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VICTORIA UNIVERSITY OF WELLINGTON  
*Te Whare Wānanga o te Ūpoko o te Ika a Māui*



SCHOOL OF GOVERNMENT  
*Te Kura Kāwanatanga*

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## **Social Capital: Some Policy and Research Implications for New Zealand**

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*Ni neart go cur le chéile  
He totara wahi rua he kai na te toki<sup>2</sup>  
Strength results from working together*

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<sup>2</sup> This saying translates, literally, from Maori into English as 'A split totara is easy prey to the axe' (The totara is a native tree in Aotearoa/New Zealand which is often used to symbolise a great leader or greatness). I am grateful to Tu Williams for this translation and information.

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# 1 Introduction

*'I love seeing people using their own ways and abilities to develop their own communities. It's common sense stuff'*, Louis Smith, Community Worker, Porirua City, New Zealand (reported in Kapi-Mana Newspaper, 6/1/04).

This paper addresses the public policy and research implications of interest in social capital in New Zealand/Aotearoa<sup>3</sup>. It reports on the results of a series of seminars, conversations and readings during my Research Fellowship in New Zealand from 29 March to 2 May 2004. It also reflects prior work and discussion over a four year period during which time I worked, initially, at OECD (refer to OECD, 2001<sup>4</sup>) and then the National Economic and Social Forum in Ireland (refer to NESF, 2003<sup>5</sup>). I have also benefited from discussion over recent years with a number of researchers including Robert Putnam<sup>6</sup>, David Halpern<sup>7</sup>, Michael Woolcock and John Helliwell.

Any views or suggestions expressed in this Paper are entirely my own and do not reflect or commit any persons involved in discussing the issues or in supporting the Research Fellowship.

The aims of this Research Fellowship were to:

- Engage with policy makers and researchers on the meaning and application of social capital in public policy and community practice;
- Present the results of on-going work in relation to social capital to seminars in a number of Government Ministries;
- Undertake a number of sites visits including two Local Authorities and one tertiary institution in Whakatane in the Bay of Plenty in the North Island of New Zealand; and
- Provide a report (which is this Paper) of insights, conclusions and recommendations for further work.

New Zealand has been to the fore internationally in the extent to which *policy* issues featured in public debates about social capital. The *Institute of Policy Studies* at Victoria University Wellington has published three landmark publications in terms of public discussion on social capital in New Zealand. These were (edited by David Robinson in each case):

- Social Capital and Policy Development (1997)
- Social Capital in Action (1999)
- Building Social Capital (2002)

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<sup>3</sup> The term 'New Zealand' is used to describe Aotearoa throughout this Paper. No disrespect to the bicultural status of New Zealand society is intended.

<sup>4</sup> For further information on how to obtain *The Well-Being of Nations* report published by OECD refer to [Hhttp://www.oecd.org/scripts/publications/bookshop/redirect.asp?962001011P1H](http://www.oecd.org/scripts/publications/bookshop/redirect.asp?962001011P1H)

<sup>5</sup> The NESF Report can be downloaded for free at [Hhttp://www.nesf.ie/documents/No28SocialCapital.pdf](http://www.nesf.ie/documents/No28SocialCapital.pdf)

<sup>6</sup> Refer to [Hhttp://www.bowlingalone.com/H](http://www.bowlingalone.com/H)

<sup>7</sup> Refer to the UK Cabinet Office Discussion Paper on Social Capital - [Hhttp://www.number-10.gov.uk/su/social\\_capital/socialcapital.pdf](http://www.number-10.gov.uk/su/social_capital/socialcapital.pdf)

A number of New Zealand Government Ministries have been involved in discussing the implications of social capital as a concept for public policy. These included, among others: Statistics New Zealand, the Ministry of Social Policy (now Social Development), Internal Affairs (with responsibility for local government) and the Treasury. Statistics New Zealand has produced a conceptual framework for the measurement of social capital (Spellerberg, 2002).

As part of the *Inclusive Economy* project, a Treasury Working Paper was published in 2002 on the interaction between social norms and institutions of public governance and their joint impact on social well-being Petrie (2002). Following earlier exploratory work, the Ministry of Social Development (MSD) has just initiated a cross-Ministry 'Stock-take' of existing policies and public programmes at central government level that impact on social capital. The first step in this process has been the preparation, by the MSD Strategy Group, of a draft Conceptual Paper on Social Capital (MSD, 2004).

## 2 What is Social Capital?

Although the term social capital is used by many researchers and some policy makers, it is less commonly used or understood among the general public. The concept is simple to grasp once it is described in terms of ordinary, everyday experience. It may be intangible and difficult to assess but this fact does not make its presence in social relationships any less important for personal or shared well-being.

- A parent who can draw on networks of support in times of crisis to mind children or to seek advice knows that he or she has access to a vital resource. People who sense that their neighbourhoods are good places in which to live and in which ‘people look out for each other’ and help out experience the benefit of social capital at neighbourhood level.
- A young person living in an inner city complex may have an extensive network of peers, family and friends that offer support, advice and information. However, he or she may lack contact with people from outside the immediate area or social circle. This may represent an impediment to finding a job or access to wider social opportunities.
- A teacher relies on good relationships with students, parents and the wider community around a school to reach higher school standards. Part of these relationships may concern the communication of important shared norms and values such as commitment to learning, self-discipline and the common good. The ‘social capital’ of a learning community or school is more than just the individual knowledge or skill of teachers, students and parents/guardians.
- A company CEO who relies on an extensive network of colleagues, acquaintances, old school ties, golf club friends, etc, can draw on crucial exchanges of information to seek out new ideas, check out a potential hire or simply keep up to date with what is going on in her industry or wider social networks. This constitutes a form of ‘capital’.
- A neighbourhood community in which people feel at home, part of some collective identity or pride of place and history and capable of acting together to achieve common aims (‘collective efficacy’) is likely to be a better, safer and happier environment for young and old alike. Such a community can mobilise this ‘capital’ in times of environmental disaster, personal tragedy or economic shock as well as at other times.

More formally, social capital has been defined as:

*networks together with shared norms, values and understandings that facilitate co-operation within or among groups (OECD, 2001:41).*

Although differences arise among users of the term in relation to a precise definition, there is broad agreement that trust, norms (of reciprocity) and social sanctions are at the core of the concept.

Robert Putnam and many other writers on social capital prefer a ‘lean and mean’ definition based on social networks and associated reciprocity. Others seem to use a broader definition in which various types of cultural norms and public institutions are included (e.g. Elinor Ostrom). In practice, formal and semi-formal institutions are difficult to disentangle from informal norms of behaviour.

Rather than seeking to provide a precise and universal definition of social capital, it may be more helpful to draw attention to the *resourcefulness* of self-organised human networks. A description of the exact nature of these resources could be left to local discretion. Consequently, the following open-ended understanding of social capital could help to inform debate rather than prescribe a universal and water-tight definition:

**Resources inherent in self-organised human networks based on reciprocal**

- Expectations and obligations (of support, engagement, delivery) [**TRUST**];
- Communication of information, knowledge, norms and understandings [**VALUES** ]; and
- Belonging [**IDENTITY**]

**that facilitate collective action.**

The focus of this understanding is on the ways in which resources in self-organised human networks contribute to solving collective action problems (the attainment of shared objectives). By drawing attention to self-organised human networks, it is possible to limit the notion of social capital to particular forms of human interaction. According to this understanding, social capital does not refer to any type of social arrangement. Rather, it refers to those types of relationships that are based on reciprocity, voluntary engagement and self-regulation (even if some of its norms are externally imposed). Networks based on volunteering or cultural obligation in the community provide one example. Networks of informal social support among family members are another. Self-organised networks of mutual support, norm- or information-sharing among internal staff of a Government Department represent yet another type of social capital.

The notion of mutual obligation (and by implication expectation) is central to the concept of social capital. One person does a favour to another because of some inherited obligation (whether moral, contractual, cultural). This is associated with an expectation of some return favour – perhaps not immediate or not from the recipient of the favour initiated. When norms of co-operation become generalised among ‘third parties’ a habit or expectation of reciprocity is sustained. It may be difficult to generate or accumulate; and it may be easy to break if powerful institutions or dominant actors defect.

The ways in which self-organised networks facilitate collective action are summarised under three headings:

- Trust (an expectation of others’ behaviour);
- Shared values (internalised norms); and
- Shared identity (a sense of who we are and where we belong).

In a society of legitimate diversity in values and identity, the important question confronting us is to identify some common and minimum set of shared values and identities that can sustain diversity and innovation. In other words, diversity is, in general, a desirable public good (although not every type of diversity where such might entail criminal, terrorist or gang norm-sharing). The sharing of some values is a prerequisite of giving space and respect for diverse value-systems. Creating some minimum set of shared values in a society can be approached in two ways: (i)

authoritarian impositions of norms through legislation or control of social behaviour, and (ii) bottom-up consensus-building through sustained dialogue and acceptance of some personal or community-level autonomy. Modern, pluralist and democratic societies tend to rely more on (ii) than on (i).

It is important to distinguish typical empirical measures used to approximate social capital in the literature from the core concepts presented above. Proxy empirical measures include:

- Membership of community or voluntary associations;
- Active engagement in associations;
- Volunteering;
- Civic/political engagement (voting, attending meetings, lobbying etc.);
- Trust (generalised inter-personal trust, context or group-specific trust, trust toward specific types of institutions);
- Informal social support networks (e.g. how many close friends a person has); and
- Informal sociability (frequency of contact, visiting, email etc.).

