

***What is Social Capital?
How can it be measured?
What are the implications of social capital for education?***

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Introduction

According to the standard view, social capital is networks of relationships. Networks can be regarded as a form of capital since they are a resource that enables people to work together to achieve things that they could not easily achieve by themselves.

Against the standard view, I will argue that networks do not always constitute a resource. In some cases they are a liability. Sometimes networks are socially corrosive. But social capital cannot by definition be a liability or socially corrosive. So I conclude that networks do not constitute social capital.

I will argue that social capital is cooperation in pursuit of the common good.

I will then give some examples of how social capital can be measured, and explore some implications of social capital for the discipline of Economics and education.

The standard view of social capital

In his useful 2003 summary of the theory of social capital, John Field claims that the central thesis of social capital theory can be summarised in two words: relationships matter.

By making connections with one another, and keeping them going over time, people are able to work together to achieve things that they either could not achieve by themselves, or could only achieve with great difficulty. People connect through a series of networks and they tend to share common values with other members of these networks; to the extent that these networks constitute a resource, they can be seen as forming a kind of capital. As well as being useful in its immediate context, this stock of capital can often be drawn on in other settings. In general, then, it follows that the more people you know, and the more you share a common outlook with them, the richer you are in social capital. (Field 2003, page 1)

Field suggests that social capital consists of informal networks, in contrast to formal procedures and responsibilities. When people want to make something happen, they will “ignore formal procedures and responsibilities and set off to ask someone they know... Calling on trusted friends, family or acquaintances is much less stressful than

dealing with bureaucracies, and it usually seems to work faster and often produces a better outcome.” (Field 2003 page 2)

Though not necessarily a fairer outcome. As Field observes “Social relationships can sometimes serve to exclude and deny as well as include and enable.” (Field 2003 page 3) He gives the example of ‘old boy networks’ that are said to dominate parts of the British Civil Service.

Field concludes “People’s networks should be seen, then, as part of the wider set of relationships and norms that allow people to pursue their goals, and also serve to bind society together.” (Field 2003 page 3)

Field’s account of social capital appears to be the standard view. The OECD defines social capital as

networks together with shared norms, values and understandings that facilitate cooperation within or among groups (Australian Bureau of Statistics page 1)

Bourdieu and Wacquant (1992, page 119) define social capital as

the sum of resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalised relationships of mutual acquaintance and recognition.

In his classic book on social capital, called *Bowling Alone* Political Scientist Robert Putnam, states that

The core idea of social capital theory is that social networks have value...social contacts affect the productivity of individuals and groups. (Putnam 2000 page 18-19)

Against the standard view, I will argue that networks do not always constitute a resource. In some cases they are a liability. Sometimes networks are socially corrosive. But social capital cannot by definition be a liability or socially corrosive. So I conclude that networks do not constitute social capital.

Are networks always a resource?

On Field’s account of social capital, corruption is almost a paradigm case of social capital. We have seen that on Field’s account when people want to make something happen, they will “ignore formal procedures and responsibilities and set off to ask someone they know...Calling on trusted friends, family or acquaintances is much less stressful than dealing with bureaucracies, and it usually seems to work faster and often produces a better outcome.” (Field 2003 page 2). Bribing, or doing a favour for an official to obtain something you want can also in some circumstances be less stressful than going through the proper channels and sometimes seems to work faster and produces a better outcome.

Bethany McLean and Peter Elkind in their book *The smartest guys in the room* document the story of the rise and fall of Enron, resulting in the largest bankruptcy

case in US history. It was a story of “creative accounting”. Enron was able to claim fantastic profits, constantly driving up their share price. But their profits were hypothetical – not actual - based on projected future earnings. Meanwhile the company was accumulating huge debt levels. By the end, Enron had accumulated debts of US\$38 billion – only a third of which showed up on its balance sheet.

McLean and Elkind observe that the corrupt Enron executives could not have accomplished their deception without plenty of help.

They needed accountants to agree that prepaids were a trading liability... They needed lawyers to sign off on deal structures. They needed credit rating agencies to remain sanguine in the face of frightening levels of off-balance-sheet debt. Most of all, they needed the banks and the investment banks to help them carry out their machinations. (McLean and Elkind 2003 page 161-162)

Almost everyone associated with the company failed to do right thing.

