



Labour Market Dynamics
Research Programme

Innovative research in employment

**SOCIAL CAPITAL IN VOLUNTARY
ASSOCIATIONS: CONCEPTUAL AND POLICY
ISSUES IN RELATION TO THE LABOUR
MARKET¹**

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PART ONE: CONCEPTUAL ISSUES

Introduction

This working paper is based on a critical review thesis chapter that explores the relationships between social capital developed through voluntary community associations and economic forms of capital via the labour market. The thesis asks about the extent to which such relationships might be harnessed to aid in the creation of pathways to paid employment and the possible roles of central and local government in facilitating this process.

The role of this working paper is to provide the conceptual foundation and policy implications of this enquiry. A significant concern raised in the contemporary social capital literature is that social capital has become all things to all people and, as a result, its usefulness has become diffused (Falk, 2002; Portes, 1998). In this light, social capital's coherence as a theory does seem questionable. However, dismissal of the concept on these grounds may be premature and, in fact, it is possible that it is in this very diversity that the true strength of social capital really lies. In particular, social capital offers an umbrella under which a variety of social practices can be brought together such as reciprocity, associational life and trust (Das, 2004). Moreover, it can be argued that the strength of social capital exists within its heuristic rather than theoretical value (Falk, 2002; Portes, 1998; Schuller, Baron, & Field, 2000). This working paper will briefly survey the debates within the social capital discourse to enable the construction of an operational definition of social capital as a heuristic device.

The following sections in this part of the working paper will consider the underlying fundamentals of the concept to facilitate an understanding of the approach to be taken. Additionally, there are a number of key issues that must be resolved in operationalising social capital. In this context issues around the measurement and definition of social capital, political economy and culture will be worked through. This will pave the way for an explicit consideration of the interface between the volunteer sector and the labour market through the application of the social capital concept in the second part of this working paper.

Social Capital Fundamentals

Pierre Bourdieu (1997:51) proposes that social capital is 'the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition – or in other words, to membership in a group – which provides each of its members with the backing of the collectivity-owned capital'. This project will broadly apply a Bourdieuan approach to social capital while drawing on insights that extend this conception. Social capital has developed into a number of strands. However, Portes (1998) believes that Bourdieu's

notion is arguably the most theoretically refined of all the early contributions to the contemporary discourse. The distinction between the various strands and the rationale for the approach taken in this project will be teased out through the remainder of this section.

Individual and Collective Social Capital

The social capital discourse can be divided into two distinct perspectives dichotomised by the attribution of profit to either the individual or collective level (King & Waldegrave, 2003; Lin, 2001; Portes, 1998). Social capital at the individual level is concerned with an individual's investment in social relations and how they are able to utilise the resources embedded in those relations to generate a return. At the collective level, social capital focuses on how groups develop and maintain social capital as a collective asset and how that asset can enhance the life chances of the group members (Lin, 2001). Portes & Mooney (2002) note that the transition from the individual to collective level was not anticipated in early conceptualisations of the notion and that the failure to recognise the key differences between each perspective leads to confusion about what the term means. Given this divergence, some care should be taken to clarify the exact nature of social capital employed in any project that has the concept at its core.

Bourdieu identifies three 'capitals'; economic, cultural and social. While each of these capitals is considered to be largely monopolised by the dominant class, with obvious references to Marxist thinking, his analysis is at the individual rather than structural level (Lin, 2001). Central to Bourdieu's approach is the notion that individuals are able to actively and consciously draw on the resources collectively held in their networks (Portes, 1998). James Coleman, another early thinker in the field, developed social capital further. His contribution is useful in that it extends prior conceptions, such as that of Bourdieu, which tended to be circular in nature. As noted by Schuller et al (2000:6), 'the powerful remained powerful by virtue of their contacts with other powerful people'. Coleman put forward a neo-functionalist theoretical framework where social relations 'constituted useful capital resources for actors through processes such as establishing obligations, expectations and trustworthiness, creating channels for information, and setting norms backed by efficient sanctions' (Schuller et al., 2000:6). This approach allowed a causal link between social capital and resources and which encompassed 'the social relationships of non-elite groups' (Schuller et al., 2000:8) thereby broadening the scope of Bourdieu's original contribution. Portes & Mooney (2002:305) note that literature within this lineage was 'exemplified by the personal connections that facilitate access to jobs, market tips, or loans' thus lending itself to the concerns of this research.

A transition that situates social capital at the collective level has been led by Robert Putnam (Lin, 2001; Portes & Mooney, 2002). Putnam is largely credited with popularising the concept of social capital and, as a consequence, much contemporary literature owes a debt (of varying degrees) to his particular strand of theorising. His thesis has attracted the attention of a wide section of the political spectrum ranging through conservatives, liberals and communitarians (McLean, Schultz, & Steger, 2002). Putnam's key departure from both Bourdieu and Coleman stems from developing the concept of social capital beyond the level of the individual. He equated 'social capital with the level

of “civicness” in communities such as towns, cities or even entire countries’ (Portes, 1998:18).

The position taken in this work is to resist the movement to the macro-level on the following grounds. Portes & Mooney (2002:308) state that through the application of social capital at a level that produces a metaphor of ‘stocks’ of social capital that can be possessed as a property of cities or nations, ‘the heuristic value of the concept suffers accordingly as it risks becoming synonymous with all things that are positive or desirable in social life’. Lin (2001:26) also notes that at the collective level, social capital becomes synonymous with other collective goods; citing culture, norms and trust. He concludes that within this context, ‘divorced from its roots in individual interactions and networking, social capital becomes merely another trendy term to employ or deploy in the broad context of improving or building social integration and solidarity’.

In addition, at the collective level, there is a lack of distinction between collectively owned resources and the ability of individual actors to obtain them, a position that can easily lead to tautological statements where a positive or negative outcome is seen as indicative of the presence or absence of social capital (Portes & Mooney, 2002). As pointed out by Portes (1998), this obscures the fact that not all negative outcomes will necessarily be due to low stocks of social capital. For example, one student might be able to raise funds from their family networks to assist with their studies while another may not. It would be improper to suggest that the student failed to raise funds in this manner due to having lower stocks of social capital than the other student, as it may be that both students have equally strong kin networks. The family network of the student with the negative outcome may have been equally motivated to help, but they may simply not have had the resources to do so.

Convertibility of Capitals

Another important element in Bourdieu’s analysis relates to his discussion of alternate forms of capital (refer to his (1983) paper *Economic Capital, Cultural Capital and Social Capital* (Falk, 2001b)). Portes and Mooney (2002) note that a key insight to emerge from his work is that each form of capital is interchangeable. This insight is central to the exploration in this research of how social capital generated within voluntary associations may relate to economic capital via the labour market. It follows from this notion of social capital that individuals may be able to access economic resources (such as paid employment) through social relationships developed within voluntary associations that they are involved with. Dupuis et al (2004) note that within this framework, should an individual find paid employment through such contacts, they have effectively converted social capital into economic capital.

In practice, this aspect of Bourdieu’s concept of social capital makes it difficult to operationalise. Silva & Edwards (2003) acknowledge Bourdieu’s key insight regarding the convertibility of capitals, but note that his analysis does not lend easily to empirical research as ‘his thinking about capitals’ is the idea that we live simultaneously in multiple synchronic fields’ and that people have packages of capitals where the three forms

interact in different ways and that they are continuously transferred and transformed. A consequence of this is that 'it is impossible to single out one form of capital and a framework of interrelationship between capitals' (Silva & Edwards, 2003:3). These same concerns for applying Bourdieu's analysis to empirical research are also expressed by Schuller, Baron & Field (2000).

To combat this critique Silva & Edwards (2003) apply Bourdieu's idea that theoretical concepts are 'polymorphic, supple and adaptive, rather than defined calibrated and used rigidly' (Bourdieu & Wacquant, 1992). Further, in defining the various capitals as 'objects' of research, Bourdieu (1992) argues that 'researchers must recognise that unless they themselves construct the objects of their research, they are left dealing with objects that have been pre-constructed within narrow approaches' and that 'both theory and method are part of the construction of the object, rather than separate' (Silva & Edwards, 2003:4). Silva & Edwards grapple with this notion by mixing methods through employing both qualitative and quantitative methodologies designed to interrogate the interrelationships between the capitals. The epistemological assumptions implicit in such an approach are broadly consistent with the constructivist research paradigm in which reality is apprehendable, but in the form of 'multiple, intangible mental constructions', that 'are alterable, as are their associated realities' (Guba & Lincoln, 1994:110-111). Following on from these points, a combination of qualitative and quantitative research methodology will be applied in this research project within a broadly constructivist paradigm.

