambiguity of the concept and the origin of much of the current debate within academic institutions, social capital can be a confusing and intimidating concept. In order to turn it into a notion that can be used by not-for-profit community services organisations like The Benevolent Society, it is necessary to 'demystify' the concept. It needs to become a workable notion; something that one can apply in discussions with management boards, with front-line service providers and service users. For this reason, The Benevolent Society has decided to generally substitute the term community engagement for social capital. In this paper we will outline our approach to community engagement and draw on a model which recognises social capital as multi-dimensional and multi-faceted. We will discuss the contributions of different sectors to the development of social capital and, importantly, how this concept informs the work of The Benevolent Society. We conclude with a discussion of the importance of this concept to the future of not-for-profit community services work.

Social capital: Its importance

Social capital refers to the norms of trust, reciprocity and citizen participation. Social capital facilitates community wellbeing by enhancing individuals' opportunity for social belonging. But social capital does much more than this. Indeed, Putnam (1993)

argues that social capital improves “the efficiency of society by facilitating co-ordinated actions” (p. 167). In other words, by improving the possibilities for people to work together, social capital contributes to the general enhancement of quality of life (Cox and MacDonald, forthcoming). For example, the presence of social capital is associated with increased trust, leading in turn to people’s willingness to use public spaces as well as enhanced preparedness to help one another out.

Social capital provides a much needed alternative framework for responding to people experiencing disadvantage and social marginalisation. In recent times, caring and supporting people in need has become the responsibility of ‘welfare’ organisations, acting for, but often relatively separate from, the community as a whole. This can mean that individuals and families in need can feel isolated and become passive recipients of services. The role of the wider community is confined to making financial contributions to service organisations. This can leave those receiving assistance and those offering financial support feeling dissatisfied, frustrated and unconnected to others. It also has not halted the increased level of disadvantage experienced by individuals and communities.

Social capital provides ways of responding that emphasise the building of community and bridges/connections across society as a long term response. Empirical research has demonstrated the importance of social capital for enhancing the capacity of communities to cope with, and even overcome, the stresses associated with economic disadvantage and social dislocation (see Herbert and Smith, 1997; Vinson et al., 1996).

An approach to social capital formation

The importance of social capital is widely recognised but how it is achieved is less well understood. We acknowledge that there are a wide variety of approaches to social capital. In this paper, we advocate an approach that recognises the importance of connections within families, across communities, not-for-profits, governments and corporates. The core message of this approach is that while each of these is critical to social capital formation, none is adequate on their own.

Partnership and participation are key concepts in our approach to social capital formation. Our view is that social capital requires co-operation across the institutions of society, including not-for-profits, governments and businesses. We also consider that it is necessary for these institutions to review how they interact with local communities and one another.

Evans (1996) refers to cross-institutional co-operation as complementarity. There are many illustrations of the importance of complementarity to community building and social inclusion. For example, d’Abbs’ (1991) study of social support networks conclusively demonstrated that marginalised families were more likely to receive community support in the presence of social infrastructure, like housing, income and formal support, because community members can offer support in the knowledge that they will not be overwhelmed by demands made upon them.

The flow of support is not simply from institutions to community, but rather it is two way. Communities can generate good will and hence loyalty (or disloyalty) towards particular organisations (Lupi, 1999). Generating community loyalty and high organisational profile can provide a powerful motivation for corporates to engage with communities (Lupi, 1999). Many social action groups have recognised the power of consumer approval or disapproval in affecting the fortunes of corporate organisations. Similarly, governments and corporates can provide resources that are unavailable to either not-for-profit organisations or to communities. For example, Evans (1996) points out that governments' provision of broad social infrastructure, such as the rule of law, is critical to maintaining social cohesion and a foundation for social capital. We also believe there are important roles for the business sector to play in social capital formation. Yet, outside of philanthropy, the role of the private sector is poorly understood and developed. This area too needs much further investigation.

