

A SHORT THEORY OF COMMUNITY CAPITAL FOR PUBLIC POLICY

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Introduction – Paradigm Shift or Candle in the Wind?

Internationally, the communities agenda continues to gain momentum fuelled by a simple idea, namely that the desired features of communities (such as identity, trust, belongingness, safety, etc) have regained importance in a world characterised by fragmentation, uncertainty and risk.

The broadening of the theoretical debates away from the narrow social capital field into new areas such as revitalising the public realm (see for example Blunkett 2003, Bentley 2005) and economic innovation (see for example Florida 2005) has ramped up the policy significance of the idea considerably.

Key ideas about community are emerging from at least eight converging theoretical sources:

- Social capital literature generally (especially social epidemiological theory and the theorising around collective efficacy) (see for example Fine 2001, Durlauf 2004)
- Public value theory (linked to *third way* theorising) (see for example Moore 1995, Giddens 2000)
- Network theories (eg network governance; cluster theory in economics) (see for example Gilchrist 2004, Considine 2005)
- Place management, urban planning and the new regionalism (see for example, Rainnie 2005)
- Complexity theory (see for Byrne 1998)
- Post-modern theory (especially around the fragmentation of modernity) (see for example Farmer 1995, Bauman 2004)
- Communitarian theory (see for example Tam 1998)
- Environmental theorising (Ostrom)

These theories are all contested but they have some common elements:

- A valuing of local knowledge and distributed leadership
- A focus on network agency and the importance of participation
- An explicit or implied critique of rationalist epistemologies
- A tendency towards constructivist epistemologies
- An ontology which accepts interdependence between the worlds of social, economic, human and natural capital
- Places and spaces as important units of organising (eg communities of place or interest)

These common elements have in turn spawned a growth of policy strategies with various labels such as community strengthening; community building; stronger communities; place management; community regeneration; civic renewal, and the like. The general claim of all these strategies is that by focusing on community level networks and their capacity to bond, bridge and link, there are likely to be improved individual level outcomes (such as health status) as well as community level outcomes (improved levels of trust and reciprocity). There is therefore a double benefit for governments to invest in such strategies.

Whilst there is now a significant body of knowledge about how local action is correlated with improved individual and community level outcomes, the actual underlying mechanisms are not well understood nor are the organising arrangements necessary to create policy agency. In

particular, to form a coherent theory of action the relations between networks and institutional relations need to be articulated, as does the way knowledge is formed and made relevant to policy. It is these underlying mechanisms that this paper canvasses under the rubric of community capital.

The purpose of this Paper is to sketch out the theoretical links between the key ideas behind the 'agency' of community and the institutional and organising conditions under which agency can be expressed. Together these ideas could potentially form the basis of a theory of 'community capital' and therefore give greater coherence to the myriad of ideas currently in play for which various claims of explanatory and predictive capacity are being made.

A Note for Critics

The idea of community remains contested with the key types of criticism being:

- (1) communities no longer exist, there are just populations of the 'flotsam and jetsam' of successive waves of socio economic chaos created by the fragmentation of modernity (see for example Geddes 2005);
- (2) Community is just another capitalist plot masking the evils of the free market and the false consciousness of advocates (see for example Fine 2001);
- (3) There are too many types of communities to sensibly theorise about them or attribute causation. Communities of places, of faith, of spaces, of interest, of identity, mobile communities, transient communities, interlocking communities etc – its all a muddle; (see for example Adams and Hess 2001)
- (4) Communities exist but their agency is contested, their normative status uncertain – often a source and site of conflict and oppression etc – (Bauman 2001).

Rather than engage yet again in this debate the approach here is to focus on a set of emergent theoretical building blocks that lay out the nature of the 'agency' of community - that is what the features are that might come together to create meanings, actions and impacts.

In this approach the focus is not on what communities are or are not, but rather on the nature of community agency and how that agency might operate. This is meso level theory, theory about why and how a particular phenomenon (community) might have explanatory capacity. That explanatory capacity comes from the idea of community capital.

Community Capital

By community capital I simply mean the ensemble of relations that create meanings, take on organisational form, guide judgements, provide resources and form identity reference points for people in specific historical conjunctures. The propensities of communities to be active, confident and resilient, for example, are measures of the relative strength of community capital. This is as relevant to spatial communities as it is to other forms of community. Understanding a community begins with understanding its resource base, its assets. These assets in turn are utilised in various ways to create knowledge. Whether knowledge turns to action depends mostly on the capacity of a community and its relations with others – other communities, other networks, other institutions and the governance arrangements from which the practical world of public policy – eg instruments/resources/skills etc emerges.

Thus increasingly the debate over community is being conjoined with debates about the nature of governance and the suitability of the institutions of public policy (such as government departments) and the concomitant instruments (such as the program format) to give effect to the policy strategies emerging from the idea.(see for example Hess and Adams 2002 and Smyth et al 2005). This is the governance element of community.

The four theoretical building blocks then are *community endowment, community knowledge, community capacity and community governance*. It is the interdependence of these that creates

community capital and which shapes the nature of community agency. These four building blocks bring together human agency with structural conditions and public administration arrangements. This approach contrasts for example with much of the social capital literature which tends to be institution free and lacks grounding in the historical conditions of actual communities and their interface with others – other people, other institutions, other histories.

These building blocks are more in the tradition of a Weberian 'Ideal Type' designed to help organise or frame thinking about knowledge creation and flows.

Community endowment

This is the basic stock of capital in a community whether *expressed* (such as in buildings, laws) or *latent* (such as leadership capacity, community attitudes). The stock of capital includes the histories, rules and behaviours of people, places and spaces. The overall stock of community capital includes the mix in any specific historical conjuncture of social, human, economic and natural capital. Many endowments are documented in detail – such as in census publications – and often these are interpreted to form a social atlas of a particular area.

Often judgements are made on aspects of endowment – such as whether a community is rich or poor, whether a community is growing or in decline, how liveable a community. These are all examples of interpreting endowment and how it is utilised.

