

Exploring the Missing Links:
A Critical Inquiry into the Role of Social
Capital in Australian Regional
Development

by

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DEDICATION

For my parents, Keith Chiveralls (a wonderful proof reader as well as father) and Olive Blackman (a wonderful boss as well as mother) who have worked so hard to give me so much and have always been there to love and support me.

For my sister, Sarah who has been a constant source of friendship, inspiration and support, and for her husband Steve who gave me my beautiful niece. And for Freya, whom I hope will always fight for what she believes in and reach for the highest star.

For my Stepfather Dr. Ian Blackman, who proved the seemingly impossible, was indeed achievable. And for his daughter Emma-Kate who is sure to achieve greatness wherever she may seek it but will always be my little step-sister no matter how grown up she gets.

For my beautiful kitty Blade, my Grandparents the Reverend George Nunnerley, Violet and Cyril Chiveralls and my Step-mother Linda Chiveralls (nee Gordon), all of whom I wish could still be here.

And for Flame, my Grandma Muriel Nunnerley, my adopted Nanna Joan Seddon and her partner Mike O'Keeffe, my Dad's new wife Judy Barnes, and Kyla Williams all of whom, to our great relief, are still here.

DECLARATION

This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

I give consent to this copy of my thesis, when deposited in the University Library, being available for loan and photocopying.

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ABSTRACT

This thesis examines the role of social capital in Australian regional development. It does so through a case study of one of the most socio-economically disadvantaged regions in Australia, the City of Playford, (perhaps best known as the former City of Elizabeth and home of South Australian Manufacturing). The approach taken involves an examination of the historical roots, more recent academic and political debates, along with the structural political and economic conditions which have inspired the rise of social capital. This is accompanied by an exploration of the application and implications of the social capital approach to development in the City of Playford. Recent years have seen an explosion of interest in social capital theory. Of particular interest to policy makers has been the suggestion that there is a link between social capital and economic development. This argument has lent support to the idea that inequality in regional economic development can be tackled by building social capital in disadvantaged regions. In this thesis I take a critical approach to both the concept ‘social capital’ and the link between social capital and economic development. I suggest that the popularity of social capital may be due more to the political and academic environment in which the concept was spawned, than its ability to address issues of inequality in regional development. The results of the case study in the City of Playford highlight the continuing importance of issues of class and structural inequality in Australian regional development. I argue that contemporary applications of social capital in regional development are not only unable to adequately address such issues, but may also be contributing to their exacerbation. Having drawn attention to the inherently problematic nature of the concept, I then discuss the implications of the research findings for the future of social capital in both policy and social theory.

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LIST OF ABBREVIATIONS

ABC (Australian Broadcasting Corporation)

ABS (Australian Bureau of Statistics)

AISR (Australian Institute for Social Research)

ALP (Australian Labor Party)

AMDC (Advanced Manufacturing Design Centre)

APAI (Australian Post-Graduate Award Industry)

APEC (Asia Pacific Economic Cooperation)

ARC (Australian Research Council)

BEC (Business Enterprise Centre)

CBD (Central Business District)

CEL (Creating Employment Links)

CGC (Commonwealth Grants Commission)

CSHA (Commonwealth-State Housing Agreement)

DHS (Department of Human Services)

DSTO (Defence, Science and Technology Organisation)

DTED (Department of Trade and Economic Development)

DVD (Digital Video Disc)

ETM (Elaborately Transformed Manufacturer)

GDP (Gross Domestic Product)

GIS (Geographic Information Systems)

GM/H (General Motors Holden)

HECS (Higher Education Contribution Scheme)

IT (Information Technology)

IMF (International Monetary Fund)

KNWS (Keynesian National Welfare State)

LA21 (Local Agenda 21)

LETS (Local Exchange Trading System)

LGA (Local Government Area)

LMC (Land Management Corporation)

MFP (Multi-Function Polis)

MP (Minister of Parliament)

NADB (Northern Adelaide Development Board)

NAEDA (Northern Adelaide Economic Development Alliance)

NAFTA (North American Free Trade Agreement)

NASIS (Northern Adelaide Social Inclusion Survey)

NIEIR (National Institute of Economic and Industry Research)

OECD (Organisation for Economic Co-operation and Development)

QUANGOS (Quasi-Autonomous Non-Government Organisations)

RAAF (Royal Australian Air Force)

SABV (South Australian Business Vision)

SAHT (South Australian Housing Trust)

SASP (South Australian Strategic Plan)

SEIFA (Socio-Economic Index for Areas)

SES (Socio-Economic Status)

SME (Small to Medium Sized Enterprises)

SOCAT (Social Capital Assessment Tool)

SPNR (Schumpeterian Post-National Regime)

SPSS (Statistic Package for the Social Sciences)

UK (United Kingdom)

UN (United Nations)

US/A (United States of America)

WRE (Weapons Research Establishment)

WTO (World Trade Organisation)

1. INTRODUCTION: DE-POLITICISING DEVELOPMENT?

‘Social capital’, and the closely related idea of ‘trust’, the ideas and activities around ‘civil society’...have...come to constitute new weapons in the ‘anti-politics machine’ that is constituted by the practices of ‘international development’. These are clever ideas which suit the interests of international capitalism because they present problems that are rooted in differences of power and in class relations as purely technical matters that can be resolved outside the political arena. They are directed in particular, therefore, against movements of the political left for progressive socio-political and economic change, which do identify the roots of poverty and social deprivation in class differences (Harriss 2002: 2).

1.1 Introduction

This thesis represents a critical approach to debates around the concept ‘social capital’. Over the last decade there has been a veritable explosion of academic and political interest in social capital theory. The avenues of exploration into this topic are as numerous as the social life of our world is rich and diverse. As the social capital debate rages around the world, this thesis seeks to position the debate in the context of Australian regional development through a case study of the City of Playford. As indicated in the above quote, and argued in Chapter Two, contemporary social capital theory frequently suffers from a neglect of issues of class and structural inequality. Accordingly, one of my main aims in writing this thesis is to re-politicise the concept of social capital and re-introduce issues of class and structural inequality to the social capital debate. Thus, the central research question informing this thesis is ‘How useful is social capital theory in addressing issues of

inequality in Australian regional economic development?’ However, as is the case with all research, in order to address the central research question, a number of other questions must first be addressed. These questions and the order in which I tackle them are described below as I detail the contents of my thesis and outline the logic informing its formation and presentation.

1.2 Contents

This thesis is divided into three main parts framed by an introductory and concluding chapter. These parts, each consisting of two chapters, can loosely be understood as theoretical background; methods and methodology; and results. In Part One I provide the theoretical background for the thesis, introducing the reader to social capital theory in its various forms in both academic and policy contexts. Part Two provides a context for the research results, introducing the reader to the main research site and detailing the circumstances under which the research took place along with the methods and methodology for the research. In Part Three of the thesis, I present the results of my research on social capital in the City of Playford, enabling me to draw conclusions about the ultimate utility of social capital in tackling inequality in Australian regional economic development.

In the following chapter I tackle the questions, ‘What is social capital?’ ‘What is the link between social capital and economic development?’, and ‘How substantial is the link between social capital and economic development?’ I explore the development of social capital theory through an analysis of popular literature around social capital, examining both historical antecedents and contemporary understandings of social capital theory. Chapter Two thus provides the theoretical basis for the thesis and a backdrop for the chapters to come. I argue that, while since the popularisation of the concept through

Putnam's work (1987; 1993; 1995; 2000; 2007; Putnam, Leonardi & Nanetti 1993; Putnam [ed.] 2002; Putnam, Feldstein & Cohen 2003), social capital has come to mean almost anything to anyone (Fine, 2001b), there are distinct strains that can be identified in the work of social capital theorists. Borrowing terms from Lewandowski (2006), I chart the journey of social capital, from the 'Marxist strain', evident in the works of Karl Marx (1961 [1885]) and Pierre Bourdieu (1986), with its concern for issues of class and structural inequality, through the 'rational strain' in the rational-choice works of economists like Gary Becker (1964) and James Coleman (1984; 1988; 1990), to the 'civic strain' most prominent in the works of Robert Putnam and associates (Putnam 1987, 1993; 1995; 2000; 2007; Putnam, Leonardi & Nanetti 1993; Putnam [ed.] 2002; Putnam, Feldstein & Cohen 2003).

A number of shifts in the meaning of social capital occurred during this transition. Social capital was removed from a framework of the different types of capital and its position within given fields, and transformed from a property residing in the networks of individuals to a property of groups, regions and even nations. I describe how these shifts resulted in the transformation of social capital from an analytical concept for the explanation of social stratification, to its supposed remedy. Referring to the work of a number of different academic theorists, I describe the process by which a link between social capital and economic development was established, leading to the argument that regional economic development could be encouraged by building social capital in disadvantaged communities. Social capital was thus dubbed 'the missing link' and accepted into the hallowed halls of academic institutions and development organisations around the world (Grootaert 1998).

I then discuss some of the discrepancies in popular understandings of social capital theory, drawing attention to gaps in social capital research and outlining the contradictory nature of the concept. I argue that social capital is an oxymoron which contains neither a proper

definition of social nor of capital; and that the link between social capital and economic development is fundamentally flawed due to a lack of distinction between causation and correlation and a lack of distinction between access to networks and access to resources (Portes 1996; 1998; 2000). Social capital theory also has a tendency to underemphasise the negative aspects of social capital. An examination of the literature leads me to consider that ‘the missing link’ may not stand up to scrutiny and that the popularity of the concept may have more to do with its discursive fit with the academic and political environment in which it was spawned than its ability to tackle inequality in regional development (Grootaert 1998).

I explore this hypothesis further in Chapter Three, in which I tackle the questions, ‘How have the current political and economic environments contributed to the popularity of social capital?’ and ‘How has social capital been integrated into the discourses of regional economic development in Australia?’ I detail the political environment in which social capital rose to popularity, and argue that the integration of social capital into Australian regional economic development discourse can be seen to result from key political and economic trends which have taken place over recent decades. These include: globalisation; the rise of neo-liberalism; the transition to a ‘Post’ or ‘After’ Fordist ‘information society’ or ‘knowledge economy’; and the shift from a Keynesian National Welfare State (KNWS) to a Schumpeterian Post-National Regime (SPNR) (Fine 2001b; Harriss 2002; Reich 1992; Castells 1993; Castells [ed.] 2004; Jessop 2003).

Social capital rose to prominence in an environment where, faced with the failure of free-market policies on the one hand, and the perceived crisis of the KNWS on the other, academics and policy makers were seeking a Third Way to bridge the gap between the market and the state (Fine 2001b). Social capital has champions positioned variously throughout the political spectrum and the concept has been embraced by both major political parties in Australia. I argue that this broad-based appeal results from the concept’s

compatibility with Third Way ideology, which posits that we are moving from an industrial Fordist economy to a Post-Fordist information society or knowledge economy, in which the issues of class associated with industrial capitalism cease to be relevant (Reich 1992; Giddens 1999; 2000; Giddens [ed.] 2001; Castells 1993; Castells [ed.] 2004). As such, social capital fits nicely with the ‘post-modern and cultural turns’ in both academia and politics which saw a move away from academic and policy approaches recognising the importance of class and structural inequality (Strangleman 2008: 15). Nevertheless, I argue that class continues to play a central role in the economic, social, political and cultural organisation of late capitalism (Jameson 1991).

As Jessop argues, in order to overcome the difficulties associated with the contradictions of capital accumulation, the capitalist system relies on ‘spatio-temporal fixes’ and institutionalised class compromises (Jessop 2002). While the distinctive contribution of the KNWS to the Atlantic Fordist regime was the provision of a means of temporarily managing such contradictions, neo-liberal forms of globalisation have disrupted past fixes and compromises without providing a new structured coherence for continued capital accumulation (Jessop 2003: 6). Jessop argues that the response to this predicament has been the restructuring of the KNWS to form the SPNR.

Jessop highlights three main trends in the crisis-induced restructuring of the KNWS and the formation of the SPNR, which I argue have particular pertinence to the popularity of social capital in regional development discourse (Jessop 2003: 6). Firstly, the shift from Keynesian to Schumpeterian aims and modes of intervention involves a shift from a ‘welfarist’ to a ‘workfarist’ mode of reproduction of labour power and of the broader population, as, in an effort to make economies more innovative and internationally competitive, social and labour market policy is increasingly being subordinated to the need for flexibility and profitability (Jessop 2003: 6).

Secondly, the discourse of the new economy has given rise to a ‘new regionalism’, according to which the primacy of the national scale in economic and social policy making has been replaced by a post-national framework in which no single scale dominates, allowing regional development discourses to come to the fore (Jessop 2003: 6). This ‘new regionalism’ promotes a form of ‘urban entrepreneurship’, where state, regional and local governments are under pressure to redefine their role and embark on strategies of ‘local boosterism’ to make their regions more competitive in the face of global competition (Amin 1994; 2005). Economically disadvantaged regions are thus charged with responsibility for their own economic management, in the absence of the consideration of the impact of wider economic and political structures.

Accordingly, the shift from the primacy of the nation state in compensating for market failures in a mixed economy has been accompanied by an emphasis on networked, partnership-based economic, political and social governance arrangements, involving the encouragement of entrepreneurial modes of government in the face of global competition (Jessop 2003: 6). I argue that, in accordance with the demands of the shift from a KNWS to a SPNR, social capital is often utilised to transfer issues of responsibility for the management of social and economic life from national governments to the governments, governing bodies and residents of disadvantaged regions, in accordance with what Rose describes as ‘governance through community’ or the ‘ethno-politics of community’ (Rose 1999).

Thus, while social capital was initially introduced into Australia by social democrats who saw social capital as a Trojan Horse which could be used to restore the social to predominantly market-orientated development discourse, I argue that in the contemporary Australian policy environment, social capital functions instead as a Third Way ‘weasel word’, allowing politicians and policy makers to address the concerns of both sides of the political spectrum while pursuing their own political agendas (Watson 2003; 2004a;

2004b). The excision of the 'Marxist' strain from social capital theory, has created a new form of 'anti-politics' in which a focus on issues of power, class and structural inequality is replaced by a focus on morality and values in the 'ethno-politics of community' (Lewandowski 2006; Ferguson 1990; Rose 1999). As such, social capital frequently functions as part of the 'de-politicisation' of development which breeds new forms of 'responsibilization' in disadvantaged regions (Harriss 2002; Rose 1999).

In Chapter Four I outline the research project, research environment, methods and methodology for the thesis. The research site for this dissertation is the City of Playford, a council district located to the north of the South Australian state capital, Adelaide. My approach to the case study is an exercise in methodological triangulation. Firstly my research involves the utilisation of data from the ARC project through which this thesis was funded. This data is compared with the results of previous and simultaneous projects on social capital occurring in the study region. The various methods involved in the data gathering process for the ARC project included surveys, interviews, focus groups and participant observation. Secondly, my research involves an ethnographic component, involving the analysis of the results of fifteen months of fieldwork in the region and the documentary analysis of various anthropological materials, including policy documents, newspaper coverage and literature on social capital. Finally, these methods are situated within an overarching anthropological political economy approach to the study of social capital in Australian regional development.

My decision to adopt a methodology of anthropological political economy was motivated by a desire to restore a focus on issues of power, class and structural inequality to the development dialogue which have been neglected in social capital theory since the excision of the 'Marxist strain' (Lewandowski 2006). While the political economy component of this methodological approach enables the re-politicisation of development through attention to the impact of social and economic policy in both mediating and contributing to

the effects of inequality in regional development, the anthropological component allows an account of the impacts of and responses to the social capital approach to regional development as it is experienced in a given locale.

In Chapter Five, I introduce the reader to the main research site and provide a justification for the case study, tackling the question ‘How is social capital theory integrated into the City of Playford’s approach to regional economic development?’ In order to answer this question I engage in an analysis of the City of Playford’s approach to regional development with reference to council plans, publications and policy documents, as well as various media sources and marketing materials. This chapter provides a background in which the research results presented in Part Three of this thesis can be situated. Before embarking on a discussion of the role of social capital in the City of Playford’s approach to regional development, I introduce the reader to the main research site detailing demographic data and providing historical information about the City of Playford.

I begin by outlining the history and development of the City of Playford, with the construction and settlement of Elizabeth, as site of ‘Holdenist Suburbia’ in the 1950s (Winter & Bryson 1998). I argue that the decline of the City of Elizabeth and the corresponding construction of the City of Playford through the amalgamation of surrounding council districts resulted from the impact of political and economic forces arising in the shift from a KNWS to a SPNR (Jessop 2003). Faced with the impact of decades of structural adjustment, increasing intergenerational unemployment, and the decline of the manufacturing sector in the face of intense international competition, the City of Playford council has been increasingly expected to perform the functions of economic and social management previously undertaken by federal and state governments. I argue that the City of Playford Council has responded innovatively to the demands of the SPNR through its twin strategies of social and industrial diversification, both of which are, to some extent, informed by social capital theory and underpinned by a partnerships

approach to governance in the region. These strategies can be seen as part of an effort to repackage and reconceptualise a site of ‘Holdenist suburbia’ as a new city for the new economy, and to create a region more favourable to the interests of trans-national capital in a global economy (Winter & Bryson 1998). The City of Playford’s approach to development is thus an excellent example of the new regionalism in action, and a prime location for the analysis of the integration of social capital into the discourses of regional economic development in Australia.

The City of Playford has been involved with a number of studies over recent years on social capital, including the Australian Research Council (ARC) project from which this thesis emerged and a number of studies by Playford Partnership (2001a; 2001b; 2001c; Spoehr, Chiveralls & Wilson 2007). I argue that The City of Playford’s approach to economic development hinges on an acceptance of the link between social capital and economic development, and a melding of the ‘rational’ and ‘civic strains’ of social capital theory, with little or no consideration of the legacy of the ‘Marxist strain’ with its emphasis on class, power and structural inequality (Lewandowski 2006). The issues associated with this approach are examined in more detail in Part Three of the thesis in which I apply and explore the main questions and arguments of the thesis through a case study of the City of Playford.

