

Social capital and the Gippsland Community Leadership Program

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Background

During the 1970s and 1980s, the Latrobe Valley economy suffered the pains of a rapidly-growing resource-based region, with major construction in the power stations, the paper industry and water storages. Employment and population grew, housing prices soared, wages were high, services lagged behind demand, long-term residents felt under threat from transient newcomers, low income earners were pushed into caravan parks, and local councils struggled to cope with service provision.

From the late 1980s, things changed. The construction projects were completed or postponed, corporatisation led to large-scale job cuts at the State Electricity Commission, and the wave of privatisations and public sector rationalisation of the subsequent Kennett era created massive changes. Within a few years, the resources boom was replaced by high unemployment, low housing prices, depopulation and a community struggling to cope with externally-imposed change.

Public policy during the early to mid-1990s was at the height of economic rationalism. Osborne and Gaebler's *Reinventing Government* (1992) was the driver of social policy within Victoria, while competition was considered an end in its own right. Regional policy was undergoing a renewed interest, partly as a result of the uneven impact of rationalist policy on the regions. In 1993, the Industry Commission published *Impediments to Regional Industry Adjustment*, addressing the proposition that "[t]he adjustment problems of many regions in recent years have resulted from a coincidence of longer term changes in demand and supply being compounded by policy-related structural changes" (1993, p. 34). These problems involved insufficient mobility of labour, inflexible regional workplaces, slow development approval processes and inadequate infrastructure. Regional leadership was relegated to a discussion of the role of local government and regional economic development organizations, which the Commission considered could play a "useful role in facilitating regional development" (1993, p. 357).

In July 1993, the Commonwealth established a regional Taskforce, chaired by the then ACTU Secretary, Bill Kelty. The Taskforce began to address the issue of regional leadership. In 1994, the Commonwealth Government funded consultancy firm McKinsey and Company to prepare *Lead Local, Compete Global*, aimed at addressing solutions to uneven regional economic development. In contrast to the Industry Commission, it focused on encouraging local leaders to adopt a strategic approach to improving competitiveness within regions. An obstacle to the implementation of rationalism was thus addressed by stressing the significance of local leadership.

The emphasis on local leadership was reinforced by the release of the Karpin Report – *Enterprising Nation: Report of the Industry Task Force on Leadership and Management Skills* – in April 1995. The Karpin Report addressed the need to increase the skills of Australia’s managers, in order to compete in the global market. It identified a lack of leadership skills within Australian business as a significant impediment to future growth, and proposed a significant expansion in training in leadership and management.

The Karpin committee’s main focus was leadership competencies, and it recommended a range of management and leadership education and training initiatives aimed at enhancing Australia’s competitiveness. One of its recommendations was described as a “Leadership Initiative”, and recommended “that a program be put in place to develop, disseminate and promote relevant competencies in leadership to complement management development and also for use in the general community” (1995, p. 364). It proposed:

“[a] leadership program in each state modeled on the Williamson Foundation Leadership Program, which is in turn modeled on Leadership Chicago, which is:

- linked to identified leadership competencies to ensure an appropriate level of rigour and effectiveness; and
- consists of core state based programs with participants assembling in Canberra for a combined annual national element of the Leadership Program” (1995, p. 364).

It was in this context that Bill Kelty and industry leader Lindsay Fox conducted “roadshows” around Australian regions in 1994 and 1995 to stimulate support for regional development and labour market programs. Like McKinseys, they focused on the importance of local leadership. At a meeting in Morwell, they sought volunteers for initiating employment projects, but received no positive response.

As a consequence, a group of Latrobe Valley leaders based at SCOPE (the Latrobe Valley adult community education centre) decided to investigate the establishment of a Latrobe Valley leadership program. Influenced by Karpin, they sought and received support from the Williamson Program in Melbourne. Further, they decided to extend their own model to include all of Gippsland, on the basis that one of the problems of regional leadership was the parochialism of the sub-regions within Gippsland. A Steering Committee was formed, and the first intake of 25 participants to the Gippsland Community Leadership Program (GCLP) commenced in 1996.