Trust

Two fundamental elements persist within the various definitions of social capital; at a minimum, it consists of social networks and the value of those networks as a resource to its members (Field, 2003; Lin, 2001; Portes, 1998; Schuller et al., 2000). Putnam (2000:19) states that 'social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them'. He emphasises the notion of trust. Indicators and measures of social capital necessarily stem from its definition; therefore Putnam's emphasis on trust deserves some attention.

Portes (1998) relates the use of trust within Putnam's definition to the tautological problem already noted with the collective perspective of social capital. For Putnam, trust both produces social capital and develops as a by-product of the mechanisms of social capital (Falk, 2001a:3). Schuller et al (2000) are critical of research that focuses solely on trust as a measure of social capital and suggest that research requires a mix of qualitative and quantitative approaches focusing on the validity of a variety of measures of the concept. Kilpatrick et al (2002:16) further the debate in stating that 'regardless of whether trust primarily builds or is built by social capital it is generally agreed that trust between differing community members and groups, and trust in community institutions and leadership, are important for building the links, relationships and networks that provide the basis for a collective response to change'. Trust may be an important indicator of social capital but it is argued that it should be seen as a consequence and not a source of it and as such, excluded from any definition of the concept (Kilpatrick et al., 2002; Lin,

2001). This is to be the approach taken in this research project. Stone et al (2003) relate the significance of this debate directly to labour market issues. A key finding of their research was that 'whereas trust is often thought to be the aspect of social capital that is critical to achieving a range of outcomes, we find it is the characteristics of networks that are more important in predicting labour force status and job search method' (Stone et al., 2003:23).

Bridging and Bonding Social Capital

Mark Granovetter's (1973) research indicates that the cohesion of a community is cemented not so much within the 'strong ties' that represent the solid connections held between the members of particular groups, but rather in the 'weak ties' that represent the connections held between individuals from disparate groups in a community. Granovetter's insight suggests that one aspect through which various voluntary associations differ from each other could relate to the mix of strong and weak ties within them. This may be important as the type of tie a volunteer holds through their associational membership may be relevant to future employment outcomes. In particular, research indicates that weak ties are more important in producing positive employment outcomes than strong ties (although an exception was found in immigrant communities) (Carson, 1995; Stone et al., 2003).

Lin (2001:67) argues that an individual's chances of gaining better information are enhanced if they explore, among their ties, the weaker rather than the stronger ones, in order to find likely bridges to other social circles', noting that Granovetter identifies this strategy as 'the strength of weak ties'. Lin (2001) extends this idea into the social capital discourse through relating weak ties to the 'bridging' form of social capital and strong ties to the 'bonding' form of social capital. Yeung (2004) also draws explicitly on Granovetter when characterising bridging social capital as socially inclusive and encapsulating relations between groups in the wider society, and bonding social capital as socially exclusive and concerned with social relations within groups. Yeung (2004:404) further refines the notion through stating that 'bonding and bridging are not either/or categories but are more/less dimensions; many groups simultaneously bond along some social dimensions and bridge across others'. Lin (2001:68) identifies that, as a consequence, individuals with greater bridging social capital are allowed 'access to wider resource heterogeneity'. The second part of this working paper explores the explicit relationships between the volunteer and labour market sectors in this regard and will more thoroughly tease out this notion.

The bridging/bonding dichotomy also raises the issue that social capital may not necessarily be beneficial in all circumstances. While acknowledging the benefits of social capital, Woolcock (2001:195) notes that the strong ties associated with bonding social capital:

'... can place enormous non-economic claims on members' obligations and commitments, cutting them off from information about employment opportunities ... ridiculing efforts to study and work hard (e.g. claiming that doing well in

school amounts to “acting white”), or siphoning off hard-won assets (e.g. supporting subsequent cohorts of co-ethnic immigrants)’.

Further, Schuller et al (2000:10) note that while bonding social capital builds strong ties, it can ‘also result in higher walls excluding those who do not qualify’. In a similar vein, Healy (2001) notes that group solidarity formed through bonding social capital may lead to co-operation for anti-social purposes; gang related crime provides one extreme example of this. These concerns are echoed widely in the literature; for example, see Leonard & Onyx (2003), Hooghe & Stolle (2003) and Das (2004). Due to these concerns, Healy (2001:67) states that ‘policies need to take account of the diverse forms of social capital and its varying desirability’.

Measurement and Definition

This research project has policy implications in that it asks about what constitutes appropriate central and local government interventions to facilitate and develop transfers of social capital between the voluntary and labour market sectors. Central to this concern is the question of measurement of social capital. Statistics New Zealand have produced a document titled ‘Framework for the Measurement of Social Capital in New Zealand’ (Spellerberg, 2001). The report notes that social capital has attracted the interest of policy makers in this country and that measures of the concept need to be developed for it to address policy questions. This section outlines the difficulties of measuring social capital and the strategy assumed in respect of the issue.

The previous section highlighted the diversity of perspectives around what constitutes social capital. The first step in measuring anything requires an understanding of what is to be measured. The variety of approaches to the concept has created difficulties; each variation of the concept has an associated variation of measure (Lin, 2001; Schuller et al., 2000; Spellerberg, 2001). In treating social capital as a heuristic device within a broadly Bourdieuan approach, this working paper will employ an operational definition of social capital developed by Nan Lin (2001:25) that regards social capital as:

‘Resources embedded in social networks accessed and used by actors for actions.’

Lin (2001:25) notes that this conceptualisation contains two important components: ‘(1) it represents resources embedded in social relations rather than individuals, and (2) access and use of such resources reside with actors’. The previous section clearly situated the approach to the concept within this working paper at the individual level, rather than the collective level, with a focus on the convertible nature of the various capitals operationalised in a heuristic manner. This definition is congruent with those notions.

Schuller et al (2000:26) note that a key issue relating to the measurement of social capital centres around validity; they ask ‘do the variables or factors used measure what they are supposed to measure?’. For instance, the drawback of considering trust as synonymous with social capital due to tautological concerns was noted in the last section. Given this,

the validity of measures that correlate strong quantitative measures of trust in a society with high stocks of social capital must be called into question. Healy (2001) notes that most available measures of social capital use quantitative assessments of trust along with aspects of civic involvement, including levels of volunteering. Additionally, Guenther & Falk (2001) cite concerns around the limited scope of research that finds significant levels of correlation between social capital and more traditional quantitative measures of socio-economic well-being, such as unemployment rates, crime rates or newspaper readership.

Whilst not suggesting that these measures be abandoned entirely, it is argued that they need to be mediated with qualitative considerations of the validity of the measure within the context of the environment in which they are applied (Healy, 2004; Lin, 2001; Schuller et al., 2000). For instance, Healy (2004:17) states that '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'. Further, he points to empirical research carried out in Ireland in 2002 of a sample of the Irish adult population which indicated that 'informal social support and contact are more significant 'explanatory' variables than indicators of community involvement or volunteering' on the subjective well-being of that population (Healy, 2004:8).

The Statistics New Zealand report (Spellerberg, 2001:10) notes that a statistical framework can 'identify aspects of social life that relate to social capital and which can be measured to some extent' and that can help 'establish benchmarks for estimating the level of the underlying resources that are required in order for social capital rich (or intensive interactions) to take place'. However, the paper does recognise the shortcomings of purely statistical approaches and suggests 'measurement would need to focus not only on the existence of relationships but also on the "quality" of those relationships'. This research project will also focus on the 'quality' of relationships and the networks of the group of volunteers to be studied, and will heed Coleman's (1990:305-306) caution that social capital's 'current value lies primarily in its usefulness for qualitative analyses of social systems and for those quantitative analyses that employ qualitative indicators'.

Political Economy

Jane Friesen (2003:183) states that: 'Social interactions that do not have an explicit economic purpose may affect economic productivity in a variety of ways'. A number of examples directly exploring the notion that social capital is intimately linked to the political economy can be found in the literature, including Francois (2002), Midgeley & Livermore (1998) and Paldam & Svendsen (2004). David Robinson's (1997:4) text 'Social Capital and Policy Development', written in New Zealand, notes that 'social capital is not a matter of pitching social against economic interests but of understanding the way in which social networks can impact on both social and economic development'. Implicitly, and as already illustrated, Bourdieu's notion of the convertibility of capitals inexorably links social capital with economic capital. The implications of this notion to this research project will be considered in this section.