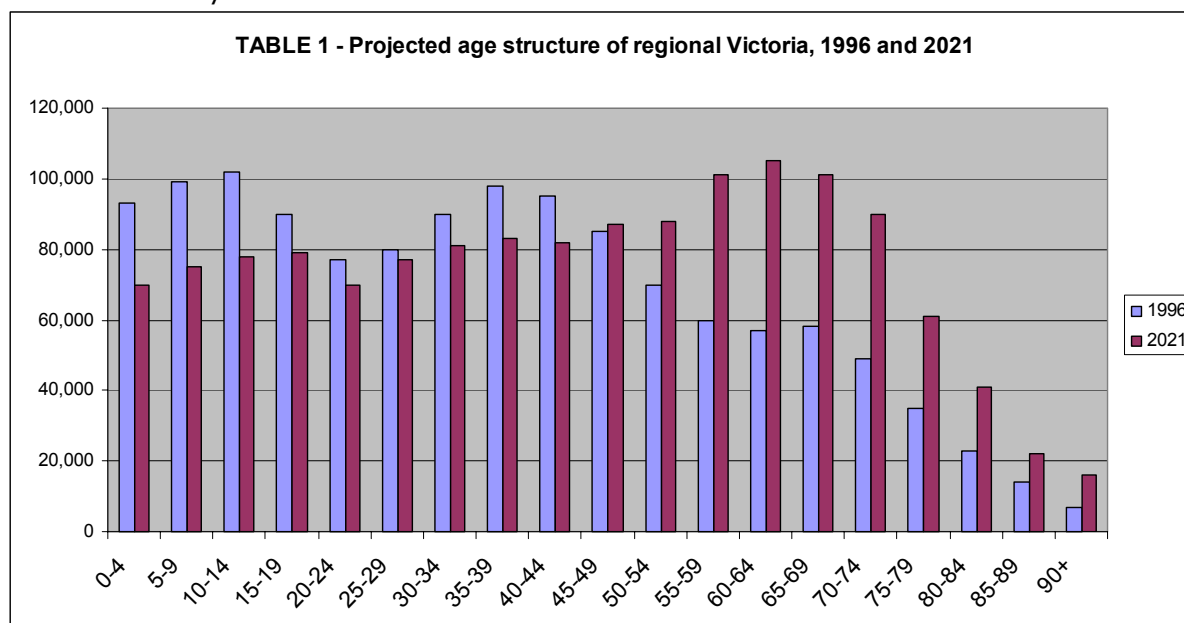
Some aspects of community endowment are better understood than others. If you were to ask any business a basic question such as what the asset base is or what the strategy is to have competitive advantage in 5-10 years most would have well organised responses. If you were to ask a local council what the community asset base is and the proposed strategies to influence the trajectory and quantum of community strength over the next 5-10 years you would mostly be met with blank looks.

Community endowment is now a major international issue in part because the fragmentation of modernity is fragmenting the stability of endowment. For example one of the many practical and local effects of globalisation has been the emergence of footloose (sometimes called nomadic) capital. That is whilst capital used to be tied to place (especially the nation state) it now flows to highest use value around the world. Not only does it flow it can flow quickly. Loss of capital endowment can create community shock and quickly challenge sustainability. The decoupling of capital from place means a key building block of endowment has been destabilised. In a very practical way the effect can be observed for example with the many closures of local banks. If you go to another town to bank you often buy your fuel and do your shopping there as well. Endowment has shifted. The emergence of a class of footloose labour (mainly Florida's creative classes but also rapid in and out migration) has similarly decoupled many people from place and increased the sense of insecurity in place based communities.

Some businesses (such as the Bendigo Bank in Victoria) have created a market niche by explicitly focusing on local presence and the reinvestment of local capital in local communities. The economic benefit comes from the willingness of clients to choose investments likely to retain capital locally. Endowment is valued.

Changing technologies can quickly change community endowment especially in the way people communicate. In the 1970's many young people communicated through the new medium of CB radios (Citizens Band) whereas now the SMS texting community is a major source of interaction. The SMS texting community is both a source of communication and an important source of judgement for many young people. The risks and opportunities of this sort of technological endowment is not well understood.

At Table 1 is a traditional illustration of demographic endowment – in this case of regional Victoria - showing a trend over time towards the ageing of the population. Useful information which I will return to shortly.



Source: DOI Victoria in Future 2001

At Table 2 is an illustration of what (mainly social) community endowment looks like. This is a profile of indicators of the relative risk and protective factors that might be present in a community. Depending on the mix of risk and protective factors facing individuals and families it is possible to make judgements about the overall community.

TABLE 2 – INDICATORS OF RISK & PROTECTIVE FACTORS	
<ul style="list-style-type: none"> • Low neighbourhood attachment • Community disorganisation • Personal transitions / mobility • Community transitions / mobility • Community laws / norms favourable to drug use • Perceived availability of drugs • Poor family management • Poor family discipline • Family conflict • Family history of antisocial behaviour • Parental attitude favourable towards drug use • Parental attitude favourable to antisocial behaviour • Academic failure 	<ul style="list-style-type: none"> • Low commitment to school • Rebelliousness • Early initiation of problem behaviour • Anti-social behaviour • Favourable attitude towards antisocial behaviour • Favourable attitude towards drug use • Perceived risks of drug use • Interaction with antisocial peers • Friends use of drugs • Sensation seeking • Rewards for antisocial involvement • Gang involvement

At Table 3 is a list of indicators used in Victoria as a measure of community strength. We have chosen a relatively small number from the bewildering array of social capital type indicators now floating in the policy ether.