Between 1994 and 1996, the Kennett Government in Victoria introduced a range of rationalist reforms with a massive impact on Gippsland, including amalgamations in local government and the water industry and the break-up of the electricity industry. The introduction of GCLP thus came at a time of turmoil in all of Gippsland’s major institutions.

The GCLP Program

The Commonwealth and State Governments at the time were focused on models of leadership which were competency-based, and aimed at promoting economic development. The Gippsland group decided to pursue different objectives, with a learning model based on experiential learning and networking, and a “community development” view of leadership based on all sectors of the community. This largely reflected the community education philosophy of the founding group at SCOPE.

The Mission of GCLP is “To promote growth in the social and economic future of Gippsland through the establishment and development of civic support networks.” (GCLP Website) The ultimate aim was to build leadership resources within the Gippsland community through introducing participants to people and issues beyond their existing networks, which are usually limited by sector and geographic sub-region. Using the community as a classroom,

participants were to be introduced to diverse areas of the community as well as a broad spectrum of leaders from Gippsland and across Australia.

The Program runs from February until November each year. A maximum of 27 participants is selected annually from a cross-section of the community. Diversity across regional boundaries and professions is an essential element of the program and participants represent areas such as small business, the arts, education, community and civic groups, government, industry, farming and tourism. It opens with a Weekend Residential where participants are introduced to the Program and to broad issues facing the community. Participants then meet twice per month to critically review specific issues affecting the region, with speakers acknowledged as leaders in their own field. The Program deals with a diversity of topics such as media, government, education, health, social justice, and arts and culture. Participants are encouraged to challenge the views put by Gippsland and Australia's leaders. A mid-year reflection and final two-day residential consolidates the year of learning into personal group action plans.

Research on the GCLP - Social Capital and Leadership

The Management Committee of the GCLP decided that the concept of "social capital" could be a helpful reference point to better understand the impact of the GCLP on the Gippsland Region, both to help with its strategic planning and in discussions with current and potential sponsors. Carolyn Theodore was awarded a PhD scholarship in the Faculty of Education at Monash University's Gippsland Campus. Like many research opportunities these days, the scholarship was offered in a specific area of enquiry, in this case, the GCLP and social capital. However, the research approach was entirely open to individual interpretation.

Social capital as a concept to consider the GCLP

A review of the literature on social capital revealed that there would be many different ways of interpreting social capital and approaching this research. There is a massive global and multi-disciplinary debate on the concept of social capital, yet there is not even consensus on what form or type of concept it is or whether it is merely a metaphor. Social capital solely as a metaphor draws to our attention that there is value, both monetary and non-monetary, quantifiable and unquantifiable, in our relationships and networks. While we might be inclined to assert that the warmth and sense of belonging and well-being that we derive from our friendships and various community relationships and networks is intangible and resists quantification, it is true that the job vacancy we are informed of through our networks, can lead to economic capital in the form of remuneration. Sometimes the benefit of social capital is utterly priceless, for example in the successful intervention by the friend of a suicidal person. When social capital saves a life, it is arguably beyond material or monetary comparison to friends and family, yet health agencies have and do attempt to quantify the benefits of mental health and community support and the multiple costs of insufficient social capital. Here, social capital in action is intangible but its effect, i.e. the survival of a human being, vividly tangible. The usefulness of social capital as a concept, and the main challenge of this research, would be its efficiency in making the hitherto invisible, visible.

The GCLP has knowingly and openly established an academic review of itself but perhaps unwittingly set this within a contentious and perhaps, a virtually unknowable concept. Consequently, sponsoring academic research to explore this will necessarily require critical, and rather lengthy, consideration of what this term means before any assessment on what impact the GCLP or any societal aspect has on it. In fact, most of the first year of the research was spent on reviewing the literature and drafting a research design. Quantifying and/or

qualifying the impact of the GCLP on individuals and community was not going to be easy, and certainly not quick.