Relationships to the Market Economy

Ian Falk's (2001a:3) paper 'The Future of 'Work' and the Work of the Future' posits social capital as 'the 'missing link' that forges the connections between the economy, the community and the economic markets'. Within this context, Falk suggests that a strong economy will emerge from government action that strengthens social cohesion through application of the social capital concept. This working paper explores one focal point for such policy applications; that is, the nexus between social capital created within the voluntary sector and its relationship to the labour market. Healy (2001:12) continues this theme to the extent of diagrammatically illustrating the interrelationship of human, social, economic and physical capital to each other with GDP at the centre. He adds, with reference to the work of Coleman (1988), that potentially there is a 'strong complementarity between human capital, social capital and PIL' (political, institutional and legal arrangements) (Healy, 2001:13).

Stone et al's (2003:1) exploration of the relationship between social capital and labour market outcomes cites evidence that social capital can influence economic and political outcomes (see Arrow, 1972; Fukuyama, 1995; Knack & Keefer, 1997; Putnam, Leonardi, & Nanetti, 1993). They state further that 'In Australia, as in many other nations, there is an emphasis upon paid work as a primary means for achieving economic independence, alleviating poverty and avoiding welfare dependency' (Stone et al., 2003:vii). This statement points to social capital's potential for developing policy instruments aimed at desired political outcomes relevant to the labour market. Writing within a New Zealand context, Cooney (1998, June) notes that government has a role in developing social capital. As an example, he discusses the case of the Waitaki region, where resources were provided to encourage people to contribute to the community (such as through volunteer work). The initiative led to an increased sense of 'community pride' in the region and, as a consequence, the area started to build a tourism industry with associated increases in tourism-related employment. He cautions that if government ignores such opportunities, 'the deferred maintenance on social capital will become so great that we will be prepared to invest huge sums to recover the lost productivity and stability this capital provides' (Cooney, 1998, June:13).

A further field of enquiry relates to the notion that high levels of social capital correlate with lowered transaction costs (Coleman, 1990; Paldam & Svendsen, 2004; Szreter, 2000). Transaction costs are defined as 'the costs other than the money price that are incurred in trading goods or services' (Johnson, 2005). Szreter (2000) draws on the 'new political economy' associated with Ronald Coase's (1937) work that began the field of transaction cost theory in economics. Central to it is the idea that information flows are of critical importance to an economy. In particular, Szreter (2000:61) notes that 'by enabling us to focus on the crucial issue of how individuals' capacities to process information are distributed across an economy, social capital makes its vital contribution to a new political economy'. He states that 'social capital can be briefly defined as that general set of relationships which minimises the transaction costs of information across the whole

economy'. The key point here is that the economy potentially stands to benefit from social capital created within voluntary associations, assuming that there is a relationship to information and networks within the labour market. This is an issue explored within the empirical research.

Through focusing on 'how individuals' capacities to process information are distributed across an economy', Szreter (2000:61) notes that social capital 'can show how the politics of a society and its particular mix of institutions critically influence the distribution of information-processing capacities among its citizens and so, ultimately, affect the efficiency and growth potential of the economy'. Both Das (2004) and Walker (2004) offer a caution to policy directed at facilitating these dynamics however. Das (2004:31-32) aims to show 'how economic-political conditions enable and, more powerfully, constrain the production of social capital'. Das argues that policy aimed at social capital development can be thwarted if other policies are not in place to address pre-existing economic limitations. For instance, if a group of people simply do not collectively have access to adequate economic resources, the potential for social capital amongst that group to enhance their socio-economic position will be mitigated. Walker (2004) considers the policy considerations of cross-sectoral approaches involving government agencies in New Zealand working more closely together and also alongside third sector organisations and the community to improve information processing. She notes that 'the prevailing view has generally been that interdependent groups of two or more organisations that consciously collaborate and cooperate with one another are more effective than when the same organisations go their own way' but that, in practice, 'local networks can have their own political economy, that is, inequalities and irreconcilable interests within and between networks' (Walker, 2004:14) that if unrecognised can constrain this view.

In addition to the above, Silva & Edwards (2003:11) argue that social capital both 'imposes and hides economic issues', noting that 'use of the term 'capital' gives primacy to the economic or political effects or outcomes of family and social relationships'. Other authors in the field express similar concerns relating to such 'economic imperialism' (Das, 2004; Fine, 2002; Navarro, 2002). Smith & Kulynych (2002) continue in this vein, arguing that the use of the word capital is too economic, restricting discourse to market constraints. Simply through using the word 'capital', Silva & Edwards (2003:11) note that Bourdieu's conception of social capital 'imposes a functionalist economic rationality on social life'. However, they note that it is less subject to this concern through being 'explicitly concerned with social justice' with a focus on the individual, as opposed to collectivist based approaches such as that of Putnam. Indeed, Bourdieu's project is emancipatory in nature; as noted by Fine (2002:797), his approach is 'irreducibly attached to class stratification and the exercise of economic and other forms of exploitation'.

Navarro (2002:431) also distinguishes Bourdieu's approach in this respect citing his disclaimer that 'the only things I share with the economic orthodoxy ... are a number of words' (see Bourdieu & Wacquant, 1992). He notes further that Bourdieu's conception of social capital roots 'the capabilities and resources of individuals primarily in the social

structure in which they are articulated, seeing these resources as pivotal for either reproducing or breaking capitalist relations'. Navarro does caution that Bourdieu's disclaimers may not be enough and that the substance of Bourdieu's work may contradict these statements. While not attempting to obscure these concerns, this working paper seeks to mitigate claims of 'economic imperialism' as much as possible through applying a broadly Bourdieuan approach to social capital. As noted by Silva & Edwards (2003:11), although his work 'still retains elements of economic rationality', it is less subject to the charge than Coleman or Putnam's ideas primarily due to its focus on the individual.

Power and Control

Some commentators call into question the utility of the concept of social capital due to its perceived inadequacies in grappling with issues of power and control (Fine, 2002; Fisher, 2003; Navarro, 2002). Fine (2002:796) notes that: 'In raising the virtues of civic society to pedestal status, social capital has studiously ignored questions of power, conflict, the elite and the systemic imperatives of (contemporary) capitalism'. This critique holds relevance to this working paper when considering just how effective any governmental intervention may be in trying to influence labour market outcomes through applying policy instruments employing aspects of the social capital concept.

Navarro (2002) suggests that Putnam's conception of social capital is so bound up within capitalist ideology as to be impervious to an inherent contradiction between the alienating and atomising effects of capitalism and the togetherness sought by a social capital deeply embedded within that same doctrine. While being equally scathing, Fine (2002:797) largely exonerates Bourdieu from his critique, noting that his approach 'emphasises the social construction of social capital (what it means and how it relates to practices), and that it is irreducibly attached to class stratification and the exercise of economic and other forms of exploitation'. He thus generally limits his criticism to more recent developments within the field; in particular, the work of Putnam and to a lesser extent Coleman, both of whom he accuses of excising the more critical components of Bourdieu's analysis. In another contribution to the debate, Fine (2001:63) notes, in respect of developments in the field of social capital subsequent to Bourdieu's work, that 'social capital has become broader in scope but so much shallower in depth to Bourdieu'.

This working paper takes an approach that acknowledges Fine's contribution in this sense. Moreover, the critique does not necessarily diminish social capital's heuristic value. Fine (2001:108) himself states that 'social capital as a heuristic instrument undoubtedly allows for investigative research'. Further, King & Waldegrave (2003:235) note that by employing Bourdieu's approach in their research, they were provided with a 'vocabulary for discussing the power relationships among fields or networks'. They note that his approach 'equates social capital with the qualifications or credentials of entry and membership of a particular social group', thus providing a means of accounting for the basis of exclusion for a given set of individuals from particular groups. To this end, the notion holds heuristic value for assessing the extent of interchangeability of social capital between the voluntary sector and labour market networks by addressing issues of

accessibility as a constraint to the convertibility of capitals. In addition, Das (2004:42) notes that many social capitalists (see Bebbington, 2002; Grootaert, 1997; Woolcock, 1998) would accept many of the concept's critiques, including those relating to 'power, conflict and class', but would still 'get on with the social capital business' given the insights it provides and particularly as it helps open up cross-disciplinary avenues of exploration.

Political Context of Social Capital

The book 'Social Capital: Critical Perspectives on Community and "Bowling Alone"' opens with the following quote:

As soon as public service ceases to be the main concern of the citizens and they come to prefer to serve the state with their purse rather than their person, the state is already close to ruin.

Jean-Jacques Rousseau, 'The Social Contract' (cited in McLean et al., 2002).