A second aspect of social capital formation identified by Evans is that of embeddedness. This term refers to active involvement of community members in the other institutions impacting on the community, such as the government, corporate and not-for-profit sectors (Evans, 1996, 1122). The notion of embeddedness draws our attention to the diminishing opportunities for service user and service provider participation in organisational decision-making as not-for-profits grow in size and complexity (Lyons, 2000). As the distance grows between organisational decision-makers and service providers and service users, new methods are needed to facilitate dialogue amongst the parties. There are also challenges in relation to human resource management, particularly that of managing professional and volunteer activities in ways that clearly recognise the value of both.

Social capital and the 'distinctive role of the not-for-profit organisation'

In this paper we are particularly interested in the role of not-for-profit community services organisations in the formation of social capital, though we recognise that the role of government and corporate sectors is important also. Not-for-profit organisations have long played an important role in delivering services to marginalised communities and, in some instances, the building of community capacities. The role of not-for-profits is likely to become increasingly important as the introduction of competition policies and the retreat of government to service purchasing roles is leading to growth in the sector. It is widely recognised that not-for-profit community services have different capacities from either governments or corporates in supporting community building and in the flexible and responsive delivery of services. Dorothy Scott (1999) asserts that not-for-profit community services are able to tap into a reservoir of community 'good will', and that, in turn can be used to achieve social objectives. As Scott (1999) writes:

One of the great assets of NGOS is... that they are perceived by the communities as symbols of altruism and can draw to them people who share their vision and their values and thus act as banks for generating and transferring social capital (p. 6).

However, not-for-profit organisations are subject to a number of influences which must be addressed if their potential for social capital creation is to be maximised. Amongst the most significant external pressure is the trend toward strict targetting of service funding based on output measures. This means that services are funded only for direct service delivery and often this funding falls below that required to deliver them. The Inquiry into Charitable Organisations (Industry Commission, 1995), observed that community services organisations contribute substantially from their own funds for service delivery. As government provision of funding tightens, the capacity of not-for-profits to direct resources to activities for promoting social capital will face increasing strain. Additionally, not-for-profit organisations face internal challenges as service providers and service users may resist shifts towards social capital building models, preferring instead traditional ways of delivering services.

Social capital: a ‘practical’ approach

For the purposes of practical application, the ideas of social capital or community engagement can be broken down to three dimensions - all of which we see as essential to the wellbeing of individuals and society as a whole. Drawing on the work of Woolcott and others, for us, the components of social capital are:

- Bonding - with family, close friends and a close network
- Bridging - to a wider network(s) within the community, immediate reference group
- Linking - to institutions, business, government

At a practical level, this conceptualising of social capital has helped The Benevolent Society to look at both the focus of our current programs and services as well as potential new initiatives. While we don't see our services and programs as having to fit neatly under one only of the bonding, bridging and linking headings, this approach has helped us to conceptualise our work differently and in a more integrated way. Our child protection services for example aim both to strengthen the bonds between children and their families as well as helping over time to build bridges between these families and their wider local community. Setting up parenting support groups in child care centres is an effort to create a bridge to an immediate reference or mutual support group.

In our community aged care area, we see bonding occurring between clients and paid carers, whilst our frail aged day care centre creates bridges to a wider network outside their families. Linking can take a variety of forms - initiatives such as the Kids First Foundation which involves other not-for-profits as well as the corporate sector, and the provision of training to other organisations we see as examples of linking . Equally the community advocacy undertaken by our Young Women Who Are Parents mutual support group is another facet of linking.

Three case studies of community engagement within The Benevolent Society

The following 3 case studies come from different areas of The Benevolent Society. They attempt to highlight in some detail how The Society's community engagement model can be used to reflect on current (and potential) programs and services. We are conscious that we have some way to go in realising our goal of building social capital and engaging the community more fully in our work. However, the development of a community engagement model for the whole of our organisation and the examples below provide some indications of our commitment to social capital in practice.