In Part Three, I present the results of my research in the region in order to examine and critique the City of Playford’s approach to regional economic development through the twin strategies of social and industrial diversification, both of which replicate central assumptions in social capital theory as it is understood in the contemporary academic and political climate. In accordance with the City of Playford’s approach to regional economic development, I have divided the discussion of the results of the research into two chapters, focusing on the City of Playford’s strategies of social and industrial diversification

respectively. The central questions being investigated in both these chapters are ‘Economic development for whom, and at whose expense?’

In Chapter Six, I compare and contrast the results of our focus groups and community survey of social capital in the City of Playford with the results of a number of other studies on social capital in the region, in order to interrogate the City of Playford’s approach to regional economic development through social diversification and social capital (Playford Partnership 2001a; 2001b; 2001c; Baum et al. 2007; Spoehr, Chiveralls & Wilson 2007; Spoehr et al. 2007). The link between social capital and economic development and the strategies of social diversification which they engender are based on the assumption that residents of socio-economically disadvantaged regions are deficient in social capital. In contrast with a number of other studies which represent Playford as a region lacking in social capital, our data suggests that the region is characterised by high levels of social engagement and reciprocity (Playford Partnership 2001a; 2001b; 2001c; Baum, et al. 2007; Spoehr, Chiveralls & Wilson 2007; Spoehr et al. 2007). Playford residents, for the most part, demonstrate a strong attachment to and identification with, and are heavily involved in, the social life of their region. They are proud of their region, its history and of their own ‘community’. Playford could thus be argued to be a region with high levels of ‘social capital’.

However, many social capitalists would conclude that Playford simply has the ‘wrong’ sort of social capital (bonding as opposed to bridging) (Amin 2005: 623; Putnam 2000). Simply put, bonding social capital refers to close-knit ties within particular groups, whereas bridging refers to looser ties that cross-cut or transcend these groups (Putnam 2000). The results of my research suggest a long history of informal engagement and reciprocity in the region that can be traced back to the settlement of Elizabeth as a working class migrant town (Peel 1995a; 1995b; Baum et al. 2007). However, the results of the surveys suggest a preference in the region for more informal as opposed to formal forms of social

engagement, which may be more popular in the wealthier regions of Adelaide like Burnside (Peel 1995a; 1995b; Playford Partnership 2001a; 2001b; 2001c; Wilson 2005; Baum et al. 2007; Spoehr, Chiveralls & Wilson, 2007; Spoehr et al. 2007). A relationship between socio-economic status and a preference for formal or informal social engagement also emerged through an analysis of responses by residents in different socio-economic groups in Playford (Wilson 2005; Spoehr, Chiveralls & Wilson 2007). These findings suggest that those with limited economic means tend to engage more in informal and less in formal social activities than their wealthier counterparts. While it could be argued that this data provides evidence for the tenuous link between social capital and economic development (theoretical and methodological issues associated with the concept notwithstanding), I argue that these differences demonstrate correlation rather than causation and that the results cannot be simply reduced to either a cause or result of the economic status of the region or the individuals involved. I argue instead that this data reinforces Peel's (1993a; 1995a; 1995b) arguments about the way in which class in the region is 'acted out in place' through patterns of social engagement.

Nevertheless, perceptions of the region as deficient in social capital, or lacking in the right kind of social capital, continue to inform development practices in the region. The City of Playford's approach to regional economic development through social diversification is most evident in the Playford North Urban Regeneration Project (now called Playford Alive), which is likely to dramatically reduce the concentration of public housing in the Peachey Belt and provide social diversification through tenure diversification. As most of the physical infrastructure in the region has not been upgraded since the 1950s or 60s, the redevelopment is a welcome move for many residents. Playford Alive is the first major redevelopment in the region since the construction of Rosewood Village in the 1980s. However, I argue that like Rosewood, the redevelopment is informed by an ideology of 'social mix' recast in the discourse of social capital, and informed by the 'ethno-politics of

community', which views residents in the region as lacking in social capital (Peel 1995a; 1995b; Rose 1999). In many ways the project represents a return to the British Town Planning concepts which informed the development and construction of Elizabeth, involving assumptions about the pathology of working class communities and the necessity for the introduction of middle class leaders (Peel 1995a; 1995b). The regeneration project aims to attract 'knowledge workers' or members of the 'creative class' (otherwise referred to as 'civic leaders' 'civic entrepreneurs', 'social entrepreneurs' or 'social capital brokers') to the region in order to provide Playford with a suitable labour market for the new economy and build the 'right' kind of social capital in the region (Florida 2003; 2004; Henton, Melville & Walesh 1997a; 1997b; 2004a; 2004b; Henton & Walesh 1998; Reich 1992).

However, as Arthurson and Peel have pointed out, social mix frequently does not work (Peel 1995a; 1995b; Arthurson 1999; 2001; 2002; 2003a; 2003b; 2004; 2005). As Peel described in his ethnography of Elizabeth, the British new town version of the town failed to emerge because class was 'acted out in place', and one of the first objectives of the middle-class leaders in Elizabeth was to 'establish distance' from their working-class neighbours (Peel 1995a; 1995b). The regeneration project therefore seems likely to result in an antagonism of issues of class and inequality in the region, rather than their remedy. Furthermore, the redevelopment raises a number of questions about who will be the primary recipients of the benefits of the project and what effects it will have on existing social relationships in the region as the most disadvantaged are displaced or moved around. Thus I argue that simplistic arguments linking social capital and economic development not only serve to produce oversimplified analyses, which run the risk of misrepresenting and further stigmatising disadvantaged regions, but can also encourage policies which may have detrimental effects on social relationships and survival mechanisms already in place.

In Chapter Seven, I further interrogate the link between social capital and economic development through a focus on the impact of and responses to the City of Playford's approach to regional economic development through industrial diversification. This approach involves the repackaging of the region and of manufacturing in order to distance itself from its past as a site of 'Holdenist suburbia' (Winter & Bryson 1998). In various place-marketing materials, the City of Playford has attempted to reconceptualise the region as a new city for a new economy, with a focus on various industrial clustering strategies and reference to other successful 'knowledge regions' or 'knowledge hubs' in the global economy like Silicon Valley (Towart 2005; City of Playford 2004b). These strategies of regional development have attracted both national and international attention, which culminated in a headline in a national newspaper dubbing the region 'Smartville' (Roberts 2005: 23). The City of Playford's industrial clustering strategies have resulted in the creation of the Innovation Network and the Advanced Manufacturing Design Centre, involving firms like Priority Engineering, Hirotech and Produce Direct Australia, and succeeded in attracting a considerable amount of investment to the region.

I argue that innovative as these strategies may be, they are unlikely to be able to completely mitigate the effects of wider political and economic trends in the region. As opposed to the once 12,000, now less than 4,000 workers employed by Holden; the main companies focused on in the City of Playford's industrial clustering strategies collectively employ less than 400 workers. Unlike the majority of workers employed by the manufacturing companies of the past, comprised of semi-skilled, factory workers and manual labourers, the majority of workers employed by these 'knowledge hubs' are highly skilled workers like technicians and skilled engineers (Towart 2005). The City of Playford's approach to regional economic development through industrial diversification results in the creation of high tech, high skill, high end jobs which demand high levels of qualifications and experience. The existence of intergenerational unemployment and a

comparatively low level of formal qualifications, along with a history of ‘postcode prejudice’ or ‘discrimination’ by employers in the region, suggests that without the restoration of a sustained focus on education, training and employment strategies, the majority of residents of the City of Playford will remain excluded from the knowledge economy and the kinds of economic development strategies being employed by the council (Arthurson 1998; 2004; Palmer, et al. 2004).

My research suggests that patterns of informal engagement in the region discussed in Chapter Six have been carried through into participation in the informal economy. A resistance to requirements for formal qualifications, along with a distrust of government and big business in the region have fostered the development of intimate patterns of labour exchange, bartering and reciprocity in the region which are able, to some extent, to mitigate the effects of financial deprivation and exclusion from the knowledge economy. Furthermore, as indicated by the results of our industry survey, the majority of workers employed by these companies do not live in the region and tend to socialise and conduct business in the metropolitan centre. This does not suggest that the strategies of social and industrial diversification being pursued by the council are likely to lead to the creation of bridging social capital in the region. Thus it seems that these strategies are likely to exacerbate inequalities and encourage the rise of a dual city with dual economies in Playford, evidence of which was already apparent during my fieldwork (Castells 1989; 1989 [2002]; Susser [ed.] 2002).

However, the phenomena explored in this thesis are not unique to the City of Playford. The City of Playford’s approach to regional development through social and industrial diversification has gained national and international recognition and is being touted by the OECD (2001a) as a template for successful regional development. The social capital approach to regional development through ‘local boosterism’ is being replicated in cities throughout Australia and indeed the world (Amin 1994). In adopting such an approach, the

City of Playford is thus competing not only with global cities like Sydney, and with the Adelaide CBD, but is also in direct competition with the nearby City of Salisbury which is pursuing similar strategies of 'local boosterism' (ibid). As discussed in Chapter Four, this competition has already caused a number of difficulties with current partnerships and governance structures in the region. However, the findings of this thesis draw into question the effectiveness of such approaches in tackling the problems of places like the City of Playford. Not only are such approaches unable to adequately address issues of inequality in regional development, they may also be contributing to its exacerbation.

1.3 Conclusion

This thesis is situated within a rapidly expanding body of research across a broad range of disciplines on social capital theory. Taking Australian regional development as the subject matter, I adopt a critical approach to both social capital and the much propagated link between social capital and economic development, an approach which has been sorely lacking in much of the literature on social capital currently informing policy in Australian regional development. In adopting this approach, I aim to assert the continuing importance of issues of class and inequality in contemporary Australian society. In doing so, I hope this thesis assists in opening up the possibility of redirecting the energy engaged in the social capital debate, away from social capital, and towards the real causes of social and economic inequality in Australia and their location in the restructuring of the contemporary capitalist system.

2. EXPLORING SOCIAL CAPITAL: THE BIRTH OF THE MISSING LINK

2.1 Introduction

In this chapter I explore the phenomenon of social capital and outline some of the major theoretical and conceptual concerns to be explored in the thesis through an analysis of the academic literature around social capital theory. I explore both historical antecedents and contemporary understandings of social capital theory in an attempt to expose some of the inconsistencies and contradictions of ‘social capital’ as it is commonly understood. I provide a summary of the meaning-morphing history of the concept, from its appearance in ‘Marxist’ and ‘neo-Marxist’ works like *Das Kapital* (Marx 1887), and *The Forms of Capital* (Bourdieu 1984) to its rise to popularity and prominence in development discourse via the ‘rational’ choice works of Gary Becker (1964; 1976; 1981) and James Coleman (1984; 1988; 1990) and the ‘civic’ works of Robert Putnam (Putnam, Leonardi & Nanetti 1993; Putnam 1995; 2000; 2002; Putnam, Feldstein & Cohen 2003). I describe the process by which social capital became the ‘missing link’ in development theory (Grootaert 1998). I highlight the many difficulties associated with social capital theory as it is understood in the contemporary academic and political environment, suggesting that the link between social capital and economic development is an extremely tenuous one. I then explore some of the ideological and discursive properties of the term social capital which have enabled it to remain so popular, despite its many deficiencies.

2.2 Forging the ‘Missing Link’: The Birth of Social Capital

Whilst the term ‘social capital’ has received extensive attention only over the last couple of decades, the ideas expressed through the concept are by no means new. Put simply, social capital emphasises know-who over know-how and is another expression of the old adage ‘It’s not what you know, it’s *who* you know [their italics].’ (Woolcock & Narayan 2000: 225) As Winter argues, ‘the issues addressed in social capital debates have been central to social science for hundreds of years.’ (Winter 2000: 19) The ‘civic strain’ of contemporary understandings of social capital (which re-emerges later through the works of Robert Putnam) has its roots in old philosophical debates about the dilemmas of collective action and the relationship between pluralistic associational life and democracy dating from the 19th Century in the works of the likes of Alex de Tocqueville in *Democracy in America* (Lewandowski 2006; Tocqueville 1961). Concerns about the erosion of ‘community’ can be traced back to the fathers of modern sociology such as Ferdinand Toennies (1963 [1887]), George Simmel (1955 [1908]) and Emile Durkheim (1984 [1893]). According to Putnam (2000:19):

The term social capital itself turns out to have been independently invented at least six times over the twentieth century, each time to call attention to the ways in which our lives are made more productive by social ties.

As Harriss (2002: 12) argues,

The invention of the concept ‘social capital’ might be thought to be an instance, therefore, of the kind of discovery which has often made for great breakthroughs in scholarship, that is, the recognition of the significance of familiar facts.

One of the first references to social capital occurs in the famous work *Das Kapital*, where Marx employs the term in a discussion of social solidarity amongst the different classes. In Volume II Part III of *Das Kapital* entitled ‘The Reproduction and Circulation of the

Aggregate Social Capital', Marx (1961 [1885]: 392) discussed social capital as the process of socialisation of capitalist production according to which capital itself is exposed as social power implicated in the production and reproduction of classes:

If we study the annual function of social capital...it must become apparent how the process of reproduction of the social capital takes place, what characteristics distinguish this process of reproduction from the process of reproduction of an individual capital, and what characteristics are common to both...It comprises also the reproduction (i.e., maintenance) of the capitalist class and the working-class, and thus the reproduction of the capitalist character of the entire process of production.

For Marx capital is both the accumulation of wealth and a social relation, which leads to the formation of social class and social power. He explains the emergence of a class of capitalists in relation to social capital as the process by which individual capitalists come to realise that they have collective social wealth with other capitalists in the form of social capital (Wilson & Chiveralls 2004). Through this process, 'Capital becomes conscious of itself as a *social power* in which every capitalist participates proportionally to his share in the total social capital' (Marx 1957: 191). According to Marx, a similar process applies to the formation of 'social labour'. In Marx's view, by being thrown together in a common situation, workers learn to identify with each other and support each other's initiatives. In this process the working class evolves from a 'class in itself' to a 'class for itself' by becoming conscious of the power of collective action (Marx 1971: 20). The source of 'social capital' or 'social labour' of the classes may be bounded by a sense of identification with a group which shares common circumstances such as a particular trade, or industrial location (Wilson & Chiveralls 2004). According to Portes (1998: 8) the formation of 'social capital' (and I would add 'social labour'), can thus be related to Marxian concepts of 'bounded solidarity'. As Wilson (2006) argues, 'bounded solidarity' is in essence the basis for the formation of both business councils and trade unions. While bounded

solidarity can be used as a weapon to organise and fight against social injustice, it can equally be used to establish dominance at the expense of others outside the group.

A number of social theorists made reference to social capital in the century to come. However, these theorists generally utilised social capital in a manner more compatible with the ‘civic’ strain than the ‘Marxist’ strain of social capital theory (Lewandowski 2006). While he never explicitly defined the concept, John Dewey (1900: 10) referred to social capital in *School and Society*. However, Putnam (2000: 19) credits Lyda Hanifan (1916: 130-138) with the first documented reference to social capital when, as a ‘practical reformer of the Progressive Era’ in West Virginia, he wrote about the importance of community involvement in education. However, Putnam (2000: 19) argues that the term remained unexplored until it was independently rediscovered by Canadian sociologist John Seely and his colleagues in the 1950’s, ‘to characterize the club memberships of arriviste suburbanites’ (Seely, Sim & Loosley 1956: 296). While the concept was not explicitly defined, social capital was utilised again in the 1960’s by urban sociologist Jane Jacobs (1961: 148) in her discussions of the value residing in social networks and the benefits of neighbourliness in modern cities in *The Death and Life of Great American Cities*. In the 1970’s economist Glenn Loury (1977: 153-188; 1987) used the concept to analyse the social legacy of slavery and challenge neoclassical explanations of racial income inequality. German economist Ekkehart Schlicht (1984: 61-81) utilised social capital to ‘highlight the economic and social resources embedded in networks’ (quoted in Putnam 2000: 19; Putnam 2002: 5).

However, the concept did not receive extensive theoretical attention until the ‘Marxist’ strain re-emerged in the mid 1980s when Pierre Bourdieu (1986) published his *Many Forms of Capital* (Lewandowski 2006). Bourdieu would probably strongly object to any such overt classification of his work, which has clearly transcended Marx’s structural determinism. However, I employ the term ‘Marxist’ here purely as a categorical device to

highlight the emphasis on power, class and structural inequality prevalent in Bourdieu's work, which is absent in many other conceptualisations of social capital (Lewandowski 2006). Bourdieu situated social capital within a tightly theorised framework of the different forms of capital, which he understood as the forces through which privilege, class and social status were produced and reproduced through social structures and processes. For Bourdieu, theorizing capital was an exercise in theorising power, for capital 'is what makes the games of society – not least, the economic game – something other than simple games of chance offering at every moment the possibility of a miracle' (Bourdieu 1986: 241). Bourdieu argued that, depending on the field in which it functions, and at a higher or lower cost of transformation, capital can present itself in four different forms: symbolic capital, cultural capital, social capital and economic capital. Bourdieu (1986: 248) defined social capital as:

[T]he aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership of a group – which provides each of its members with the backing of the collectively-owned capital, a 'credential' which entitles them to credit, in the various senses of the word.

Thus, social capital, through the 'possession' of particular social relationships, provides for differential access to resources and as such is not an attribute of society as a whole but an aspect of the differentiation of classes (Harriss 2002: 4).