TABLE 3 – Indicators measuring community strength

Attitudes to community life

- Feeling safe on the street alone after dark
- Feeling there are opportunities to have a real say on issues that are important
- Feeling valued by society
- Feeling multiculturalism makes life in the area better
- Enjoys living among people of different lifestyles

Participation

- Volunteers (yes)
- Volunteers (yes and sometimes)
- Is a member of an organised group – sports, school, church, community action or professional group
- Is a member of a sports group
- Is a member of a school group
- Part of a group that has taken local action on behalf of the community in the last twelve months
- Attendance at a community event in the last six months

Able to get help when needed

- Can get help from friends, family or neighbours when needed
- Could raise \$2000 in two days in an emergency

These three tables are simply illustrative of the content of community endowment from the traditional Table 1 through to the more unusual Table 3. For other areas of community capital (such as the environment and natural resources) there are similar lists of important indicators available. Often when these measures are collated they are produced as profiles of communities or indicators sets (ABS 2003;).

The observation I make and will discuss in detail later is that whilst the components of community endowment can be identified they are usually identified in an instrumental and segmented way. Instrumental in the sense of being extracted to deal with specific issues – for example water and air quality to deal with pollution issues, safety measures to deal with crime rates. Segmented in the sense of having multiple frames of reference for understanding endowment. For example there are many ways of projecting population increases and what tends to happen is often each program/department/level of government/sector adopt different projections for different reasons (for example judgements about projected internal and external migration rates). The result is policy confusion and contest over what the future population endowment might be and no mechanisms to sort the differences.

Again the point is that community endowment is not conceptualised or understood as such. Endowment is objectified into data and programatised such that it becomes inert and something to be extracted for instrumental purposes. It becomes lifeless when in reality it is active, dynamic and volatile. Often it becomes lifeless because it is aggregated up to a level where the fine grain of local circumstance is lost.

Thus most policy questions about communities are program questions (such as what is the health status) rather than community level questions. Some examples of community level questions would be:

- How resilient is this community to future shock?
- Who will the leaders be in 10 years time?
- Will this community be here in 10 years time?
- How does endowment relate to mobile and transient communities?

- How tolerant is this community likely to be in the future?
- How productive is this community likely to be?

But what makes endowment interesting and active and linked to policy action is how it is invented and constructed to create community knowledge.

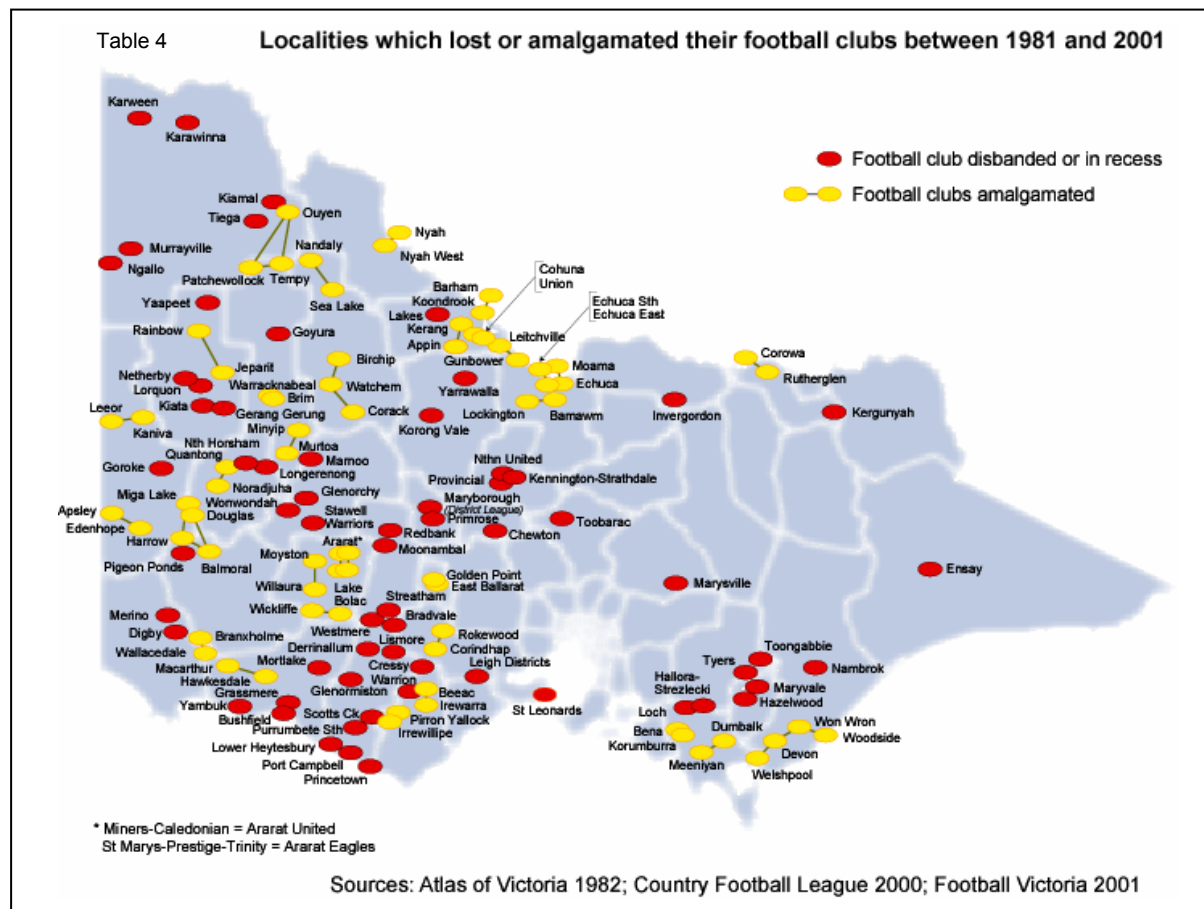
Community knowledge

Having stocks and flows of community capital is only meaningful when people have views about what is valued and act upon it. It is the creation of meaning and the action linked to meanings that generates capital – whether it be social, economic, human or natural. The creation of meaning is the process that leads to knowledge. Community knowledge consists of those most valued ensembles of information which guide action. It's how and why information is formed into knowledge that really matters.