Closely allied to the above are measures based on perceived reciprocity (e.g. in a given neighbourhood), perceived efficacy in a community (a shared sense that people can work together and achieve desirable change) and individual agreement with stated norms of behaviour (e.g. ‘it is wrong to take money not belonging to oneself’, people should help out in a given described situation, etc.).

Any quantitative measure of social capital supposes that it is a quantity of some stock – the more, generally the better. Statements about ‘more’, ‘better’ or ‘stronger’ are relative to some set of criteria. These are not universal. The quality and meaning of relationships or shared feelings may be just as important as the number of associations or hours of voluntary activity. Empirical research on the correlates of subjective well-being in a survey of the Irish adult population in 2002 indicates that informal social support and contact are more significant ‘explanatory’ variables than indicators of community involvement or volunteering (when controlling for a large number of other variables)<sup>8</sup>.

Another difficulty with empirical research on social capital is that the information gathered is at the individual level. At best, inferences about community-level properties are drawn from individual-level responses and added up to provide an average or total approximation of trust, engagement or reciprocity. This type of approach is not uncommon in many areas of the social sciences. However, care is needed in drawing conclusions about causal pathways and relationships at an aggregate level based on an aggregation of individual-level properties or responses.

The interpretation and meaning of social practices and norms of reciprocity in any given human network is influenced by culture and institutional context. For example, the very notion of ‘volunteering’ admits of different meanings in a Maori or Pakeha cultural context. What is interpreted as voluntary unpaid engagement in one context may be interpreted as a cultural obligation in another: the nature of ‘voluntarism’ is ambiguous. Sensitivity to cultural difference is important in any society.

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<sup>8</sup> This research is part of a doctoral research study which I am currently undertaken at ISSC/UCD in Ireland.

Some have objected to use of the term ‘social capital’<sup>9</sup>. These objections refer to a range of concern including the risk that social processes and phenomena are extracted from their particular cultural contexts and treated as economic or market-based capital for the achievement of some outcome. Others have pointed to possible confusion around the concepts of ‘stock’ (capital) and ‘flow’ (investments)<sup>10</sup>. Is volunteering (for example) part of the stock of social capital or a flow of investment? And, are the notions of investment, stock and returns meaningful as applied to non-market based activity? These issues are addressed in a number of publications to which the reader is referred (Baron, Field and Schuller, 2000 and OECD 2001).

I continue to make the case that the accumulation of ‘credits’ and expectations (stocks) through repeated social interactions (flows) constitutes an important social resource with benefits to individuals, groups and whole societies. These resources may be referred to, figuratively, as social capital. They constitute a real and intangible capital and that capital is ‘social’ in nature because, by definition, it is embedded in social relationships. In summary, social capital helps people to work together through sharing norms and mutual obligations.

A number of misunderstandings around the application of social capital can arise. These include:

- The idea that social capital is only about ‘doing good’ (there are plenty of examples of where social networks are hostile to the realisation of human rights, freedoms and dignity);
- The frequently-held view that strengthening social capital (or ‘social cohesion’) is in some way a competitor rather than complementary with approaches that emphasise targeting of effort at the alleviation of poverty or inequality (social equality and social cohesion as aims of public policy are not necessarily in conflict);
- The assumption that the generation or use of social capital is mainly the responsibility of Government (most social capital is probably generated in families and local and identity-based communities in many cases without any direct support of Government – however public authorities need to ‘recognise’ various types of social capital and take that into account in working with communities); and
- The conclusion that puts the accent on a top-down and narrowly defined set of ‘needs’ of targeted groups rather than on the unique capabilities of communities to organise and help themselves.

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<sup>9</sup> For a critical review of the literature, see Lynch et al. (2000), Fitzsimon (2000), Fine (2001) and Durlauf (2002). It should be noted that many of these critics object less to the use of a term ‘social capital’ than to the ways in which it is frequently used and claims made about its impact.

<sup>10</sup> These concerns were voiced by participants at a number of seminars during my Research Fellowship in New Zealand.

### 3 Bonding, Bridging and Linking

Since the beginning of its inauguration as a term in the social sciences the most significant step in conceptual work has been the identification of different types of social networks. There is a twofold typology:

- Bonding
- Bridging

where bonding refers to social ties, obligations and trust among people who are ‘alike’ (by virtue of gender, or ethnicity, or social background or any other dimension); and bridging refers to social ties among people who are ‘not alike’. This paralleled the use of ‘strong’ social ties and ‘weak’ social ties in the work of Mark Granovetter (1973).

A third dimension is frequently added to make a ‘social capital trilogy’ (Woolcock, 1998):

- Linking

This last dimension refers to social ties among individuals or groups at different levels of social status or power. It is less easily observed or quantified than bonding and bridging social capital but remains an important and useful concept especially as it introduces the dimension of social class and various types of group-power into an analysis of social networks. Further work is required, internationally, to clarify the meaning of each of these types of social networks and to map their presence in different cultures and societies.

Confusion frequently arises in relation to the nature of bonding and bridging social capital. The concept of bonding can be confused with ‘strong’ ties or even exclusive in-group solidarity. The presence of bonding does not describe the strength of ties or the absence of ties to people outside a ‘bonded’ group. Rather, it refers only to the degree of homogeneity in a particular network. Hence, any notion that public promotion of ‘bridging social capital’ is to be preferred over ‘bonding social capital’ is over-simplistic. Recent empirical evidence cited by Putnam (2004) suggests that bonding and bridging social capital (from the standpoint of ethnicity) may be complementary. Hence, the more a person bonds with their own group the more likely they may be to bridge to others outside their own group. Putnam (2004) comments:

*Dutch researchers, for example, have found that the Turkish immigrants who are most actively involved in broader Dutch society are precisely those who are also most actively involved in the life of the Turkish community itself. Bonding, in short, can be a prelude to bridging, rather than precluding bridging.*

It is more helpful to think in terms of extending social ties so that connections (trust, mutuality, etc) among ‘alike’ groups are extended to relationships among people who are not so alike. However, some particular manifestations of ‘bonding social capital’ (e.g. in Northern Ireland or Bosnia) are characterised by exclusion of outsiders to the group. In these cases, public policy needs to assist groups to connect as well as to modify those aspects of bonding that breed mistrust or conflict. Another way of looking at bonding, bridging and linking is to focus on the extent to which social ties and shared norms are said to be ‘complete’. However, there may be some socially

optimal point at which completeness of shared norms and contact is desirable and beyond which uniformity is undesirable.

The level of homogeneity or heterogeneity in a social network is relative. Hence, what might be regarded as bonding social capital from one perspective (e.g. a particular academic or research community) could be regarded as bridging social capital from another (gender, ethnic, etc.). In some cases, different socially-based networks may co-exist in the same immigrant ethnic group such as among Brazilian migrants in Ireland<sup>11</sup>.

In a New Zealand context, an example of 'bonding social' capital might include ethnic-based networks, family and extended family networks (including whanau and hapu among the Maori community) as well as various other homogeneous social groups. It is possible to observe **strong bonding social capital** (through for example strong tribal-based networks) alongside fairly **strong linking social capital** (through for example vertical networks of consultation and deliberation based on ethnicity) **but with absent bridging social capital**. For example, an ethnic group may elect to engage in separate ethnic-based consultations with respect to Long-Term Community Planning at Local Authority level (or separate consultations may be pre-determined). Such an approach may give better leverage with regard to specific ethnic community concerns. At the same time, it has the effect of separating the ethnic community from other communities at least with respect to deliberation on local strategic plans.

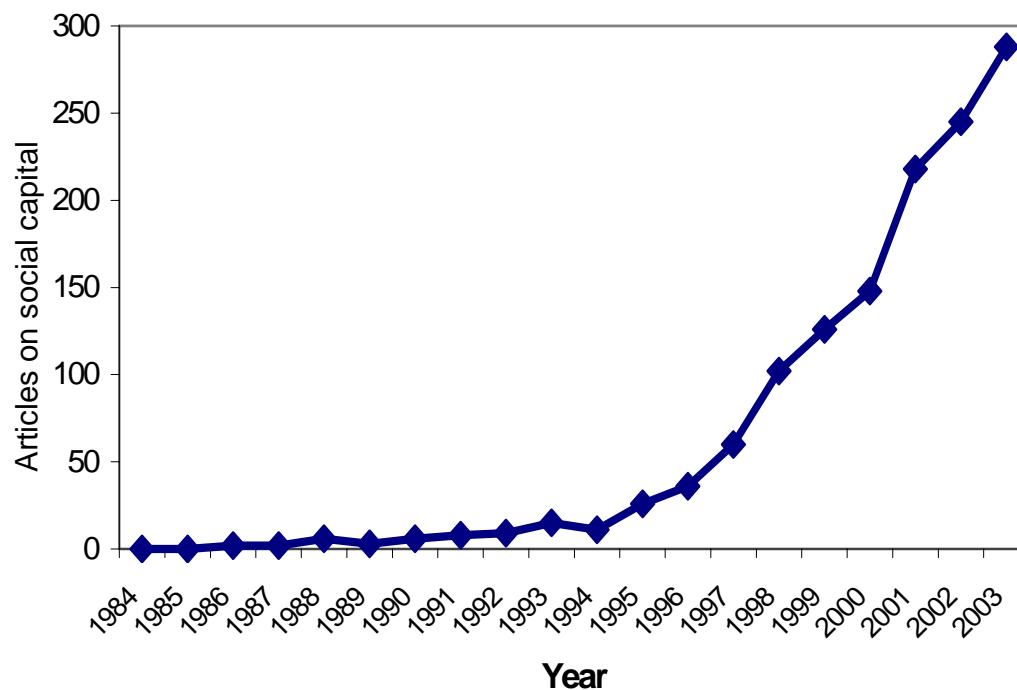
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<sup>11</sup> Irish Times, 10 May, 2004.