In Bourdieu's analysis, capital possession and accumulation took place within particular fields. Bourdieu defined a field as a 'network or configuration of objective relations between positions' (Bourdieu & Wacquant 1992: 97). Bourdieu is credited with the development of the sociological methodology of genetic structuralism in which:

the analysis of objective structures – those of different *fields* – is inseparable from the analysis of the genesis, within biological individuals, of the mental structures which are to

some extent the product of the incorporation of social structures; inseparable, too, from the analysis of the genesis of these social structures themselves: the social space, and the groups that occupy it, are the product of historical struggles [his italics] (Bourdieu 1990: 14).

Bourdieu views the concepts of habitus and field as inseparable and argues that they are intricately tied with the accumulation, possession and exchange of the different types of capital. Bourdieu's (1990) concept of habitus provides insight into the complex historical, cultural and social processes involved in the practice, production and reproduction of societal ideals and power structures through the lived bodily experience of individuals. The habitus refers to a whole set of dispositions acquired during socialisation which predisposes people to act in certain ways, transposable across similar situations. These dispositions affect the presentation of the body through bodily hexis (or bodily dispositions), as well as eventually serving to mould and shape it. Through the power embedded in cultural practices, societal ideals and power relations are internalised and inscribed into the body, expressed and reproduced through the lived corporeal experiences of individuals. Bourdieu refers to this process as embodiment, according to which:

The body is the site of incorporated history. The practical schemes through which the body is organized are the product of history and, at the same time, the sources of practices and perceptions which reproduce that history (Thompson 1991).

The 'rational' strain of social capital theory is most commonly associated with the works of James Coleman (1988; 1990), who transformed Bourdieu's understanding of social capital by applying one of the first instrumental economic analyses to the concept (Lewandowski 2006). While, for Coleman too, social capital is an endowment of social structure, located in the spaces between and among individuals and situated within a framework of different types of capital, the emergence of the 'rational' strain had the effect of removing social capital from its position within the particular fields in which it functions

and its relationship to the habitus of individual actors within those fields (Lewandowski 2006). Putnam (2000: 20) argues that it was Coleman who ‘put the term firmly and finally on the intellectual agenda’ using the concept in a similar manner to Hanifan, in his discussion of the ‘social context of education’. Coleman (1988: S98; 1990: 302) defined social capital as:

a variety of entities with two elements in common: they all consist of some aspect of social structure, and they facilitate certain actions of actors – whether persons or corporate actors - within the structure.

Coleman’s capital trinity involved physical, human and social capital. While Coleman’s forms of capital share an affinity with Bourdieu’s, the authors approach the topics from very different theoretical standpoints. While Coleman did not make reference to Bourdieu in his work, though his analysis of the role of social capital in the acquisition of educational credentials shares many similarities with Bourdieu’s work, Bourdieu was openly critical of Coleman’s (particularly his conception of human capital). Coleman’s physical capital is similar to Bourdieu’s economic capital in that it refers purely to material forms of capital. However, while Bourdieu uses economic capital to refer solely to actual monetary capital, Coleman’s physical capital also refers to physical materials which facilitate productive action. Coleman’s definition of human capital refers to the skills and capabilities of individuals, such as educational qualifications or trade skills. It is related to Bourdieu’s cultural capital in that these skills and attributes of individuals are included in Bourdieu’s definition, although for Bourdieu, cultural capital may also refer to physical goods which reflect an individual’s or group’s status, as well as the cultural skills required to recognise and utilise these products. Bourdieu (1977: 114; 1986: 243) argued that cultural capital could exist in three forms: in the ‘embodied state’ in the form of lasting dispositions of the mind and body, for example, the mastery of language which he

identified as linguistic capital; in the 'objectified state' in the form of cultural goods; and in the 'institutionalised state' as for example in the form of educational qualifications.

Bourdieu's (1990: 22) symbolic capital is strongly associated with both social and cultural capital referring to the accumulation of capital associated with 'honour', 'reputation' and 'prestige', 'founded on cognition [*connaissance*] and recognition [*reconnaissance*'].

Interestingly enough, two years before the original publication of *The Many Forms of Capital*, Bourdieu (1991) published *Political Representation: Elements for a Theory of the Political Field* (originally published in French in 1981 and published in English a decade later) in which he refers to another form of capital, political capital, which he neglects to mention in the later work. This is probably because Bourdieu (ibid) saw political capital as a form of symbolic capital which is concentrated only in the hands of a small number of people including professional politicians and bureaucrats. Furthermore, Bourdieu (ibid) believed political capital could generally only be identified among political leaders or parties. Bourdieu (1996: 245) also argues that both social and cultural capital are 'predisposed to function as symbolic capital, i.e., to be unrecognised as capital and recognised as legitimate competence, as authority exerting an effect on misrecognition', rendering them amenable to forms of symbolic violence. Indeed Bourdieu (ibid: 257) argues that 'It goes without saying that social capital is so totally governed by the logic of knowledge and acknowledgement that it always functions as symbolic capital'.

As a rational choice theorist, Coleman (1984; 1988; 1990) advocated the idea that social theory can be developed through the aggregation of models of individual behaviour which contend that individuals are motivated primarily (if not solely) by a desire to maximize their own interests. According to fellow social capital theorist Gary Becker (1990), the rational choice theory of action is based on the 'rationality assumption', which views behaviour as rationally and strategically motivated. According to rational choice theory, individual and social behaviour is motivated by the 'utility function', which serves to

minimise transaction costs and maximise returns to individual actors who operate in pursuit of their own self-interest (Becker 1990: 41). In *The Economic Approach to Human Behaviour*, Becker (1976: 14) argues that this approach ‘provides a valuable unified framework for understanding *all* human behaviour [his italics]’. While Becker (1976) forcefully propagated these ideas with his conception of human capital, they can also be seen to inform the ‘rational strains’ of social capital theory. As Rose (1999: 483) points out, ‘Becker and those who thought like him argued that one could reconceptualize all aspects of social behaviour along economic lines’. Thus, human action is interpreted as economic action, and the human actor is reconceptualised as ‘an entrepreneur of his- or her-self’, striving to maximise their own human capital through ‘investments for the purpose of the capitalization of one’s own existence’ (ibid).

Coleman (1990: 32) too adhered to a rational choice conception of action in which all types of action are motivated by ‘a single purpose – to increase the actor’s realisation of interests’. However, Coleman (1984; 1989; 1990) extended Becker’s work in his attempt to introduce social structure, or ‘the social organisation of trust’, into economic action. In doing so Coleman sought to explain how rational action is translated into collective action via shared norms. In the rational choice strain, this effort is frequently presented in the form of mathematical models and equations, which assume the ability to predict human behaviour through the aggregation of individual models. For example, Becker (1996) developed an equation involving a distinction between an individual’s personal capital (i) and social capital (Si). Contrary to the work of rational choice theorists like Becker and Coleman, Bourdieu (1990: 21) emphasises ‘the irreducibility of social existence to the models that can be made of it’.

Using a number of examples, like traders in Cairo markets who share information about customers, Coleman (1990) argues that social relations have economic value in that reciprocity and trust help reduce transaction costs through increasing the communication of

information and providing forms of insurance through the recognition and enforcement of obligations. Due to his grounding in rational action theory, Coleman's (ibid: 302) understanding of social capital is instrumental, as exemplified by his statement that social capital is 'defined by its function'. Indeed, as Portes (1998: 5) points out, Coleman's functional definition of social capital has created much confusion over the meaning of the term, making it impossible to separate what social capital is from the effects it has. Coleman's (1990: 302) definition of social capital includes the mechanisms generating it, the consequences of possessing it, and the forms of appropriable social organisation that provided the context in which these sources and effects could materialise. Furthermore, where Bourdieu demonstrates the ways in which social capital serves to produce and reproduce social status and inequality, under Coleman, social capital is understood as a neutral resource which can facilitate any manner of action. Whether society is better off as a result depends entirely on the use to which individuals possessing it, put it (Foley & Edwards 1997).

Bourdieu's (1990: 9-10) notion of the habitus was invented in order to confront some of the deficiencies of rational action theory by accounting for the paradox that, 'types of behaviour can be directed towards certain ends without being consciously directed towards these ends, or determined by them'. Bourdieu (1991) argues that the habitus lies beneath the level of reflexive consciousness. It is this quality of habitus which is so conducive to symbolic violence, enabling people to participate in and reproduce forms of domination and even their own subordination, without conscious awareness or intent. The habitus is 'the source of cognition without consciousness, intentionality without intention, and a practical mastery of the world's regularities which allows one to anticipate the future without having to posit it as such' (Bourdieu 1990: 12). Bourdieu (ibid: 9) argues that social agents:

put into action the incorporated principles of a generative habitus...dispositions acquired through experience and thus variable from place to place and time to time. This “feel for the game”, as we call it, is what enables an infinite number of “moves” to be made, adapted to the infinite number of possible situations which no rule, however complex, can foresee.

Bourdieu uses the game as a metaphor or analogy for his concept of field. However, through the notion of the habitus Bourdieu avoids falling back on the ‘individualist’ paradigm of rational calculation and rational action theory evident in Putnam’s reliance on game theory. While the ‘conditions of rational calculation are practically never given in practice [his italics]’, Bourdieu (1990: 11) argues that ‘agents *do* do, much more often than if they were only behaving randomly, “the only thing to do”.’ This internalisation of social structure is the result of the ‘logic of practice’; ‘the product of a lasting exposure to conditions similar to those in which they are placed’ (ibid). Thus, while Bourdieu understood social capital as an explanation of social stratification (‘power over’), Coleman saw social capital in terms of its benefits to individuals or groups (‘power to’). This discrepancy, between a conceptualisation of social capital as a normative quality which should be increased in communities, and an analytical tool for the explanation of social stratification, is ongoing in the social capital debate.

There are several reasons why Bourdieu’s understanding of social capital theory has been excised from contemporary theorising. Firstly, for Bourdieu, social capital was actually fairly unimportant in explaining social stratification and elite privilege, playing only a minor role alongside his central notions of cultural and economic capital, which he saw as the two most important forms of capital conditioning social relations in contemporary capitalist nations. This is probably why the concept was barely mentioned in his major work, *Distinction* (Bourdieu 1984). Secondly, Bourdieu has been criticised for taking an overly functionalist approach to the reproduction of social stratification, and underplaying the agency of social actors and their ability to challenge the status quo. In response, I

would argue that Bourdieu downplays the role of social capital in challenging inequality precisely because of the inability of social capital to either explain or overcome these issues, without adequate attention to the other forms of capital along with wider structural issues of power and political economy. Furthermore, Bourdieu's (1990) theory of practice accounts for agency and resistance in ways in which other models do not, explaining how individuals can participate in their own subordination without conscious intent. In drawing attention to these issues, Bourdieu paves the way for genuine resistance to the dominant order. As Bourdieu (ibid: 15) argues, 'It is through the illusion of freedom from social determinants...that social determinations win the freedom to exercise their full power'. Hence 'sociology frees us by freeing us from the illusion of freedom, or, more exactly, from the misplaced belief in illusory freedoms' (ibid: 15). The third and final reasons for Bourdieu's excision are the complexity of his analysis and its attention to class, power and structural inequality, the removal of which have indubitably contributed to the popularity of the concept as will be discussed further in the sections to come.

While social capital received extensive theoretical attention from the likes of Pierre Bourdieu and James Coleman, the concept was not popularised until the 'civic strain' re-emerged with the release of the highly acclaimed works of Robert Putnam (1987; 1993; 1995; 2000; 2007; Putnam, Leonardi & Nanetti 1993; Putnam [ed.] 2002; Putnam, Feldstein & Cohen 2003). While first put forward by Coleman, the link between social capital and economic development has been most notably developed and popularised by Putnam in his studies, *Making Democracy Work: Civic Traditions in Modern Italy* and *Bowling Alone: The Collapse and Revival of American Community* (Putnam, Leonardi & Nanetti 1993; Putnam 2000). In these works, Putnam carried forward Coleman's instrumentalist understanding of social capital, with little attention to Bourdieu's analysis of the impact of social capital on the reproduction of inequality.

In *Making Democracy Work*, Putnam defined social capital as the ‘features of social organisation such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions’ (Putnam, Leonardi & Nanetti 1993: 167). In this oft-cited text, Putnam argued that there was a link between social capital (embedded in norms and networks of civic engagement) and economic development, which he believed could account for the differences in the rates of economic development and levels of governmental effectiveness between the Northern and Southern regions of Italy. Putnam’s study involved the use of an index of ‘civic engagement’ using the four indicators: density of clubs and associations in each region; newspaper readership (taken to reflect interest in civic affairs); voter turnout; and preference for voting in general elections. He found that the Southern regions of Italy exhibited less civic engagement than those of the centre and the north, a result which he argued reflected deep seated historical differences. According to Putnam, north central Italy had a large ‘stock’ of social capital dating back to the middle ages, which has produced a ‘virtuous cycle’ resulting in higher levels of civic engagement, economic development and better governance today than in Southern Italy, which has been trapped in a ‘vicious cycle’ of negative social relations for most of the same period. Putnam suggests it is no accident that the industrial districts which have been so integral to Italy’s recent economic progress are primarily located in the northern and central regions of Italy which display the highest and longest-standing levels of civic engagement. While he acknowledges these institutions have been affected by landholding structures and the politics of clientalism and patronage associated with them, Putnam concludes that ‘the Italian South has been locked into “underdevelopment” not because of structural conditions, but because of its relative lack of social capital’ (Harriss 2002: 6). Putnam argues that social capital, embedded in the norms and networks of civic engagement, is a precondition for economic development:

These communities did not become civic because they were rich. The historical record suggests precisely the opposite: They have become rich because they were civic (Putnam, Leonardi & Nanetti 1993: 37).

Thus, Putnam's work suggests that in order to attain economic growth, community development initiatives must consider the importance of civic groups that may seem to have little to do with either politics or economics. Accordingly, Putnam proposes that governments direct efforts at encouraging civic engagement and self-help in poor regions, effectively ignoring the possibility that redistributive policy might play a more significant role in alleviating the plight of the socio-economically disadvantaged regions (Harriss 2002: 6). While Putnam, following Coleman, was initially careful to stress social capital as a neutral resource, the benefit of which depended on how it was used, this caution was soon overtaken by a moral conception of social capital as a 'collective good', which should be increased in society (Putnam, Leonardi & Nanetti 1993). Thus social capital was transformed from the means of explaining the production and reproduction of inequality, to its supposed remedy.

An important conceptual shift took place in Putnam's work as social capital became no longer a property residing in relationships between individuals but the property of groups and even nations. In his later work *Bowling Alone*, Putnam (2000) presents extensive data from a variety of sources to argue that America's social capital has declined drastically over the last few decades, as evident in lower levels of civic participation and trust in government. This general 'civic malaise' is blamed on a combination of factors including urban sprawl and too much television. However, Putnam's (ibid) findings contrast markedly with his previous argument that the rise and decline of social capital in Italy resulted from historically embedded patterns of path dependence spanning centuries. In *Bowling Alone* social capital was not only removed from a tightly theorised framework of the different forms of capital, but also from the extensive social and historical context in

which he had placed the concept in his Italian study. Thus, social capital became the ahistorical and apolitical property of regions and even nations and it became possible and even commonplace to argue that geographically defined communities, regions and even nations have a 'stock' of social capital which affects their development. This transition, from a concept residing in the networks of individuals, to the property of regions and even nations, was never explicitly theorised and has created much confusion over the meaning of the term 'social capital'. More importantly however, through Putnam's work the concept was lifted from a framework of theorizing capital and its attendant power relations, giving rise to the idea that social capital can be discussed separately from issues of context, power and structural inequality.

In *Democracies in Flux: The Evolution of Social Capital in Contemporary Society* (Putnam [ed.] 2002), Putnam built on his thesis from *Disaffected Democracies* (Pharr & Putnam 2000), presenting an edited collection of works examining social capital as a national phenomenon and comparing and contrasting stocks of social capital in eight OECD nations: Great Britain, the United States, France, Germany, Spain, Sweden, Australia and Japan. The findings of *Democracies in Flux* did not confirm Putnam's thesis that social capital was declining in all Western democratic nations. While Putnam concluded that there were some common threads across the nations included in the study, including declining electoral turnout, declining union membership, and declining church membership, I posit that these trends (if they are indeed accurate) do not suggest a decline in 'social capital' at all but rather they reflect a shift in institutional power relations, brought on by a number of wider cultural, social and economic shifts associated with globalisation and modernity. What the different results presented in this book do confirm is the importance of historical, national and cultural contexts on the formation of 'social capital', the wide variations in stocks of social capital both within and between nations, and the many difficulties associated with establishing an adequate and transferable

measure of social capital through the conflation of various measures of different aspects of social life. In the introductory chapter to *Democracies in Flux* Putnam himself writes,

It is even less clear in the case of social capital than it was in the debate of the two Cambridges about physical capital that we can simply “add up” all these different forms to produce a single, sensible summary of the social capital in a given community, much less an entire nation (Putnam [ed.] 2002: 8).

For theorists from the ‘civic strain’, social capital is tantamount to civil society (Lewandowski 2006). Patrick Hunout and The Social Capital Foundation (2002-2006) argue that social capital is ‘a set of mental dispositions and attitudes favouring cooperation within society. In this sense, social capital is a semantic equivalent to the spirit of community’. The *Spirit of Community* was theorised and enhanced most notably by Amatai Etzioni and the Communitarian Network (Etzioni 1993). According to these theorists, civic engagement directly enhances economic efficiency and productivity by fostering personal interaction. Repeated personal interaction facilitates communication and the exchange of information increases levels of trust and trustworthiness and facilitates the development of informal values and norms that facilitate cooperation (Fukuyama 1995). Trust (understood as the confident expectation that others will ‘do the right thing’ even when circumstances, incentives or constraints do not compel them to do so) enables economic actors to cooperate in prisoners’ dilemma circumstances in which each would benefit from cooperation but each also has an incentive not to cooperate. As Putnam argued:

Fabrics of trust enable the civic community more easily to surmount what economists call “opportunism”, in which shared interests are unrealised because each individual, acting in wary isolation, has an incentive to defect from collective action (Putnam, Leonardi & Nanetti 1993: 89).