This quote is well chosen. It succinctly and eloquently encapsulates a key concern of social capital - the role of citizens in their society - while simultaneously situating the debate in its wider political context. The second part of this working paper considers the role of local and central government in developing and facilitating exchanges of social capital. This section both flags this concern for further interrogation in the next part, and also raises it as a fundamental issue of the concept, worth brief mention at this point. Social capital is inescapably bound up in political ideology around the role of citizens in society (Francois, 2002; Hooghe & Stolle, 2003; J.D. Montgomery, 2000). Further, its utility has been advocated over a wide range of the political spectrum. For example, Brown & Lauder (2000:229) cite the following from British Labour Party Prime Minister Tony Blair: 'We can only realize ourselves as individuals in a thriving civil society, comprising strong families and civic institutions buttressed by intelligent government ... this Third Way ... will build its prosperity on human and social capital'.

The social capital concept sits equally within the neo-liberal ethos. The New Zealand National Party, led by Jim Bolger, enthusiastically embraced the notion in the late 1990s (Cooney, 1998, June; Harington, 1998). In addition, Healy (2001:51) notes that the 'welfare state has been cited as a possible cause of declining social capital' while Putnam (2000:363) suggests that 'surely it is social capital ... that will most improve the quality of public debate' in respect of issues 'such as deciding what sort of safety net, if any, should replace the welfare system'.

The position taken in this paper is that the concept does have a role for informing social policy. This section has considered the relationship between social interactions and the political economy. Bourdieu's conception of social capital that inexorably links social capital and economic capital is central to the discussion. Further, this working paper argues that the heuristic value of social capital does lend itself to a possible role for informing social policy; one that sees an active role for local and central government in

developing social capital and facilitating its exchanges. This notion will be picked up fully in the second part of this paper.

Culture

Inkeles (2000:22-23) notes that 'cultural patterns of different communities play a critical role as a form of social capital in affecting the chances for those communities success in economic, political, military and other endeavours'. New Zealand is primarily a bi-cultural society due to the Treaty of Waitangi; this section first considers the implications of cultural differences between Maori and Pakeha communities on this research project and then considers the implications in relation to a wider cultural spectrum. Robinson & Williams (2001) provide a framework for understanding different conceptualisations of social capital in respect of Pakeha and Maori communities; it is worthwhile conveying some of their key points.

In relation to volunteering, Robinson & Williams (2001:52) note the cultural distinction between 'giving (European concept of volunteering) and sharing (Maori concept of cultural obligation)'. The implication of this for policy makers lies primarily in the notion that the rules governing 'giving', or volunteering, will differ between cultural groups. The idea of cultural obligation, for instance, makes a fatuity of the statement 'voluntary community activity' when applied within a Maori context due to the understanding that volunteerism implies an option or choice. This idea is redundant in terms of the expectations of reciprocal relations inherent in the notion of cultural obligation in Maori culture. The consequences of this in relation to the social capital concept are that if voluntary organisations are to be viewed as a source of social capital, then 'we need to understand the nature of relationships' within them, and that a failure to understand the differences between communities 'may suggest why some people are excluded from active participation in society while others dominate' (Robinson & Williams, 2001:53-54).

The social networks in the Pakeha perspective of social capital are generally considered to be networks that exist in the wider society such as those developed through community or voluntary organisations, while social capital in a Maori context has a greater focus on whanau (Robinson & Williams, 2001; Spellerberg, 2001). Blakeley and Suggate (1997:88-91) neatly summarise the Maori concept of family in relation to the social capital concept as follows:

What distinguishes Maori communities from non-Maori communities is the sense of a shared affinity between members regarding Maori identity, values, culture and history. This is encapsulated in the concept of whanaungatanga, which is an important contributor to social capital in Maori communities. For whakapapa-based communities, whanaungatanga is about supporting, nurturing and sharing resources within iwi, hapu and whanau and hence relates to the concept of participation Another important factor in relation to social capital is tikanga ... for whakapapa-based communities, tikanga ensures that members know and understand the systems and processes of knowledge, accountability and support.

This research is limited to a survey of volunteers selected from groups constructed within a European tradition. Whilst this suggests that further work is required to explore the nature of interrelationships between social capital developed within a Maori context and labour market outcomes, Robinson & Williams (2001:69-70) do make some useful comments regarding policy implications in respect of the differences noted above. In particular, they urge that guidelines and eligibility criteria for support of community initiatives (such as from trusts, foundations or the government) take into account and recognise as equally valid the different organisational structures, norms, values and aspirations of Maori communities. In a similar vein, New Zealand is now host to a wide variety of ethnic communities from the Pacific, Asia and other areas. It is proposed that elements of flexibility and openness in policy may also have the potential to improve employment outcomes within these communities, through understanding and facilitating social capital within them.

Summary

This part of the working paper has considered issues fundamental to the concept of social capital that are relevant to an exploration of relationships between the voluntary sector and the labour market. This working paper argues for a heuristic rather than theoretical reading of social capital that draws broadly on the work of Pierre Bourdieu, while remaining cognisant of developments in the field subsequent to his seminal work. This reading allows an approach whereby volunteers in this study are considered individual actors capable of accessing and using the resources embedded in their networks for conversion into other forms of capital. In particular, this means economic capital via labour market outcomes. It is noted that the epistemological approach taken in the research utilises qualitative fieldwork augmented by quantitative analysis that sits within a broadly constructivist paradigm.

This paper identifies voluntary associations as important generators of social capital in our society. The approach deems individuals to be situated within normative structures that allow for reciprocal exchanges between members of networks. Not all networks are alike; Falk (2001b:4-5) notes that 'it's not whether some of us belong to more or fewer networks that counts, it's the nature of those networks that seems to be important'. In particular, Granovetter's (1973) thesis on the 'strength of weak ties' is correlated with bridging and bonding social capital and the suggestion is made that bridging social capital is more likely to lead to information consequential to positive labour market outcomes.

Social capital is positioned as a link between the economy, community and economic markets, thus providing a nexus between the voluntary and labour market sectors. This working paper argues that local and central government investment in the development of social capital will lead to economic benefits including the creation of paid employment. Conversely, if opportunities to invest are discounted, depletion of the resource is conceivable. It is suggested that the utility of social capital should be informed through Bourdieu's analysis as it is less subject to concerns with issues of power and control and the tautological problems noted in some subsequent work in the field, particularly those

theoretical perspectives that view it at a collective level. This part of the working paper concludes with a caution that cultural issues in New Zealand society hold policy implications where the social capital concept is employed.

PART TWO: VOLUNTARISM, THE LABOUR MARKET AND SOCIAL POLICY

Introduction

The first part of this working paper examined the fundamentals of social capital. Working Papers No. 6 and No. 7 from the Labour Market Dynamics Research Programme (Firkin, 2001a, 2001b) also drew on the social capital concept and discussed, in some detail, the different forms of capital. They applied the concept respectively to an exploration of the social capital between spouses in business-owning families and to the development of the concept of entrepreneurial capital. This working paper widens the debate through specifically exploring the concept in relation to the voluntary sector and the labour market, along with the policy implications.

This part of the paper is divided into three sections. The first section considers the diverse nature of the voluntary sector and the elements within it that can enhance or constrain the development of social capital. It is suggested that the levels and quality of social capital accrued to an individual through voluntary activity may be influenced by the characteristics of the voluntary associations they are involved with, including factors such as the level of formality within a given association, its role in society and the diversity of people involved with it.

The second section develops this notion further in relation to the bearing an individual's social capital may have on their labour market outcomes. While a simple causal relationship between voluntary activities and labour market outcomes is considered improbable, the section builds on the preceding discussion and suggests that an individual's social capital may have some influence on their labour market outcomes in certain circumstances; dependent upon such factors as their current socio-economic status and the quality of their networks. The final section considers the policy ramifications of the social capital concept for local and central government stemming from this discussion. In particular, the working paper advocates a partnership approach between government and the voluntary sector in suggesting how policy makers may usefully employ the concept.

Voluntary Associations and Social Capital

The notion that voluntary associations provide value to society beyond their own stated objectives has been recognised in the literature for some time. In 1831, Alexis de Tocqueville (1969) wrote of how the social interactions arising from American's involvement in voluntary organisations acted as a 'social glue' for that society. Similar themes can be found in other early contributions to the sociological field, and in addition a number of academics trace the roots of the concept of social capital to De Tocqueville and/or the work of sociology's founding fathers (Field, 2003; Navarro, 2002; Portes, 1998; Woolcock, 1998). The empirical research for the thesis was conducted amongst

West Auckland volunteers and enquired into how their voluntary experiences shaped other aspects of their lives and, in particular, labour market outcomes for them. The explicit relationship between social capital and the nature of volunteering is thus critical to this research and forms the basis of this section.