## 4 Why the Interest in Social Capital?

Figure 1 shows the increase in the output of scholarly articles on social capital since the 1980s. One commentator has adapted a phrase from Karl Marx to say that a spectre is haunting the world and not just Europe!

**Figure 1 Trends in publication of academic journal articles on social capital**



*Source: David Halpern, Social Capital (Cambridge, UK: Polity Press, 2004, forthcoming).*

In my view, there are three broadly inter-connected reasons for the sudden – almost epidemic increase – in interest in social capital. These may be summarised as:

- Increased awareness of complexity issues in social organization and the associated ‘messiness’ of public governance (everything is connected, ultimately, to everything else);
- Increased awareness of data about trends in public trust, engagement, voluntarism (the US ‘Bowling Alone’ syndrome – does it apply elsewhere?);
- A growing tide of research evidence about the positive impacts of volunteering and active community and inter-personal engagement (to be discussed in Section 5 of this paper).

The growing complexity and inter-dependence of modern life has drawn attention to an age-old concern about collective action: how do people co-operate to achieve shared goals and public ends? In a world where knowledge – local or universal – is seen as key to success, how can social networks facilitate a flow of information in

such a way as to facilitate desirable outcomes? A rising body of evidence referred to in Section 5, below, indicates that various types of social networks and associated shared norms impact on health, education, economic productivity, crime and the quality of public governance. The evidence is worth taking seriously even if questions remain about the nature of causality and the precise extent to which different kinds of social capital have an influence. Governments realise that they cannot work alone. Stronger partnerships with civil society and market-based organizations can enhance public policy. A strong and vibrant ‘third sector’ can complement Government action just as effective policies by Government to ensure fairness, transparency and equality of opportunity can underpin trust and voluntary engagement.

The evolution of new forms of democratic governance has challenged traditional notions of authority and autonomy. New models for public policy required by ‘subsidiarity’ (downward delegation of authority and responsibility to the lowest social level possible but to the highest level necessary) and participatory democracy set the context. Governments need to re-think their relationships with civil society at all levels. At the same time, different agencies and levels of Government need to work together more effectively by talking – literally - to each other and seeking a consensual over a controlling approach (a key assumption and conclusion of this Paper). A discussion of public shared norms and the role of social networks is timely. None of these developments are fundamentally new and a social capital framework and discourse is not the only way of approaching these: however, it does offer a fruitful ground on which different policy, research and community interests can meet, talk and co-operate.

Concerns have been expressed about a possible decline in some forms of social capital – especially those associated with membership of voluntary or community associations as well as civic engagement (voting, trust in institutions, political or civic activity). For example, Robert Putnam (2000) has described the extent to which a broad range of proxy measures of social capital in the United States, from formal to informal, has shown a marked decline since the mid-1960s. A review of the international evidence by OECD (2001) and Putnam (2001) does not indicate a generalised decline in social capital in those countries examined (typically OECD member countries). However, evidence from many countries does indicate a possible decline in public trust in institutions as well as patterns of political/civic engagement (membership of political parties, voting, attending meetings, lobbying, etc.). Evidence from the World Values Survey cited in Petrie (2002:18) suggests that these trends have also occurred in New Zealand at least in relation to voting and trust in institutions. Care is needed in drawing conclusions about long-term trends in social capital – not least because of the absence of comparable data over time in relation to ‘informal social capital’.

## 5 How does Social Capital work for communities?

There is a growing body of evidence at international level on the impact of social capital. Much of this has been built on previous research in diverse areas such as public health, schooling and business innovation. Some of the areas of key impact are:

- poverty and social exclusion;
- quality of governance and civic engagement;
- personal well-being, health and life satisfaction;
- job search;
- economic performance;
- standards of achievement in school/adult literacy; and
- crime and social deviance

The available research evidence reviewed in OECD (2001<sup>12</sup>) and elsewhere suggests important linkages (especially at the micro-level) to personal well-being or health. As with many areas of social analysis, the pathways of causation and linkage are difficult to prove. Many factors are at work in shaping civic behaviour and community engagement. In addressing those which influence learning behaviour, for example, a range of factors are relevant including the quality of home environment, the standard of teaching, the example of peers, etc. Disentangling the impact of any one factor is therefore difficult. Accounting for the potential complementary impact of social capital in association with other factors would require a very extensive set of measurement tools and research methodologies which go beyond any one research discipline or set of data sources.

The level of aggregation is also important. The research evidence on social capital spans a range of levels from interpersonal interactions through neighbourhood effects up to the macro-level societal level. Neighbourhood-level social capital is more than the sum of social capital in the individuals or households within an area. Although analytical distinctions are useful to understand the connection between these, it is not possible to entirely separate out any one level. The principal levels where impacts are analysed are at the:

- micro-level (individual/family/friends/whanau);
- intermediate-level (neighbourhood/community of identity/iwi/local authority);  
and
- macro-level (region/national/international).

The quality of relationships and detailed organisational and community practice may also be as important as the number of civic organisations or memberships in a given society. Informal social networks and contact through chance conversations, unstructured social contact and unplanned initiative and reciprocity all play their role in the process of social capital formation and its impact.

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<sup>12</sup> See also the results of a joint conference organised by OECD and Human Resources Development Canada in March 2000 at [Hhttp://www.oecd.org/document/36/0,2340,en\\_2649\\_34543\\_2674084\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/36/0,2340,en_2649_34543_2674084_1_1_1_1,00.html)

There is a likely connecting thread from some types of informal social networks to formal associational life to the quality of public governance. Interactions among people in these groups and organisations create horizontal networks of civic engagement that help participants to act collectively in a way that has an impact on community efficacy. For example, people who know each other through residents associations, parent-teacher meetings, school runs, sporting organisations and other forms of social contact are more likely to take an interest in their local communities and society more generally. It is also possible, of course, that the direction of causation runs in the opposite direction: personal values, interest and civic spirit have important spin-offs in terms of greater informal social contact.

The psychological literature which spans more than three decades of work, confirms the association, at the micro level, between supportive relationships and mental health (e.g. Brown and Harris, 1978). Elderly people living alone and without friends or relatives have a relatively greater risk of developing dementia or Alzheimer's disease, other factors being constant. A survey carried out by the Stockholm Gerontology Research Centre showed that, among other factors, an extensive social network protects against dementia (Fratiglioni et al., 2000). The importance of satisfying contact with others, especially immediate family and children was highlighted. This seemed to slow the growth in dementia, even if the contact was relatively infrequent.

Similarly, there is a link between a sense of personal control over one's work and health. A study of the British civil service ("The Whitehall Study") over a ten-year period found that death rates from cardio-vascular disease were lowest in the administrative and managerial grades and highest in the lowest grade (Stansfeld et al., 1999). Those in higher grades felt more in control of their work and better supported by friends and colleagues so that, although their lives appeared more stressful, they were better able to cope. They reported more hobbies and interests outside work.

Studies of criminology (e.g. Sampson, Raudenbush and Earls, (1997) indicate that "community efficacy" (a sense of community capacity and power to change things for the better) may be more important than organisational participation, neighbourhood services and kinship ties<sup>13</sup>.

In terms of potential economic benefit social capital networks can play a crucial role in mediating and transferring knowledge and norms conducive to economic development. For example, a clustering of industries and diverse networks can yield benefits by way of chance friendships, contacts and acquaintances. Network links among suppliers, customers and researchers generates a flow of knowledge and, at the same time, reinforces norms of behaviour. Hence, regional industrial systems based on local learning networks are potentially more flexible and dynamic than those where learning is confined to individual firms. Finally, at a macro-economic level, the international evidence suggests a link between levels of interpersonal trust and economic growth (Knack and Keefer, 1997 and Knack, 2001).

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<sup>13</sup> Refer to 'Scientist at Work' - Felton Earls; On Crime As Science (A Neighbor At a Time) by Dan Hurley in the New York Times, 6 February 2004.

## 6 What is Happening to Social Capital in New Zealand?

Measuring social capital is difficult<sup>14</sup>. By definition, social capital refers to cumulative obligations and expectations embodied in social networks, whole communities, relationships and structures. It is possible to infer something about these resources from questions addressed to individuals in sample surveys, censuses or administrative information sources. These individual responses represent reported perceptions, beliefs, understandings about (i) how the individuals themselves behave in the community or in relationship to others as well as (ii) how people in general in a given community behave. This is not the same as gathering information directly on how people actually behave or how their perceptions and expectations are revealed in chosen behaviour.

There is some evidence that people's subjective perceptions of trustworthiness (for example) are broadly congruent with their actual or likely behaviour (see OECD, 2001:45). Furthermore, the aggregation of individual responses across a whole community or society does not equal total or average society-wide social capital. The whole may not be the equal of the sum or its parts. Finally, the meaning and interpretation of any survey question – whether attitudinal or behavioural – is subject to difference across cultures and institutional environments. With these qualifications in mind, we have to work with the 'best we have' for now in terms of individualised data responses from a mix of general social research surveys

As in Ireland, data on levels, types, distribution and trends in 'social capital' are extremely limited in the case of New Zealand. Previously, researchers, statisticians and policy makers had not identified a single and measurable cluster of ideas and concepts around social capital. Fragmentary evidence on trust, volunteering and informal social contact does exist. These suggest that New Zealand has the following characteristics:

- New Zealand is above average internationally on some available measures of 'formal social capital' (membership of associations, volunteering);
- It is above average internationally on measures of generalised inter-personal trust (World Values Survey<sup>15</sup>);
- Trends over time in membership of associations and volunteering are not clear (hence no generalised decline is proven); and
- Trends in voting and trust in political institutions show a decline since the 1980s.