Community knowledge is not well understood in public policy and is often treated as a benign object to be 'mined' by experts using 'consultation' and then fed into the centralised policy making machine to be tested against the political rationality of executive government and occasionally parliaments. The current techniques of 'extraction' such as CATI (telephone) surveys and focus groups generate partial and distorted vignettes of community knowledge which are often then programatised and converted into outputs for 'purchase and delivery'. This simplistic managerialist and rationalist view of knowledge still dominates public sector reasoning.

But community knowledge is much more subtle and diffuse than this. For example understanding the resilience of a community (of place, identity or interest etc) is an issue about knowledge not just accumulated data and information about for example the state of readiness of emergency services to deal with fire or floods or drought.

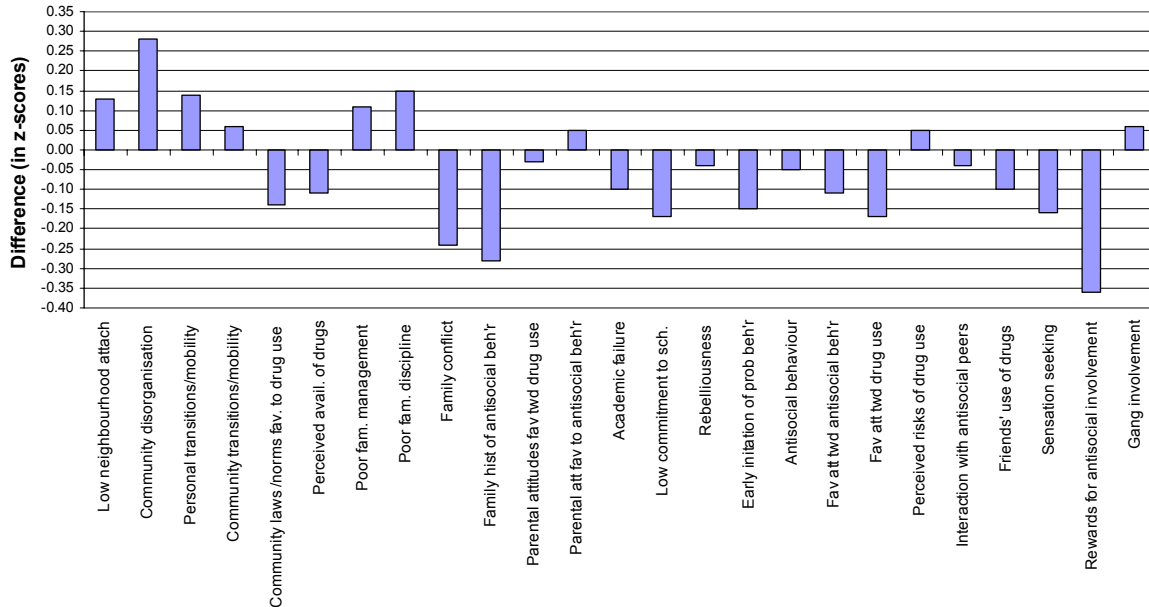
At Table 4 is Table 1 reconstructed as a picture of the loss of regional football clubs. Here the inert data about demographic trends becomes knowledge about community that might be valued. Whilst I have no intention of commenting on whether the loss of football teams is 'bad' or 'good' the point is Table 4 brings to life the nature of local knowledge .



At Table 5 are the individual/family level indicators from Table 2 presented in terms of a baseline. The same information begins to paint a picture of what a community is like. Inert data is being converted to information about community dynamic – in this case risk and resilience.

Table 5 - Correlate with risk and protective factors for individuals and families

Elevation (or reduction) of risk factors for x students compared to the State mean



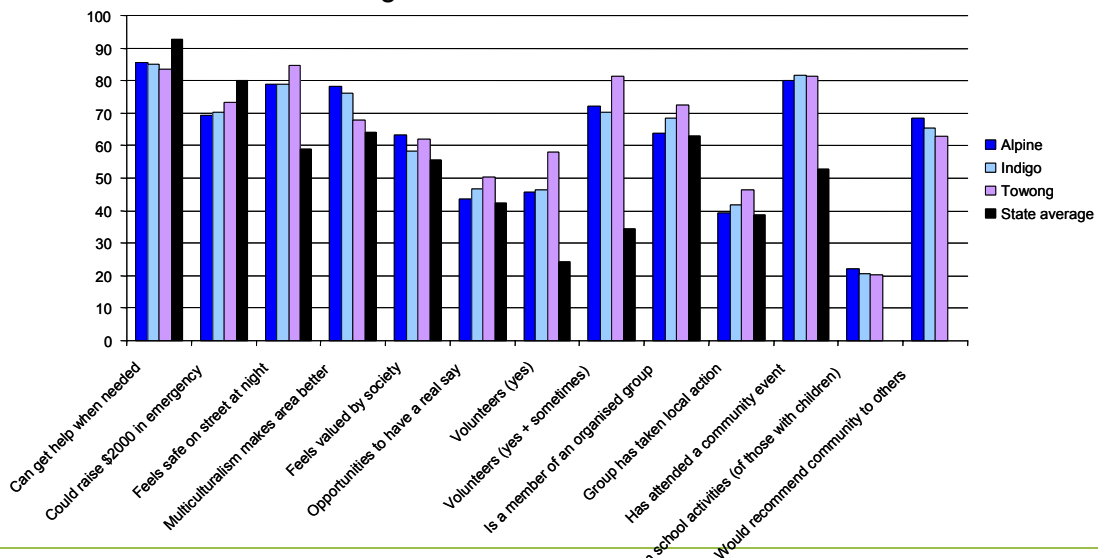
Source : 'Improving the lives of young Victorians in our community' (Bond *et al.* 2000)

The data becomes important local knowledge – it has meaning because it has been interpreted and given relevance. Local knowledge is about how people choose to construct and value shifts in endowment. In this case the local knowledge question for people in community “X” is how they choose to understand and act (if at all) on the sorts of information illustrated in Table 5.