Associational Membership and Social Capital

There is some consensus that voluntary associations provide an important site for the development of social capital (Leonard & Onyx, 2003; D. Robinson, 1997; Stolle, 1998; J. Wilson & Musick, 1997). Leonard & Onyx (2003:189) state that ‘most of the early contributions to social capital theory attributed an important role to voluntary associations in producing social capital’. They cite several pieces of work that identify strong connections between civic involvement and levels of social capital (see Coleman, 1988; Onyx & Bullen, 2000; Putnam et al., 1993). In particular, they note that a longitudinal study of a large sample from the Swedish population carried out by Teorell (2000) found that membership in community organisations typically preceded the development of both friendship networks and levels of political engagement. Interest in the social capital concept in New Zealand largely extends from the 1996 conference ‘Social Cohesion, Justice and Citizenship – the Role of the Voluntary Sector’ which ‘focused on a definition of social capital that refers to the “networks of voluntary association” that help build a civil society’ (D. Robinson, 1997:1).

Care must be taken, however, not to assume the existence of a simple causal relationship between the levels of volunteering in a society and its stocks of social capital. A variety of factors can influence the levels and value of social capital that may accrue to a given *individual* actor. For instance, research indicates that the more formal an association, the lower its capacity becomes for developing social capital (Arai, 2000; Sharpe, 2003). Sharpe (2003:448) states that ‘while a move toward formalisation would help such associations thrive within a social environment that favours formalisation, it is precisely the informal, accessible, and leisurely style of grassroots associations that contributes to their most important social benefits’.

Additionally, such causal relationships may not address questions related to the distribution of social capital through society. Wilson (2000) describes a general correlation between higher levels of education in individuals and a greater number of requests they are likely to receive to volunteer. He indicates that people from lower socio-economic backgrounds are less likely to receive opportunities to volunteer along with the consequent gains in social capital associated with those opportunities. He also emphasises that not all volunteer efforts will be rewarded in society in the same way, noting that positive social ties are more likely to arise out of more ‘socially acceptable’ endeavours such as Meals on Wheels than from taking part in protest actions (J. Wilson, 2000:224). Similarly, the social capital developed within varying cultural settings may provide different outcomes from that developed within a mainstream context, the policy implications stemming from such cultural differences were discussed in the first part of this paper.

Given these points, it is useful to consider definitions and typologies of volunteering. Through understanding the heterogeneity of volunteering and how its nuances might impact on the social capital an individual may gain from involvement in volunteer activities, the heuristic utility of the social capital concept for generating ideas relevant to constructing positive labour market outcomes from such activity may be enhanced. Tilley & Tilley (1994:291) define volunteer work as 'unpaid work provided to parties to whom the worker owes no contractual, familial, or friendship obligations'. This definition is consistent with understandings of volunteer work that have progressed from earlier dichotomies between productive and unproductive activities, of which volunteer work was typically placed in the latter category (J. Wilson & Musick, 1997). While a useful starting point, the definition does not necessarily imbue a sense of the variety of activity encompassed within volunteer activity. The remainder of this sub-section fleshes out a typology of volunteers developed by Susan Arai (2000) towards this end.

Arai's typology seeks to move beyond earlier classifications of volunteering that focused on the motivations or benefits to volunteers, through considering the nature of the volunteer's experiences. It takes account of positive experiences such as the opportunities for volunteers to make a contribution, develop their knowledge and skills and to form new relationships. These can often be accompanied by negative experiences for them such as frustration with organisational processes, lack of support and personal lack of skills, knowledge and influence. Three main types of volunteer emerged: citizen volunteers, techno volunteers and labour volunteers (Arai, 2000:340). While acknowledging that these are ideal types and that individuals may move between them over periods of time, they are summarised as follows:

Citizen volunteers: Typified by an emphasis on suprapersonal concerns (e.g. poverty alleviation, equity and access issues). They are generally interested in making a contribution to the community. The main benefit to these volunteers is usually seen in the form of an appreciation of the interpersonal relationships and connections they develop through volunteering.

Techno volunteers: They are usually aligned to an association due to specific skills they have to offer. Typically they do not have a full understanding of the association's mission and values. A key benefit for them is often the ability to expand their networks and knowledge, often in ways that might benefit their paid employment.

Labour volunteers: They are directly involved in implementing the activities and services of the voluntary association and usually less interested in the mission and values of it than citizen volunteers. They generally express affective benefits to themselves from the expansion of their personal networks (Arai, 2000:342-345).

This typology and the points preceding it have important implications for this project. The value of social capital to an individual's labour market outcomes accrued from their voluntary activities may vary depending upon a variety of factors, such as the levels of formality within the association they are involved with and the role that association plays in society, tempered by their own desires and motivations as a volunteer and their own socio-economic status to begin with. King & Waldegrave (2003:237) note a particular concern in this respect: 'networks of the poorly educated and under-employed will tend

not to hold currency in the networks of the well-educated and professionally employed, and vice versa. All things being equal, this would not necessarily be a problem; all things are not equal, however'. This has a clear policy implication. If all voluntary associations are not alike, then seeking to enhance labour market outcomes within a given community through government support of them may require thorough consideration of an array of quite subjective variables. These may encompass such factors as a consideration of the socio-economic constitution of an association and the potential of an association to develop bridging social capital across the wider community.

The Developing Nature of Volunteering

The levels and types of participation in volunteering have changed and developed in recent years (Graham, 2004; Nichols, 2004; Price, 2002). In particular, Price (2002:119) notes that 'developments such as forced voluntarism, the growing number of retirees, and corporate sponsored volunteering are changing the nature of civic engagement and some voluntary associations. There is evidence that younger volunteers are increasingly concerned with volunteering opportunities as means to pragmatic ends, such as résumé building'. This subsection considers what may be driving these changes and the implications of them, and concludes with illustrative examples of contemporary innovations within the volunteer sector both internationally and in New Zealand.

Price (2002) is sceptical as to whether collective notions of social capital can satisfactorily explain changes in the voluntary sector. He notes that Putnam, for instance, bases his argument upon aggregated responses to surveys that are used to form generalised statements about the nature of our society (such as excessive individualism) to explain declining civic involvement. Price contends the reality is far more complex and draws on Bourdieu in considering structural factors affecting the sector. For instance, he cites the example of a hypothetical group of concerned neighbours organising to oppose a business development in their area. He notes that while loose associations like this have strong potential for developing social capital, their political nature and lack of formal institutionalisation do not make them attractive sites for résumé building, corporations are unlikely to involve their employees in a volunteer capacity with them given their anti-business nature, and people channelled towards volunteer work through schools, the workplace or government agencies are likely to be steered towards less controversial and more formalised associations than this (Price, 2002:126).

This view is supported by Arai (2004:152), who states that 'volunteering is socially constructed and is affected by the changing social and political context', noting further (in a Canadian context) that government policy is spurring the 'proliferation of volunteering for its contribution to the market (techno and labour volunteers and skill development for participation in the labour force)'. This raises a question of balance for policy makers between supporting the voluntary sector to develop social capital, and constraining the growth of social capital through altering the dynamics that build it in the first instance. For example, while a government grant may be welcomed by a particular voluntary association, were it conditional upon performance objectives that are counter to the objectives of some of its volunteers, such support may have negative implications in

the longer term on the development of that association. Arai (2004:174) notes that voluntary associations are valuable sites for the development of ‘virtues such as cooperation, collective identity, altruism and social relationships as ends in themselves’, virtues that may be undermined through ill-considered government interventions.

In addition to the exogenous factors just noted (and perhaps due to them), voluntarism has also been subject to other developments within the sector that may impact on the dynamics of social capital generation. Seyfang (2004) discusses a range of recent UK initiatives that employ voluntary activity as a mechanism for ameliorating social exclusion. The development and encouragement of local currencies is one example of contemporary change in the volunteer sector. Seyfang highlights time banks as a particularly innovative form of local currency. They are considered within the scope of volunteering by the UK government and thus are not subject to the tax regime, including income testing. Time banks are described as follows:

‘A time broker is employed to manage the scheme, maintain a database of participant’s, and recruit people and organisations. Participants inform the broker of the kinds of things they require help with, and what they can offer in return, and the broker arranges time exchanges by finding people to meet each other’s needs. People earn a time credit for each hour spent helping someone else, and spend a credit when someone helps them in return’ (Seyfang, 2004:61).

Seyfang (2001) cites research indicating the effectiveness of time banks for ‘promoting volunteering, building social capital, and tackling social exclusion in deprived neighbourhoods’, while also noting their potential for building bridging social capital within communities and developing pathways to paid employment.