According to Putnam (1993: 36-37), civic engagement also engenders the development of what Alexis de Tocqueville (1961) called 'self-interest rightly understood' in the form of 'sturdy norms of generalised reciprocity: I'll do this for you now, in the expectation that down the road you or someone else will return the favour'. For example, most firms would be better off training their employees. But if each individual firm is concerned that if it invests in such training, other firms may 'poach' its employees, then it would be rational for each firm to skimp on training, thus resulting in a collection of firms without a highly-skilled workforce.

Thus, theorists from the civic strain are concerned about declining social capital, civic engagement, democratic participation and effectiveness and the erosion of trust and moral values (Etzioni 1993; Fukuyama 1995; Pharr & Putnam 2000; Putnam [ed.] 2000; Putnam 2002; The Social Capital Foundation 2002-2006; Putnam, Feldstein & Nanetti 2003). For example, following Putnam, Hunout argues that there has been an 'erosion of the social link' in economically developed countries around the world (The Social Capital Foundation 2002-2006). Accordingly, the civic strain of social capital theory has resulted in a call from academics and politicians across most industrialised nations to 'build social capital' (Cox 1995; Etzioni 1993; Putnam, Feldstein & Nanetti 2003). While travelling to promote *Bowling Alone*, delivering lectures on America's civic crisis, Putnam was not surprisingly confronted with the question, 'What can be done to build social capital?' Putnam, in partnership with Lewis Feldstein, Donald J. Cohen and Harvard University's Sanguaro Seminar on Civic Engagement, responded by producing a report entitled *Better Together*, which formed the basis of his most recent book *Better Together: Restoring the American Community*, along with a website: www.bettertogether.org (Putnam, Feldstein & Nanetti 2003). Having been presented with the 'moral equivalent of war' which he called for in previous works, in the wake of the September 11 attacks on the World Trade Centre, Putnam and his colleagues call for a nationwide campaign to 'redirect a downward spiral

of civic apathy' and 'restore America's civic virtue' (Putnam [ed.] 2000: 276) (www.bettertogether.org). The book is filled with 'innovative' examples of 'entrepreneurial' social capital building projects from towns across America including an example from Portland Oregon, the city whose strategic plan served as a model for the South Australian government's recent development of its own strategic plan (Putnam, Feldstein & Nanetti 2003). The website contains promotional material about the book and reports, along with a list of 150 ways to build social capital, including such activities as 'baking cookies', 'buying a big hot tub' and 'being real' (www.bettertogether.org). Thus, through Putnam, social capital was transformed from an analytical concept for the explanation of social stratification, to a normative and apolitical form of capital which governments, businesses, individuals, families, religious organisations and community organisations alike should invest in through social capital building initiatives (Putnam, Feldstein & Nanetti 2003).

Contemporary understandings of social capital as the missing link are predominantly based on a combination of the rational and civic strains (the emphasis of which varies depending on the inclinations of the social capitalist in question). The rational strain has been adapted by many contemporary social capital theorists, who have built on the work of the likes of Coleman and Becker. For example, Nan Lin and colleagues took Coleman's functionalist conceptualisation of social capital to its logical extreme, by defining social capital as 'Investments in social relations with expected returns in the marketplace' (Lin, Cook & Burt 2001: 19). The rational choice model of human behaviour is one shared by neo-classical economics, perhaps the most potent force in the most powerful economic and social research institutions today: The International Monetary Fund (IMF) and World Bank. The World Bank has established its own research program and website devoted to the topic and World Bank theorists lauded social capital as the 'missing link' in development, arguing that the plight of regions and even nations with high levels of socio-

economic disadvantage could be tackled through policies and programs that encouraged the development of social capital (Grootaert 1998: 1).

However, social capital theory, emerging from these institutions and from academic institutions and policy bodies around the world, most frequently takes the form of a combination of the rational and civic strains, emphasising the importance of civic engagement in contributing to economic development. For example, Michael Woolcock (1998) and Christian Grootaert (1998) argue that social capital contributes to economic development by enhancing systems of reciprocity; improving collective decision making and co-operation between groups; facilitating co-ordinated actions; increasing information transfer; and enhancing trust thereby reducing transaction costs and minimising the need for formal contracts and the enforcement of norms. Contemporary understandings of the link between social capital and economic development have proven so popular as to lead Simon Szreter (1998: 4) to argue that social capital provides a ‘radically new view of how the economy works, which will be of direct use to the Third Way [and may] come to be seen as being as important as the Keynesian revolution, in providing an alternative theoretical and practical guide to the economy’.

2.3 The Weakest Link? Missing Links Remain

Nevertheless, the link between social capital and economic development is highly contested and has been challenged by a number of critical studies. For example, in an issue of *American Behavioural Scientist* dedicated to social capital, Len Kenworthy (1997: 645) argues that while Putnam may have been right to emphasise the value of cooperative economic behaviour, ‘he overstates the contribution of civic activism and social capital to both cooperation and economic success.’ Kenworthy argues:

The principal economically beneficial forms of cooperation tend to be products of institutional incentives rather than social capital. And civic engagement, although helpful in accounting for economic performance differences between Italy's north and south, is of little explanatory use beyond the Italian case (ibid).

Furthermore, a study of the growth of twenty American cities between 1990 and 2000 conducted by Cushing, Florida and Gates (2002) found that, using Putnam's own measures, those cities which obtained high ratings on the social capital index had low rates of innovation and growth, whereas those with low social capital scores, demonstrated high rates of growth and innovation (cited in Florida 2004: 188). Recent Australian studies have also found that many regions with a low socio-economic status are actually characterised by high degrees of social capital (Arthurson 2002). This is especially true for remote or rural regions where 'everyone knows everyone' (Kilpatrick et al. 2002). It has been suggested that apparently high levels of social capital in socio-economically disadvantaged regions may be accounted for by the relationship between unpaid work and social capital, raising concerns about the transferral of economic responsibility to the informal and household sectors, with all the attendant implications of exploitation of female and immigrant labour (Castells 1993; 1989; 1989 (2002); 2004; Cox 1995; Pocock 2006; Sassen 1991; 2000). Research has also suggested that the level of inclusiveness of social networks in a given region may affect the link between social capital and economic growth (Annen 2001). As Coleman (1990) suggests, different types of social capital may be more fungible than others. Clearly many of the links are still missing as the exact nature of the relationship between social capital and economic development in regional development remains unclear.

The dominant understanding of social capital as a positive phenomenon which should be increased wherever possible is challenged by studies exploring the more negative aspects of social capital. Even Putnam (2000) acknowledges in *Bowling Alone* (however briefly),

that social capital also has its 'dark side'. Citing Bagehot (St John Stevas [ed.] 1965-1986: 243), Putnam (2000: 352) recognises that social capital can 'exact obedience to itself' and encourage conformity and group mentalities. Coleman (1990: 302) also drew attention to the 'dark side' of social capital arguing that '[a] given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others.'

In a study investigating the effects of international 'micro finance' schemes promoted by the World Bank, Rankin (2002b) found that social capital development initiatives can serve to re-enforce existing power structures and inequalities. As part of this scheme, the Grameen Bank of India provided individuals with loans against social capital. The results of which, Rankin (2002a) claims, highlight the instrumental role associational and collective norms and values can play in producing and maintaining disparities based on gender, class and other social divisions.

In a special edition of the *American Behavioural Scientist* on 'Social Capital, Civic Society and Contemporary Democracy', Edwards and Foley (1997) highlight two important factors often not considered when looking at the relationship between social capital and economic development. They stress firstly that contrary to the suggestions of much work on the topic, social capital is not equally available to all, in much the same way that other forms of capital are not equally distributed. Secondly, they emphasise that not all forms of social capital are 'created equal' and that the value of a specific form or source of social capital depends to a large degree on the socio-economic position of the source within society (ibid: 673).

Portes (1996 1998; 2000) highlights four main 'downsides' or 'pitfalls' associated with social capital including; conspiracies against the public; excess claims on group members; restrictions on individual freedom and entrepreneurship; and downward levelling pressures. By 'conspiracies against the public' Portes is referring to the negative aspect of social capital highlighted by both Putnam (2000) and Coleman (1990), whereby members

of a group may benefit from their ties at the expense of the broader public. In these situations, social capital is a cause of 'social exclusion'. Portes (1996; 1998; 2000) uses the term 'downward levelling pressures' to refer to the situation where social capital may have adverse effects on group members. For example, in Ghetto communities, not only are social links often unlikely to ensure greater access to resources, but members of these communities may be ostracised or punished for achieving success beyond that of their peers. Portes (ibid) argues that social capital may also lead to 'restrictions on individual freedom and entrepreneurship' due to pressures that may be placed on groups or individuals in a community to abide by particular behavioural norms and standards of reciprocity. For example, 'excess claims on group members', may mean that the returns expected by group members once an individual has succeeded may outweigh the benefits of success for the individual concerned.

The literature is contentious over whether social capital is a cause or consequence or both of high levels of social and economic well-being (Productivity Commission 2003: XIII). As Putnam himself recognises in *Bowling Alone*, 'the causal arrows...are as tangled as well-tossed spaghetti' (Putnam 2000: 137). As social capital often functions in studies as both an explanation and the object being explained, the concept is often dismissed as a tautology, with studies finding frequent statistical correlations to back up their claims because their dependent and independent variables are measuring the same thing (Mayer 2003). Portes (1996; 1998; 2000) argues that this trend is due to a lack of theoretical distinction between correlation and causation in social capital research. Where high levels of community solidarity are found in regions displaying patterns of sustained economic growth or other positive outcomes, researchers often conclude 'that one causes the other without consideration of the possibility that both are determined by common external causes' (Portes 2000: 4). A distinction must also be drawn between the ability to command resources through social networks and the level or quality of such resources. As Portes

(1996: 2) argues, 'When social capital and the benefits derived from it are confused, the term merely says that the successful succeed.' Furthermore, actors may have trustworthy and reliable networks and social ties yet still remain unable to access high quality resources (Portes 1996; 1998; 2000).

Criticisms such as these have led to the concept 'social capital' receiving extensive theoretical attention in the years following Putnam's study and acquiring several new dimensions. Indeed the concept has become increasingly ambiguous acquiring new dimensions as it stretches to incorporate the various criticisms which have been levelled against it. In his later works, Putnam (2002: 9-12) distinguishes between formal and informal social capital, thick versus thin social capital, inward-looking versus outward-looking social capital and bridging versus bonding social capital. While Granovetter (1973) was discerning enough to never have used the term himself, Granovetter's 'strength of weak ties' theory contributed markedly to developments in social capital theory. Granovetter's argument that one is more likely to gain employment through a friend of a friend than a close acquaintance like a family member, formed the basis of the distinction between 'bonding' and 'bridging' social capital. This distinction, first introduced by Gittell and Vidal (1998) and later picked up by Putnam (2000), differentiates 'close ties' between those who are 'like each other', from 'loose ties' between those who are 'unlike each other'. Burt (1992) expanded on Granovetter's work with his 'structural holes' theory, arguing that one could benefit more from a few contacts to unconnected groups than from a multitude of contacts to people who knew one another. Burt (ibid) argued that maintaining contacts with disparate groups enabled individuals to span 'structural holes', or gaps between unconnected groups, thus gaining access to a number of different information flows, rather than accessing information from one source and benefiting along with other group members. According to Putnam (2000), bonding social capital is exclusive among groups, while bridging social capital is inclusive and occurs between

groups. Putnam (ibid: 23) refers to the work of Xavier de Souza Briggs (1998) to argue that, while both bonding and bridging social capital are important, the ‘glue’ of bonding social capital is ‘good for getting by’ (as it offers psychological, physical and emotional support to people through those sharing similar experiences), whereas the ‘lubrication’ of bridging social capital is good for ‘getting ahead’.

At the same time as Gittel and Vidal (1998) were working on the bonding/bridging distinction, drawing on the same body of work by Granovetter (1973), Michael Woolcock (1998) of the World Bank was developing his notions on integration and linkage. Woolcock (1999; 2001) later reworked these notions according to the bonding/bridging distinction and introduced a third category of linking social capital, which he identified as ties across status and power differentials. Woolcock and Szreter (2004) later categorised linking social capital as a subset of bridging social capital, which they identified as particularly useful in creating ties between local communities and formal institutions.

The Synergy framework of social capital developed by Woolcock and Narayan (2000) also specifies a number of different types of social capital, including a distinction between inter- and intra-group bonding social capital. Woolcock (1999) uses the term linking social capital to refer to interactions which link groups or individuals with more powerful individuals, structural or institutional bodies. This three-fold distinction appears in the World Bank (2000) *World Development Report 2000/2001*. However, at a later conference, Woolcock (2005) seemed to back away from the bonding/bridging/linking distinction as a useful analytical device:

Bonding and bridging is great as a heuristic, as a simple distinction between how...different types of networks come together, and for telling your parents or grandparents sort of what you’re interested in...but you can’t seriously stand up in front of the scientific community and say my theory stands on a distinction between bonding and bridging. The bonding and bridging, and in some senses even the linking social capital

idea, is a really, incredibly simple idea actually. It's not really a basis for developing a truly rigorous powerhouse of theory of how the world works or how the social dimensions of development or of life more generally fit together.

The idea of linking social capital was developed in response to the criticism that 'A theory of social capital that focuses only on relationships within [bonding] and between [bridging] communities opens itself to the criticism that it ignores power' (Harriss 2002: 10). Whilst acknowledging the existence of external forces which contribute to exclusion and poverty, the suggestion is that linking social capital enables people to overcome these barriers. However, there is little evidence to suggest that 'linking social capital' contributes to the reduction of poverty and oppression and in some cases it may even serve to reinforce oppressive power structures (ibid). As Harriss (ibid: 11) points out, 'The protagonists have, it seems, forgotten the lessons in their holy book, *Making Democracy Work* [his italics]'. In discussing the prevalence of patron-client relations in the Italian South, Putnam argues that these relations serve to reinforce existing power structures, working against the development of forces of civic engagement, social capital and the benefits said to flow from it (Putnam, Leonardi & Nanetti 1993).

Uphoff (2000) added new dimensions to social capital theory with his distinction between the structural and cognitive dimensions of social capital. Structural social capital refers to external, objective social structures such as networks, associations, community groups and institutions; whereas cognitive social capital includes the more subjective intangible elements, like trust, shared values and norms of behaviour and reciprocity. Nahapiet and Goshal (1998) expanded Uphoff's work in their examination of the relationship between social capital and intellectual capital, arguing that social capital should be considered in terms of three dimensions: structural, relational and cognitive, where relational social capital refers specifically to the character of connections between individuals assessed through measures of trust, identification and cooperation within networks. Grootaert and

Bastelaer (2002) added yet more dimensions, arguing that social capital could be found at the macro, meso and micro levels. The macro level refers to the institutional and political environment of a particular region in which social capital is developed. The meso level covers both horizontal and vertical relations among groups. At the micro level social capital can be found in the relations between individuals and households (Grootaert & Bastelaer 2002). To paraphrase Preston (2001: 5), social capital now comes in a hundred different flavours; as cause or effect, real or metaphorical, panacea or poison and all combinations in between. Perhaps, as portended by Portes (1998: 2), the point has approached whereby social capital has been applied 'to so many events and in so many different contexts as to lose any distinct meaning.'

2.4 The Missing Link Endures: Social Capital as Social Science Fiction

Cult

An ardent observer may wonder why a concept that is so heavily criticised and so inherently problematic remains one of the most popular and prolific in the history of the social sciences. In the past decade, usage of the buzz word or concept 'social capital' has exploded across the social sciences, drawing interest from anthropologists, sociologists, economists and policy makers alike. As many social capital researchers comment at the start of conference presentations, there has been an exponential increase in the number of academic citations making reference to social capital over this period. Putnam (2002: 5) makes reference to Winter's (2000: 17) finding that prior to 1981 a search of the international social science literature returned 20 articles on social capital, between 1991 and 1995 the same search returned 109, and between 1996 and March 1999 1,003 articles were found. At the time of writing this thesis, a search for articles on 'social capital' using Google Scholar returned 201,000 hits while a regular Google search returned 1,830,000

hits. Indeed, use of the term is so widespread as to promote arguments for the concept as ‘doxa’ – a taken-for-granted belief or assumption that escapes critical scrutiny (Smith & Kulynych 2002).

David Halpern (2005) argues that the academic popularity of the term social capital results from the concept’s appeal to researchers due to the broad range of outcomes that can supposedly be explained using social capital theory. As Ben Fine (2001b: 97) argues,

[t]he process of excising Bourdieu from social capital has had the effect of endowing social capital with an unlimited scope of application both in terms of what it is and what effects it has.

Social capital has been constructed as a panacea for all social ills and is said to influence everything from health, wealth, and education to governance and crime rates. The concept has come to be seen as ‘something of a cure-all’ for every conceivable problem afflicting modern societies, having been used to conceptualise, measure, explain and potentially rectify everything from the levels of health, wealth, well-being, education and civic involvement of individuals and networks to the economic performance, crime rates, and successful governance of regions and even nations (Portes 1998: 2). Putnam (2000: 331) even went so far as to argue that joining an organisation cuts an individual’s chance of dying within the next year by half, thus ‘If you smoke and belong to no groups, it’s a toss-up statistically as to whether you should quit smoking or start joining’.