Data from the World Values Survey (undertaken in New Zealand in 1981, 1989 and 1998) shows that the proportion of the surveyed adult population agreeing with the statement – 'Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?' was 49% in 1998 (up on 37% in 1989). This is contrary to trends in the US, UK and Australia.

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<sup>14</sup> For further information on international work relating to the measurement of social capital, refer to a number of useful websites of the World Bank, OECD, UK Office of National Statistics and the Siena Group.

[H](http://www.worldbank.org/poverty/scapital/H)<http://www.worldbank.org/poverty/scapital/H>

[H](http://www.oecd.org/document/24/0,2340,en_2649_34543_2380248_1_1_1_1,00.html)[http://www.oecd.org/document/24/0,2340,en\\_2649\\_34543\\_2380248\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/24/0,2340,en_2649_34543_2380248_1_1_1_1,00.html)

[H](http://www.statistics.gov.uk/socialcapital/project.asp)<http://www.statistics.gov.uk/socialcapital/project.asp>

[H](http://www.ksh.hu/pls/ksh/docs/sienagroup/keret.htm)<http://www.ksh.hu/pls/ksh/docs/sienagroup/keret.htm>

<sup>15</sup> Refer to Table 4 in the appendix.

The New Zealand Election Study (1998) shows high level of membership in community organisations, groups or clubs. Sports clubs (38%), followed by hobby groups (31%), churches (30%), unions or associations (28%) and social groups (28%) were most commonly mentioned by respondents. However, some of this membership is likely to be passive more than active. The significance of sports clubs and volunteering around sports (including mentoring and coaching) is probably very significant in New Zealand compared to other countries. The New Zealand Values Survey indicates that 42 and 25% of the adult population are, respectively, members of Sports and Arts organisations. However, according to another source, participation in Sports organisations is down between 1985 and 2002 (MSD, 2004). By contrast, across 32 European countries the average level of participation in sports organisations and arts organisations is only 16% and 10% respectively (Halman 2001).

Also, faith-based communities and local Church organisations seem to play an important role in channelling civic effort and mutual support. This is particularly evident among the communities in New Zealand from a Pacific-island background<sup>16</sup>. It is important to note that there is no single indicator that captures all of social capital. For example, members of low-income groups are less likely than high-income groups to be members of particular types of professional association but more likely to be members of Church or Arts-based organisations.

The local Marae plays a similar role in bringing Maori people together, in providing key social and personal supports and in preserving unique cultural memories and identity. Working with these particular cultural and local expressions is important for public agencies. It also important for public service organisations to know more about how social capital ‘on the ground’ works and how it is configured. A mixture of quantitative and qualitative information is important. To this end, Local Authorities might find local community benchmark surveys, combining a range of methodologies, useful in mapping the extent of social network ties in specific communities.

At an informal level, data on the extent of social networks, neighbourhood support, frequency of particular types of social contact (inviting people to eat together, contact by speaking, emailing, phoning, ‘texting’, visiting) are not generally available for international comparisons. In the 2000 New Zealand *Living Standards Surveys* over thirds of respondents reported that family or friends had been over for a meal at least once a month. I am not aware of comparable data for other countries. However, at a casual and very limited level of individual and subjective experience, my experience of working and living in New Zealand over a period of 5 weeks led me to conclude that levels of ‘informal social capital’ were probably at least as high as in Ireland and probably even higher (comparing one part of Wellington with familiar parts of Dublin city – neither of which constitute the whole picture for New Zealand or Ireland).

It would be helpful if data from the 1998 New Zealand *Time Use Survey* were exploited to examine the extent to which people engage with each other at an informal level and compare this, where possible, to international findings. Limited evidence from the *European Community Household Panel Survey* suggests that Ireland and the United Kingdom are above the European average on a limited range of indicators for informal social contact (Stewart, 2002)

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<sup>16</sup> This observation is based on a visit to a number of urban areas as well as conversations.

Perry and Webster (1999) have identified, from data in the New Zealand Values Survey, significant divergence across ethnic groups in New Zealand with respect to views on governance and social norms (cited in Petrie, 2002). Writing in 2002, Petrie claims that these divergences in perceptions, expectations and normative views may provide a potential for future social conflict in New Zealand. More generally, the issue of political trust and perceived empowerment are vital issues for the future of democracy in all societies. Petrie (2002:18) reports the findings of Perry and Webster (1999:42-47) which indicate an increase in the proportion of New Zealand respondents who agreed that the country 'is run by a few big interests looking out for themselves' from 54% in 1989 to 70% in 1998. Turnout at general elections in New Zealand is down from 89 to 73% between 1984 and 2002.

As in other countries, considerable variation across population groups in individual proxy of measures of social capital is evident from a number of New Zealand Surveys. Level of educational attainment, ethnic and social background, age and gender are related to various measures of social capital. Particular groups – especially those not in the labour force, those from non-Pakeha background, the young (18-29) and the elderly (over 65) – showed below average values on one or more indicators of social capital (for details see MSD, 2004).

## 7 Design Principles for Policy

Social capital is present at many levels of society. Rather than seeing public policy contributing to social capital in isolation, it is more useful to see social capital as a factor intersecting with policy to promote education, health, economic growth, sustainable development etc. Some actions of Government contribute to social capital in a very direct and immediate way. For example, community development programmes that build capacity, encourage participation and foster trust are building social capital directly. Other actions such as provision of public education or regulation of trading activity provide a facilitating environment for the use of social capital. Still further, the very existence of public authorities and their operation in providing various ‘public goods’, maintaining order, protecting the weak, re-distributing wealth, regulating corporate behaviour, etc can help protect trust, civic participation and social co-operation. There is no simple answer to the question – ‘What are the implications of social capital research for what Government does?’.

‘To do no harm’ is frequently given as a first counsel to Governments. Certainly, Governments and other parts of society can assess the potential negative impact of their actions on social capital. Some type of ‘social capital impact statement’ is possible even if it is very loose and non-quantitative. By following certain ‘design principles’, public authorities can avoid damaging social capital – or trade some forms of social capital for others in a more explicit way. Closing a school or post-office, relocating Government staff from one location to another or terminating some publicly funded community scheme may undermine some aspect of social capital. However, the benefits – not just in terms of cost-efficiency – but in terms of other aspects of social capital may outweigh the costs. For example, students uprooted from their neighbourhood school to travel a distance to a school in which there is greater social and cultural diversity may benefit in terms of exposure to a more diverse social and cultural environment. Making these costs and benefits (not necessarily through precise indicators) more explicit would help to inform decision-makers prior to any major shift in policy.

A number of important design principles would be useful to consider in a Social Capital Policy Framework. These could be summarised as:

1. Cultivating mutual help and self help;
2. A movement away from identifying ‘needs’ only to identifying unique community ‘capabilities’;
3. Promoting trust through equality and respect for rights;
4. Letting go of excessive and over-detailed control (empowering and trusting communities to be responsible);
5. Valuing, rewarding and recognising voluntary effort and achievement.

In a sentence - **the State needs to be supporting and enabling more than controlling.** Just as important as identifying specific policies to promote social capital – built on an inventory of existing public policies and identification of missing gaps – is to examine the ways in which the design of public policies contributes to social capital or not. In any society, distance from power, lack of meaningful consultation, absence of deliberative mechanisms and a general sense of not being included in key decisions would create a lack of trust and engagement in the long-run. **Letting go and empowering emerge as crucial areas for policy examination.**

However, recipients of support-funding, for example, need to be accountable. One way of enhancing accountability is to build in more effective delegation and reporting relationships based on open dialogue and trust. Accountability based on sustained dialogue, trust and subsidiarity is more effective than accountability based exclusively on a command and control model of governance. It is still possible to incorporate issues around accountability, transparency and equality by ensuring that any ‘letting go’ or delegation downwards is based on partnership and trust. This may not always work in the sense that some local public agencies, communities or groups may abuse their position or misuse their authority or resources against the wider public interest. However, in the long-run a system of accountability within a devolved decision-making process is likely to generate a relationship based on trust and co-operation. It requires time and some openness to risk.

It is useful to separate out what Governments do, how they do it and how various ‘layers’ of civil society and government interact in practice. By seeking immediate policies and programmes to fix particular social and economic problems we may be at risk of missing on the crucial linkage between what Michael Woolcock (2003) refers to as:

- **Practices** (deeply cultural, embedded, local, idiosyncratic, customary, defying easy measurement, control or standardisation);
- **Programmes** (formal, standardised, uniform, risk-averse, universal and ‘delivered’); and
- **Policies** (broad principles, legislation, interest rates, school size, class size, welfare-to-work etc. etc.).

Issues of resource management and accountability are high on the public agenda in New Zealand as in other countries. We need to ask about the role of informal social networks and norms of reciprocity in helping Governments to ‘deliver value for money’. A conflict between policies, programmes and practices arises when there is insufficient articulation between local, cultural practice<sup>17</sup> and macro-level policy. In some respects, macro-level policy may seek to shift cultural practice in a wider social interest. In other cases, public policy needs to work with cultural practices to better realise its goals.

In the management of conflict or intractable public controversies, what role do social capital concepts play? Certainly, notions of trust, shared identity, communication, reciprocity, deliberative mechanisms and engagement are useful signposts. Perhaps, one of the ways in which social capital can assist conflict-management is through the creation of ‘talking spaces’ where people can meet on an equal playing field, talk, listen and get to know each others’ concerns, interests, motivation, assumptions and demands. Too often, we wish to seek a rapid closure on some intractable problem or contestation by defining a precise, legal and fixed solution. In this regard, ambiguity – shared, negotiated, agreed and moderated – could provide a way of managing (but not necessarily resolving) civic conflict. Examples of negotiated ambiguity on issues such as shared space, shared identity and openness to continuing dialogue and re-definition of ‘the problem’ exist in many international settlements and ‘peace agreements’ – the 1998 ‘Belfast Agreement’ in Northern Ireland being possibly one example.