1. Home-Start, Centre for Children

Home-Start is a volunteer home visiting service for families. Families referred to the program are usually isolated from their family or support networks and have additional stresses placed on the family such as: a multiple birth; having a child with a disability; chronic illness; being from a non-English speaking background and having problems accessing services.

Home-Start aims are to:

- reduce isolation
- increase confidence and feelings of self worth
- increase parenting skills
- assist families to network community support systems

Home-Start volunteers complete a forty-hour training program before being matched with a family. They provide 2 hours of support to a family per week, are with a family for an average of 7 months, and participate in monthly meetings with other volunteers and the program coordinator.

If we use the community engagement model to look at the Home-Start program, we see it as having elements both of bonding and bridging. Internal family links are strengthened as well as bridges with wider network of community support. However, the perceived benefits of the program are certainly not only to the 'client'.

Recent interviews with our Home-Start volunteers have reinforced our understanding of the program as a classic reciprocity model. The volunteers speak of being valued in a way that is different from paid work. They see themselves as gaining quite significantly from the contribution they make. They have a strong sense of being important to the families they work with and enjoy developing new relationships both with the families and other volunteers. They see that by the end of their time with a family, the women in particular in the family have become more independent and have built up their own networks. The volunteers are conscious of the importance of helping families to make 'everyday' connections - bridges - such as to local play groups. The volunteers are conscious that such connections, if made, make it much easier for them to finish supporting a family, once the appropriate time comes.

2. Sydney Leadership program

The Sydney Leadership program began in 1999. Its starting point is that the significant, complex and diverse social issues facing Australia demand new approaches

and new ways for community, business and government to work together. They need leaders who understand how the decisions they make affect the whole community. They call for leaders able and committed to working collaboratively across sectors to bring about positive social change. Sydney Leadership aims to create a growing group of community, business and government leaders who have a common philosophy, approach and commitment to addressing Australia's outstanding social issues.

Sydney Leadership has two major strands:

- The first is an extensive experiential learning program over 12 months, for 32 participants. In the program they gain an insider's view of issues such as crime and justice, economic development, health, information technology, reconciliation, education and youth affairs. Through field visits, panel discussions and small group interviews with key decision makers, participants explore ways they might collaborate across sectors to address social issues.
- The second is an alumni which initiates innovative projects aimed at a specific social benefit. Through the alumni the participants continue their engagement with the community in very practical ways.

In the terms of our community engagement model, Sydney Leadership is about bridging. It provides an immediate reference group for participants who share common experiences and reflect together on contemporary social issues. It creates networks between individuals who would not easily form connections. It provides real and concrete opportunities for participants from different backgrounds to learn from one another. More significantly perhaps, Sydney Leadership is about linking - across sectors and organisations. It provides the opportunity for leaders from quite distinct sectors to link together to gain understandings from each other and develop productive and hopefully ongoing partnerships.

Beginning Sydney Leadership involved a quite significant organisational commitment in an area which many might have seen as being beyond the 'natural' purview of a not-for-profit like The Benevolent Society. Yet The Society believes that the linkages which the program is creating are essential if long standing social issues are to be addressed in innovative and sustainable ways. Sydney Leadership is a practical acknowledgement that social issues are the responsibility of all sectors of society and that only collaborative solutions will in the long term enhance community wellbeing. It is a concrete recognition that no one sector has the answers and that each sector has a responsibility towards and capacity for contributing to community wellbeing. It also acknowledges that different skills and resources are required to address the issues facing society and that these do not all reside in just one sector. As such, we see this perhaps 'atypical' area of activity for a not-for-profit as being core to our overall mission.

3. Centre for Women's Health

The establishment five years ago, of a new Centre for Women's Health in Campbelltown - an area of significant need - provided a major opportunity for The Benevolent Society to explore new ways of working. Principles, such as:

- the need to look at the range of factors which impinge on the wellbeing of women
- seeing the knowledge and experience of clients as an essential part of improving their health
- connecting women to one another and to their communities

have been integral to the development of the Centre. Consultation, evaluation, collaboration and integrated service delivery are core strategies.