Accordingly, social capital has come to be a core concept in a wide range of disciplines, including business studies and management courses, economics, organisational behaviour, health studies, political science, anthropology, sociology – the list goes on. Social capital is a cross-disciplinary concept par excellence. The concept visits many disciplinary homes and is at home not only across the whole gamut of the social sciences but is also working its way into acceptance within the natural sciences as well. As Woolcock (2005) has pointed out, the evidence of the cross-disciplinary nature of the concept can be found in a

whole number of recent publications coming out in academic journals like *Nature* and *Science*, ‘in the very highest echelons of the natural sciences which incorporate the kinds of themes raised in the social capital literature.’ In a recent plenary presentation at the *International Conference on Engaging Communities* in Brisbane (a conference co-funded by the United Nations and the Queensland Government and ‘Proudly supported by the World Bank’), entitled ‘The Scholarship of Social Capital Circa 2005: Where Are We At?’, Woolcock (ibid) argued that one of the major advantages of social capital theory is that it has the capacity to breakdown silos, ‘to provide and to facilitate a dialogue across different disciplines..., across different sectors, across different cultures and countries.’ Woolcock (ibid) argues that social capital functions as a metaphor, a heuristic device to simplify academic language and enable communication across broad audiences. Surprisingly enough however, he then appears to admit that this is where the utility of the concept ends:

I can tell a good story on the basis of that but in terms of what I would publish in a referred academic journal, I wouldn’t use social capital at all anymore...In some sense I’m actually calling for an abandonment of the use of social capital... Now I wouldn’t say that standing in front of a more general audience or in front of my World Bank colleagues even.

Woolcock (ibid) suggests that social capital may have outlived its purpose:

In the 80s and early 90s the big battle was to get the social on the agenda, where ‘social stuff’ broadly defined was highly marginalised...Now we have made some ground we need a much more nuanced strategy.

In the aftermath of this battle for the social, academics and policy makers alike should beware of what Fine and Green (2000) describe as the ‘colonisation of the social sciences’ by economists through use of the term social capital. In his chapter entitled ‘The Expanding Universe of Social Capital’ Fine (2001b) argues that social capital’s conceptual ambiguity also results from its use by economists to explain everything their economic

models cannot. Thus, everything non-market becomes social capital. Fine (ibid) views social capital as the end point of social theory, as the entire history of the social sciences can be reduced to social capital theory and thus be incorporated into the neo-classical economic paradigm. This has the effect of denying the complexity of social life and subsuming the social within economic discourse by collapsing whole disciplines of social theory into a single variable with economic overtones (Woolcock cited in Fine 2001b: 167). Fine (ibid: 97-127) views this as a deliberate attempt on the part of neo-classical economists to colonize the social sciences, one which is assisted by those social scientists who would endeavour to speak the language of public policy and present alternative models in forms acceptable to the establishment.

The academic popularity of social capital is also due to the concept's ability to respond to criticism by acquiring new dimensions. Fine (ibid: 19) argues that social capital is a 'benchkin of enormous proportions' by which he is referring to what he describes as a common form of 'scientific progress' in economics whereby a theory:

not necessarily original, is put forward to explain what subsequently proves to be false empirical evidence. Paradoxically, when this is revealed, far from the original contribution being rejected, it grows in stature, appearing to draw strength and support from the considered criticisms that are levelled against it.

He argues that this takes place in two distinct forms. Firstly, as we have seen in the section above:

criticism serves merely to provide for missing factors that need to be incorporated – the horizontal and the vertical, the individual and the social, the micro, meso and macro, the public and the private, the upside and the downside, ethnicity, race and gender, formal politics, trade unionism, and the internet, and, if pushed, power and inequality. It is a matter of putting Humpty together again after the fall from the rational choice wall. In other words, social capital becomes a dumping ground for synthesis across the social sciences (ibid: 19).

Secondly, ‘social capital proceeds by bringing back in all the factors that were excluded in its initial formulation under the rational choice framework set down by Coleman’ (ibid). According to Fine (ibid: 17; 19), this latter form however has one notable exception, which is the ‘bringing back in’ of the economic and of capital, ‘as social in any sense other than as, a possibly disguised information-theoretic analysis based on $ss = e = (mi)^2$ ’ (where ss stands for social science, e stands for economics and mi stands for both methodological individualism and market imperfections). Fine (ibid: 19) concludes:

In this respect, no matter how much the traditional variables of social science are included within social capital, both to answer criticism and to expand its frontiers, it will never satisfactorily address the relationship between the economic and the social.

Despite its academic popularity, it could be argued that social capital has been taken up with even more zeal by politicians than it has by academics. From Putnam, the concept has been adopted by national and international development agencies, think tanks and policy bodies around the world, not least in Australia, as we shall see in the following section. Social capital was mentioned in a presidential State of the Union address in the USA (as a result of the Sanguaro Seminar at which members of the Bush Administration were present and of the release of *Better Together*) (Harriss, 2002: 1). Putnam’s arguments concerning the link between social capital and economic development and the need to build social capital have thus proven highly popular, frequently emerging in academic and policy papers as taken-for-granted assumptions with little in the way of critical analysis and little debate about the definition of social capital. The similarity of definitions employed by these institutions reflects the repetition of Putnam’s major conceptual shifts, melding the rational and civic strains. For example, the World Bank’s Social Capital Assessment Tool (SOCAT), broadly defines social capital as ‘the institutions, relationships, attitudes and values that govern interactions among people and contribute to economic and social development’ (Grootaert & Bastelaer 2002: 17). The Australian Bureau of Statistics (ABS

2004) and the Organisation for Economic Co-operation and Development (OECD 2001a; 2001b) define social capital as: 'Networks, together with shared norms, values and understandings which facilitate cooperation within or among groups'.

The political popularity of social capital is partially due to the fact that the ambiguous nature of the concept has left it open to interpretation and makes the concept a convenient hanger for those pushing particular political programs or policy agendas. As Harriss (2002) quotes from the World Bank website on social capital 'Social capital while not all things to all people, is many things to many people' (Narayan & Pritchett 1996). Putnam's work has been mobilised politically on both the left and right. Removed from the initial Bourdieuvian context, social capital can and has been used to support the rolling back of the state and other neo-liberal agendas by suggesting that the underprivileged must engage more thoroughly in civic life, in order to ensure the social, and in turn economic, capital of their community will improve (Fukuyama 1995; 1999). The concept has also been used to challenge the tenets of traditional rational choice theory and the agenda of economic neo-liberalism with which it is associated (Cox 1995; Lyons 1997; Onyx & Bullen 2000). Advocates of the Third Way have used the concept to distance themselves both from extremist economic rationalists and leftist critiques of the free-market agenda (Latham 1996; 2000; Botsman & Latham 2001). Some have argued that social capital could be used to re-introduce the social elements into the predominantly market-orientated economic rationalist perspectives on development (Bebbington 1997; Woolcock 1998; 1999). Others have argued that social capital is a rational choice 'Trojan Horse', the means by which economic assumptions are 'smuggled into the city of the social' (Savage, Li et al. 2006; Tarrow 1996; Fine 2001b; Harriss 2002; Spies-Butcher 2002). However, while claiming to re-introduce the social into economic agendas, the concept cannot deliver as it is embedded in a rational choice framework which denies the inherent complexity and contingency of social life and the power struggles with which it is imbued (Savage, Li et al. 2006; Tarrow

1996; Fine 2001b; Harriss 2002; Spies-Butcher 2002). Halpern (2005: 1) argues that the popularity of the term with governments across Western industrialised nations can be explained by the fact that ‘for many policymakers the term captures the political zeitgeist of our time: it has a hard nosed economic feel while restating the importance of the social’. Thus social capital could be argued to function as an ‘empty signifier’ which means whatever its interpreters want it to mean (Laclau 1996; Chandler 2006).

However, social capital is just one example of the proliferation and measurement of a plethora of new forms of ‘capital’ to have emerged over recent decades, as ‘homo-economicus’ encroaches on more and more aspects of our lives; social, human, cultural, political, creative, emotional and even religious capital (Putnam, Leonardi & Nanetti 1993; (Becker 1964; Bourdieu 1986; 1991; Florida 2003; Reay 2000; McBride 2007). Rose (1999: 481) describes a distinctive Third Way approach to economic management which he terms ‘The Capitalization of Citizenship’, involving:

a kind of ‘capitalization’ of aspects of human existence previously thought of as inappropriate for thinking of in terms of capital – that is to say, of human knowledge, skills and life chances (human capital) and of the social networks and relations that promote economic and personal well-being (social capital).

This emergence of a whole number of new ‘capitals’ is described by Fine (2001b: 16) as ‘a sort of capital- and capitalism-fetishism’, whereby the ‘failure to specify capital, properly allows it to roam freely over any number of non-economic or social characteristics, whether attached to capitalism or not’. The term could also be seen as evidence of what Stillwell (1996: 46) refers to as the ‘commodification of social life’; the encroachment of free-market ideology into more and more aspects of our life, as more and more things become subject to ‘monetary values and the “rule of capital”.’ While ‘commodification’, a term coined by the Frankfurt School, only came into currency in the 1970s, the concept expresses ideas fundamental to Marx’s understanding of the development of capitalism as

expressed in *The Communist Manifesto* (Marx and Engels 2002 [1888]) and throughout his writing. The processes of commodification described in this 150 year old manuscript have been proceeding at a rapid pace in recent years. Coronil (2000) writes of a relatively new trend by financial institutions like the World Bank to directly define both natural and human resources, along with produced assets, as capital. This redefinition of people and nature means all are similarly treated as capital, valued only in so far as they can be used and exploited as sources of profit. Furthermore, it subsumes difference under the application of a single category, reflecting the neo-liberal tendency to make one thing out of many, ‘illocutionary force out of illusion’, forging ‘the impression of consonance amidst contrast’ and ‘the existence of universal standards’ (Comaroff & Comaroff 2000: 329).

This process of commodification is greatly assisted by the excision of the Marxist strain from contemporary understandings of social capital in which the meaning of ‘capital’ in social capital takes on an entirely different meaning from that originally intended. This difference has prompted researchers to call for abandonment of the concept on the grounds that it does not meet the definition of capital utilised by economists as ‘deliberate sacrifice in the present for future benefit’ (Arrow 2000: 4; Solow 2000). The notion of capital can be traced to the works of Karl Marx, where capital was understood as an exploitative relation between the bourgeoisie or capitalist class who controlled the means of production and the working class (Marx 1887; Marx & Engels 2002 [1888]). For Marx, there was no capital without this relationship:

We know that the means of production and subsistence, while they remain the property of the immediate producer are not capital. They become capital, only under circumstances in which they serve at the same time as a means of exploitation and subjection of the labourer (Marx 1978 [1847]: 210).

Bourdieu’s understanding of capital differs from Marx in that, while for Bourdieu, capital continues to be the expression of a class relationship, Bourdieu argues that all classes are

implicated in the creation, production and distribution of capital. Capital therefore corresponds to a position occupied in social space.

Thus the capital, in the sense of the means of appropriating the product of accumulated labor in the objectified state which is held by a given agent, depends for its real efficacy on the form of the distribution of the means of appropriating the accumulated and objectively available resources; and the relationship of appropriation between an agent and the resources objectively available, and hence the profits they produce, is mediated by the relationship of (objective and/or subjective) competition between himself and the other possessors of capital competing for the same goods, in which scarcity – and through it social value – is generated. The structure of the field, i.e., the unequal distribution of capital, is the source of the specific effects of capital, i.e., the appropriation of profits and the power to impose the laws of functioning of the field most favourable to capital and its reproduction (Bourdieu 1986: 246).

However, in contemporary popular understandings of social capital, conceptualisations of capital depart dramatically from any understanding of capital as an expression of labour and class relations. Putnam (2002: 4) acknowledges, ‘In the use of the phrase social capital I make no reference to the usual acceptation of the term capital, except in a figurative sense’. However, Putnam (2002) locates this difference in the fact that while the term ‘capital’ is used by analogy with other forms of economic capital, the analogy is misleading in that, unlike traditional forms of capital, social capital is not depleted by use, but in fact depleted by non-use (‘use it or lose it’). However, in accordance with Das (2006: 65), I argue that the real difference between contemporary Putnamesque understandings of social capital lies in the fact that:

Strictly speaking, these social resources are not capital, and they are referred to as capital here solely in a metaphorical sense, since capital proper is an exploitative relationship between capital and labour, and resources only become “capital” in this relationship.

The excision of the Marxist strain in contemporary understandings of social capital has led Fine (2001b: 38) to argue that:

Any use of the term social capital is an implicit acceptance of the stance of mainstream economics, in which capital is first and foremost a set of asocial endowments possessed by individuals rather than, for example, an exploitative relation between classes and the broader social relations that sustain them.

The ideological implications of social capital theory become evident through a simple examination of the concept itself. As critics have pointed out, social capital is in fact an oxymoron or contradiction in terms (Smith & Kulynych 2002). The term 'social' is juxtaposed with the term 'capital', contrasting the values of collaboration and interdependence inherent in the term 'social', with the values of independence and self-reliance implicit in the term 'capital' (Smith & Kulynych 2002). However, as Fine (2001b: 199) argues, while the term suggests both social and capital, it is in fact neither. The grounding of contemporary understandings of social capital in rational choice deny the concept's ability to address the social except through aggregation of models of individual behaviour narrowly motivated by self-interest, and its understanding of capital is limited to 'a prior physicalist notion of capital as resource' (ibid: 199). This 'cascade of perverse oppositions' has important implications in terms of the 'politics of language' (Smith & Kulynych 2002: 168). In the case of social capital, this integration of conceptual opposites has important political and ideological consequences, as the contradictory juxtaposition 'allows us to continue to view the poor as not only in need of traditional individualist values, but also as largely to blame for their lack of 'stock' of social power' (ibid: 172). As Smith and Kulynych (ibid: 92) argue, 'This signifies, in a sense, a matter of blaming the collective as opposed to individual victim'.

The term 'calls to mind Marcuse's (1964) discussion in *One-Dimensional Man* of how certain types of language integrate their conceptual opposites, thus smoothing over the

tension between the contradictory concepts’ (Smith & Kulynych 2002: 168). This Orwellian juxtaposition often serves to subsume the social and political within economic discourse, effectively depoliticising political and economic processes. Social capital has been utilised by academics and politicians to smooth over tensions between many binary oppositions in contemporary society including: the individual versus society; structure versus agency; free will versus the common good; and the state versus the market. However, the most explicit opposition in the concept social capital is clearly that of society and the economy. Social capital could be argued to be a concept constructed of ‘false oppositions’, in that by pairing ‘capital’ with ‘social’, the term suggests that capital is otherwise not social, denying the way in which ‘capital’ is itself a social construct (Bourdieu 1990: 34). As Das (2006: 65) argues:

The popularity of the social-capital concept partly reflects the growing realisation among non-Marxist social scientists – for Marxists, economic processes are always social processes – that *economic* processes are linked to *social* relations.

Thus, critics have argued that this oxymoronic terminology functions as a form of ‘doublespeak’, further serving to neutralise, naturalise, depoliticise and mystify the current global neo-liberal project suggesting that the contemporary form of capitalism is the ‘natural’ state of affairs (Harriss 2002; Fine 2001b). These criticisms have led some researchers to call for abandonment of the term altogether and suggest the use of alternative terms like, social capacity or social resources (Smith & Kulynych 2002).

I argue that social capital is a weasel word par excellence; enabling policy makers to address the concerns of both sides of the political spectrum, while pursuing their own political agendas. Former speechwriter to Paul Keating, Don Watson (2003; 2004a; 2004b) writes of the increasing dominance of ‘weasel words’ in public language. According to dictionary.com a weasel word is:

An equivocal word used to deprive a statement of its force or to evade a direct commitment'. For example, in the term 'organized spontaneity'; 'organized' has sucked the meaning out of 'spontaneity.' This idiom may allude to the weasel's habit of sucking the contents out of a bird's egg, so that only the shell remains. [Late 1800s].

Just as the weasel cunningly sucks the contents from bird's eggs, leaving behind only an empty shell, so the weasel word is employed to deprive a statement of its force or evade direct commitments. Watson (2004b: 1) uses the examples of President George Bush's announcement that the search of Iraq revealed 'weapons of mass destruction-related program activities' and Prime Minister John Howard's plea for the electorate to 'recognise the distinction between 'core' and 'non-core' promises.'. While Watson (ibid: 9) created the *Dictionary of Weasel Words: Contemporary Clichés, Cant and Management Jargon*' (in which social capital appears on page 298) to help people 'discover what these new-fangled words and phrases mean', he notes:

I would say that most often it fails because the words in fact have no meaning, or at least not one that can be described. Moreover, it is possible that no meaning was ever intended for them.

Rather the primary function of these words and phrases is not to convey meaning but to bury it, to blur the debate and fog the mind of the listener, distracting from the real issues at hand. Watson (ibid: 2) argues that like the NewSpeak of Orwell's *1984*, 'Totalitarian states use weasel words to slew or complicate meaning. They use them, as they use clichés and other dead forms, to exercise and maintain power.' Watson (ibid) writes:

The same mimicry can be expected wherever the official language is a kind of code that we must at least appear to understand, or be excluded. It happens in democracies, and in business and government departments. Today it is found everywhere the language of the information age is (compulsorily) spoken; everywhere the management revolution has been; everywhere marketing goes. This is language without possibility.

After reading about social capital theory for the last few years I can certainly sympathise with Watson's (ibid: 6) claim that 'We might resist this deceit more fiercely if we could only stay awake'.

The popularity of social capital in contemporary policy circles might also be explained by its accordance with the 'NewLiberalSpeak' of the new urban managerialism, 'from which the terms 'capitalism', 'class', 'exploitation', 'domination' and 'inequality' are conspicuous by their absence', and 'have been peremptorily dismissed under the pretext that they are obsolete and non-pertinent' (Bourdieu & Wacquant 2001: 2). As Bourdieu and Wacquant (ibid) argue:

Its vocabulary, which seems to have sprung out of nowhere, is now on everyone's lips: 'globalization' and 'flexibility', governance' and 'employability', 'underclass' and 'exclusion', 'new economy' and 'zero tolerance', 'communitarianism' and 'multiculturalism', not to mention their so-called postmodern cousins, 'minority', 'ethnicity', 'identity', 'fragmentation', and so on.