Similarly at Table 6 is Table 3 community level indicators presented as a snapshot of three local government areas of Victoria illustrating how the relative strength of community varies from the State mean. Data becomes information that can be interpreted to form community knowledge.

Table 6 - What is community strength?

A comparison of community strengthening indicators across three 'resilience' LGAs and the State average



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State averages not available for the last two indicators “active in school” and “would recommend community to others”

Source : DVC unpublished data

Rationalist views of community knowledge tend to focus on quantitative aspects and struggle with the normative and evaluative aspects. For example it is now relatively easy to identify community attitudes through a range of quantitative and qualitative techniques. What still remains elusive are the conditions under which attitudes can lead to mobilisation and action. Yet the intensity of preference (to use a political science term) is of as much significance to policy work as the numbers 'for or against' something. As is the propensity of people to 'switch' from one view/action to another. Understanding intensity of preference and switching conditions requires an understanding of the local dynamic between ideas, values, histories, stories, local connectivity, possible futures, trust levels, etc.

The fine grain of information in Tables 5 and 6 provides a base for resource allocation and intervention strategies that are much more sophisticated than for example socio-economic status. More importantly for the discussion here is the extent to which significant variations occur between (and often within) local communities along the spectrum of both individual, family and community indicators. These variations are most usually related to the underlying stocks and flows of community endowment.

Importantly for example we have found a significant correlation between parental participation in school life and participation, retention and completion rates for children. Not rocket science but the local knowledge enables a more informed discussion of policy around learning strategies especially for at risk populations of young people. The next education dollar might be better spent not on teachers or curriculum but on increasing parental involvement in school life.

At Table 7 are a suite of largely social indicators that illustrate in a whimsical way what an understanding of endowment might lead to in terms of understanding your community. Again the observation about these indicators is that they encourage people to think about what might be important and why – what needs to be known and valued.

TABLE 7 – SOCIAL INDICATORS

- How long does it take you to do your shopping and how many people do you smile at?
- When will the local cemetery be full?
- What will the enrolment rate in your local primary school look like in the future?
- Who will your mayor be in 20 years time and will she be the captain of the netball team?
- Will you be able to drink the local water in your neighbourhood park while having a picnic?
- Will your grandchildren be able to see the horizon?
- Could you raise \$2000 in 24 hours?
- What % of residents will be disconnected because they can't / won't pay their energy bills?
- How many apprenticeships will there be each year?
- Will the captain of the footy team fly in to play at weekends?

Community knowledge is important but its importance to policy agency is largely shaped by the capacity of community to organise in ways that leverage the knowledge. For example as Richard

Florida (2005) argues, the conditions under which creative classes cluster spatially and reproduce creativity is strongly correlated with the types of local attractors that exist. Factors such as lifestyle, transport and recreation amenities become key variables in shaping the conditions both for the emergence of creativity and its expression – for example through business innovation.

Community Capacity

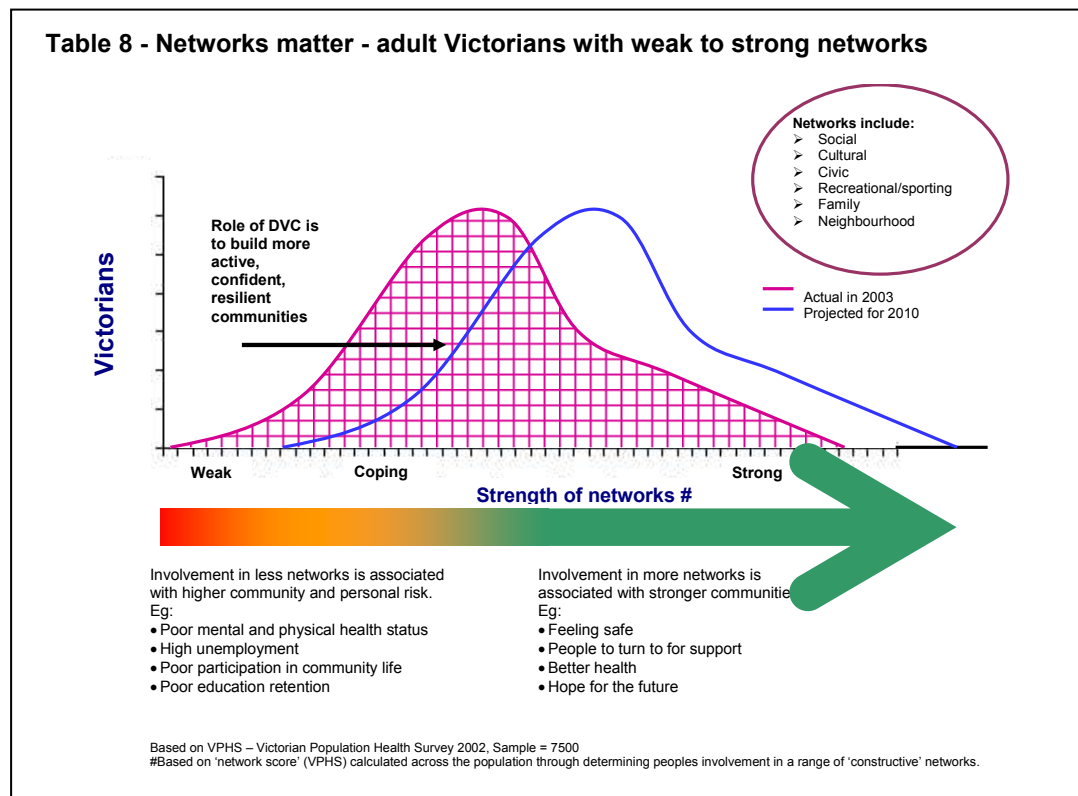
Creating meaning and generating knowledge is significant for many reasons but mostly because knowledge is a building block for action. Having an understanding of community knowledge does not guarantee willingness or capacity to act on it. Knowing and doing are different. Doing depends on the knowledge base and the ability to have access to and utilise endowment to create policy agency – that is to act. In our research many capacity factors have emerged but five stand out as significant - leadership capacity; 'agoras'; infrastructure capacity; network capacity; and temporal status.