Such conspiracy – synergistic corruption as it has been called – certainly involved networks of people with shared values pursuing their goals. Each stood to profit mightily. On Field’s account synergistic corruption is a form of social capital.

It is not clear however, that synergistic corruption is straightforwardly an asset. Synergistic corruption undermines the ethical basis of business. I will argue later that promise making and keeping and honest dealing is a form of social capital that underpins an economy and a society of which it is a part. Synergistic corruption corrodes this form of social capital. It is more of a liability than an asset.

Francis Fukuyama in “Social Capital and Civil Society” defines “social capital” as “an instantiated informal norm that promotes cooperation between two or more individuals” (Fukuyama 1999 page 1).

Fukuyama argues that “Many groups achieve internal cohesion at the expense of outsiders, who can be treated with suspicion, hostility or outright hatred. Both the Ku Klux Klan and the Mafia achieve cooperative ends on the basis of shared norms, and therefore have social capital, but they also produce abundant negative externalities for the larger society in which they are embedded.” (Fukuyama 1999 page 2).

Group cohesion secured at the expense of outsiders is obviously a liability for the larger society. As Fukuyama admits “It is very important when measuring social capital to consider its true utility net of its externalities.” (Fukuyama 1999 page 2). Too many negative externalities could presumably lead one to conclude that social cohesion secured at the expense of outsiders is not a form of capital at all.

Arguably social cohesion secured at the expense of outsiders can be a liability for the group itself.

Fukuyama notes that such group solidarity is “typically regarded as a liability” (Fukuyama 1999 page 3). And with good reason. “In-group solidarity reduces the

ability of group members to cooperate with outsiders” and even “provides cultural reinforcement for corruption.” (Fukuyama 1999 page 3)

Fukuyama claims that “traditional social groups are... afflicted with an absence of what Mark Granovetter calls “weak ties”, that is heterodox individuals at the periphery of the society’s various social networks who are able to move between groups and thereby become bearers of new ideas and information... Traditional societies have fewer opportunities for weak ties among the segments that make it up, and therefore pass on information, innovation and human resources less easily.”

In some cases even modern societies can achieve internal cohesion at the expense of outsiders. John Ralston Saul distinguishes between positive and negative nationalism. Saul writes

You could say that all nationalism is about belonging, about place and about imaging the *other*. It can take a positive, civic form, one in which belonging brings the obligation to reach out and to imagine the *other* in an inclusive, multiple way. It can take a negative form, above all ethnic, dedicated to belonging as an expression of privilege and exclusion.

The positive form of nationalism is tied to self-confidence and to the concept of the public good. Negative nationalism is dependent on fear and anger and a desperate conviction that one nation’s rights exist by comparison with those of another nation, as if in a competition that produces winners and losers. (Saul 2005 page 45)

Societies that achieve internal cohesion through negative nationalism could be described as being afflicted with the absence of weak ties, as much as traditional social groups.

Group solidarity and cooperation based on suspicion, hostility, hatred, fear and anger is therefore a questionable asset. It is arguably a liability for the in-group and the out-group.

Capital by definition must be an asset – it cannot be a liability. One definition of “capital” is “a stock of financial assets, which can be used to provide an income”. When capital ceases to be an asset and becomes a liability it ceases to be capital.

Are networks always socially cohesive?

A related point is that it is not at all clear that synergistic corruption and negative nationalism are straightforwardly socially cohesive. In fact, one could argue that synergistic corruption is socially corrosive – undermining the ethical basis for the economy and society. Negative nationalism is socially corrosive in that it undermines the openness of a society and tends to lead to wasteful and costly wars – cold and hot – that divert resources away from the common good.

I would argue that by definition social capital cannot be socially corrosive, for social capital is a form of social glue. As Eva Cox noted in her 1995 Boyer Lectures social

capital is a “collective term for the ties that bind us” (Cox 1995 page 11) and later she says “Mafia-style patronage breeds competition – not cohesion.” (Cox 1995 page 21) Recall Field’s comment that “People’s networks should be seen, then, as part of the wider set of relationships and norms that allow people to pursue their goals, and *also serve to bind society together.*” (Field 2003 page 3 my emphasis)

A paradox arises here, because while clearly synergistic corruption for example binds corrupt individuals together, I am claiming that it is socially corrosive. I would resolve this paradox by saying that while synergistic corruption binds corrupt individuals together, it does not bind a society together – it is socially corrosive.