I argue that somewhat ironically, Bourdieu's own concept has become yet another tool of what he has described as the 'new planetary vulgate', a 'screen discourse' which 'like the mythologies of the age of science', 'although founded on belief, mimics science by superimposing the appearance of reason', establishing academic and political dominance through 'a series of oppositions and equivalences which support and reinforce one another to depict the contemporary transformations advanced societies are undergoing' as 'benign, necessary, ineluctable or desirable' (ibid: 2-4). These transformations include: economic disinvestment by the state, reinforcement of police and penal components, deregulation of financial flows, relaxation of administrative controls on the employment market, reduction of social protection and 'moralizing celebration of "individual responsibility"' (ibid: 4). However, Bourdieu and Wacquant (ibid) emphasise that far from being 'the inevitable result' of growth in foreign trade and deindustrialization, these transformations and the

retrenchment of social policies and rising inequality with which they are associated, ‘are the result of *domestic political decisions* that reflect the tipping of the balance of class forces in favour of the owners of capital [their italics]’.

Bourdieu and Wacquant (ibid: 2) argue that the effects of this ‘NewSpeak’ ‘are all the more powerful and pernicious’ in that not only is it propagated by the ‘partisans of the neoliberal revolution’ but also by ‘left-wing activists, the vast majority of whom still think of themselves as progressives’. They argue that the concepts of the NewLiberalSpeak gain their prestige from the power of the places from which they emanate as ‘they are everywhere powerfully relayed by supposedly neutral agencies’, from major international organizations like the World Bank and the OECD, to ‘conservative think tanks’, ‘philanthropic foundations’, and prestigious universities (ibid: 2). In relation to social capital development initiatives, Fine (2001b: 192) astutely observes that ‘social capital is in the mind of the observer and not the participant’. However, as Watson (2003: 2) argues:

As power and influence are pervasive so is the language: we hear and read it at the highest levels and the lowest. And while it begins with the powerful, the weak are often obliged to speak it, imitate it.

This is increasingly becoming the case as one hears ‘social capital’ being dropped into everyday language in discussions in boardrooms, community engagement seminars, and the casual conversations of individuals embarking on a bit of networking. As Portes (1998: 2) points out ‘During recent years, the concept of social capital has become one of the most popular exports from sociological theory into everyday language’.

However, Watson (2003: 4) warns of weasel words, ‘When we hear this sort of language it is, therefore, common sense to assume there is a cult, or something like a cult, in the vicinity. And be alert, if not alarmed’. Indeed, in a paper entitled ‘California Dreaming? Extropian Social Capital Theory’ delivered during a conference on social capital at London South Bank University, John Preston (2005) made an amusing argument for social capital

to be deemed 'a social science fiction cult'. Preston (ibid) argues that there are striking parallels between the pro-technology, free-market Californian cult of Extropians, and contemporary social capital theory. Here Preston (ibid: 1) is referring specifically to that strand of social capital which he labels 'Putnamesque', but also to social capital in the form 'translated and propagated through PowerPoint presentations, policy documents and motivational speeches by ministers, heads of development corporations and policy wonks'. Preston (ibid) argues that the real home of social capital theory is in 'dusty council chambers', in 'shiny', 'Blairite regeneration projects' and 'in an ever increasing virtual deck of PowerPoint slides.' He (ibid) suggests:

It may be that the bland authority of PowerPoint might enables social capital as a policy device. Certainly, concepts such as bonding, bridging and linking social capital are easily portrayed by the clip art figures and block arrows contained in such packages.

Preston (ibid: 2) argues that the key points in a PowerPoint presentation on social capital would include the following. Firstly, a theory (or maybe just a good story) is presented involving networks and attitudes (norms/trust) that is more than its component parts and adds up to social capital (or 'networks plus' as Woolcock calls it in some of his PowerPoint presentations). Secondly, social capital is believed to function as both a solid and a gas, working at once as a (solid) construction set of weak or strong bonding, bridging or linking ties which once created exists in the atmosphere (gas) for further usage. Third, social capital is viewed as a universal panacea for social problems. Fourth it is believed to roll uphill in virtuous cycles but can also career downhill. Fifth, it is understood as both cause and effect. Finally, it both declines and increases and its effects can be reversed through policy applications. Thus,

social capital does not obey the laws of entropy (perpetual virtuous cycles), it can exist in several different physical states at the same time (individual asset, community property), it

operates outside of normal conceptions of temporality (it being both cause and effect) and it is the substance from which all other materials flow (the universal panacea) (ibid: 2).

Preston (ibid: 6) then uses the above information to highlight parallels between the beliefs of the Californian Cult of Extropians and the Cult of Social Capitalists. Social capitalists are extropian – that is against entropy – in that they believe social systems can be arranged to create virtuous cycles of mutual benefit. Social capital is frequently believed to be able to ‘trump’ issues of class, gender and race; to never be used up but to grow exponentially and spectrally above the individual but below the community to create a universal panacea. While Preston (ibid: 2) is aware that social capital is indeed a metaphor, he argues that the application of the concept in policy, as though it were a concrete phenomenon, raises the concept to the level of a sociological ‘pseudo-science’. He argues that through its refutation of the ordinary laws of science, ‘Putnamesque’ social capital theory does indeed rest on (and mutually creates) a new type of science, which he terms ‘extropian social science’ (ibid). While Preston (ibid: 4) acknowledges the nostalgic nature of contemporary social capital theory, he suggests, ‘There is also something futuristic, some science-fiction in there in the desire to make social life better through spontaneous action and a “new” science of social life.’

2.5 Conclusion

In this chapter I have provided a conceptual framework for the case study to come by exploring the major theoretical components of social capital theory, outlining the transformation of the concept from the ‘Marxist’ strain epitomised by Bourdieu (1986), through the ‘rational’ strain evident in the works of the likes of Becker (1964) and Coleman (1984; 1988; 1990), to the ‘civic’ strain popularised through the works of Putnam (1987; 1993; 1995; 2000; 2007; Putnam, Leonardi & Nanetti 1993; Putnam [ed.] 2002;

Putnam, Feldstein & Cohen 2003). I argued that important shifts in the meaning of the concept took place during this transition. Firstly, the concept was removed from a properly theorised framework of the different forms of capital. Secondly, a shift took place from viewing social capital as a property between and among individual actors located in particular fields and discussed in relation to the concept of individual habitus, to a property of groups and even nations. Lastly, and perhaps most significantly, through the excision of the 'Marxist' strain and a melding of the 'rational' and 'civic' strains, social capital was transformed from an analytical tool for the analysis of class, social stratification and its attendant power relationships, to a normative concept which, it was argued, could be used to combat inequality in regional development and should be increased wherever possible (Lewandowski 2006).

However, there are a number of problems with contemporary understandings of social capital and, as I demonstrated in the section that followed, the link between social capital and economic development is an extremely tenuous one. A number of critical studies have found that regions with low levels of social capital have high levels of economic growth and that areas with low levels of economic growth have high levels of social capital (Arthurson 2002; Cushing, Florida & Gates 2002; Kilpatrick 2002). It has been argued that the missing link has only been established due to a lack of distinction between causation and correlation, where researchers' dependent and independent variables were measuring the same thing. It has been argued that a distinction needs to be drawn between an individual's ability to access networks and their ability to procure resources through these networks, and that attention must also be paid to the type or quality of these resources (Portes 1996; 1998; 2000). Normative understandings of the concept tend to ignore the negative aspects of social capital (Edwards & Foley 1997; Portes 1996; 1998; 2000; Rankin 2002a; 2002b). I argued that the missing link does not stand up to scrutiny as important omissions are made in contemporary understandings of social capital theory,

particularly in relation to issues of power and political economy, resulting from the excision of the ‘Marxist strain’ (Lewandowski 2006).

I then described some of the discursive properties of the concept which have contributed to the popularity of social capital in the contemporary political and economic environment despite its deficiencies. I argued that the ‘unlimited scope of application’ of the concept following the excision of the ‘Marxist strain’ has resulted in the concept meaning almost anything to anyone, and that the ‘undertheorized’ and ‘oversimplified’ nature of the concept has made it a convenient hanger for those pushing particular political beliefs and programs (Fine 2001b). I argued that the concept is an oxymoron or contradiction in terms, which functions as a ‘weasel word’, enabling politicians to address concerns of both sides of the political spectrum while committing to nothing (Smith & Kulynych 2002; Watson 2003; 2004a; 2004b). I argued that the academic popularity of the concept stems not only from these issues, along with the political popularity of the concept, but also from the tendency for social capital theorists to respond to criticism by adding further dimensions to social capital, along with the capacity of the concept in its simplified form to transcend disciplinary boundaries and work across political and institutional divides (Fine 2001b). These issues prompted me to consider that the popularity of social capital may be due more to the political and economic environment in which the concept was spawned than its ability to address issues of inequality in regional economic development. This theory will be explored in greater detail in the chapter to follow where I explore the process by which social capital became integrated into the discourses of regional economic development, through interrogation of the academic, political and economic environments in which the concept rose to prominence.

3. POLITICISING SOCIAL CAPITAL: THE JOURNEY FROM THEORY TO POLICY

3.1 Introduction

In this chapter I explore the political and economic environment in which social capital rose to prominence in order to explain its popularity in Australian regional development discourse and practice. I argue that the popularity of social capital can be seen to result from key political and economic trends which have taken place over recent decades along with the concept's compatibility with the current phase of capitalist restructuring. As Jessop argues, in order to overcome the difficulties associated with the contradictions of capital accumulation, the capitalist system relies on the institution of 'spatio-temporal fixes' and institutionalised class compromises (Jessop 2002). While neoliberal forms of globalisation have disrupted past fixes and compromises without providing a new structured coherence for continued capital accumulation, the distinctive contribution of the Keynesian National Welfare State (KNWS) to the Atlantic Fordist regime was the provision of a means of temporarily managing such contradictions (Jessop 2003: 6). Jessop argues that the response to this predicament has been the restructuring of the KNWS to the Schumpeterian Post-National Regime (SPNR) in which, in an effort to make economies more innovative and internationally competitive, social and labour market policy is increasingly being subordinated to the need for flexibility and profitability (ibid). I argue that social capital's popularity results partially from its compatibility with the four broad trends highlighted by Jessop as indicative of the crisis-induced restructuring of the preceding KNWS to form the SPNR. These include: the shift from a welfarist to a workfarist mode of social reproduction ; the shift from the primacy of the state in

compensating for market failures in a mixed economy to an emphasis on networked, partnerships-based economic, political and social governance arrangements; the shift from Keynesian to Schumpeterian aims and modes of intervention; and finally, the shift from the primacy of the national scale in economic and social policy making to a post-national framework in which no single scale dominates (Jessop 2006).

3.2 An Anti-politics Machine: Trojan Horse or Third Way Weasel?

During the 1980s and 90s, neo-liberalism was presented and packaged as ‘the end of history’ (Fukuyama, 1990: 75). The demise of the Soviet Union and the Eastern bloc in the 1980’s strengthened the argument of neo-liberal ideologists that the free market provided the only viable path to development. Margaret Thatcher justified the neo-liberal revolution in Britain with a single acronym, TINA (There Is No Alternative) (Thatcher 1987). Neo-liberal ideology is driven by the pivotal idea that the unregulated capitalist economy has an inherent tendency towards equilibrium. The basic idea behind neo-liberal approaches to development is that when markets are left to themselves, economic development and thus poverty and its associated problems, take care of themselves. The key goals of neo-liberalism are growth (measured by gross domestic product or GDP), and efficiency (entailing a maximisation of outputs and minimisation of inputs). Unfettered market forces are believed to be the key to achieving them.

The dominant discourse of neo-liberalism presents the economic world as ‘a pure and perfect order’, where the market is seen as infallible (Bourdieu 1998: 94). The drive towards what Bourdieu (ibid: 94; 96) calls a ‘Utopia of Unlimited Exploitation’ is made possible by policies of financial deregulation and privatisation and through the emergence of new policies and institutions that challenge or dissolve ‘all the collective structures

capable of obstructing the logic of the pure market'. Neo-liberalism generates a particular belief which Bourdieu (1998: 100) refers to as 'free trade faith', a deification of the power of the market in the name of economic efficiency. As Bourdieu (1998) argues, neo-liberalism (or economic rationalism as it has been described in the Australian context) is a scientific program, a giant mathematical abstraction pursuing a political program to create the conditions for the operation of the theory. Of primary relevance are 'assumptions concerning the nature of producers' and consumers' rationality in the form of profit and utility maximization' which are 'assumed to have universal validity', and 'incorporated into deductive analytical frameworks that are static, ahistorical and claimed to be value-free' (Lefebvre 2000: 526). This 'rule of the market' does not take into account social costs. It favours instead a separation between the abstract economy and social realities, which results in the construction of an economic system corresponding to theoretical description. This tendency is epitomised in the famous statement made by former British Prime Minister Margaret Thatcher (1987) who declared, 'there is no such thing as society... There are individual men and women, and there are families'. The asocial nature of neo-liberal theory, combined with the increasing inequality produced by neo-liberal policy over the last few decades, has created extensive opposition to the neo-liberal paradigm (Bourdieu 1998; George 1999; Weller et al. 2001).

The popularity of social capital lies, partially, in its compatibility with Third Way ideology. A reaction to both the perceived crisis of KNWS and the policies of government withdrawal which this inspired, the Third Way seeks a balance between liberal free market policies and welfare statism (Giddens 1999; 2000; Giddens [ed.] 2001). In response to Thatcher's TINA, social capital can be viewed as an attempt on the part of both academics and primarily social democratic policy makers to find an alternative that is acceptable to both critics and supporters of the current form of neo-liberal capitalism. As Fine (2001b:

28) argues, ‘there is something specific about capitalist society that has induced a misplaced interest in social capital, especially towards the end of the twentieth century’. This ‘something specific’ is the tendency for capitalism to create a perceived gap between economy and society, or market and non market, a gap previously bridged, to some extent, by the KNWS.

In his classic work, *The Great Transformation: the Political and Economic Origins of Our Time*, Karl Polanyi (1957 [1944]) stressed the interdependence between the economic and social spheres in market (capitalist) societies. Polanyi (1957 [1944]) posited that market societies have been continually engaged in an internal struggle between the demands of capital accumulation on the one hand, and the need for social sustainability and reproduction on the other. He argued that the dynamics of modern society were governed by a ‘double movement’, whereby the movement towards continuous market expansion was met by a countermovement which aimed to check this expansion (Polanyi 1957 [1944]: 130). This ‘double movement’ could be seen to result from two organizing principles in society, each of which set itself ‘specific institutional aims, having the support of definite social forces and using its own distinctive methods’ (ibid: 132). One of these principles was that of ‘economic liberalism’, which he argued aimed ‘at the establishment of a self-regulating market, relying on the support of the trading classes, and using largely laissez-faire and free trade as its methods’ (ibid). The other principle was ‘social protection which he argued aimed:

at the conservation of man and nature as well as productive organization, relying on the varying support of those most immediately affected by the deleterious action of the market—primarily, but not exclusively, the working and the landed classes—and using protective legislation, restrictive associations, and other instruments of intervention as its methods (ibid).

While Polanyi (ibid: 130) saw such a countermovement as vital for the protection of society, in the last analysis he argued 'it was incompatible with the self-regulation of the market, and thus with a market system itself'. However, Polanyi (ibid) warned that the 'market economy if left to evolve according to its own laws would create great and permanent evils'.

The institutions and political forces that emerged as part of the KNWS provided a means of temporarily managing the contradictions which inevitably arise as a result of the 'double movement' of capitalist societies. However, in the post-Keynesian era, the dominance of forces of neoliberal globalisation have disrupted past fixes without providing a new means of managing such contradictions. Fine (2001b) points to a 'crisis of faith' in late 20th Century capitalist society, on the one hand in the capitalist state, brought about by debates concerning the 'crisis of the welfare state', and on the other in the capitalist market, brought about by critiques of the current neoliberal agenda. This 'crisis of faith' has prompted the adoption of 'soft', 'middle-of-the-road' strategies of social protection (of which social capital might be seen as one example) which, it could be argued, illustrate the weakness of contemporary countermovement forces (Polanyi 1957 [1944]). For example, Fine (2001b: 28) argues that social capital can be seen as the 'academic equivalent of the Third Way in politics', representing a desire 'in both analytical and policy terms' to find feasible and politically acceptable alternatives to the neo-liberal agenda of market versus state.

The ongoing political struggle between the Left and Right, between supporters of the welfare state and supporters of market-orientated neo-liberal economic policy has, over recent decades, given birth to the promotion and discussion of a 'Third Way'. This Third way is associated with the academic works of Ulrich Beck (1992), Robert Reich (1992) and Anthony Giddens (1999) and the policies of the Blair government and Clinton

administration. Critics of neo-liberal policies saw social capital theory as a means of re-introducing a focus on the social into the predominantly market-orientated economic rationalist perspectives on development (Cox 1995; Lyons 1997; Onyx & Bullen 1997; Woolcock 1998; 1999). However, Fine (2001b: 196) argues that the dominant tendency in both policy and social theory is for social capital theorists to bypass important political and economic issues as though the social and the economic are separate domains stating, 'As is apparent analytically, so in policy, social capital essentially leaves economic issues alone'. The absence of a proper understanding of political economy 'precludes a proper consideration of how economic powers, structures, and processes impinge upon, constrain and condition their social counterparts' (ibid). As Fine (ibid) argues, in this respect, both academically and politically, 'social capital is a major plank in Third Wayism' which might be summarised as:

You can have anything you like as long as it is compatible with the (market imperfections view of) the economy...although we would prefer to draw a hard line against certain factors – such as class, power, conflict and control (social capital without the capitalist system in other words) – and a discernable but softer one against the role of the (central) state and major agencies in economic and political life – such as ruling elites, trade unions, and major political parties and movements (ibid: 95).