Leadership and Network Capacity

Leadership factors have been well canvassed in the literature (Lin 2001) but in addition to traditional leadership we have observed the increasing significance of distributed leadership and the significance of leadership clusters. These leadership clusters usually involve a series of networks across different sectors (eg business, community, government) coming together around common objectives and bringing to bear a range of knowledge frames. In Putman's typology this is classic bridging and linking at work. (Putman 2001). Essentially the 'nodal points' in the networks become the key sites for collective efficacy where energy, knowledge and propensity to mobilise are formed.

It is in this area that the significance of networks emerges in that arguably it is network capacity that matters most. The issue of network agency remains the hottest topic in the social capital literatures (Durlauf 2004; Lin 2001; Adams 2004) with many writers now shifting towards other constructs such as collective efficacy (Sampson 1997). The significance of the debate remains however and that is the search for agency and the network conditions that can in some circumstances lead to creativity capacity and innovation (Florida 2002) and in other circumstances lead to violence, exclusion and despair.

I have canvassed elsewhere ideas on the type of knowledge (Adams 2004) that could be generated through this focus on community capital, for example the idea of government building network capacity - Table 8 . This Table simply illustrates another (non program) way of thinking about what governments try and do – in this case increase the strength of 'positive' networks because they are correlated with key objectives – such as improved health status and safety. Networks are both a source of local knowledge creation and the medium through which that knowledge flows.



These themes revisit one of the oldest problems in sociological theory – the link between structure and action. But it is the attribution of agency to networks which makes these debates different. The mediation of action and structure through networks is what makes networks such an important object of study and importantly within the apparent reach of the instruments of public administration. Whilst social capital remains opaque and distant networks are proximate and visible.

What governments have figured out is that networks are important to wellbeing and networks are usually very localised. To influence network formation governments need to better understand communities. Unfortunately the predominant knowledge within most governments is based on rational managerial and functional expertise (the creed of expertise) at the expense of other knowledge frames. Since community knowledge is now recognised as important to policy formation, governments have been exploring the terrain again. Part of that terrain includes the sites where networks come together.

Agoras

Despite the rather elitist nature of the traditional Greek *agoras* the idea of common public spaces is critical to capacity forming. Without places and spaces to interact, data and information are less likely to form knowledge. Networks by definition need modes of communications and sites of interaction. Thus for example the SMS texting community is increasingly a new 'agora' where people come together to share views, observe others, canvass possible futures. The old town hall agoras are being replaced by cyberspace agoras.

Patterns of land use, the nature of transport systems and the design of the built environment are all critical to whether and how agoras form and are utilised. Some planning theorists (eg Blakely 2004) have long understood the significance of the agora to the nature of community but the disjuncture between 'hard' planning and 'soft' social policy continues to fragment our ability to create and sustain agoras.

Increasingly however new agoras are emerging, often as part of hybrid new social institutions. For example catchment management authorities where community, business, environmental and government interests jointly manage natural resource flows.

The idea that community strengthening starts with land use planning is not a view accepted by many but fortunately some of our key planning thinkers are already trawling this terrain (Spiller 2005, Gleeson 2004). Similarly some major corporations (such as Delfin Lend Lease) have well and truly understood the market advantage from embedding community strengthening into land use planning and the design of built infrastructure. This plays out for example in micro practical ways such as conjoint use of facilities; public input into the design of streetscapes; wiring up neighbourhoods; integrated local area planning; use of schools as community facilities; transport connectivity plans, etc. Places and spaces matter to capacity formation and the traditional binary distinction between hard and soft infrastructure becomes blurred.

Temporal status

Communities can be understood in terms of their maturity – new, established, older, etc. Thus for example in many emerging communities associated with urban growth there is usually a lower level of community infrastructure than in established areas. In part this is because of the lower level of community capacity to organise, plan and attract resources. Knowledge may be there but the networks and institutions are not sufficiently formed to mobilise and therefore capacity is lacking.

Transient and mobile communities, communities of new settlers, and communities with declining populations in small satellite rural towns all have different capacities as their endowment and knowledge come together in specific historical conjunctures to create the 'here and now'. Understanding the nature of these conjunctures is critical to understanding which types of public policy strategies and which types of public administration instruments are likely to be effective. Simplistic episodic views of communities rarely touch the temporal dynamic at work and therefore where trends may be heading and the ability to understand why.

Understanding community capacity enables greater understanding of the macro and micro determinants of community strength. Thus for example whilst socio economic status remains the 'best' predictor of life chances of individuals at birth, increasingly community strength is understood as a mediating influence on the nature and extent of 'disadvantage' associated with socio-economic status. This is illustrated at Table 9 which shows how correlations between like areas vary significantly once basic community strengthening indicators (in this case volunteering; people to turn to for support; and sporting group membership) are plugged in. In short community capacity buffers the impact of disadvantage. It is these types of correlations which are increasingly gaining the attention of governments on the left and right of politics – precisely because community capacity is seen to be at work 'influencing' different outcomes. Not hundreds of programs and outputs but community capacity.

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Time is a crucial element in this. For example, understanding the nature of community resilience and the capacity to 'bounce back' after a crisis has now become a major field of study in its own right (Peters et al 2005). As time and space become compressed into 'one minute' everything (food, managers, news items) the importance of time to create relations is under threat. Part of what Clive Hamilton and Richard Dennis (2005) call the disease of 'Affluenza'.

Community capacity is also shaped by the nature of organising within communities as well as the nature of organising relations with others. These governance arrangements are the final building block to understanding community capital.