This resolution of the paradox depends on the premise that a society is something more than a group of individuals. So how does a society differ from a set of individuals?

What is a society?

Peter Corning characterises a society as an interdependent “collective survival enterprise”

He characterises the underlying purpose of a society – the “public interest” or the “common good” - as “meeting the basic survival and reproductive needs of the population as a whole.” This is achieved through the intense cooperation of members of the society, resulting in what Corning calls “synergies” that is, cooperative effects that are not otherwise attainable. Corning claims that “The genius of cooperation is that it produces otherwise unattainable synergies. It harnesses individual resources, skills and collective efforts to serve various aspects of the collective survival enterprise.” (Corning 2004 page 11).

Cooperation to secure basic needs – plus more when we can – is universal in all human societies. “The more complex the society the more dependent we are on the skills and support of others.” (Corning 2004 page 9). Cooperation produces synergies but it also creates inter-dependence and a personal stake in preserving those synergies. Thus all of us have a vital stake in the viability of the collective survival enterprise. (Corning 2004 page 10). This leads Corning to suggest that “the “public interest” or “common good” is nothing less than our shared stake in the continued viability and improvement of society” (Corning 2004 page 11) as an interdependent collective survival enterprise.

Corning suggests that *what holds a society together* – the social contract – is the collective pursuit of the common good, that is, meeting our basic survival needs.

While I agree with most of what Corning is saying, I would disagree with his characterisation of society as an interdependent collective *survival* enterprise. I would instead regard a society as an interdependent collective *flourishing* enterprise. Corning’s claim that a society is merely a survival enterprise is based on the premise that “life is at bottom a survival enterprise.” However, not content with mere survival, living organisms aim to live their lives well and to the full. This should not be too surprising. For just as organisms with an in-built goal to survive and reproduce are more likely to actually succeed in surviving and producing more off spring than

aimless creatures with no will to live or reproduce, it is arguable that organisms with an in-built goal to live well and live life to the full are more likely to actually succeed in surviving and producing more off spring than more timid organisms content with mere survival. As Nietzsche observes it is not distress, scarcity and survival that characterise nature, but abundance, overflow, and profusion. (Cited in Grosz 2004 page 104)

Johnson (1991 page 143-144) argues that “our basic intrinsic good – that which constitutes our well being – to be the integrated functioning of our life process as a whole.” To flourish is to be healthy. Johnson writes “I am inclined to take our basic good as being *health*, taking the concept of health in a very broad sense. This involves our psychological and our physiological well being, both internally and in relationship to the world around us. Leading a healthy life is a matter of our effective overall integrated functioning... [L]iving healthily is a matter of getting along with the world and with our self. Physically and mentally we must keep in balance.”

In this respect what constitutes the well being of a human is no different from what constitutes the well-being of all living systems.

For human beings, however, well-being is not quite as straightforward as for most living systems. Human beings flourish to the extent that they have a sense of a sense of belonging or connection. We languish to the extent that we have a sense of separation or alienation.

If we see life as a flourishing enterprise, and a society as interdependent collective flourishing enterprise, then this opens the way to regarding education – and the acquisition of literacy and numeracy skills for example – as a need. While it could not be argued that literacy and numeracy are a basic need – we got on perfectly well without them before the invention of writing and mathematics – sophisticated literacy and numeracy skills are necessary to a flourishing life in contemporary societies. Needs – what is necessary to flourishing – change with changes to society.

Participation in, and appreciation of, the arts – music, literature, visual arts – may also be necessary to a flourishing human life.

It is not so much satisfaction of desire or ownership of material goods that constitutes human flourishing, but good health, a good education, having a sense of connection to the broader social world and the broader living world that constitutes flourishing.

I would suggest that society, then, is an interdependent collective flourishing enterprise. Its very purpose is to ensure that its citizens have what they need to flourish. To the extent that a society provides for the needs of its citizens it functions well.

What holds a society together – the social contract – is the collective pursuit of the common good, that is, providing members with what they need to flourish.