Time banks have not been piloted in New Zealand, although Williams (1996) does note that ‘green dollar exchanges’ are another form of local currency that have been developed in this country. These schemes are not explicitly concerned with promoting volunteer activity, though they do function in a similar manner to the time bank concept and have similar objectives. Williams (1996:319) notes the objectives of green dollar exchanges as ‘community-building, creating more localised economies and helping the unemployed to participate in productive activity’. More pertinently, a number of volunteer centres connected with the independent organisation Volunteering New Zealand have been set up around the country to (among other objectives) match voluntary associations with people seeking opportunities to volunteer. McCarthy (2005) notes that one of these centres, Volunteering Auckland, has signed up around 10,000 volunteers since starting twelve years ago, and has 180 community groups on its database seeking volunteers.

While the New Zealand volunteer centres are an innovative example of the developing nature of volunteering in this country, Cheryll Martin (2004) of Volunteering Auckland does express concern at other, particularly government-driven programmes. She notes that initiatives such as volunteering required as part of educational curricula, or as a form of work in the welfare system or as forms of punishment through the justice system, impinge on the ‘true nature’ of volunteering. The implications of the role that local or

central government may have in facilitating and developing social capital within the voluntary sector for political purposes (such as improving labour market outcomes) will be discussed in the final section of this part of the working paper.

The Labour Market and Social Capital

Hodgkinson & Weitzman (1996:4-112) note that the 1995 'Independent Sector Survey of Giving and Volunteering' conducted in the United States found nearly a quarter of volunteers surveyed were involved in volunteer activity at least in part to 'make new contacts that might help my business or career' (as cited in J. Wilson, 2000:232). Mouw (2003) cites research indicating that around 40 to 50 percent of jobs in the USA are found through friends or relatives. In a New Zealand context, Dickson (2004) notes that 'a number of studies have shown that more people find employment through family, friends and acquaintances than any other single pathway'.

Each of these statements indicates there may be a causal relationship between an individual's social networks and their employment prospects. However, Wilson (2000) posits that there is scant evidence to support claims that volunteering can lead to paid employment or improvements in the quality of an individual's paid employment. Further, Norwood (2001) found the impact of social capital on employment outcomes minimal as compared to human capital/educational achievement factors, cautioning that social policy should continue to prioritise its focus on educational equity. This section examines, in more detail, the notion that social capital, particularly that developed in a voluntary capacity, can lead to improved labour market outcomes.

The Role of Networks in Labour Market Outcomes

The first part of this paper noted that one aspect of social capital, as conceptualised in this working paper, is the notion that individual actors can purposively draw on the resources embedded in their social relations to improve their chances of personal profit through instrumental action. Lin (2001:24) observes there is a consensus amongst a number of leading academics including Bourdieu, Coleman, Lin, Flap, Burt, Erickson and Portes. In particular, Ronald Burt (2002) applies this conception of social capital to the role networks have in affecting labour market outcomes. He draws explicitly on Bourdieu and Coleman leading to the statement that: 'The social capital metaphor is that the people who do better are somehow better connected ... certain people or certain groups are connected to certain others ... dependent on exchange with certain others. Holding a certain position in the structure of these exchanges can be an asset in its own right. That asset is social capital' (Burt, 2002:150).

Portes (1998:12) cites the work of both Ronald Burt (1992) and Mark Granovetter (1974) when noting that social capital is frequently invoked 'as an explanation of access to employment, mobility through occupational ladders, and entrepreneurial success'. He notes that Burt's use of the concept is congruent with Bourdieu's instrumental approach

and that it builds on Granovetter's 'strength of weak ties' notion (discussed in the first part of this paper) in highlighting the role weak ties have in improving employment outcomes for an individual. Others to employ both Burt and Granovetter in advancing this notion include Lin (2001) and King & Waldegrave (2003). Lin (2001) investigated how social capital could improve the chance of 'getting a better job' and found consistent support for the proposition that social capital could contribute to positive labour market outcomes. He did note, however, that there are a number of outstanding issues to be conceptualised and studied respecting the nature of networks held by different people, particularly as informed by their socio-economic status. The resolution of these issues is central to responding to the challenges raised in the opening to this section.

That the value of networks will vary according to an actor's circumstances was not ignored within Bourdieu's work: 'the volume of social capital possessed by a given agent thus depends on the size of the network of connections he can effectively mobilize and on the volume of capital (economic, cultural, or symbolic) possessed in his own right by each of those to whom he is connected' (Bourdieu, 1997:51). Aguilera (2002:856) cites a number of studies (see Fernandez-Kelly, 1995; Lin, Edsel, & Vaughn, 1981; W. J. Wilson, 1987) that consider this idea in relation to the labour market, indicating that participation in it (and job quality once in paid employment) can be contingent on the quality of an individual's networks, while Dickson (2004:9) points to Giddens (1998) in stating that 'unequal access to influential networks serves to reinforce existing patterns of social disadvantage'. In addition, Healy (2001) notes that it is the range and nature (particularly in respect of bridging rather than bonding ties) of an individual's connections rather than the number of connections that assist their employment search.

Social networks may also matter from the perspective of an employer's strategies and expectations (Dickson, 2004; Dupuis et al., 2004; Fernandez & Castilla, 2001; Stone et al., 2003). Stone et al (2003) cite the work of Holzer (1988), Rees (1966) and Montgomery (1991) when arguing that social networks play an important role in demand side decision-making by employers. They note that a central task of the labour market is to facilitate exchanges of information or signals between employers and potential employees; as information about a given job or about any individual employee is imperfect, the process of job-search takes time and can be expensive. They note further that informal channels or networks can form an important part of the job search process through use of employee referrals and that such referrals are generally informative and reliable. This is because the referring employee is unlikely to put their own reputation at risk through recommending unsuitable applicants, and the cost of job search is reduced. Arthur, Inkson & Pringle's 1997 study (cited in Dupuis et al., 2004:2-3) supports this notion:

In a recent New Zealand study of 121 job-to-job transitions, in 66 instances (or 55 percent of the sample) the new job had been obtained entirely through personal network mechanisms, while in a further 13 cases (or 11 percent of the sample) personal networks had supplemented formal mechanisms such as newspaper advertisements and formal applications.

Volunteering as a Pathway to Paid Employment

Dupuis et al (2004:7) argue that 'the importance of social capital is underestimated both in theory and in practice concerning employment finding'. However, they are cautious. For instance, as the labour market becomes more fragmented and as recruitment systems become more professionalised, the role of social capital in job search may diminish. Further, Rotolo & Wilson (2003) acknowledge that research suggests a positive correlation between levels of voluntary activity and an individual's employment status. However, they caution against drawing conclusions that associational membership is a causative factor leading to higher status careers. They note that 'civic skills' taught through high status jobs enable civic participation and that small businesses often use community organisations to build contacts, while many corporations encourage managers to become involved in their communities as part of their 'corporate outreach programs'. They conclude that 'it is unlikely that voluntary association memberships cause careers. The evidence suggests, rather, that careers cause membership' (Rotolo & Wilson, 2003:604).

In accounting for these points, it is acknowledged that a simple causal relationship between voluntary activity and labour market outcomes is improbable. However, Rotolo & Wilson's findings focus on higher status careers and disadvantaged or excluded groups are not explicitly considered in their paper. Networks built through volunteer activity may play a role in providing pathways to paid employment, particularly for these groups (Healy, 2001; Seyfang, 2004). Seyfang (2004) argues that social networks developed through volunteer activity can provide a powerful mechanism for reincorporating excluded individuals back into mainstream employment, facilitated at least in part through the volunteer sector providing opportunities for the development of bridging social capital between disparate communities. Moreover, she notes that volunteering can provide an environment where individuals can build the self-esteem and confidence required to immerse themselves in social networks.

This point is picked up by Witten-Hannah (1999:25-26) who states that 'community initiatives act as a catalyst in the formation of social capital ... they create opportunities for the development of social relationships and ... empower individuals and groups, giving them hope and self-confidence'. Dickson (2004:8) notes further that social norms play a role in people's attitudes to work, pointing to research indicating that 'people who are embedded in networks of family, friends, community and institutional ties that support the value of work are more likely to be employed'. Healy (2001) argues that social inclusion policies should recognise that access to social capital can improve an individual's life chances and that government support of voluntary associations is one mechanism that can be used to this effect.