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<sup>17</sup> The term ‘cultural practice’ is used here, broadly, to signify inherited ways of acting and implementing policies across all parts of society rather than particular practices in ethnic groups only.

A conditional, transitional agreement offers various parties to a conflict an opportunity to continue talking while agreeing on some common ground or working arrangement in the interim. However, such conflict-management strategies require two elements for success:

- Relative equality of treatment for, and participation by, the negotiating parties; and
- Enforcement or guardianship of an agreement by one or more ‘external’ authorities.

There are limits to ‘ambiguity’ in any context. Elinor Ostrom (2000) has used the example of self-organised local resource management regimes to make a case for successful design principles. These entail the development of clear boundary rules defining who has rights to draw on the resources. A key point in Ostrom’s example is that users of the resources participated in the design of the rules – giving legitimacy and buy-in to all concerned.

An important area of policy leverage is in terms of how public organisations organise themselves. Government agencies can improve their own use of social capital internally and externally. For example, internally, they can focus on:

- Distribution and use of internal human capital/knowledge within the organisation;
- The lay-out and design of space in offices and buildings;
- Organisational culture; and
- Working in teams / building trust.

Externally, agencies can develop social capital through links to:

- Other public Agencies;
- Social partners;
- Various communities of knowledge; and
- Other specific communities.

Hence, ‘social capital’ is also about how public organisations operate within and among themselves. Giving space and time for dialogue and communication of norms and information is vital. This provides an immediate opportunity for policy leverage in terms of Government’s own behaviour (or that of any organisation that impacts on social capital).

Concerns are sometimes expressed about the political usage of the term ‘social capital’. For example, a number of participants from the community sector at the Irish *National Economic and Social Forum* Plenary Session on Social Capital in 2002, which preceded the publication of the NESF Policy Report on Social Capital (NESF, 2003), voiced a concern that ‘social capital’ could be used as a quasi-political concept to justify a withdrawal of State services and offloading of responsibility for social care on to the ‘community’ (or ‘family’).

Writing on the situation in New Zealand in the 1980-1990 period, Patrick Fitzsimons (2000) has argued that ‘social capital’ has been appropriated for political purposes in support of what he termed a ‘neo-liberal project’. Fitzsimons views as suspect an indiscriminate use of a broad and un-defined term such as ‘community’ – for him it lacks a ‘real-world referent’. He goes further in arguing that the term has been used to

say that ‘rights and responsibilities are now to inhere in citizens, not in groups’ (Fitzsimons, 2000:8).

Whatever about the usage of ‘social capital’ by different political or ideological interests, it is clear that the take-up of this term in New Zealand and elsewhere came *after* and not before major policy shifts in the 1980s and 1990s. Moreover, I am not aware of any specific Government initiative or rationale in New Zealand (or Ireland) to argue for *less* State involvement in delivery of services any more than that any initiative or rationale for *greater* levels of State involvement, expenditure or control. With its implied emphasis on self-governance, subsidiarity, mutuality, partnership and shared civic values, social capital presents itself as a conceptual tool for use by various political interests. It does not constitute *the* new ideology or paradigm between *laissez-faire* and *dirigisme* even if, in the United Kingdom, ‘New Labour’ has claimed ‘social capital’ as its own (Blair, 2001)<sup>18</sup>.

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<sup>18</sup> Writing in ‘Prospect’, in March 2001, UK Prime Minister, Tony Blair said:  
*...the cutting edge work in social sciences is about the nature, limits and dynamics of co-operation, about trust and social capital, knowledge and human capital. The tide of debate has swung back to community, mutual responsibility and a cautious internationalism.*

## 8 Lifelong Learning

Although the concept of ‘human capital’ has been used more frequently than ‘social capital’ in the period up to recently, the latter pre-dates the former. Writing in the early years of the 20<sup>th</sup> Century, a US school reformer, Lyda Hanifan said:

*In the use of the phrase social capital I make no reference to the usual acceptance of the term capital, except in a figurative sense. I do not refer to real estate, or to personal property or to cold cash, but rather to that in life which tends to make these tangible substances count for most in the daily lives of a people, namely, goodwill, fellowship, mutual sympathy and social intercourse among a group of individuals and families who make up a social unit, the rural community, whose logical center is the school. In community building as in business organization and expansion there must be an accumulation of capital before constructive work can be done.*

Formal education provides an important setting in which social capital is formed. However, learning is much more than schooling. Families, communities, friends and work associates provide important supports for learning at all stages of life. Mutual obligations and expectations are formed in the course of a learning life including experience of formal education. Values and habits of social co-operation are reinforced in the learning process. However, ‘human capital’ not only generates ‘social capital’ – social capital helps generate human capital. Community relationships, norms and expectations generally support good learning behaviour. This may not always be the case since in specific cultural settings the existence of incomplete social capital may inhibit participation in formal education<sup>19</sup>.

In the economically developed world, schooling is an important experience for a large part of almost every person’s life. Even if, at most, 20% of total ‘waking time’ is spent by young people (aged 6-15) in school, the impact of school on behaviour, attitudes and preparedness for work and life is profound. Schooling is a natural area in which public authorities can exert long-term influence on social capital – in partnership with learners, families and communities. The Ministry of Education *Schooling Strategy*<sup>20</sup> in 2004 (Ministry of Education, 2004) provides an important opportunity for Government and civil society to clarify its aims, goals and expectations for the future of education in New Zealand. In preparation for a nationwide consultation, the Ministry of Education has stated:

*There is clear evidence that some factors, like quality teaching and families and communities, have a greater influence over student outcomes than other factors. Having said this, the best outcomes are achieved when a range of factors within schooling work together, providing a strong interwoven system of support. At any given time it is possible to identify some factors for special attention without necessarily undermining others. It is also important, given that resources are finite, that we focus attention on the key areas of activity that will make the most impact on student outcomes.*

What sorts of policy and practice issues arise in the case of formal education? Some examples are given in Table 1 below.

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<sup>19</sup> An example would include the strength of ethnic ties and perceptions of gender role that inhibit participation in continuing or higher education. This is an example of ‘incomplete social capital’ – where shared norms and contact are restricted to a particular group or culture.

<sup>20</sup> <http://www.schoolingstrategy.govt.nz/H>

**Table 1 Social capital policy issues at each level of ‘formal education’**

	<b>Resources</b>	<b>Networks</b>	<b>Skills</b>	<b>Potential policy leverage points</b>
<b>Pre-primary</b>	Very ‘teaching’ intensive – resource light (spending per child)	Child, other children, parents/guardians, caring staff, educators	Pre-foundation and foundation skills, including socialisation (typically in a learner and child-centered environment)	Strong parent-early childhood networks. Early formation of social norms and sanctions of behaviour.
<b>Primary</b>	‘Teaching’ intensive – relatively resource light (spending per pupil)	Pupil, other pupils, parents/guardians, teachers, friends, communities.	Foundation skills (frequently in a learner and child-centered environment). Learning-to-learn skills.	Extra-curricular activities, project & group focussed learning. Enhancing the role of sports. More public/local use of school premises at evenings, weekends and out-of-term times. Greater involvement of parents in running, volunteering for, supporting school activities, management, learning process. Seeking balance between diversity/choice/curricular freedom on the one hand and bridging and linking social capital on the other.

*Continued overleaf*

<p><b>Secondary</b></p>	<p>Less ‘teaching’ intensive (compared to primary) – more resource intensive (than primary)</p>	<p>Networks of students, other students, parents/guardians, teachers, friends, communities.</p>	<p>Wider range of subjects and subject-specific focus along with ‘cross-curricular’ competencies.</p> <p>Vocational education (especially at upper secondary level)</p>	<p>Community-based learning; accreditation; civics and social skills programmes.</p> <p>Links to youth organisations (Youth Parliament initiatives in some countries); student school councils (giving students a voice and helping them to apply civic skills in the school).</p> <p>Team-working among teachers.</p> <p>Role of mentoring linking students with older members of the community.</p> <p>Inter-school co-operation and ‘nested clusters’ within schools to take advantage of the benefit of relatively small learning groups.</p>
<p><b>Tertiary</b></p>	<p>Less ‘teaching’ intensive (compared to secondary) – Resource intensive (than other levels)</p>	<p>Networks of students, other students, families, teachers/researchers professionals, peers, communities.</p>	<p>Discipline or occupation-specific skills as well as inter-disciplinary</p> <p>Specialist or technical knowledge in non-university sector.</p>	<p>Community, Volunteering and ‘Service’-based learning; accreditation; knowledge networks; Business links; distance learning networks; encouraging informal research networks; learning to ‘think outside the box’.</p> <p>Fostering ‘communities of practice’ among academic staff, researchers, communities, business. Role of mentoring.</p>
<p><b>Adult</b></p>	<p>Less ‘teaching’ intensive (compared to schooling) – although not for basic literacy programmes. Tends to be resource light in most OECD countries</p>	<p>Networks of learners, other learners, spouses, partners, teachers/researchers/ professional, workplace, peers, communities.</p>	<p>Discipline or occupation-specific skills.</p> <p>Upskilling, re-skilling.</p> <p>Workplace, leisure, personal development skills.</p> <p>Second-chance.</p>	<p>Learning from experience. Recognition of prior learning or community-based learning. Networks of mutual support and learning. Value of conversational learning, action research, practical applications of learning.</p>

A key policy challenge is to embed learning in a social and community practice. Too often in the past, formal education has tended to isolate the learner from ‘practice’ and from ‘other learners’. Table 2, below, provides a schematic, and perhaps exaggerated, account of how the worlds of formal education and the workplace/community can diverge.