What is social capital?

So how does all this relate to social capital? I would argue that social capital is best defined not simply as cooperation or networks – but cooperation in pursuit of the common good. In other words, social capital is cooperation in support of the collective flourishing enterprise.

Cooperation in pursuit of the common good can be regarded as a form of capital since it produces synergies otherwise unattainable. Cooperation in pursuit of the common good is quintessentially social, since it is cooperation towards the continued viability and improvement of society – understood as a collective flourishing enterprise.

Examples of social capital

What are some examples of social capital?

Combination of labour

One is the division or combination of labour. For example, in film making, individuals working together in specialist roles, such as producer, director, writer, actor, set designer, camera operator, lighting technician, sound technician, grip, dolly grip, and caterer, can produce far more high quality movie length productions than if each worked alone generalising in all these roles. In film making specialised skills, tools and production operations are combined into an organised system – a combination of labour – that involves precisely coordinating the activities of people, together with cameras, lights and sets. In addition, film making requires, planning production, marketing, payroll, accounting etcetera. If one element in this system were to break down, then film production would come to a stand still. (See Corning 2003 page 28)

These complex systems of cooperation are social capital, in that they involve cooperation in pursuit of the common good – human survival and flourishing. These systems of cooperation can be described as capital in that it produces obvious synergies and these create greater wealth – in terms of human flourishing.

In participating in such a system, we give up our independence. Most of us do not grow our own food or make our own movies. We place ourselves at the mercy of the collective – the system of cooperation - to provide for our needs. This is a tremendous act of trust. We do not often recognise what an act of trust we place in this system of cooperation because our trust is repaid by the trustworthiness of others in the system of cooperation. We do not notice how much we trust others until they are untrustworthy – or the system breaks down. The benefits of the system flow through to all the participants. The fact that meeting our needs depends on a system of cooperation so that the wealth and the benefits generated are a collective effort - raises the question of fair terms of cooperation – that is, social justice. Collective effort should be repaid by a common wealth.

Promising

Another example of social capital is promising. The success of a collective flourishing enterprise depends on the possibility of one person being able to bind another's will by a promise or a contract. Exchange, trade and organised markets play a key role in human collective survival enterprises. (Corning 2004 page 10) An exchange of goods and services beyond the most direct depends on carrying out of implicit or explicit understandings such as promises – and honest dealings. (Foot 2001 page 45)

Again, the system of promising involves an act of trust on the part of the promisee that the promiser will not renege. The fact that the system of promising survives along with the systems of exchange, trade and markets on which they depend, suggests that the trust shown by promisees is returned by the trustworthiness of the promisers. If people were not trustworthy or if promises carried little moral weight, then the system of promising would be undermined and so would the institutions that it underpins.

While it may be individually rational for a promisee to renege – to take the money and run – it is collectively rational to keep our promises. The system of promising makes life so much easier.

So the system of promising is a form of social capital. It is a system of intense cooperation in pursuit of the common good – the collective flourishing enterprise.

Marine reserves

A third example of social capital, rather more local in scale than combination of labour or promising, is the establishment of marine reserves.

A marine reserve is not so much a place as a collective decision of a group of fishers to refrain from fishing in a certain place. Callum Roberts and Julie Hawkins argue that fully protected reserves, areas closed to fishing, are a powerful management tool. (Roberts and Hawkins 2000 Page 8) They can protect exploited populations, enhancing production of offspring which help restock fishing grounds, and supplement fisheries through spillover into fishing grounds. (Roberts and Hawkins 2000 Page 15)

The more users respect reserves, the more successful they will be. Illegal fishing erodes the long term gains provided by marine reserves.

Reserves can work without statutory law enforcement if there is strong community support and education. Communities must have a thorough understanding about the purpose of a marine reserve. Fishers often oppose reserve proposals to begin with, fearing that they will impose further costs on them. But once they understand how reserves work they often become firm supporters. (Roberts and Hawkins 2000 Page 74) Local communities require regular feedback on the effectiveness of a reserve. Support for fully protected reserves will increase over its operation life, as people discover their fears were unfounded.