The preceding discussion indicates that volunteering may lead to paid employment for some people. The efficacy of social networks to enhance labour market outcomes is likely to be dependent upon a combination of factors predominantly based around the socio-economic status of a given individual and the 'quality' of their networks. The fieldwork carried out for this research incorporates a range of volunteers across age and

socio-economic groups. A thorough consideration of socio-economic factors would require a level of primary research beyond the scope of this research project, although demographic data is collected and considered. As noted by Seyfang (2004), the heterogeneity of the volunteer sector may provide opportunities for individuals to bridge into networks otherwise outside their immediate sphere. Given the issues raised, there are complex policy implications when consideration is given to facilitating the development and transfer of social capital from within the voluntary sector to economic capital via the labour market. The final section of this part of the working paper grapples with this complex terrain.

Policy Implications

The concept of social capital is not new to New Zealand's political landscape. Berry (1997:C5) notes that in May 1997, Prime Minister Jim Bolger hailed social capital as the way 'to blaze a new trail in building better communities'. His views were supported through work done by Internal Affairs (Boyd, 1997). Berry (1997) also noted that in the same year, Christchurch City Council voted \$3.3 million for a 'social cohesion' package, part of which was designed to develop social capital in the city. More recently, the Ministry of Social Development included a session devoted to social capital in 'The Social Policy, Research and Evaluation Conference' held in November 2004. The social capital concept has informed a number of recent contributions to this country's social policy discourse, including (and not limited to) Robinson (2002), Healy (2004), Spoonley et al (2004), Dickson (2004), Walker (2004), Taylor (2004), King & Waldegrave (2003) and Dupuis et al (2004).

This section explores the policy implications of the social capital concept. Social capital seems capable of finding a place in varied corners of the political spectrum, as noted in the first part of this working paper. The discussion begins with a consideration of how this working paper is positioned within this context. It concludes with suggestions of some policy options available to local and central government for developing social capital within communities that may help create pathways to paid employment. A partnership approach is advocated. The approach is founded on Bourdieu's conception of social capital, which relies on investment to build and maintain social capital. It also draws on Jurgen Habermas' notion of 'communicative competences' that suggests government cultivate an environment conducive to fair and equitable communication between stakeholders.

The Politics of Social Capital

A number of authors in the field have critiqued the perceived appropriation of the social capital concept within neo-liberal politics (see Arai, 2000; Fine & Green, 2000; Healy, 2001; B. Robinson, 1997; Szreter, 2000; Wallis & Dollery, 2002). Neo-liberal advocates argue that the state crowds out voluntary associations, inhibiting the creation of social capital. As Bonnie Robinson (1997:A19) puts it, this gives 'those who want to reduce the size of government a social approach to what is essentially a monetarist agenda'. For

instance, central to the Bolger government's agenda in seeking to build up voluntary agencies was a desire to devolve social services from the public sector to the voluntary sector (Boyd, 1997:13).

Healy (2001) refutes the neo-liberal claim that the welfare state will necessarily diminish social capital creation, noting that the Netherlands and Sweden are countries that have the most extensive welfare states in the world while also scoring amongst the highest in indicators of social capital such as levels of voluntary involvement amongst its citizens. Further, Arai (2000) notes that in Canada, neo-conservative influences have pressured some organisations to shift their goals from their original missions to direct service delivery. A consequence has been that volunteers have found themselves having to engage in aspects of volunteering outside their type (refer to Arai's typology earlier in this part of the working paper) and becoming despondent with their involvement, thus countering the development of social capital.

Both Arai (2000) and Falk (2001b) caution that government must not withdraw its responsibilities to the voluntary sector through the promotion of active citizenship, with Arai (2000:347) noting that 'while the foundation for citizenship lies in the voluntary exercise of civil and political rights, the rights of citizenship also invoke duties in others, including government'. Bonnie Robinson (1997:A19) also questions whether simply devolving responsibility from the government sector to the voluntary and community sectors will build social capital noting that evidence suggests quite the contrary and that 'voluntary activity ... can be stimulated or supported by carefully designed increased government activity'. Consequently, this working paper argues for a partnership approach between the government and voluntary sectors.

An active role for government is implicit in Bourdieu's conception of social capital. Bourdieu (1997) stresses that investment is required to build and maintain social capital. As noted in the first part of this paper, he views each of the capitals as intertwined. This notion is echoed by Warner (2001:188) who notes that for Bourdieu, 'if the object of network building was not endowed with social, economic or cultural capital then the effort will not be considered worthwhile' and goes on to emphasise that in geographical areas with weak social capital, it is most desirable that investment in each form of capital comes from both local government and local residents. Further, Szreter (2000) and Falk (2002) consider the role of Habermasian political theory in this respect. They both take a heuristic reading of social capital and draw on Habermas to emphasise the importance of a policy environment conducive to fair and equitable communication between stakeholders, encompassing parties within both the government and voluntary sectors. Brand (1990) notes that Jurgen Habermas refers to such an environment as having shared 'communicative competences'. The final subsection of this part of the paper will consider some practical opportunities for collective engagement between the sectors.

There is a tension between the social objectives of the mooted approach and the imperative of economic growth pertaining to New Zealand's contemporary political environment. David Robinson (1997) argues that competitiveness and individuality, when taken to its extremes, can inhibit social capital and social cohesiveness. He does

point out, however, that the two goals are not mutually exclusive. Economic growth can provide the economic foundation upon which a fair welfare system can be built, while social capital can contribute to greater community participation in democratic processes providing the bedrock for a well functioning community and economy. Amongst the benefits of a carefully managed symbiotic relationship, he notes the potential for less violence (and its economic costs) through strengthened communities, improved links between government, business and voluntary sectors and lowered transaction costs (see also Das, 2004; Gittell & Thompson, 2001; Healy, 2001; Rotolo & Wilson, 2003). Robinson succinctly appraises the challenges of a partnership approach:

There is an argument that overly large government can crowd out community activity which produces social capital ... at the other extreme a minimal state can result in less fortunate families and communities being left to flounder through lack of skills and resources. Somewhere in between exists a healthy balance of government intervention whereby civil society, and the voluntary organisations within it, are able to flourish (D. Robinson, 1997:85-86).

Towards Social Capital Policies

The generation of policies directed at encouraging social capital development for whatever purpose must be premised on an assumption that they can actually effect change in practice. Two key authors in the collective tradition of social capital, Putnam (1993) and Fukuyama (1995), take a laissez-faire approach in their interpretation of the concept in that both argue against active government intervention to stimulate the development of social capital. Putnam opines that government policy can have very little effect on the creation of social capital (Alex-Assensoh, 2002; Maloney, Smith, & Stoker, 2000; Wallis & Dollery, 2002) while Tarrow (1996) notes that Putnam perceives 'the character of the state as external to the model, suffering the results of the region's associational incapacity, but with no responsibility for producing it' (as cited in Maloney et al., 2000:216).

Warner (2001:189) cites several authors who oppose this view (see Crocker, Potapchuck, & Schechter, 1998; Evans, 1996; Potapchuck, Crocker, Schechter, & Boogaard, 1997; Skocpol, 1996) and argues that (local) government can effectively build social capital through sharing 'autonomy with citizens, shifting its emphasis from controller, regulator and provider to new roles as catalyst, convenor and facilitator'. The remainder of this subsection will explore, conceptually, considerations for local and central government in developing effective policy.

The dichotomy of bridging and bonding social capital was introduced in the first part of this working paper along with the notion that bridging social capital may be more likely to open up pathways to employment for an individual, while the previous section noted possibilities for its development through volunteering due to the heterogeneity of that sector. Narayan (1999) continues in this vein, noting that all societies have divisions along lines such as gender, class and ethnicity, and that access to resources can be determined through these groupings. While bonding social capital may help members within a group, it is bridging social capital that can open up economic opportunities

outside of groups. Narayan argues then that policy guided by the social capital discourse needs to focus on developing bridging social capital. Further, Aguilera (2002) posits that policy should recognise that labour market information is a valuable commodity not available equally to all and should aim to foster ways of bringing this information to groups with less access to it (see also Wallis & Dollery, 2002). The next sub-section considers some practical policy options to this effect. He adds that social capital can act as a 'powerful tool in explaining how labour markets operate' and that it can be especially useful in understanding how programmes can assist the unemployed or underemployed (Aguilera, 2002:871).

Wilson (2000) provides the insight that volunteering is less prevalent amongst lower socio-economic groups and the unemployed. Additionally, he states that 'the generic term "volunteering" embraces a vast array of quite disparate activities. It is probably not fruitful to try to explain all activities with the same theory nor to treat all activities as if they were the same with respect to consequences' (J. Wilson, 2000:233). Policy that seeks to build pathways to employment through supporting voluntary groups should remain cognisant of these disparities, however understood, and should therefore be carefully targeted. Dupuis et al (2004) also highlight the need to account for lifecycles when targeting policy through their finding that as people become older (and presumably more experienced), they rely less on social capital and more on formal job search processes when seeking paid employment.