Social capital theory was emphasised as part of an agenda for 'a new development economics', led by Joseph Stiglitz (2002) who resigned from his position as chief economist at the World Bank after much encouragement from those who were less than pleased with his ongoing critique of neo-liberal policies as evident in his book *Globalisation and Its Discontents* (Fine 2001b: 173). Unfortunately however, the post-Washington consensus does not leave its rational choice origins behind. It is still based on methodological individualism and understands 'society' purely through the aggregation of mathematical models on the behaviour of individuals, models, which assume the primary

motivation for human behaviour is self-interest. Furthermore, it is 'reductionist', in that complex historical and social processes are explained away within the premise of rational choice theory (ibid: 144). Fine (ibid) summarises the beliefs of the post-Washington consensus as follows: 'In short, there is no such thing as society other than as a historical accident or inheritance, and individuals are pretty much one-dimensional as well!' Furthermore, he argues,

Where previously the Washington consensus painted a picture of the economy as unduly obstructed by the intrusion of the non-economic, the post-Washington consensus construes the market and non-market as inextricably attached to one another through greater or lesser efficiency in handling market imperfections. However, the result is one in which the social remains extraneous non-economic facilitator to the economy (ibid: 153).

While the concept may appear to re-introduce the social into economic agendas, ultimately social capital is unlikely to deliver while it remains embedded in a rational choice framework which denies the inherent complexity and contingency of social life and the power struggles with which it is imbued (Harriss 2002; Fine, 2001b; Spies-Butcher 2002; Tarrow 1996).

Moreover, Fine (2001b: 196) argues that social capital functions as 'a major plank in Third Wayism', essentially acknowledging and tackling social issues only in so far as they don't interfere with or challenge neo-liberal approaches to the economy. Third Way policy approaches, as epitomised by Blair's New Labour, maintain a commitment to the continuation and extension of the six planks of neoliberal economic strategy, namely: liberalisation (the promotion of free market forms of competition as the most efficient basis for market forces), deregulation (the provision of economic agents with greater freedom from state or legal control), privatisation (the reduction of the public sector's share in the provision of goods and services), re-commodification (promotion of the role of market forces in the residual public sector, either directly or through market proxies);

internationalisation (the promotion of greater mobility of capital and labour, the stimulation of global market forces, and the importation of more advanced processes and products as a means of economic modernisation) and the reduction of direct taxes (enhancing the scope for the operation of market forces through enhanced investor and consumer choice) (Jessop 2006: 8). Thus, in its current form, it seems far more likely that social capital will function as a rational choice ‘Trojan Horse’. Indeed, Jessop argues that New Labour strategy might be best described as the ‘American Way’, as ‘the domestic consolidation of Blairite neoliberalism could well become a Trojan Horse through which a transatlantic neoliberal project penetrates further into the European Union’ and I would add into Australian economic policy as well (ibid: 12).

Thus, to the extent that the Blairite vision emphasizes communitarian themes and policies, they are more likely to turn out to be flanking measures to ameliorate the effects of a neo-liberal accumulation strategy rather than the basis for a massive assault on the profit-orientated market logic of neo-liberal capitalism (ibid: 13).

Jessop (2006) argues that the response to both the crisis of neoliberal economic policy on the one hand, and the perceived failure of the KNWS on the other, has been the restructuring of the KNWS to form the SPNR. Jessop (ibid) argues that John Maynard Keynes has been symbolically dethroned as the theorist of full employment in relatively closed economies and replaced by Joseph Schumpeter, the theorist of innovation, enterprise and long waves of technological change. The shift from Keynesian to Schumpeterian aims and modes of state intervention involves the Schumpeterian promotion of permanent innovation and flexibility in relatively open economies by intervening in the supply side to strengthen as far as possible their structural and/or systematic competitiveness. While the KNWS promoted the social rights of the citizen, the SPNR shifts social and labour market policy towards increasing the competitiveness of capital – particularly on the supply side of the labour market (Rutherford 1996). As

Schumpeter replaces Keynes as the economist of the age, the SPNR involves the promotion of entrepreneurial strategies aimed at securing the conditions for systematic competitiveness and permanent innovation.

The shift from a KNWS to a SPNR is marked by what has been termed a shift from government to governance, with an emphasis on networked, partnership-based approaches to economic and social development. The declining capacity of governments to deliver social goods in the contemporary economic and political climate has been met with ‘the intensification of a form of communitarian politics geared around issues of morality and culture’ (Jayasuriya 2003: 3). Jayasuriya (ibid: 1) argues that both Blair’s New Labour and the Howard government shared a ‘common political logic’, which consists of ‘a strategic mix of enthusiastic commitment to the value and processes of economic liberalism’ combined with ‘an equally assiduous propagation of illiberal policies that draw on reactionary and nostalgic understandings of community and culture’. This political logic has inspired the development of a new form of ‘cultural politics’ (ibid).

Rose (1999: 469) quotes British Labour Home Secretary Jack Straw (Straw 1998: para 67) to argue that the Third Way ‘also asserts that there is no such “thing” as society; not in the way that Mrs. Thatcher claimed, but because society is not a “thing” external to our experiences and responsibilities. It is us, all of us’. In this way, individual responsibility is encouraged through new techniques of ‘responsibilization’ and the focus on the responsibilities and obligations of individuals to their communities. Thus, ‘Community, rather than “society” is the new territorialization of political thought, the new way in which conduct is collectivised’ (ibid: 475). Rose (ibid) argues that while the language of community is used as ‘a kind of natural, extra-political zone’ between the state, the market and the individual, it is also the object through which this particular style of governance operates. It becomes ‘the object and target for the exercise of political power’ (ibid). In

place of the social contract we have a new ‘moral contract’, ‘a partnership between an enabling state and responsible citizens, based upon the strengthening of the natural bonds of community’ (ibid: 479).

The ‘civic strain’ of social capital (Lewandowski 2006) plays a key role in what Rose (1999: 475) describes as the new communitarian ‘ethno-politics’, which seeks to act upon ‘the ethical formation’ and ‘ethical-self-management’ of individuals and ‘promote their engagement in their collective destiny in the interests of economic advancement, civic stability, even justice and happiness’. Through the term ‘ethno-politics’, Rose (ibid: 474) is referring to ‘ways of governing behaviour through ethics, and in the name of ethics’, which he argues inform the politics and political programmes of the Third Way. Rose (ibid: 477) argues that features of human individual and collective existence, including sentiments, beliefs and values, have become the medium through which self government by the autonomous individual has been connected up with ‘good governance’. The emergence of this ‘new moral vocabulary for politics’ is evident in the recurrence in recent policy documents of terms freighted with values including social capital, community and communitarianism, civil society, partnership, mutuality, responsibility, obligations, voluntary endeavour, autonomy, initiative, entrepreneurship and so on (ibid: 474). Recurrent phrases such as civil society, civic activism, strong communities, shared values, rights and duties, responsibilities, rights and obligations (and I would add social capital along with other woolly terms like community capacity building) may be dismissed as mere ‘warm words’ or ‘floating signifiers’, ‘capable of deployment in the most diverse and contradictory of politics’ (ibid: 470). However, as Rose (ibid) argues, they in fact point to something far more significant, the grounding of the Third Way in values. In the new ethno-politics, ‘human beings are no longer considered “social”’, or ““rational” as proposed in the discourse of classical economics’, or even ‘psychological, mobilised by

unconscious forces and desires' (ibid 9: 474). They 'are considered to be, at root, ethical creatures' (ibid).

I argue that the 'civic strain' of social capital (Lewandowski 2006) has an accord with the post-modern 'cultural turn' of the late 80s and early 90s in which academic approaches began to focus less on issues of structure, politics and economics and more on issues of meaning and culture (Gibson & Klocker 2005). Social capital is just one of the terms reflecting the emergence of this governance through community. As, Gleeson (2004) suggests, Homo Economicus is fast becoming Homo Communitus. Referring to a survey by Eckersley (1999), Gleeson (ibid: 315) argues that the keywords of the '1990s and beyond' are community, belonging, order, balance, stability and peace. He posits that these key words 'betoken what might be called the new social yearning: the desire for a secure place in social networks based on reciprocity, trust and mutual respect' (ibid). This 'new social yearning' is the result of the impact of a number of forces which undermine 'security and moral certainty' in contemporary society, including globalisation, economic liberalism, endless structural reform, the decline of the welfare state, employment insecurity, cultural pluralism, ecological risk and the permanent war on terror (ibid). In these circumstances, community emerges as what Rose calls a kind of 'imagined territory' (Rose 1996).

The 'civic strain' of social capital theory (Lewandowski 2006) has contributed substantially to the SPNR's focus on a networked partnerships approach to governance as part of the new communitarian 'ethno-politics' (Rose, 1999). Through the 'ethno-politics' of community, bonds between individuals are 'rendered visible in a moral form, and made governable in ways compatible with the autonomy of the individual and the reproduction of the collective' (ibid: 479). According to proponents of this ethno-politics, there is no longer a need for a central welfare state as 'citizens can now be "governed through

community” (ibid). Rose (ibid: 476) argues that this process ‘involves a double movement of autonomization and responsabilization’:

Political government is to be relieved of its powers and obligations to know, plan, calculate and steer from the centre. The state is no longer required to answer all society’s needs for order, security, health and productivity. Individuals, firms, organizations, localities, schools, parents, hospitals, housing estates must take on themselves – as ‘partners’ – a portion of the responsibility for resolving these issues.

For example, Rose (ibid: 489) cites Giddens’ (1998:10) proposal that ‘conventional poverty programmes’ are replaced with ‘community-focused approaches’, which emphasise ‘support networks, self-help and the cultivation of social capital as a means to generate economic renewal in low-income neighbourhoods’.

The shift from welfare to workfare is also greatly assisted by new forms of ‘responsibilization’ through the ‘ethnopolitics’ of community (Rose 1999: 489). The SPNR is ‘workfarist’ in that it subordinates social policy to the demands of labour market flexibility and employability and to the requirements of structural or systematic competitiveness, at the expense of other, earlier policy objectives (Jessop 2006). This involves measures like putting downward pressure on the social wage in order to compensate for the costs of international production through a reduction in spending on welfare and universal public benefits including, housing, healthcare and higher education. In this sense, social policy is now modelled on human capital theory and becomes a form of human resources management. As a result, social policy becomes focused less on issues of social justice and social reproduction and more on the creation of a social and economic environment conducive to international competition. The shift from welfare to workfare is assisted by new forms of ‘responsibilization’ encouraged by the ‘ethnopolitics’ of community (Rose 1999: 488). For example, of the Third Way, Welfare to Work, mutual

obligation approaches to the labour market, Rose (ibid) writes, 'What is at stake here is not so much work as the work ethic'.

The shift from welfare to workfare through the 'ethnopolitics' of community has seen countries throughout the world embracing the recent trend of tackling inequalities in regional development through policies and programs aimed at developing or increasing social capital. However, as Portes (1996; 1998; 2000) points out, while social capital can play an important role in the success of economic or political development initiatives in a given community, the bonds are difficult to establish, take time to develop and may not be created by outside forces. As social capital initiatives are often applied to communities by external development bodies, the lived experiences and voices of those being developed are often neglected (Rankin 2002a; 2002b). Furthermore, unexpected and negative consequences may also emerge in the process of attempting to establish the required preconditions for their creation (Portes 2000).

Concern has also arisen that due to their relatively inexpensive nature, government bodies may view social capital initiatives as an alternative to the provision of funding for services or infrastructure in socio-economically disadvantaged regions. Ultimately, this equates to 'expecting the most disadvantaged people to pull themselves up by their own bootstraps, in a way which is remarkably convenient for those who wish to implement large-scale public expenditure cuts' (Harriss 2002: 7). As Portes (2000: 8) argues, 'contrary to the expectations of some policy makers, social capital is not a substitute for the provision of credit, material infrastructure, and education.' While, it may be possible that social capital development initiatives can 'increase the "yield" of such resources' the economic benefits of social capital are of a limited nature, for example, 'all the social capital in the world will be of no value if there are no jobs at all' (Portes 2000: 8; Hase, Phelps & Saenger 2004: 8). There is a danger that social capital will encourage the shifting of responsibility to the local

level, as government ‘attempts to reduce its expenditure on human services’ through community programs at reduced cost due to a reliance on volunteers and low-paid community workers (ibid: 9). Even the World Bank paper which celebrated social capital as the ‘missing link’ warns that the ‘application of social capital in development is not a distribution-neutral process’ and that without the accompaniment of social capital programs with redistributive spending and the provision of resources, social capital programs may not make much difference (Grootaert 1998).

Similarly, policies aimed at addressing inequality in regional development by building social capital run the risk of drawing attention and funding away from addressing the underlying structural causes of inequality. Social capital development initiatives have been criticised as policies developed by the rich and powerful ‘to improve the lot of the poor’ by promoting self-help and co-operation which has been ‘unproblematically raised from the individual to the community level without adequate theorisation’ and ‘without questioning the sources of their economic disadvantage’ (Fine 2001b: 199). As Foley and Edwards (1997: 551) argue, the ‘undertheorized’ and ‘oversimplified’ nature of contemporary social capital theory has meant that in popular usage and some scholarly accounts, the conflictive character of civil society is suppressed, and ‘society itself and its inner workings’ are charged with the resolution of conflicts usually resolved through politics and the political system. According to Foley and Edwards (ibid):

these (mis)understandings conjoin in the suppression of the economic dimension of contemporary social conflict. Preoccupation with the character of civil society and its store of social capital, that is, tends to screen from view the role of economic restructuring throughout the world (and the accompanying restructuring and downsizing of national states) in forming public perceptions of growing incivility and heightened social conflict.

Thus social capital initiatives have been criticised for directing attention away from the real causes of inequality and from other, potentially more effective, ways of combating inequality in regional economic development.

As part of the 'ethno-politics' of community, social capital can thus be seen to function as a kind of 'anti-political politics' or 'post-social' 'anti-politics' contributing to what Harris has called the 'depoliticisation of development' (Rose 1999: 476; Ferguson 1990; Jayasuriya 2003; Harriss 2002). The emergence of ethno-politics reflects what Jayasuriya (2003: 4) refers to as a 'new culturalism' whereby 'Inequalities become problems of cultural differences rather than intertwined with political struggles and conflict'. Through terms like social capital and social inclusion, issues of poverty and inequality are 'reframed in terms of a lack of belongingness, and hence a lack of the responsibilities and duties to others which such belongingness generates' (Rose 1999: 487). For example, Jayasuriya (2003: 4) argues that in the welfare policies of the United States, the United Kingdom and Australia, issues of unemployment are framed in terms of a 'lack of individual endowment of skill, social capital, or moral virtue rather than in terms of structural change and conflict.' Unemployment thus becomes a cultural rather than a political problem (*ibid*). This 'cultural turn' effectively marginalises the social and distributional issues associated with neo-liberal processes of economic restructuring (*ibid*: 3). The defining feature of this 'new culturalism' is that 'it seeks to constitute a new form of governance that depoliticises social and economic life' (*ibid*: 3-4).

Social capital, sans the 'Marxist' strain (Lewandowski 2006), plays a central role in this new 'anti-politics', which Rose argues rests upon a simultaneous 'socialization of capital', or 'capitalization of the social' (Ferguson 1990; Rose 1999: 484). Harriss (2002) argues that through the systematic evasion of issues of context and power, the burgeoning literature on social capital has mystified rather than clarified and that this mystification

serves the political purposes of depoliticizing the problems of poverty and social justice. Harriss (ibid: 13) argues that the social capital approach to development has the effect of supporting the pursuit of key economic policies by overstating the importance of ideas and activities like ‘civic engagement and voluntary participation’, ‘which are presented as being about democratic participation, but which have the effect of depoliticizing and disarming popular struggles for a more just distribution of resources and opportunities’ by ‘painting out the need for political action’. According to Harriss (ibid: 12), “‘Social capital’ is thus a weapon in the armoury of the ‘anti-politics machine’”. Similarly, playing on Ulrich Beck’s (1998) *Democracy Without Enemies*, Rose (1999: 483) argues:

This is an ‘economics without enemies’ – without fundamental conflicts of interest or incompatibilities between the pursuit of private profit and the pursuit of the personal advancement of each and the public good of all. Or rather, the enemies are moral – those moral values that decry work, disincentivize investment in human capital and incentivize idleness or complacency rather than risk-taking and activity.

Thus social capital can be seen as one of those, ‘clever ideas which suit the interests of global capitalism’, ‘because they represent problems that are rooted in differences of power and in class relations as purely technical matters that can be resolved outside the political arena’ (Harriss, 2002: 2). As Rose (1999: 474) argues:

such a politics offers very little for those who think that our present is still characterised by some rather old forces of injustice, domination, exploitation, cruelty and indifference, that its practices support and obscure some pretty fundamental divisions of power and resources between ‘the haves’ and the ‘have-nots’, and that its political language is suffused with hypocrisy and double-speak.

3.3 Localising Development: The ‘New’ Economy, the ‘New’

Regionalism and ‘Urban Entrepreneurialism’

The rise of neoliberal globalisation has been accompanied by another far-reaching trend, the articulation of a new means of social, political and economic organisation variously referred to as the ‘new economy’, ‘knowledge economy’, ‘creative economy’, ‘network society’ or ‘information society’ (Reich 1992; Drucker 1993; Florida 2002; 2003; 2004; Castells 2004). The discourse of the knowledge economy has played a key role in the transition from the KNWS to the SPNR. As Jessop (2006) argues, a commitment to the ‘knowledge economy’ ‘became the principal basis for economic strategies in all OECD member states during the 1990s’ with such strategies being adopted ‘at the local, urban, regional and triadic levels’.