A marine reserve, or more accurately the cooperation that leads to its establishment, is social capital – social in that it involves cooperation amongst the collective of fishers, and capital in that it generates wealth – larger fish stocks. While it would be individually rational for fishers to compete with each other for the largest share of dwindling fish stocks, it is collectively rational for fishers to cooperate in the establishment of marine reserves.

Cooperation in the common good is more difficult to secure when the benefits of defection are large. Cooperation in the common good is more difficult where fishers feel they are not all in the same boat and so not identify with the community. Most illegal fishers, who fish inside reserves, come from outside the community.

Striking

A fourth example of social capital is strike action – a form of non-violent non-cooperation – in which a collective of workers withdraws their labour to increase their bargaining power with respect to their employers, typically to improve wages and conditions.

Such collective action requires trust in fellow workers not to break the strike. This may require policing – in the form of a picket line. It also involves the need for trustworthiness on the part of workers not to break the strike. While it would be individually rational for workers individually to break the strike, collectively it may be rational to continue with it.

While a strike is a form of non-cooperation with an employer, it involves intense cooperation between workers and their communities.

Striking, in common with other collective bargaining tactics by unions, is a form of social capital in that much more can be achieved by workers acting collectively than individually. Unions typically seek to contribute towards a collective flourishing enterprise, and seek to ensure that workers receive fair terms for their cooperation with employers.

In an acknowledgment of the effectiveness of collective action, governments keen to reduce labour costs to business seek to limit collective action by workers. In doing so, they undermine social capital. It is ironic that these governments undermine collective action in the name of choice.

General comments about social capital

Social capital is cooperation in pursuit of the common good. It involves trusting being repaid by trustworthiness. Social capital enables humans to transcend pursuit of their individual self interest, in favour of the pursuit of the common good. If we did not do this society could not cohere.

The examples above show that factors that facilitate social capital are:

- education, that can allay fears about the consequences of cooperation
- a sense that we are all in the same boat and have a stake in cooperation,

- a confidence that all will share in the benefits of cooperation on fair terms.

Factors that can undermine social capital include:

- a lack of trust and a lack of trustworthiness,
- cynicism about human nature – the view that human beings are selfish and cannot or will not cooperate in the common good,
- social injustice – a failure to distribute the benefits of cooperation on fair terms, and
- excessive competition, or individualism, that may undermine cooperation.

Social capital and Economics

The notion of social capital as I have described it has a great theoretical advantage in the potential to bring the discipline of Economics back down to Earth. Much of Economics is mired in Rational Choice Theory – that each person automatically does what will serve their interests, regardless of the fate of others. Yet in the real world people generally behave ethically, and with deep regard to the fate of others. Cooperation with others is a ubiquitous feature of human life, and much of that cooperation is in pursuit of the common good – a collective flourishing enterprise. Everything we do we do together. In modern societies our survival and flourishing depends on people cooperating in a complex combination of labour.

Social capital underpins other forms of capital

The notion of social capital as I have characterised it, suggests that if Rational Choice Theory were correct that there would be no society – society would not cohere – and there would be therefore no economy. The existence of a society, and therefore an economy, depends on people cooperating in pursuit of the common good. The existence of an economy depends on people behaving ethically, with regard for others, in relation to promises and contracts that form the ethical and social basis of exchange and trade. Modern economies are characterised by complex combinations of labour – that involve people cooperating in pursuit of a collective flourishing enterprise.

Social capital is the basis of other forms of capital. Physical capital – such as machinery – is developed and operated by teams of people working together. Even if a piece of machinery is invented and put together by a single person, that person is likely to be a specialist – say, an engineer - participating in a combination of labour. Machinery does not work in isolation of a production process that involves a system of combination of labour and a process coordinating the activities of workers, together with the right machines, energy for the machines and so on. (Corning 2003 page 28) Social capital, then, underpins physical capital.

Human capital can be defined as “the knowledge, skills, competencies and attitudes embodied in individuals that facilitate the creation of personal, social and economic well being.” (OECD 2002 page 7) The knowledge, skills, competencies and attitudes become embodied in individuals through a social process, involving teachers in a combination of labour. For example, the fact that I can read, write and count, and do

everything that I do in carrying out my job and in my life in general, is attributable in large part to the efforts of my many teachers, formal and informal, working in a system of a combination of labour.