What about issues of power and social exclusion?

The most resounding criticism of the concept of social capital is its tendency to gloss over power relations in society and the many ways in which people may be prevented from contributing to and benefiting from the pool of goodwill and reciprocity that may be understood as social capital. In a 2004 Fabian Society Blue Book, Christopher Scanlon cautions that preaching social capital as a silver bullet or panacea ignores the larger, societal and structural forces that shape people's lives, and then is used then to blame them for their disadvantage. *Well, if these people just got themselves more social capital...* In a 2001 volume totally dedicated to *Social Capital and Poor Communities*, Cathy J Cohen's chapter *Social Capital, Intervening Institutions, and Political Power* (2001), considers the big, nasty issues of power and exclusion. She discusses an often cited indicator of social capital, that of voter turnout in the USA, and how misleading it can be when read on its own without consideration of the structural and societal factors that impact on the activity. She points out that one quarter of African Americans are excluded from voting in US elections by laws that prohibit former felons to vote. "No amount of social capital is going to allow an individual to vote when state law says he cannot" (Cohen 2001, p.271). This example vividly illustrates how vital considerations of the presence and absence of power are in the interpretation of any indicators of social participation.

The under-acknowledged significance of informal networks

Cohen's criticisms of Robert Putnam's work go beyond the usual conceptual and flawed data issues to a community-based activism, such as the concealed movements of homeless people in New York City, the types of community participation that is effectively ignored by Putnam and others by not being recorded on their surveys. "Here I am referring to the community-based struggles that do not often show up in our national databases, in part because of the questions that the researchers ask as well as the people who are surveyed" (Cohen 2001, p.270). Cohen cites the research of Lisa Sullivan (1997) with young black people who, being alienated from the mainstream, are beyond the formal incorporations of the black civil rights movement yet generate their own powerful informal networks. By being ignored, the contribution of these young people fails to be developed or utilized.

Therefore in the absence of traditional participatory avenues, young and poor community members may be creating new political and social formations that are invisible to social scientists looking for social capital in all the old places (national data sets) and in the traditional forms (Cohen 2001, p.270).

In the 1995 Boyer Lectures, Eva Cox, while supportive of Robert Putnam's approach, argued that informal and household relationships also need to be considered as these are very effective in building trust and relationships, contributing to the wellbeing of a community. This emphasis made by Eva Cox perfectly describes what may be seen in the less-formal interactions in the GCLP. These interactions have practical or functional effects but also reinforce the warm and inclusive camaraderie and support so special about this Program that might not necessarily register on a strictly Putnam-styled instrument.

The work of Cohen and Sullivan signals an alternative approach to social capital that aims to better understand and acknowledge the social capital contributions of a wider range of people. The approach adopted for Gippsland and the GCLP maintains a sensitivity to the less formal ways that the GCLP provides opportunities for participation and the creation of social capital and includes those involved with the GCLP in the design of a social capital assessment tool. It is in the *combination* of the portraits of social capital painted by both Putnam and Cox (and others) that has influenced the design of my research. It is based on the

premise that together as a combined social capital radar, broadly Putnam for formal associations, Cox (and others) for informal interactions, that the myriad ways and means that the GCLP germinates and enhances the many facets of what may be termed social capital will best be highlighted.

Dismiss it or retain and qualify it?

This research could, as others have done, reject the concept entirely as flawed and unworkable. Logically, if capital is understood as fundamentally social, logically the term “social capital” is tautological. However a pragmatic approach views the choice differently. After all, if one rejects social capital as a study device or concept, what will it be replaced with? Furthermore, it is hard to think of another term that is more readily and widely recognisable (albeit varied and confused). Christopher Scanlon sees the option of meaningfully and usefully applying social capital as stark choice: that is, if we keep social capital as a concept, we must define it and apply it in its social and political context along the lines of Pierre Bourdieu. This is also argued by political economist, Ben Fine, for whom economics is fundamentally socially grounded.