Community Governance

The ways in which particular communities govern themselves and interface with other communities, markets and governments to organise their capacity (for example to attract policy resources) is a major determinant of the conditions under which community capital is formed and expressed. Endowment, knowledge and capacity all exist in specific historical conjunctures where the push and pull of institutional relations shape the form and expression of capacity. The failure of the social capital literature to properly grapple with governance and institutional agency has significantly reduced its policy efficacy – a point now being made by most critics of social capital (see for example Fine 2001).

Historically the key governance institutions have been the crown, property based institutions (especially upper houses), democratically elected parliaments (and the machinery of public administration), churches, unions and the like. For various reasons the sway of some of these institutions has waned and many new institutions (and hybrids of the old such as Executive Governments) also shape our lives. For example media and increasingly 'new media'.

Since many of the resources to shape the stocks and flows of endowment come from outside community, the capacity to organise to govern becomes a critical issue. Old institutional relations that held economic capital locally (banks), set moral rules (churches), protected property rights (upper houses) and stewardship of the nation state (crown/governments) are all waning in influence new and increasingly local and hybrid social institutions are emerging – such as catchment management authorities and the numerous 'partnerships' between government, communities and business.

So community capital has become more volatile – more transient, more mobile, more fragmented, more diffuse and less stable. The increased freedoms of post modernity have come with many costs including increased concern about security and capacity to shape futures. Organising governance becomes a crucial matrix relation between markets, communities and governments (OECD 2005).

Place Governance

The historical organising principle of democracy is place. The idea of the 'nation state' at the macro end of the spatial spectrum and the idea of 'electorates' at the micro end. Place funding marked the origins of democratic states but over time and with industrialisation, functional organisation became a more efficient and effective form of organising. Throughout the 20th century the public administration apparatus of democratic states created very efficient mass produced functions such as education, health and transport regimes. Equity and efficiency were in harmony, underpinned by the rule of law and powered by the dynamic of capitalism. Place management was essentially replaced by program management. But program management has fractured places and spaces and with increasing interdependence the key to understanding community capital, the functional program format is now under serious challenge.

Whilst the implications of community capital ideas may not touch all areas of public administration (community is neither a necessary nor sufficient organising principle for many aspects of public administration), community capital ideas do challenge many current orthodoxies (such as the dominance of centralised expert knowledge) and current instruments (such as the functional program). Expert knowledge crowds out or trivialises local knowledge and functional programs have created massive service delivery silos disconnected from the reality of people and places. The result is that in public policy and administration we are information rich but picture poor when it comes to understanding communities. Non program questions confuse us.

So when Noel Pearson first began claiming that 'grog and passive welfare' were (and still are) the key immediate issues to address in many indigenous communities people struggled to understand his insight. Despite many hundreds of programs and plans and thousands of outputs (lots of

information) the simple policy picture of the state of 'community capital' Noel painted was hidden from program view. That program view continues to paint a picture of multiple episodic interventions; hundreds of outputs; complex intersecting agency arrangements; vague outcomes and endless pointless reporting. That is, information rich but picture poor.

At Table 10 is an example of this point.

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This is simply a picture of some of the programs 'delivered' into Ballarat with the words 'community strengthening' associated either as the primary objective or as a corollary to a broader objective (eg regional economic development).

This can either be interpreted as an exemplar of a thousand flowers blooming, or as a big problem emerging. I am inclined to the latter view. There is no sense here of what this might actually achieve over time. There are some 1744 outputs at play and over 50 plans and many forms of program governance but from the lens of a community there is no coherent governance. The institutional mix is haphazard. Some of the many consequences are:

- Endless community consultations often with the same people
- Endless pointless reporting against outputs
- Diseconomies of scale with small organisations lacking viability and often with inadequate 'back of house' supports (eg IT; legal services; accounting; planning etc)
- Confusion for those trying to access services
- Agencies spending huge amounts of time chasing and competing for small dollars
- Limited ability to understand outcomes
- Voices which don't fit program formats are crowded out

The Ballarat picture is a consequence of theory free program formats being produced and applied to places. This in turn places heavy reliance on local institutions and actors to do the 'joining up'.

Place is but one organising principle for public administration as it is but one organising principle for how people live their lives. For many people other organising principles are just as or more important. These other principles include for example identity; occupational grouping; gender; ethnicity; faith; age; lifestyle; socio economic status, etc.

Currently however most governments are organised most commonly around functional departments as illustrated in Table 11. Whilst most governments will have a department or two with some sort of spatial focus they will often be around planning and development functions.

Organising principle	Example of 'names' of a Department
Place	Urban and regional development
People	Youth, Women, Indigenous, CALD
Function	Health, Education, Transport, Justice
Resources	Treasury and Finance
Issues	Environment, Sustainability
Co-ordination	Premiers
Economic growth	Economic development agencies

It is the hybrid nature of the organisation of public administration and the dominance of the functional form that creates the problems. Whilst suited to fordist production ideas and the delivery of mass products (such as primary schools, classrooms, curriculum and teachers) the organisation of public administration is now creating so many organising principles that the internal coherence is at risk and takes an increasing amount of time to 'manage'. Indeed the

growth of 'whole of government', 'cross cutting' and 'joined up' government literature is a testament to this.

This is an important point that Noel Pearson makes, namely the reliance on institutional intermediaries (such as NGO's) to plan and deliver to individuals and families has itself created a new institutional form. We see this increasingly in the capacity of NGO's to reproduce their own existence through accessing grants to fund capacity to access other grants. Some NGO's in Victoria now have over 50 forms of revenue. This however creates chaos in regard to, for example, reporting and accountability as well as guaranteeing goal displacement. It drains and distorts community capital and is imposed on it.

The result is that community capital also becomes dissipated, programmatised and re-formed to suit the needs of the networks and institutional arrangements of the times. Instead of supporting the conditions for community capital formation the contemporary arrangements of public administration fragment those conditions. Properly nurtured dispersed leadership is critical to community capital but can quickly become fragmented, deskilled and disempowered by administrative arrangements which privilege functional expertise and professional gamesmanship. The strong community leaders are those that can challenge the silos and survive, and there are not too many of those about. Most resort to working around the system locally.