Financial capital, as we have seen, depends on combinations of the labour of specialists - lawyers, accountants, and many others. It also has an ethical foundation in promising and honest dealings.

Freeing Economics from the shackles of Rational Choice Theory, by placing the notion of social capital at its centre, may require its entire reformulation. It may, however, bring Economics back down to Earth, and make it more applicable to the real world. If reformulated in this way, Economics may put cooperation, rather than competition at its centre. Economics could provide an analysis of how cooperation, as well as competition, results in improved efficiency, and contributes to human well being.

The Oxford Dictionary of Economics devotes one paragraph of nine lines to cooperation and 42 lines to “competition”.

How can social capital be measured?

Because social capital (understood as cooperation in pursuit of the common good) is so ubiquitous it is difficult to make direct measures of how much social capital there is in a society, whether there is more or less of it now than there used to be, and whether there is more social capital in some societies than in others. I imagine it would be equally difficult to measure competition in these ways.

Cooperation, even in pursuit of the common good, is so pervasive, that we are wont not to notice it. We are like fish swimming in a vast sea of cooperation but we do not even notice the water that surrounds and supports us. It is easy for us to take it for granted.

Even if social capital is difficult to measure directly, we may be able to measure it indirectly.

I have argued that society is an interdependent collective flourishing enterprise. The purpose of society is to ensure that all members of society have what they need not just to survive but to flourish. The purpose of society is not to make one percent of individuals mega-rich while the rest live in squalor. If this happens, society is not functioning as it should.

This suggests that higher levels of poverty and inequality are associated with lower levels of social capital. While it is difficult to measure social capital directly, it is not so difficult to measure poverty and inequality. A decrease in poverty and inequality would be associated with an increase in social capital. The greater a nation's poverty and inequality, the lower their levels of social capital.

An important caveat to this is that in the modern world societies and their economies are inter-linked. The system of a combination of labour is of a global scale. Thus a flourishing life for many citizens of nations in the developed world may be secured at

the expense of poverty in developing nations. Measurements of social capital within nations would need to be considered in a global context. The elimination of poverty in a developed country for example would not be indicative of high levels of social capital in this country if this were achieved at the expense of the impoverishment of a developing country.

Corning notes that “though modern capitalist societies give priority to the private sector in meeting our basic needs, and serving the public interest, its record is decidedly mixed” (Corning 2004 page 12) He notes major gaps on meeting the basic needs of citizens from health care to housing and adequate income. What are we to do if the private sector fails to deliver on its promises to meet our basic needs? Corning considers undertaking remedial class action through the legislative process, or the judicial system, or the shareholders (Corning 2004 Page 13). But surely in modern democratic societies, where the private sector does not meet the needs of citizens, the government has an obligation to do so through a system of redistributive progressive taxation, through which the wealthy are taxed to fund health care, education, welfare and other social infrastructure. A highly progressive taxation system and higher levels of government spending on social infrastructure are associated with high levels of social capital.

One form of cooperation in pursuit of the common good that makes a significant contribution to binding together of a society together, is the observance of the sacredness of human life – a moral prohibition on killing human beings. In societies in which human life is cheap, social capital is lower. Lower levels of social capital are associated with higher murder rates, executions and suicides. Killing people in wars, whether justified or not, cheapens life and erodes social capital.

Education and social capital

Education has an important role to play in the accumulation of social capital. Clearly education has a key role to play in supporting the combination of labour. Universities and training institutions provide education for people to fill specific niches in the combination of labour, as well as employment related key competencies – such as working together in teams. Literacy and numeracy skills are crucial to effective communication – a pre-condition for much of the cooperation that takes place in contemporary societies towards the collective flourishing enterprise.

Education has a key role in the cultivation of values that support social capital. As Fukuyama observes:

The area where governments probably have the greatest direct ability to generate social capital is education. Educational institutions do not simply transmit social capital they pass on social capital in the form of social rules and norms. This is true not just in primary and secondary education, but in higher and professional education as well. Doctors learn not just medicine but the Hippocratic oath... (Fukuyama 1999 pages 10-11)

Education can cultivate an ethic of acting in the public interest – an ethic of public service. The International Baccalaureate Organisations Goal is to educate the whole person and to foster responsible, compassionate citizens. One of three components of

the Senior Secondary Curriculum is “Community, Action, Service” that encourages students to share their energy and special talents with others. For example, students may participate in a theatre or musical productions, sports or community service activities. Students should through these activities, develop greater awareness of themselves, concern for others and an ability to work cooperatively.