This working paper suggests there are further nuances policy should be sensitive to in the volunteer sector. The dangers of steering volunteers outside of their 'type', whether purposively or as an unintended policy consequence, was noted earlier by reference to Arai (2000). Additionally, Huntoon (2001:157) notes that voluntary associations can provide a channel for government to foster social capital, stating that 'policy objectives not obtainable as a result of direct action by government may be reached by the creation of social capital by associations', however, 'this places government officials in the delicate position of nurturing a public good which government does not provide directly'. Sharpe's (2003) aptly named paper "'It's not fun any more": A case study of organizing a contemporary grassroots recreation association' further emphasises the balance policy must achieve, noting that bureaucratic 'red-tape' derived from continuing government encroachment in the voluntary sector can inhibit social capital development.

Policies will be shaped by current political discourses. Spoonley et al (2004:14), writing about New Zealand, consider social capital within the social cohesion discourse and in particular note the importance of labour markets in engaging people in economic participation. Although stated within the context of outcomes for immigrants, they do comment that 'one important reason for incorporating social capital into social cohesion policy frameworks is to acknowledge the network and relational issues'. In the UK, Seyfang (2004:57) traverses similar territory. She notes that at policy level within the social inclusion discourse there is acknowledgment of the benefits to society of volunteering for its role in 'social building' and creating 'social networks' that create social capital that can be 'drawn upon in order to re-insert oneself into society', particularly through access to employment from these networks.

Finally, Jurgen Habermas' concept of 'communicative competences' was discussed in the previous sub-section. Szreter (2000:66) illustrates the relevance of Habermas' notion to the social policy arena in stating that:

To maximise the terrain over which extensive social capital can flourish, the political and cultural conditions must obtain in a society or economy which promote to the maximum a widely diffused communicative competence among the greatest diversity of individuals or citizens.

Some Policy Suggestions

As indicated through the preceding discussion, this working paper advocates a partnership approach to social policy grounded in equitable communication between government and voluntary sectors that seeks to reach shared understandings for mutual benefits. Obversely, Robinson & Williams (2001:55) suggest that attitudes and behaviours such as 'restrictions on the freedom of operation of voluntary associations ... non-reciprocal relationships ... and not recognising the status of marginalised groups' can contribute to social capital decline. Additionally, Leonard (2003) asks whether it is beneficial to build bridging social capital to enhance economic objectives within a community that is 'just getting by' where it may be to the detriment of the bonding social capital that is holding it together. Similarly, Falk (2001b) highlights the need to identify whether it will be mostly bridging or bonding social capital that will be developed through a given policy initiative, through scrutinising the qualities of the organisations involved. The suggestions made in this final subsection should be considered alongside these cautions, even in respect of policy that fits within a partnership approach. As noted by King & Waldegrave (2003:241) 'in the area of policy development, implementation, and delivery, one size does not fit all'.

The Local Government Act 2002 lays a foundation for the approach advocated in this project. Section 10 of the Act places the onus on local authorities 'to promote the social, economic, environmental, and cultural well-being of communities' while section 14 requires local authorities to consider 'the views of all its communities' when making decisions. Additionally, section 52 requires community boards to 'communicate with community organisations and special interest groups' on community matters. For instance, Robinson & Williams (2001) provide practical examples of what this may mean when considering policy implications for Maori. In particular, they note the need for the recognition of customary forms of association within Maori communities and recognition of the aspirations and concerns of Maori communities in local and central government policy decision-making processes.

Robinson (1999:13) argues that 'collaborative community dialogue' is required at the policy development stage. Also writing in the New Zealand context, Wallis & Dollery (2002:82-83) offer a number of suggestions as to how local government can engage with voluntary associations to build social capital:

They can provide opportunities for citizens and communities to influence the outcomes of local issues and decisions, facilities and types of infrastructure that allow voluntary associations to develop and flourish, and assistance through grants, advice and training to people involved in developing local service delivery networks. They can undertake monitoring, research and data collection on the strength of the local voluntary sector. They can also facilitate the delivery of services and funding between agencies, voluntary associations and firms to ensure local needs are being addressed.

The Department of Child Youth and Family Services has launched the Stronger Communities Action Fund that has an explicit objective of developing social capital. Taylor (2004:67) notes the initiative has led to measurably increased social capital as indicated by 'increased participation, the creation of new networks and associations, and greater proactivity' within communities that have taken part. Importantly, it is increased community participation and networking that gives rise to bridging social capital. As noted in the first part of this paper, bridging social capital is more likely to lead to greater community cohesion and has the potential to enhance an individual's employment outcomes than bonding social capital. Volunteers from the Ranui Action Project, which receives funding through this programme alongside support from the Waitakere City Council, took part in the fieldwork for this research project.

Also within West Auckland, Witten-Hannah (1999) notes that Waitakere City Council's West Coast Plan project may have encouraged the growth of social capital through bringing together diverse groups of people focused on common interests (the future of their region); providing them with opportunities to interact and develop cooperative skills, and opportunities for participant's to build pride and self-esteem in themselves, their community and their 'place'. She notes that prior to embarking on such a project 'councils need to ensure that policies are in place to enable communities to be fairly resourced ... and that enable and encourage the formation of partnerships and power-sharing with stakeholder groups' (Witten-Hannah, 1999:40).

Further illustrations of local or central government interventions that can lead to social capital development within a community can be found within the international literature. For example, Worthington & Dollery (2000) argue that appropriately targeted housing and associated community services policies can help develop a 'sense of place' conducive to social capital growth. Kilpatrick et al (2002) include an eight-step strategy manual within their paper to enable communities to build social capital that has partnerships with government agencies central to it. Narayan (1999) outlines seven 'sensitively designed' areas where government interventions can assist the building of social capital. Seyfang's (2004) analysis of the value of time bank programmes was discussed earlier in this part of the paper.

In closing, a working paper from the Strategic Social Policy Group of the Ministry of Social Development (Dickson, 2004:37) notes that by international standards New Zealand 'may be relatively social capital rich'. Moreover, it emphasises that:

Government has an interest in the development of social capital due to the benefits that arise from socially connected and inclusive communities ... people are more likely to undertake voluntary work, get involved in school boards of trustees, perform jury service and pay their taxes when they feel that they have a stake in these institutions and trust that they operate fairly. In other words, social capital makes it easier for government to govern (Dickson, 2004:38).

This working paper has identified that marginalised groups in particular could benefit from government interest in social capital. In considering how social capital can be mobilised to impact upon the capacity for such groups to find employment through policy initiatives focused on the structure of their social networks, King & Waldergrave (2003:241) caution that policy should be 'based upon an accurate understanding of the ways in which the cultural (in the broadest sense) characteristics of a particular population influence the relationships that its members have with other fields or domains within the wider society'. As noted by Portes & Mooney (2002:326), 'bureaucratic top-down formulas that posit social capital as a magic wand for local ills will consistently fail' ... 'future successful experiences of community development will be achieved one at a time by combining existing community networks with careful nurturing of local skills and the provision of strategic external support'.

Summary

The heterogeneity of the voluntary sector may provide individuals with opportunities to develop social capital that may in turn provide them with pathways to employment. However, this notion is contingent upon a number of variables. Negative correlations have been shown to exist between the likelihood of an individual's involvement in voluntary activity and their socio-economic status. The efficacy of a voluntary association to develop social capital can be determined by qualities such as the levels of formality within it and the diversity of people involved with and attracted to it. The utility of social capital in providing pathways to employment may be dependent upon the environment in which it is garnered. In particular, involvement with less 'socially acceptable' groups or culturally marginalised groups is less likely to enhance an individual's mainstream labour market opportunities.

This working paper draws on Bourdieu's conception of social capital; central to it is the notion that social and economic capital are inexorably linked. Further, Habermas' idea of 'communicative competences' is applied to highlight that an environment conducive to fair and equitable communication between stakeholders, cultivated by government, can enhance this dynamic in respect of the relationship between social capital accrued within a voluntary setting and economic capital via the labour market. Consequently, this working paper advocates a policy setting environment that favours a partnership approach between the voluntary and government sectors.

This working paper suggests that the social capital concept may be heuristically useful in guiding the development of social policies that seek to promote labour market opportunities through the utilisation of social capital generated within the voluntary

sector. It is suggested that policy development accounts for the factors noted above and that, in particular, policy could be effective when targeted at providing opportunities for the development of bridging social capital within specific social groups. Notably, lower socio-economic groups and the unemployed or underemployed.

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