A key program for the Centre has been its Opportunities and Choices Training which supports women to recognise their skills and knowledge and the opportunities and choices available to them. A community education and development focus in the program, has led to many women becoming valuable resources for their communities, either individually or through the formal networks which have been established. Autonomous supportive networks for older women and deaf women have emerged from the work of the Centre for Women's Health. These provide a place for women to connect with one another. A Young Women Who Are Parents Network has developed and it has been active in raising community awareness about the issues young mothers face.

Many women, particularly large numbers of clients, contribute their time and talents to the Centre for Women's Health. A 'Creating New Futures' art exhibition, a range of fundraising initiatives, a new business venture and a Centre magazine, have been possible only because of the significant (voluntary) contribution of women. A number of women have also made presentations about the work of the Centre at conferences and forums.

A recent meeting of women at the Centre tried to explore why so many of its 'clients' have moved to 'contributors'. The women indicated that they participated because they gained a lot of pleasure and fun and were able to feel that they could 'put something back' into the Centre. There is also a strong desire to support other women in the community - a sense of connection with other women is seen as very significant.

In terms of our community engagement model, the Centre's activities straddle the 3 components of bonding, bridging and linking. Initial support services, including counselling and information provision focus on bonding whilst the Opportunities and Choices Training and the mutual support networks, such as the Older Women's Networks have a focus on bridging. Over time these networks have developed into advocates within their local and wider communities, giving them a linking emphasis. The Centre's involvement in the Claymore Integration project and the training it provides to other organisations and workers, in areas such as vicarious trauma are some of the other activities that focus on linking.

Social capital through not-for-profit organisations: Future directions

In conclusion, social capital concepts provide an alternative framework for working with individuals and institutions for positive change. Social capital demands a reorientation of non-government, government and business organisations towards

questions of the extent to which their activities create trust, opportunities for civic participation and cross-institutional co-operation. Yet, if not-for-profit organisations are to develop their distinctive role in facilitating cross-institutional co-operation and bonding and linking within communities then much more knowledge is needed about how social capital is built.

Research must move beyond the conceptualisation and measurement of social capital towards a practical understanding of the elements that promote and detract from social capital. The Benevolent Society and The University of Sydney are currently developing a research project into how social capital is formed in geographically diverse communities. This research project will begin investigation of the roles of a wide variety of institutions in the government, non-government and private sector in promoting social capital formation.

Knowledge about social capital as a multi-dimensional concept can be used to advance professional practice and education in the human services. We emphasise that social capital formation must be recognised at a range of levels, from the local level interactions between individuals, families and communities through to the macro level of engagement across the major institutions of civil society. Our impression is that while there have been quite significant advances in professional knowledge about 'bonding' and 'bridging', professional knowledge about 'linking' across institutions is under-developed. For example, in recent research undertaken by one of the authors on the management of not-for-profit services, many human service managers stated that they had to learn how to actively foster links with corporate organisations (Healy, in press).

Further grounded research into social capital formation is vital also for analysis of human services policies and program development. Current work being undertaken by Cox and MacDonald (forthcoming) highlights the contradictions and limitations of government policies towards not-for-profit community services and points to new directions based on greater transparency and accountability. For The Benevolent Society, its community engagement model will be used as a framework for making sense of its current activities and well as determining new initiatives to pursue in the future. The framework provides a means for facilitating dialogue across sectors and with communities and for determining action.

The current growth in the not-for-profit sector provides exciting opportunities for the sector to take a leadership role in promoting social capital as a core objective across not-for-profits, governments and corporates and, of course, to find ways for these institutions to work with communities. Knowledge about how social capital is achieved in practice is vital for not-for-profits to assume a leadership role in this arena. Armed with greater knowledge and clarity about how social capital is built, not-for-profit community services will have the capacity to negotiate with governments and with other institutions about the best ways to achieve positive outcomes with communities.

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