The path we have cleared through the thick and rough territory of the literature on social capital has distilled down to the essence of what each of us values about our interactions with other people in our world. While at times we may see when our networks might lead to financial gain either to ourselves or someone we know; the best in our relationships is beyond financial comparison. The understandings of social capital that resonate and shape this research, contain an acknowledgement of the role of economic outcomes combined with features that transcend associations with the market place. This understanding includes approaches that foster inclusion and opportunities to participate, and those that acknowledge both formal and informal modes of social participation.

Measurement of social capital

There have been numerous attempts to measure social capital, however there are serious reservations about how reliably the concept of social capital can be empirically assessed or measured. Partha Dasgupta of Cambridge University conveys both the allure and elusiveness of applying the concept of social capital. “Even though it has a powerful, intuitive appeal, it has proven hard to track as an economic good. Among other things, it is fiendishly hard to measure. This is not because of a recognized paucity of data, but because we do not quite know what we should be measuring” (Dasgupta 2000, p.326). It is particularly difficult to be confident in how to measure the intangible and informal aspects of social capital. This research is working towards a definition of social capital that will be relevant to and identifiable as belonging to Gippsland, particularly the invisible elements that people *know* and feel are there but cannot see. The challenge is to make these hidden, immeasurable elements visible. Marilyn Waring’s alarming expose *Counting for Nothing: what men value and what women are worth* vividly demonstrates the inadequacy and unfairness of international economic measures starkly reveals the inability of established methods of ascribing value to our lives and work to capture our reality and to ensure it is accounted for when resources are distributed. Could the measurement of social activity risk doing more harm than good? A particular risk when indicators of disadvantage identify, if not single out, specific groups. Certainly it is important to examine the motivation behind measurement efforts, the appropriateness of chosen tools, and whether the whole study is tied in to an understanding of what power and efficacy people really have? Of particular importance is that people move from *subjects* to *participants* and have contribution in developing, and optimally belief, in the tools to be applied.

In *Beyond social capital: contributions of subjective indicators from within communities* (2005), Helen Sheil confirms and significantly extends what Carolyn has distilled from nine months of reading, talking, listening, visiting, thinking, arguing, and sharing with others. Helen acknowledges how important the concept of social capital has been in drawing worldwide attention to issues that impact on people's quality of life but that are *not* linked to the market place. Helen adds personal, spiritual, and environmental capital to the concept and places the whole within considerations of economic and environmental sustainability.

A social capital approach for the GCLP

Carolyn's approach is one born of her own conviction of what is valuable about human and social interaction and what attracted her in the literature through a theoretical lens of Critical Theory with its blend of Postmodernism, Feminism, and liberation pedagogy. If the concept of social capital is "impoverished", as Ben Fine insists (Fine 2001, p.39), by taking it out of its social and historical context, let us put it back in and look especially at power and exclusion. If voluntary formal associations are too narrow and fail to take into account the myriad ways in which our lives are enriched through informal and intangible interactions, let us consider a way to make these visible. If objective, birds-eye view studies of population and other data are reductive and limited, inaccurate or even damaging, let people contribute to the measures to be applied to them through the development of relevant subjective indicators. Very importantly, this appears to be consistent with the GCLP's stated philosophy and goals which embody individual and social change.

Conclusion

We believe that an appropriate understanding of social capital "customised" for Gippsland may be useful in understanding ourselves and the contribution of specific forms of community leadership and community organisations such as the GCLP to inclusive, productive, and sustainable regional relationships. The research may also suggest ways that government may create conditions and opportunities for people to build and exercise social capital. Finally, progress towards meaningful indicators of social capital are likely to be helpful to government agencies and other bodies that provide funding for opportunities and programs that aim to build social capital in ensuring the accessibility and relevance of funding application and reporting processes.

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