

contracting out the need to the market or by turning to state provision. Bittman's work illustrates the flows of social exchanges between the family and the market and the family and the state, in relation to needs such as food preparation and child care.

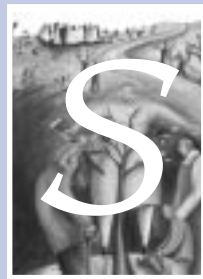
- From the Institute's *Parenting-21 Study*, Violet Kolar and Harry McGurk (page 43) consider the sources of support drawn upon by families to aid them in their parenting. This work furthers our understanding of social exchanges by illustrating the different sources of social support (family, community, government) drawn upon by Australian parents of European and Asian origin. This article draws our attention to the inter-dependence of families and communities and to the ways in which families are reliant upon networks of informal and professional support to carry out their caring roles.
- Contributions to this theme issue of *Family Matters* on social exchanges and social capital also include: a summary of six seminal texts in social capital debates by Joan Kelleher (page 48); and a bibliographic summary by Susan Fooks of recent papers on social capital indexed on the Institute's *Australian Family and Society Abstracts* database (page 69).

The close of the 20th century is clearly a period of remarkable, fast paced social change. It is in this context of change that widespread uncertainties about the nature of Australia's future are finding expression. The rosy glow of the not-too-distant past (which we believe we understand) becomes more and more appealing in contrast to an uncertain future. Through its work in the *Social Exchanges* program, the Institute aims to make sense of the past and present in order to provide greater certainty about factors affecting family stability and wellbeing in the new millennium.

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**Ian Winter** is a Senior Research Fellow with the Australian Institute of Family Studies. For further information about the program, and to register for a mailing list, please contact Ian Winter at the Institute. Phone (03) 9214 7841. Email: [ian@aifs.org.au](mailto:ian@aifs.org.au)



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**In the context of the Institute's new research program, *Social Exchanges*, we are pleased to include this introductory paper by the Minister for Family Services which discusses the concept of social capital and its implications for social policy.**

The phenomenon of social capital is demanding attention from academics, governments and social observers all over the world. Social capital, put simply, is the mutual sense of reciprocity and trust which enables groups of people to live and work together successfully. In rich supplies, it fosters a thriving, prosperous society.

Recently, there has been a growing, collective awareness that perhaps there is something missing within Australian communities – something we feel the need to examine more seriously. Ironically, we have become most conscious of what social capital means to us as we begin to perceive it as a dwindling resource.

This tendency is vividly illustrated by the conclusions drawn in Robert Putnam's (1993) seminal work, *Making Democracy Work: Civic Traditions in Modern Italy*, a 25-year overview of social trends in the different regions of Italy. Broadly, the study concludes that low reserves of social capital engender socially impoverished communities. High levels of social capital, on the other hand, are associated with a strong, resilient social infrastructure.

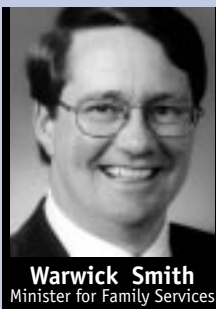
When people trust one another and are bound by a sense of mutual obligation, they share an impetus towards common objectives. They form strong social connections and respect similar values. As Putnam puts it, collective norms, networks and values 'can improve the efficiency of society by facilitating coordinated actions'. The resulting social capital becomes a rich resource whereby collective goals and personal satisfaction can be achieved.

Ongoing research is raising our awareness of the importance of effectively functioning communities, and their relationship to the overall wellbeing and prosperity of society at large.

But as societies become more complex, we start to find evidence that people may be losing sight of what it means to be part of a community – that they are experiencing a vague sense of disconnectedness. They may feel that, somehow, they are missing something – that they cannot trust and rely on others as much as they did in the past. There can be a general sense that society has become stale and flat, bereft of the optimism, energy and drive to preserve its cultural heritage and environment; and unable to solve fully its problems or seize opportunities for change.

This sense of insecurity can be linked to the enormous technological and social changes that are taking place worldwide. In common with other nations, Australia is experiencing an increasingly flexible labour market and a move away from lifetime job security, along with high and sustained levels of unemployment. In addition to demographic changes and an ageing population, patterns of marriage and family structures have become radically different over the last 20 years. These factors contribute to general feelings of insecurity and an erosion of confidence. While we do not yet have a commonly understood set of indicators, some major factors have been

# 1 Capital



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identified by social commentators as trends signifying a loss of social cohesion. They include a decrease in levels of trust; an increase in violent and other crimes; an increase in suicide rates; and a decrease in volunteer activity and community participation.