**Table 2 Matching Education, Learning and Life**

<i>What formal education values...</i>	<i>What the workplace/community typically needs...</i>
Prior academic attainment or recognition	Evidence of competence
Largely solitary study	Working with others
Generally uninterrupted work	Constant distractions
Concentration on a single subject	Working at different levels across different disciplines
Much written material	Mainly verbal skills
High analytical ability	Problem-solving, wisdom, decision-making.
Passive acceptance of information and knowledge	Creation of new knowledge, leadership, innovation and creativity

The capacity to function in a diverse society has been identified by the OECD ‘DESECO’<sup>21</sup> project as a key, generic competence. The DESECO framework was developed on three over-arching competencies (Rychen and Salganik (2001):

- Functioning autonomously (including critical thinking, judgement);
- Capacity to use tools interactively (including language and symbols); and
- Joining in socially heterogeneous groups (including acceptance of diversity and democratic values).

Social capital depends on all three generic competencies and not just the last. In pursuing a long-term strategy for education, it is desirable to understand better the ways in which people learn. Essentially, we learn by doing, through conversation, through interaction with others and through ‘trying out’. Again, ‘social capital’ provides a useful conceptual tool for bringing in these crucial dimensions.

The review of schooling at primary and secondary level in the New Zealand *Schooling Strategy* consultation process as well as the 20-year horizon set in the

<sup>21</sup> DESECO stands for Definition and Selection of Competencies. See [Hhttp://www.statistik.admin.ch/stat\\_ch/ber15/desecco/news.htm](http://www.statistik.admin.ch/stat_ch/ber15/desecco/news.htm)

Secondary Future Project is timely<sup>22</sup>. It parallels a widespread civic consultation in many other OECD countries including Ireland (<http://www.youeducation.ie/>). Also, at tertiary, adult and further education levels, there is a need to review the ways in which communities and formal education systems can interact more effectively in the future.

The role of community education is vital. As part of my Research Fellowship, I made a presentation to staff and postgraduate students at the *Te Wananga o Awanuiarangi* in Whakatane – a tertiary institution in the Bay of Plenty region in the North Island centered on indigenous Maori culture and community. It is one of three Maori tertiary education providers recognised under New Zealand Education law. All programmes have New Zealand Qualifications Authority accreditation at degree and post graduate studies level including Masters in Maori Studies and Indigenous Studies. *Tikanga Maori* (Maori custom) is an important features of a *Wananga* institution and has a bearing on the curriculum taught, the manner of delivery of courses and in the culture of the institution. The *Wananga* at Whakatane and its outreach centres has grown, in a short space of time, to a student population of almost 9,000 – almost entirely part-time. Unique oral and practical knowledge is part of the learning experience.

The importance of linking unique community experience and culture to the world of formal education provides a way of establishing community self-confidence and capacity to change<sup>23</sup>. It also, potentially, opens up windows to stronger links with other communities in New Zealand and abroad. ‘Bonders’ can become ‘Bridgers’ and ‘Linkers’.

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<sup>22</sup> The *Secondary Futures Project*, which is focused on secondary schooling, has a 15-20 year horizon. It seeks to address what secondary education will look like in 2020. By contrast, the *Schooling Strategy* is focussed on the next five years at both primary and secondary level.

<sup>23</sup> If it is true that no two individuals *know* in exactly the same way, this is also true of whole communities and cultures. A very imperfect guide to terms used in three different linguistic cultures is provided in Table 5 in the appendix to this Paper. Cultural equivalence is relative and evolving – not absolute or fixed. However, we live and interact in webs of conversational meaning and linguistic symbols.

## 9 Active Citizenship and Local Governance

There are many types of community involvement and governance from very informal social relationships at one end of the spectrum to highly public and regulated forms of engagement at the other. In between, various types of civic associations and forms of participation mediate the relationship between Government and other formal institutions and civil society. The term *active citizenship* has been used to describe the active responsibility and rights of engagement of all citizens not just those who have formal citizenship<sup>24</sup>.

The local level is a natural one in which to consider initiatives, measures and responses which strengthen network ties and tap into shared norms of co-operative behaviour. There are many examples of long-established organisations and networks which support social capital at this level. *Iwi* authorities or *Marae*-based committees offer a way of bonding Maori people together in deliberation and mutual support. Some practical examples of community-building at local level could include:

- Support for volunteering through community facilitators, mentors and various institutional and indirect financial supports;
- Emphasis on the role of Sports, the Arts, Cultural events, Festivals;
- Civic or Community Fora for deliberation and sustained dialogue;
- Youth initiatives (e.g. Youth Parliaments, Civic Awareness initiatives);
- ‘Public-private-voluntary’ partnerships;
- ICT-based initiatives (e.g. community noticeboards); and
- Community Time Banks

Examples of Community Times Banks exist in the UK, USA and Japan<sup>25</sup>. Each member of a local time-bank earns ‘credit’ (non-monetary) from offers of voluntary time or service. With this credit, they can ‘buy’ voluntary time and service of other members of the time-bank. An hour of giving has the same value – reinforcing equality. Each member has something to give as well as receive – thus fostering mutuality and self-reliance. All of the above represent a limited set of examples of how networks of local communities together with networks of local public authorities, business and various non-governmental organisations can build social capital.

The role of families in generating social capital norms and support has been noted by many researchers – even if it has received much less research attention than warranted by the initial theoretical insights of James Coleman and Pierre Bourdieu who were the first sociologists to popularise the concept of social capital. Families provide an important context in which norms of reciprocity are fostered through example and practice. Counteracting crime among young males relates, in particular, to the development of skills and social ties. Family bonds, marital or long-term attachment,

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<sup>24</sup> Frequently, the term ‘active citizenship’ is confused with a narrow legal concept of nationality rights, or with some form of engagement that is at odds with a community development perspective based on challenging power hierarchies through an emphasis on human and social rights for those who are disadvantaged. In practice, ‘active citizenship’ can sit within any normative framework and does not necessitate a legalistic view of ‘citizenship’. Active citizenship is probably best understood from its rich connotations in political philosophy especially that of ‘civic republicanism’ which is a natural conceptual complement of ‘social capital’.

<sup>25</sup> For further information see [Hhttp://www.timebank.co.uk/](http://www.timebank.co.uk/)Hor [Hhttp://www.timedollar.org/](http://www.timedollar.org/)H

job stability, occupational role and commitment to education are important factors. Strong emotional support and positive affirmation early in life can underpin more trusting and socially responsible behaviour later on.

The recent New Zealand *Stronger Families Initiative* and *Family Start* are examples of how public agencies can better co-ordinate their services in support of families and children in need. Similarly, *Parents as First Teachers* (PAFT) provides a basis for strengthening learning, community and family links especially in areas of social disadvantage.

Other areas of policy or community support in relation to social capital include:

- Working time/arrangements (facilitating work-life balance and greater accommodation of community and family engagement); and
- Spatial planning.

Spatial planning has a long-term impact on patterns of social engagement. Long commuting times, poor transport infrastructure, undue reliance on car transport, far-flung and poorly connected housing estates and highly segmented residential patterns (e.g. by race or social class) can undermine social capital. Simple design innovations such as the creation of enclosed ‘semi-public spaces’ in a cluster of houses or the creation of more pedestrian and cycle-paths can have significant impacts on social capital (refer to Aldridge and Halpern, 2002) for a more detailed discussion of the policy implications of spatial planning). The issue of home ownership has arisen in the research literature. Should various types of housing be dispersed to ensure a greater mix of ownership type (publicly-owned, privately-rented and privately-owned as well as social group) within a particular locality or neighbourhood? These are complex issues which call for greater debate and empirical research.

## 10 Community and Diversity

The growing diversity – ethnic and cultural – in nearly all developed societies represents one of the major challenges for the 21<sup>st</sup> Century. Diversity is to be welcomed. However, diversity also poses challenges for society. These need to be faced up to. In an article by David Goodhart in the February issue of *The Prospect* the tensions between the maintenance of social cohesion/solidarity on the one hand and the maintenance of a strong and growing cultural and ethnic diversity on the other are discussed<sup>26</sup>. One way of looking at this relationship is to ask what specific factors are at work in a given institutional and cultural context. Diversity – especially ethnic – is related to issues of equality in a very complex world. Equality issues go well beyond simple measures of income inequality to touch on attitudes of respect and recognition deeply embedded in any culture.

However, can public policy shift the relationship between diversity and community? In Figure 2, below, I hypothesise a relationship between ‘inter-community trust’ (as measured by some index of trust and reciprocity among different communities) and ‘diversity’ (as measured by some index of ethnic or cultural difference within a given society). The relationship described in curve A is concave downwards – suggesting that in highly homogeneous societies, inter-communal trust is low. Increased diversity leads to greater interaction or habituation to each other’s cultures – increasing trust among different communities. However, an increasingly diverse society may, other things equal, experience a reduction in inter-community trust beyond a certain threshold of diversity.

There is a major challenge for public policy in the coming decades of this Century to adapt and prosper from the fact of growing diversity. Unequal economic development, ageing societies and relative freedom of movement of persons will continue to give rise to significant migration. An adequate policy response is to adapt programmes and policies to diversity by seeking to build common normative frameworks within which different cultures can speak to each other and ‘negotiate’ shared spaces based on respect. Education has a key role to play in this regard as well as deliberative mechanisms to allow for greater involvement of groups in decision-making and, where appropriate, self-governance.