Community Service is one of the five perspectives or areas of interaction in the IB’s Middle Years Program.

Each of the activities listed in the “Community, Action, Service” component of the IB relates to building of social capital – requiring students to cooperate in pursuit of the public good – the collective flourishing enterprise. Arguably theatre and musical productions are components of human flourishing.

Social capital makes life go better for the whole of society. An investment in education is an investment in social capital, and so is an investment in the flourishing of everyone in society.

Competition, Cooperation and schooling

An important implication for education of the theory of social capital developed in this paper is that the cultivation of greater cooperation between schools – rather than competition – could well result in the accumulation of social capital and productive synergies that improve education outcomes.

The combination of policies of increased parental choice (dezoning), school based management and per capita funding of schools encourages schools to compete with neighbouring schools for students, and so resources. This creates a competitive environment between schools that encourages market segmentation and inequity, but also limits cooperation between schools. Greater cooperation between schools, instead of competition, would yield powerful synergies – and greater economies.

As Andy Hargreaves reminds us sustainable leadership is an interconnected process. It is not only about maintaining improvement in one’s own school, but being responsible to the students in other schools that your actions affect. If one school improves its performance by drawing high achieving students from its neighbour – an apartheid of school improvement is created. (Hargreaves and Fink, 2003 page 7) Such competition undermines social capital – and forgoes the benefits of positive synergies, in exchange for the more intangible benefits of competition.

If the success of one school is at the cost of its neighbours – then social capital is undermined by the activities of that school.

Both Federal and State governments in Australia should seek to defuse competition between schools and encourage greater cooperation – such as through sharing of facilities, teaching resources, experience, curriculum offerings, teaching practice, not only within systems but between them.

Facilitating greater cooperation within schools also generates greater synergies, resulting in improved outcomes for students.

An Exceptional Schooling Outcomes Project (AESOP) aimed to identify and analyse processes and practices in NSW Years 7-10 public schooling producing outstanding educational outcomes, in a *sample* of sites. One of the findings of AESOP is that, in the sample of schools that produced outstanding educational outcomes:

1. Teachers *pursue their students' success*. Teachers are determined that their students are successful.
2. Teachers *cooperate effectively in teams* in pursuit of student success. Outstanding education outcomes are not achieved by individual teachers acting alone behind the closed classroom doors. They are achieved by teams of teachers working together in faculties or programs seeking student success.

Summary

According to what I have called the standard view, social capital is networks of relationships. These networks can be regarded as a form of capital since people are able to work together to achieve things that they either could not achieve by themselves. Networks are synergistic.

Against this view I argued that networks, even those based on shared values, may be a liability and therefore not qualify as a form of capital. In addition, networks may be socially corrosive – and therefore not qualify as a form of *social* capital. I argued that networks may hold two or more individuals together, but they do not hold a society together.

So what keeps society together, if not networks and shared values? My answer is that what keeps a society together is cooperation in pursuit of the common good – the collective flourishing enterprise.

Social capital is cooperation in pursuit of the common good. Cooperation in pursuit of the common good can be regarded as a form of capital since it produces synergies otherwise unattainable. Cooperation in pursuit of the common good is quintessentially social, since it is cooperation towards the continued viability and improvement of society – understood as a collective flourishing enterprise. Such cooperation in the public interest is what holds society together.

The notion of social capital has the potential to re-invigorate the discipline of Economics by freeing it from its theoretical attachment to Rational Choice Theory. The discipline could benefit by analysing the contribution that cooperation as well as competition makes human well being. Social capital – cooperation for the common good – under pins other forms of capital.

Education contributes to the development of social capital. It contributes to the conditions that promote cooperation, and especially cooperation for the common good. An investment in education, then, is an investment in social capital – and flourishing of human life.

Educational outcomes can be improved by increasing social capital, in turn by defusing competition between schools, and encouraging greater cooperation between schools and within schools.

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