The family, traditionally the defining social unit, has suffered from the multiple shocks of accelerated change and been displaced as the centre of community life. If we agree with Fukuyama (1995) that ‘the family [is] the primary instrument by which people are socialised into their culture’, we might wonder how this socialisation can occur if families are crumbling.

We are experiencing a profound cultural shift and an urgent need to take stock of the situation and find some solutions.

In social capital theory, it is a truism that while governments can very easily destroy social capital, they cannot create it. I believe that is true. However, what governments *can* do is to foster the conditions whereby social capital can flourish. While there is no doubt that we have problems, in taking stock of our assets, it is heartening that Australia enjoys a strong foundation of enterprise, expertise and goodwill upon which we can build.

Since the growth of social capital is largely dependent upon social cohesion, we must look to the family as the fundamental social unit. It is within the family that people learn to get on with one another, absorbing the values and sense of trust which they will take out into the world. Functioning, well-balanced families engender participative, engaged citizens who are capable of generating and sustaining rich social networks within their communities.

So the first stage in regenerating social capital is to put the family at the centre of the policy framework – to delineate policies and services in ways which maximise self-reliance and encourage cooperative endeavour. Strong, functional families are the defining units of strong, resilient communities. In turn, healthy communities support the optimal functioning of families.

There will probably always be a role for government in ensuring that there are support services for those whose circumstances work against them. But government also has a responsibility to encourage new ways in which society, in all its diversity, can work to shape itself.

Societies tend to define themselves by what is valued. Government can take the lead by developing policies which reward social connectedness and thereby actively engender the creation of social capital – a resource which, unlike fiscal capital, has a happy tendency to increase, rather than diminish, the more it is used.

In March this year, the Prime Minister convened a Round Table of Business and Community leaders to develop specific

strategies for forging stronger, more socially profitable links between the business and community sectors; and to develop a framework for Prime Minister’s Awards for outstanding partnerships. The forum highlighted, at a political level, the groundswell of interest and activity which has been gaining momentum in recent times.

The Business and Community Partnerships initiative gives recognition and support to partnership endeavours, with special encouragement to volunteer activity. Creative community enterprise works – and it is particularly effective when it is energised with the strategic input of the business sector.

The Salvation Army’s homelessness network, *Crossroads*, has been strengthened by the donated expertise of National Australia Bank executives, who have generated a strategic plan to maximise the charity’s funding. The project exemplifies the spirit of business and community partnership. The two organisations trade skills and sustain a productive relationship which forms a nexus between commerce and community. It is at this nexus point that social capital can grow.

Successful projects become role models for others, helping to spark and proliferate new ideas. Relatively small government initiatives have the potential to attract widespread participation. The *Good Beginnings* program nurtures young families who are burdened by stress, illness or anxiety. A pilot home visiting scheme, it is funded by the Federal Government and supported by non-profit organisations, state and local governments, and the business sector. It is an exemplar of different sectors of society working together to increase levels of social capital and strengthen families.

Signs of a cultural shift towards a more inclusive and caring society are evident in the response to the Government’s policies on ageing, and on employment for people with disabilities. Government, business and community form a tripartite response to an ageing Australia, with all three sectors participating in the National Strategy for an Ageing Australia, and working towards the 1999 Year of Older Persons.

More employers are taking advantage of the range of programs and assistance they can access by including people with disabilities in the workforce. This shows that they appreciate the contribution that people with disabilities make to their business. And the growing interest in the Employer of the Year Awards promises that the Prime Minister’s Awards for Business and Community Partnerships will be equally successful.

Effective leadership is contingent upon addressing the principal social and economic problems. It means defining goals and uniting Australians by engendering a sense of common purpose – a task that depends upon our definition and use of social capital. In this, the Australian Institute of Family Studies has a key role to play, through developing its research into social capital, particularly as it affects the family. Through knowledge, through a strategic use of all of our resources, and through a sharpening of our focus, we can maximise social capital to become a more harmonious, forward-thinking and prosperous society.

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