Community capital ideas lend themselves to more distributed and localised systems of planning, funding, accountability and delivery. Without local institutions there is no organisational capacity for this to happen. The trail leads to local government as the default local institution to organise the public administration of community strengthening.

Essentially this leads to a view of local government as the stewards of local knowledge. Most councils throughout Australia have limited policy capacity and tend to operate on an episodic issues basis driven by the particular political dynamic of the time. The lack of local policy capability in many councils (and the lack of a strong national local government policy body) means that in critical areas such as the built environment, local economic strategies and community building, councils lack policy capacity to harness (and co produce) local knowledge. This leaves the knowledge field to centralised expertise and casts councils in a reactive role (eg planning appeals).

Community capital blind governments have become a problem. Ironically the role of parliaments (especially upper houses in many jurisdictions) were designed in part to create spatial vision. The fordist model of central governments providing mass services (such as public education, health, transport and safety) helped the demise of parliaments because local didn't matter so much – you just poured a few more services down the funnel. Now local is back on the agenda and the role of parliament could be as well, given the organising principle of democracy remains place (electorates).

In short, in most every way governance matters yet our institutional arrangements often hinder rather than advance a focus on communities and the creation of agency.

Conclusions

Public administration as we know it is based on many ideas and practices which whilst useful in the past have now become ossified and their logics lost in the annals of time. The idea of the bureau (a desk) and then a bureaucrat (a person sitting at a desk implementing decisions of a parliament guided by manuals) is an example of this.

In Australia the theory and practice of public administration and public policy have been dominated by thinking from political science and traditional 'rationalist' perspectives on action.

Economic rationalism and its public administration counterpart – managerialism – therefore had an easy path into the mainstream of public policy and public administration in the 1980's in part because of the lack of debate about alternate epistemologies and ways of organising that could guide thinking and action. Rationalism objectifies community and applies expert centralised knowledge to solve problems. Thus for example under rationalist models of dealing with community the focus is on 'consultation' to 'tap into' information and then funnel it into the mix to be analysed and acted on by 'experts'.

This devaluing of the idea of local knowledge is itself part of a broader malaise associated with the reduction of knowledge from a value in itself to an instrumental value. Knowledge is increasingly only seen as useful if it is pragmatic, action orientated and meeting immediate objectives (Furedi 2004). The communities agenda internationally is suffering a similar fate - being reduced to an instrumental value without the 'knowing' being interrogated.

A theory of action based on community capital provides a different theoretical starting point for understanding the chain of causation in public policy and therefore the administrative arrangements best suited to policy work. A theory of action based on community capital starts with the interactions spatially and temporally between people and their life experiences within a specific historical conjuncture. The focus is on how people think and act to create meanings, interpret the world from judgements, mobilise and organise. Central expert knowledge guiding functionality organised institutions delivered through program formats would be modified or replaced by local knowledge guiding community oriented institutions delivering through lifestage frames.

Rather than being an inert object of policy attention, the object (community), the subject (people), the space (location) and the governance are all intertwined and it is the interplay between them that best explains phenomena such as how 'outcomes' are defined and whether action happens. As the pre-eminent post modernist Zygmunt Bauman puts it, the phenomena have to be invented rather than discovered (Bauman 2004 Identity p 15).

This interpretivist way of thinking is not new in public administration and public policy as it has a long pedigree (Fischer 2003; Fischkin and Laslett 2003) now undergoing something of a revival (Colebatch 2004). In Australia some aspects of the constructivist approach have been explored (such as the focus on Networks - eg Considine 2005) but generally the approach has struggled to gain a footing in Australia either within the universities or within public policy and administration practices.

One of the reasons for this failure to gain policy traction is the gulf between the dense theorising around knowledge and the language and practices of public policy and administration. The discourses just don't connect. This disconnect has been exacerbated by the normative overlays such as those embedded in many of the communitarian theories (Etzioni 1996; Tam 1998) and the deliberative democracy theories (eg Fischkin and Laslett 2003). So, this paper is an attempt to bridge the gulf by constructing a theory of community capital in a way that focuses on the policy and public administration expression of the ideas.

The paradigm shift promised by social capital has dissipated in part because of its tendency to be historical, institution free and pitched at a scale well above that which can be influenced by the mainstream levers of governments. The community capital approach I have outlined here however, is grounded in historical realities; connected to the land and its use; revalues institutional actors and focuses on the invention of knowledge as the centrepiece of understanding action in local places and spaces.

Far from being benign many of our existing public administration ideas, institutions and instruments are undermining the emergence of community capital ideas and practices. Whilst we

continue to use old instruments (such as community consultation) or inappropriate instruments (such as outputs based on programs) our theory and our practices will continue to be distorted.

The episodic and fragmented program nature of public policy has decoupled people, place and time from the policy process. Thus for example instead of viewing people and communities through a lifestage approach we view them through the hundreds of program inputs and outputs that are available to 'intervene'. As a result we may know that there are 1700 outputs available to a community, over 100 plans and 500 grants programs but we have no idea whether that community will exist in 10 years time or not – or how it would cope with a major risk or opportunity or whether people are happy or not. So part of my objective in this paper has been to illustrate images of community that differ from the mainstream but which are important components of what we now call 'public value'.

Similarly we know that many children with low birth weights born into sole parent families are 'destined' for poor educational outcomes but we can only offer them disconnected programs, outputs, and grants with up to 30 agencies in the mix and absolutely no one accountable for outcomes. A small proportion of those lifestage resources pooled and brought forward to apply in the early years would make all the difference. But we find it too hard to think like that – in part because we don't understand community capital and therefore be innovative enough to invest in community venture capital.

I have argued here that a basic building block of the new paradigm is to understand community capital and the knowledge that is invented and embodied in and through it. It is from this knowledge that new instruments and organising arrangements are likely to emerge to accompany and guide community oriented policy work.

If you can't see like a community you are not likely to hear the voices.

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