A key challenge for public policy is therefore to seek ways of ‘shifting’ some hypothetical curve A in Figure 2 so that a society can reach a higher level of inter-community trust for a given level of diversity (curve B). With a likely increase in diversity (including that related to ethnicity, culture, lifestyles, sexual orientation and faith) in most, if not all, OECD countries in the coming decades, policy needs to adapt by:

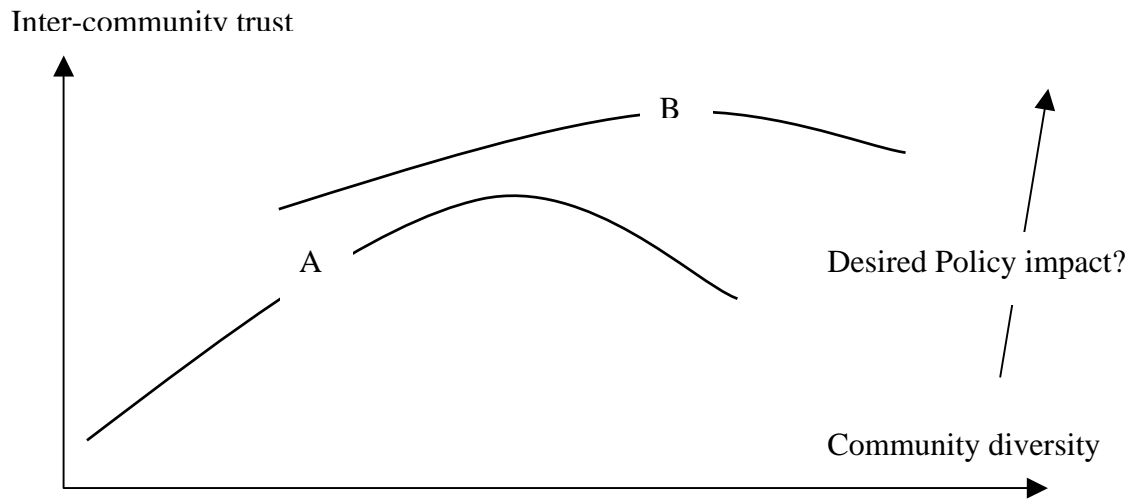
- Recognising and celebrating, where appropriate, diversity;
- Underpinning the rights, expectations, unique identity and capabilities of various ‘cultural minorities’; and
- Providing ‘institutional spaces’ in which different communities can build shared norms and values to the extent desired by those communities and mutual acceptance of difference where norms and values diverge.

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<sup>26</sup> <http://www.prospect-magazine.co.uk/start.asp>

**Figure 2**

**A Negative Relationship between Diversity and Social Capital?**



## 11 Next Steps

As a policy and research tool, social capital will be useful in New Zealand only to the extent that it connects to, and throws useful light on the following types of cross-cutting and major challenges for the coming decades:

- Ethnicity and cross-community relations;
- Increased socio-economic inequality;
- Rise of the market in areas of personal and community care and involvement; and
- Increased diversity / immigration.

The issues raised in each of the earlier publications of IPS on social capital remain as pertinent as ever (Robinson, 1997, 1999 and 2002). Where progress remains to be achieved in New Zealand compared to some other countries is in the following areas:

- Development of a sustained, open and inclusive dialogue on ‘social capital’ across different parts of society and not just Government or academia;
- Identification of a set of priority actions and ‘design principles’ for public action arising from a focus on social capital; and
- More rigorous quantitative and qualitative research to map the presence, distribution and use of social capital.

Social capital is not the silver bullet to solve each and every social problem. Properly used and understood, it invites us to approach problems from the standpoint of community effects and shared norms and not just individuals or institutions operating in isolation. There is an understandable and almost unavoidable tension between the needs of policy makers anxious to find and implement solutions quickly, and researchers who point to the need for further conceptual or empirical work to provide better evidence or frameworks for future policy. In a sense, we can do both – progress short-term pilot projects to test out ideas and develop social capital at a local level in partnership with communities while at the same time putting in place a more dedicated, continuous and coherent research effort to develop thinking and analysis.

It is important to have a balanced approach to policy implementation with the following tracks:

1. Data gathering and use of existing sources;
2. Research capacity building;
3. ‘Story-telling’ (what is the story about social capital in New Zealand?<sup>27</sup>);
4. Theory-building and clarification; and
5. Practical implementation.

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<sup>27</sup> The storyline in the USA about social capital, which captured widespread public imagination and concern over the period 1995-2002 was about the decline in many types of community involvement and volunteering since the 1960s and over generational cohorts. A New Zealand ‘storyline’ might focus on different issues – for example the relationship between public sector change and public trust in institutions and sense of engagement.

If any of the above five tracks is absent from a concerted effort at national level, then there is a risk of running ahead too quickly on one or more tracks. A good implementation strategy needs to draw on good data and research. Data and research need to draw on good theory<sup>28</sup> and theory needs to be grounded in practice and policy experience.

#### A *Conceptual Work*

There has been much debate on the nature and meaning of social capital in recent years. The World Bank, OECD, European Commission as well as various research communities have brought their own wisdom to bear on the meaning and application of social capital. To turn the concept into a useful tool for assessment, measurement and policy mainstreaming, there needs to be an on-going discussion on its meaning and association to key areas of public concern. This cannot be the sole preserve of academic or disciplinary-bound communities. There is a need to open up the debate and to bring more perspectives on board.

What is the future of ‘social capital research’? As we have seen, the 1990s saw a huge increase in scholarly references to ‘social capital’ from public health research to criminology to studies of local economic development (refer to Figure 1 above). These trends have not abated in the first half of this decade. The future evolution of social capital research will depend on its capacity to identify a relevant place in major public debates such as poverty reduction, international relations and ethnic diversity to mention just a few. Rather than playing some catch-all role which can explain other social phenomena, social capital research can play a positive role within existing lines of inquiry.

Its main potential may be to challenge some existing methods of research which work from within a narrow set of assumptions. However, unless it opens up to many disciplinary paradigms including social anthropology, ethnographic methods and action research, social capital research risks becoming trapped within ‘methodological individualism’ – the explanation of social trends and relationships from a purely individual-level set of data given the limitations of empirical research and the predominance of particular methodologies in the social sciences.

In relation to research on social capital, it is desirable to engage a much wider range of research disciplines and methodologies even if many of these may not be described or classified as ‘social capital research’. For example, research on family interconnectedness provides a very fruitful area for analysis of norms and networks and their impact on family well-being and wider social concerns. Rather than conceiving of a completely separate and self-contained programme of research on ‘social capital’ it might be useful to think of a whole series of inter-linked research activities that draw on social capital concepts and findings. In this way, ‘social capital’ as a concept and research tool could be mainstreamed into some existing lines of research from studies of poverty to migration, gender, etc. The following initiatives would be immensely helpful to future progress:

- **More focussed resources and high-level support for a co-ordinated and inclusive research effort bringing teams of researchers together from across institutions and disciplines; and**

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<sup>28</sup> Strictly speaking, there is no such thing as ‘social capital theory’. Like ‘human capital’, social capital is a concept and term which sits within social theory. We may use various social theories to clarify, critique or modify our understanding(s) of social capital.

- **More interaction and direct participation by various ‘communities of practice’ in the development of a NZ social capital framework – Central Government, local authorities, various public agencies, ethnic groups, academia, community and voluntary, professional associations, churches, etc.**

Analysis in the area of ethnic diversity and community from a social capital perspective would represent a very valuable line of inquiry – and one which is very timely given the challenges posed by the debate over cross-community relations, integration of new immigrants, Treaty Settlements and inter-community deliberation.

#### *B Assessment and Measurement*

In the absence of time series data and an adequate coverage of informal and formal measures of social capital it is very difficult to assess the level of social capital in New Zealand by international standards or to contrast different types of social capital by various groups in the population. Given the multi-dimensional nature of social capital, no single measure, such as inter-personal trust or membership of voluntary associations, suffices. Context and culture matter. As we have seen in Section 6, only very partial evidence is available from a number of sources. These include the *Electoral Survey*, the *World Values Survey* and the *Time Use Survey*. Three immediate priorities seem to present themselves:

- The creation of a time series of comparable social capital indicators – a social capital module in a General Social Survey would provide such a time series once it is up and running;
- The creation of new data sources on informal social capital that have not existed up to now; and
- The development of appropriate cross-cultural measurement tools for the measurement of social capital especially on a local area basis.

There have been discussions involving Statistics New Zealand and the Office for the Community and Voluntary Sector about the measurement of the non-profit sector in the Satellite National Accounts similar to the Tourism sector. The Annual Enterprise Survey and the collection of administrative data from the New Charities Commission to be established later this year could provide, over time, useful information in this regard. These developments along with greater exploitation of the *Time Use Survey* already undertaken in 1998 could provide a basis for estimating the value of various types of non-market activity and volunteering relevant to the measurement of social capital.

#### *C International links*

New Zealand has much to contribute to the international debate on social capital and its potential for policy and community practice. Given the relatively small population together with a diverse society, a more extensive discussion of social capital among researchers and policy makers is timely. This would benefit immensely from the following stronger links to international networks in this field – OECD, UK policy community, Saguara Summit in the United States. The exploratory work on the relationship of social capital to policy on migration undertaken by the Canadian Prime Minister’s Policy Research Initiative, for example, represents an important reference point for emerging research in this area internationally. The results of a joint PRI-

OECD conference are available at:  
[http://policyresearch.gc.ca/page.asp?pagenm=oeed\\_synthesis](http://policyresearch.gc.ca/page.asp?pagenm=oeed_synthesis)

*D Policy Actions*

Bringing the above elements together – Conceptual work, assessment, policy action and international links – it may be possible to identify a number of cross-cutting themes. I suggest, on the basis of discussion with a range of interested researchers and policy analysts that three areas in particular are worth paying attention to:

- Diversity and community
- Lifelong learning
- Local governance/active citizenship

A possible framework for follow up action is illustrated in Table 3.

**Table 3 Possible Framework for further Work on Social Capital in New Zealand [To be filled by you – the reader]**

	Conceptual work	Assessment & measurement	Policy/Community ‘Actionability’	International Links
Community & Diversity				
Lifelong Learning				
Active citizenship & Local Governance				

In terms of lifelong learning, the Ministries of Education and Social Development could play a key role in addressing what is a critical area for policy in relation to social capital. The Strategic Policy and Planning in Local Government project at the School of Government in Victoria University could provide a useful launching pad for research in teasing out the nature of local authority and community interactions – especially as it is linked to planning in the case of 19 participating Local Councils.

I believe that for the success of any programme of research or application in the area of social capital it is essential to engage a wide range of actors and commentators. The initiative of the Ministry of Social Development in exploring the concept of social capital, undertaking a ‘stock take’ of existing policies and in planning for an eventual ‘Action Plan’ is to be very much welcomed. However, its success will depend, in part, on the ability to engage the maximum number of public agencies, NGOs, community groups at national and local level in New Zealand in discussing the concept and linking it to other areas of policy and practice.

A process of extensive consultation is already underway in relation to long-term community planning and the future of the community sector. These could be linked in

a practical way to the identification of social capital as a key concept and challenge for the future well-being of society. There is also, I believe, an opportunity and need to engage policy makers at a very senior level in identifying issues and collaborative work. This could involve many different Ministries and levels of Government in an initial phase. People need to feel that they genuinely ‘own’ the debate about, and future application of, social capital.

While work on the application of social capital will progress through Government agencies, it is desirable to put in place an on-going process of engagement with the wider community. A policy-research initiative sitting outside Government but close enough to inform and influence policy thinking within Government is needed. The exact institutional structure and form of such an arrangement remains to be clarified further. **As a first step, the establishment of a cross-cutting High-Level Working Group on Social Capital would be helpful**<sup>29</sup>. Its remit would be to identify in consultation with a wide range of interests:

1. **A limited number of experimental, local, pilot actions to develop social capital directly or indirectly;**
2. **A series of focussed action research projects to explore the impact of social norms and connections on areas of public well-being.**

An example of 1. above might be the trial establishment of a Community Time Bank or Community Internship Programme<sup>30</sup> in some locality with a public sector Community Challenge Grant and facilitation (possibly through a ‘Community Broker’). An example of 2. above might be the setting up of intensive local research projects to observe the quality and density of inter-generational contact in a particular neighbourhood.

The latter would inform policy responses in relation to public health, crime, school drop-out and ageing. Neither action 1. or 2, above, would be intended as an intrusive and top-down initiative – but rather as a series of local initiatives – co-designed or self-organised with the help of a public challenge or venture fund to start the process. An incremental and experimental approach, jointly-owned and tailor-made to local circumstances, seems to offer the best approach to developing social capital, including research about social capital, at local level.

My Research Fellowship in New Zealand in April 2004 has confirmed my view that ‘social capital’ as a concept and ‘policy design tool’ can help us to:

- Talk about things that are important (diversity, integration, solidarity);
- Meet across different ‘tables’ (policy departmental, NGO, academic, etc);
- Shape public discourses (framing the debate); and
- Impact on long-term policy development and community practice.

However, the realisation of the latter depends very much on how much we are prepared to invest simultaneously on the following fronts:

- Data gathering;

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<sup>29</sup> My understanding is that a Community Policy Senior Officials Group under the Chief Executives Forum already exists. However, this discussion needs to be broadened to include others while maintaining a community or social capital focus in the aforementioned Groups.

<sup>30</sup> These are skill-sharing schemes placing experienced persons from the public, private and community sector on internships with host community organisations.

- Research capacity building;
- ‘Story-telling’;
- Theory-building; and
- Practical implementation

More than merely creating social connections and networks, public policy needs to facilitate dialogue, exchange and sharing of some public norms. The way in which information flows, the patterns of engagement and empowerment and the content and quality of social interaction matter as much as the mere existence of social connectedness. **Much of the policy challenge in relation to social capital is to identify ways of recognising it and empowering it.** Public institutions like schools, Local Authorities, civic fora, community councils can provide crucial ‘nodes’ in which these social connections and conversations can take place across existing social, ethnic and cultural boundaries.

Now it is over to you, the reader in New Zealand, or elsewhere, to consider the following questions:

- Is this concept and research evidence relevant to my life and to my community or organisation?
- How can my community, organisation or social networks make better use of ‘social capital’?
- What role is there for Government at local and national level in all of this?

In the introduction, I gave the first word to a New Zealander, Louis Smith. I will leave the last word, also, to a New Zealander, Maree Howard:

*The important objective is that everyone feels included, feels that their own ideas are genuinely listened to and that they can act with others to achieve change. Young or old, rich or poor, advantage or disadvantaged - provide a forum to listen to their ideas, to listen to their vision, to listen to their voices crying out to be heard, to listen to what their heart is telling you.*

Tom Healy

17 May 2004

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## APPENDIX

**Table 4: Summary of European Comparisons of Engagement and Volunteering and Trust, 1999.**

	Membership of at least one voluntary organisations	Unpaid voluntary work for at least one voluntary association	Proportion of respondents saying 'most people can be trusted'
	A	B	C
Sweden	96.2	56.4	66.3
Iceland	93.1	32.6	41.1
Netherlands	93.0	49.7	59.7
Denmark	84.9	38.3	66.5
Finland	80.0	38.4	58.0
<b>New Zealand*</b>	-	-	<b>49.0</b>
Austria	67.0	30.8	33.9
Belgium	65.5	35.8	29.3
Slovakia	64.7	51.2	15.7
Czech Republic	59.5	32.5	23.9
Luxembourg	59.0	30.6	25.9
Ireland	56.8	31.3	35.2
Slovenia	51.7	28.5	21.7
Germany	50.8	21.3	34.8
Greece	48.1	33.7	19.1
Northern Ireland	47.1	22.3	39.5
Belarus	45.8	18.8	41.9
Croatia	43.1	23.6	20.5
Malta	42.2	28.6	20.7
Italy	42.1	26.1	32.6
France	38.5	26.1	22.2
Great Britain	34.2	-	29.8
Ukraine	34.1	13.1	27.2
Estonia	33.1	17.8	22.9
Russia	32.2	7.9	23.7
Latvia	31.4	22.4	17.1
Spain	30.9	17.6	38.5
Hungary	29.2	14.8	21.8
Poland	25.8	13.7	18.9
Portugal	23.6	13.8	-
Romania	21.1	15.7	10.1
Bulgaria	20.4	16.5	26.9
Lithuania	16.6	13.6	24.9

\* Data for New Zealand in respect of membership of voluntary organizations (A) and volunteering (B) are missing. Data for European countries in columns A and B have been calculated by me using weighted data from the European Values Survey file from the Central Archive for Empirical Social Research (ZA). Data in column C were published in Halman (2001:44). The figure for New Zealand in column C (generalised inter-personal trust) was taken from MSD (2004).

**Table 5** Some colloquial terms relevant to social capital in Te Reo (Maori) and Gaeilge (Irish)

<b>Maori (Te Reo)</b>	<b>English</b>	<b>Gaeilge (Irish)</b>
Whakapono	Trust	Muinín
Tika	Integrity	Ionracas
Pono	Truth	Fírinne
Manaaki	Sharing and Caring	Comhroinnt agus cúram
Tautoko	Support	Tacaíocht
Hapai	Uplift	Ardú meanma
Whanaungatanga	Social interaction & connection	Comhar na gComharsan
Kotahitanga	Unity	Aontas
Mana Motuhake	Autonomy and Authority	Féinriail & Údarás
Whanau	Immediate family	Clann
Hapu	Family groupings	Teaghlaigh
Iwi	Tribe	Treibh
(Taha) wairua	Spiritual (well-being)	(Leas) Spioradálta
(Taha) tinana	Physical (well-being)	(Leas) Fisiciúil
(Taha) hinengaro	Mental (well-being)	(Leas) Intinne
Whariki	Woven flax mat	Mata fite lín
Turangawaewae	Land/place of one's tribal ancestry	Dúchas
Marae	Traditional meeting place	Teach tábhairne?! /Séipéal?/Tinteáin eile?
Tikanga	Cultural values	Luachanna cultúrtha/dúchas
Kawa	Protocol/traditional practices	Gnásanna
Mauri	Lifeforce	Neart Beatha
Mana	Prestige, dignity, mark of authority	Dínit/cáil/comhartha údaráis
Rawaho	Tribal affiliates who reside outside the traditional tribal boundary	Daoine muinteartha a bhfuil cónaí orthu taobh amuigh de limistéir na treibhe
Whakaiti	To humble oneself	Umhlú
Whanau whanui	The wider family setting	Muintir/cine
Ariki tapairu	Of high chiefly birth	De dhaoine uaisle
Kiri mate	Family of the deceased	Muintir/clann/teaghlach an éagaigh
Tapu	Sacred state	Staid naofa
Whaikorero	Art of speech-making	Seanchas/óráidíocht
Paepae tapu	The special place where speakers of the marae are seated	An áit ar leith ina suíonn lucht labhartha an marae
Noa	A neutral state	Staid neodrach

Terms from *Te Reo* and their equivalence in English are taken from a chapter by Tu Williams and David Robinson in Robinson (2002). The Irish translation is my own. The latter may contain a few linguistic errors and some misinterpretation.