According to this perspective, in the shift from Atlantic Fordism to contemporary globalisation, industrial society based on the outmoded uni-dimensional assembly line has been superseded by an emergent ‘information society’ or ‘knowledge economy’ (Reich 1992; Drucker 1993; Castells 2004). Drucker (1993) argued that this new economy would be dominated by what he referred to as ‘knowledge workers’, whose work focused not on the manual labour involved in the production of material goods, but on the intellectual labour involved in analysing the process of production. The knowledge economy consists of both the application of this new knowledge to more traditional industry sectors, including manufacturing, and its application to the modern knowledge or information sectors. Supporters of the knowledge economy argue that while old economy sectors have not disappeared, they do make up a smaller share of jobs (Baum et al. 2007: 9). For example, Drucker (1993: 46) reported that while during the 1950s people who worked ‘to make or move things’ comprised the majority of the workforce in developed countries, by

1990 they had shrunk to one-fifth of the work force and by 2010 they would form no more than one-tenth. In the knowledge economy, knowledge industries become the norm rather than the exception (Baum et al. 2007: 18). Thus, in the SPNR, the key to economic development lies in investment in the knowledge, skills, entrepreneurship, and innovative capacity of human beings (Leadbeater 1998; Rose 1999: 483).

In accordance with contemporary conceptualisations of social capital, the knowledge economy thesis is associated with the work of post-modern theorists who argue that we are moving towards a post-industrial society in which the class divisions of the industrial era are becoming obsolete (Bell 1960; 1974; Lyotard 1984; Drucker 1993). As such, the discourse of the knowledge economy has a strong accord with contemporary understandings of social capital sans the 'Marxist strain' (Lewandowski 2006). In *The Coming of Post-Industrial Society*, Daniel Bell (1974) argued that the post-industrial economy would be dominated by information-led and service-orientated activity which would replace industrial society as the dominant world-system. Peter Drucker (1993) expanded on Bell's work to argue that post-industrial society was fostering the emergence of a *Post-Capitalist Society* in which the class divisions of the industrialist era were no longer relevant.

However, I argue that the rise of the 'knowledge economy' as a conceptual tool driving development policy has obvious implications in terms of class and structural inequality. In *The Work of Nations* Robert Reich (1992) highlighted a growing divergence between the location specific employment of routine production workers and personal service workers, and that of the new elite knowledge workers who, he argued, were globally mobile and footloose. While Reich referred to these workers as 'symbolic analysts', in *The Rise of the Creative Class* Richard Florida (2003) describes these knowledge workers as a new 'creative class' whose attraction, he argues, is vital to the economic reinvigoration of the

‘rust bucket’ or ‘rust belt’ regions of the US. The ‘creative class’ is composed of a main core of workers in arts, music, education, entertainment, science, engineering, architecture and design and a soft-core of ‘creative professionals’ which includes workers in business, law, finance, health care and other related fields (Florida 2004: 8). Likening them to the aristocracy and bourgeoisie in previous periods, Florida argues that ‘the Creative Class has become the dominant class in society’ (Florida 2003: xv). According to Florida, the key to regional economic growth is to create a regional environment which is attractive to and conducive to the development of members of the creative class, as in the new knowledge economy, ‘investment, firms and high value industrial activity will follow people and not vice versa’ (ibid: x). Thus, in order to attract the creative class, regions must focus on the three T’s of regional economic development: talent, technology and tolerance, as regions ‘rich in social and cultural capital become powerful magnets for valuable knowledge workers’ (ibid). Florida argues that the creation of an environment conducive to the attraction of members of the creative class will determine which cities and regions prosper and which lag behind (ibid: xv). However, Florida’s work has been criticised on a number of grounds, including his tendency to present the ‘creative class’ as the saviours of modern society, capable of reinvigorating economically depressed regions, and resolving the issues of inequality plaguing contemporary society (Kotkin 2000; 2001; 2001; 2005; 2006; 2006; Malanga 2004).

Many theorists have pointed out that the ‘knowledge economy’ has created a new ‘class war’, exacerbating inequalities, and making issues of class and structural inequality even more vital than they were in the past, particularly because they are frequently misrecognised as class issues (Hardt & Negri 2000; 2005; Harvey 1989; Jessop 2006; Malanga 2004; Webster 1995; 2002; 2006; Yates 2003). The rise of the knowledge economy has serious implications in terms of inequality. As Saskia Sassen (1991) argues,

the transformations associated with late capitalism have created a new kind of ‘global city’ in which social class and space have become increasingly polarised (Jameson 1991). Sassen (ibid) argues that this trend is evident in an absolute growth at the top and bottom ends of the distribution of occupational and income structures, with a declining middle. While those ‘informational’ or ‘global’ cities, connected to networks of decision-making and information-processing centres, will be able to use their informational potential to extend and deepen their global reach and become dominant, there will be a simultaneous decline of many of the former industrial centres, which ‘are unable to make the transition to the informational economy’ (Castells 1993 cited in Broomhill 1999: 108-109). Furthermore, as Castells (1993; 1989 [2002]) argues, many of these ‘informational’ cities are also ‘dual’ cities with polarised economies marked by the simultaneous growth of wealth and extreme poverty. Castells (1993) even went so far as to predict that these social tensions will lead to a violent confrontation which will awaken our deepest ‘psychic terrors’ and lead to a ‘structural urban schizophrenia’ (cited in Broomhill 1999: 108-109). Even Florida, whose works celebrate the rise of the knowledge economy and the ‘creative class’, has argued that the ‘new economy’ reinforces the class divisions of capitalist society, exacerbating inequality and social divisions. In *The Flight of the Creative Class* Florida (2004: 187) himself points out that the rise of the creative class is in fact perpetuating a new ‘Creative Class War’ as this ‘rising inequality stems mainly from the very nature of the emerging creative economy’. He argues that the ranks of people engaged in lower end service jobs in the US is increasing dramatically partially due to the creative class’ need for ‘servants’ to perform the many duties they don’t have time for, which ‘produces the bulk of our income and social divides’ (Florida 2003: 5). Indeed Florida suggests that increased inequality is in fact a direct by-product or ‘externality’ of the creative economy (Florida 2004). Despite the amassing of great wealth, innovation and

creativity in the IT corridors of Silicon Valley, the poster child of the industrial clustering/social capital approach to regional development, is in fact, riven by inequality. As Florida points out, 'If ever a rising tide of prosperity were going to lift all boats, you would expect it to happen here. Yet it doesn't. Instead the opposite occurs' (ibid: 186). According to a study by Kevin Stolarick, while Silicon Valley ranks second out of three hundred metropolitan regions in the US in terms of creativity, it ranks first in inequality (cited in Florida 2004: 189). As Florida argues, in the knowledge/creative economy, 'wealth accumulates very unevenly and that those who are left behind not only become worse off but find it harder to attach themselves to the new socioeconomic system' (ibid: 205).

Furthermore, critics have argued that the 'knowledge economy' is largely a myth, accusing knowledge economy theorists of discontinuity in their overemphasis on a shift to an entirely new kind of society. Many argue that the shift from a Fordist to a Post-Fordist economy is clearly incomplete. Florida himself argues that the US economy 'as a whole, replicates the outmoded, inefficient Fordist regime' (ibid: 194). Florida (2004) estimates that creative class workers comprise 30 per cent of the US labour force, essentially excluding 70 per cent from participation in the knowledge economy and membership of the dominant class, along with the wealth and social status accrued by membership. As Yates (2003: 22) argues:

Neither in the poor nor in the rich nations has globalisation, and the new economy of which it was a critical element, created a large class of skilled workers who could anticipate years of high pay and intense employer competition for their services.

Florida's (2003) argument about the emergence of the creative economy is based on the assumption that low-paid, low-skill manufacturing jobs are declining at a rapid pace, to be replaced by high-skill high-end jobs for the creative class on the one hand, and low-skill low-pay jobs in the service sector on the other. However, there is no escaping the problem

that these jobs still exist in large numbers and are rapidly being transferred offshore through mechanisms of governance which meet the interests of global capital, including the institution of multilateral and bi-lateral free trade agreements and the creation of export processing zones. As Yates (2003) points out, while developed nations may be seeking knowledge workers to fill high-paid high-skilled jobs in developed countries, low-paid unskilled jobs still exist and are being transferred off-shore to nations where workers will work for lower wages with less rights and fewer means of upholding their rights.

Accordingly, knowledge economy theorists have been criticised for failing to acknowledge that the knowledge economy remains tied to the contemporary capitalist system and the systemic issues of class and structural inequality with which it is associated (Harvey 1989; Webster 1995; 2002; 2006; Yates 2003). Critics have pointed out that there is a fatalistic ideological dimension to this discourse, presenting contemporary capitalist restructuring as the inevitable result of technological change and advancement (Harvey 1989; Webster 1995; 2002; 2006). In *The End of Ideology*, Bell (1960) argued that both history and ideology had been reduced to insignificance as a result of the triumph of capitalism. Interestingly enough, this work later inspired Francis Fukuyama (1992), who would become a major proponent of social capital theory, to argue that the triumph of liberal democracy and capitalism represented *The End of History* and the end of class struggle. Fukuyama (1989) heralded liberal democracy as the universal and inevitable goal for all humankind, crediting capitalism with the successful resolution of all class issues stating, 'the egalitarianism of modern America represents the essential achievement of the classless society envisioned by Marx'. While he is careful to state that this does not mean that the gap between rich and poor people has not grown in recent years, he argues that 'the root causes of economic inequality do not have to do with the underlying legal and social

structure of our society' (i.e. capitalism), 'which remains fundamentally egalitarian and moderately redistributionist' (ibid).

Conversely, in *Empire*, Hardt and Negri (2000) tie the emergence of the knowledge economy to the history of class struggle inherent in the capitalist system. They argue that while the 'industrial working class' have all but disappeared from view, this is not because they have ceased to exist, but because the contribution of the industrial working class to the means of production in industrial capitalism (material labour) has been superseded by a new strata of 'intellectual proletariat' which they refer to as 'immaterial labourers' (ibid). The term 'immaterial labour' refers to labour which results in the creation of 'immaterial products, such as knowledge, information, communication, a relationship, or an emotional response' (Hardt & Negri 2000: 280-303; 2005: 108). Thus the 'information' society is characterised by a single logic of capitalist domination based on the exploitation of both 'material' and 'immaterial labour' (Hardt & Negri 2000: 280-303). Furthermore, in *The Condition of Post-Modernity*, David Harvey (1989) points out that the knowledge, information technologies and computer networks that have played a central role in the development of the 'information society', have also played a role in the restructuring and globalisation of capitalism and the emergence of a 'flexible regime of accumulation'. Similarly, Jessop (2006) argues that the concept of the knowledge economy can be seen, in the language of transnational historical materialism, 'as a new "comprehensive concept of control" that seeks to reconcile and realign the interests of financial capital and a knowledge-intensive productive capital'.

The discourse of the knowledge economy is characterised by arguments about the decline of the nation state and the rise of the region as a primary driver of economic activity. For example, Florida's life as an early career academic was spent researching the impact of the flight of manufacturing from America's rustbelt regions, like Detroit and Pittsburgh (his

home town), and the impact of manufacturing competition from the Asian tiger economies, like Japan, who emerged as major economic powers in the 1980s. His research focused on how to transplant lessons learnt from the Japanese production process to automotive production facilities in the United States. The impact of the East Asian financial crisis and the US high-tech boom in places like Silicon Valley, led Florida to conclude that the new economic powerhouses are no longer nations, but rather those creative, innovative regions most suited to competition in the creative economy. He argues that the truly global nature of the contemporary corporation has undermined any loyalty to nations: 'These days, companies are truly global in nature and can go abroad for whatever they may need' (Florida 2004: 268). While the 1980s saw the US's Big Three carmakers closing up production plants at home and opening up plants overseas, the success of Japanese manufacturing firms saw companies like Honda open plants in the US. Florida (ibid: 235) argues:

Competition today is not limited to one, two, or even several great powers. Rather, it comes from many places simultaneously, and is harder to home in on precisely because it's so diffuse. The most likely scenario, in my view, is not that one nation will overtake the U.S. as the dominant power on the global stage, but just that the world stage will see the rise of many more significant players.

Similarly, In *The Work of Nations* Robert Reich (1992: 3), who served as Labor Secretary in the US under President Clinton, argues that in an era of economic globalisation, the nation state would no longer function as the central organising unit for economic activity:

There will be no *national* products or technologies, no national corporations, no national industries. All that will remain rooted within national borders are the people who comprise a nation. Each nation's primary assets will be its citizens' skills and insights. Each nation's primary political task will be to cope with the centrifugal forces of the global economy

which tear at the ties binding citizens together – bestowing ever greater wealth on the most skilled and insightful, while consigning the less skilled to a declining standard of living.

Accordingly, discourses about the rise of the knowledge economy and the decline of the KNWS have given rise to a new intellectual and practical search for the primary scale around which to organise the world economy. Third Way approaches to development entail a distinctive take on macro economic management which can be encapsulated in the idea of ‘glocalisation’ (Swyngedouw 1992). In the face of economic globalisation, it is assumed that ‘one can no longer so easily conceptualize and manage economic activity within a single national territory as if it constituted a single “national economy”’ (Rose 1999: 481). Instead, ‘governments confront multiple and differently spatialized economies’ (ibid). The term ‘glocalisation’ thus refers to a ‘double movement’; of globalisation, where global corporations, financial movements and political structures play deciding roles in the structuring of daily life; and of devolution, decentralisation and localisation ‘where greater attention is paid to local and regional responses to restructuring processes’ (Swyngedouw 1992: 40 cited in Peck & Tickell 1994: 297). As a result, the management of the economic fate of a nation becomes no longer a matter of adjusting demand within a single, relatively coherent and semi-enclosed nation state but a matter of adjusting economic incentives for investment, including ‘taxation levels, human resources (skilled and compliant labour power), technical infrastructure and so forth’ so that ‘nodes in this internationalized flow of resources, finance, information, jobs and goods will form on this national territory rather than another’ (Rose 1999; Jessop 2002).

The shift from the KNWS to the SPNR is characterised by a restructuring of the role of national governments in accordance with a process which Jessop (1994) describes as the ‘hollowing out’ of the nation-state. Here Jessop is referring to the trend by which the primacy of the national state as a policy making body is weakened by the simultaneous transferral of many of its former regulatory activities, roles and functions upwards (through

deference to multinational organisations and supranational institutions such as the IMF, the World Bank, and the World Trade Organisation (WTO)), downwards (through devolution, whereby economic and political authority for activities previously the responsibility of national governments is assigned to state, regional or local levels of government) and sideways (through trans-regional and triadic power structures including the US, Japanese and East-Asian trading blocs). This restructuring of spatial governmentality is evident in the rise of national and supra-policy domains, traditionally differentiated by function rather than territory (Amin 2005: 615).

However, others have argued that rather than receding, the state is merely transforming as the power of the state is both transferred and extended through increased involvement in the institutions mentioned above (Hirst & Thompson 1996; Weiss 1998; 2003). The process of 'hollowing out' could therefore perhaps be better understood as a process of spidering out, as the tendrils of the 'regulatory' or managerial state spread further into organisations and areas of life not previously under its command (Jessop 1994). Thus the state could be seen to be becoming more powerful and all encompassing while simultaneously growing ever more elusive. While the validity of the metaphor of 'hollowing out' remains subject to debate, the spidering/hollowing out process has indubitably seen sub-national governments facing increasing pressures to become 'more intensely competitive and entrepreneurial' (Broomhill 1999: 120).

Arguments about the emergence of a 'new economy' have spawned a 'new regionalism', 'new localism' or 'new urbanism'. As Broomhill (ibid: 113) argues, according to many neoliberal proponents of the benefits of glocalisation, the decline of the nation-state and the shift to a more regional unit of governance is 'one of the positive elements of the spread of multinational corporations and the growth of local markets'. Broomhill (ibid) places influential Japanese management guru and consultant Kenichi Ohmae, at the extreme 'free

market' end of this trajectory of 'positive localisation'. Ohmae, who boldly predicted the imminent death of the nation state, saw 'region-states' as being of more relevance in a world where borderless transnational (as distinct from multinational) corporations related 'not to the artificial political borders of countries but to the more focused geographical units' (Ohmae 1995: 5 cited in Broomhill 1999: 113) Ohmae argued that region-states are 'the right size and scale to be the true, natural business units in today's global economy' (ibid).

The new regionalism has encouraged a shift to networks, partnerships-based approaches to governance in order to enhance local and regional competitiveness. The networked, partnership-based approach to development was enshrined at the United Nations Conference on Environment and Development in 1992 (the Rio Earth Summit) under Agenda 21, 'a global blueprint for sustainability', which embraced a triple bottom line approach to achieving 'sustainable' regional development, promoting the better integration of environmental, economic and social goals (Commonwealth of Australia 2007). Chapter 28 of Agenda 21 identifies local authorities as the sphere of governance closest to the people and calls for local authorities to consult with their communities and develop and implement a local plan for sustainability – a 'Local Agenda 21' (LA21) (ibid).

The new regionalism has fostered a new breed of urban entrepreneurialism where regions around the world are adopting policies of regional economic development or 'local boosterism' aimed at building 'regional capacity' through urban and regional regeneration strategies (Amin 1994). Local boosterism has been adopted by the governments of most Anglophone nations and at national, regional and triadic levels around the world, as a means of regenerating those regions hardest hit by decades of neoliberal restructuring, the decline of manufacturing and the transition to a knowledge economy. Local boosterism is a strategy of 'limited devolved government', involving locally rooted activities and the

delivery of regional policies through ‘institutions of regional promotion’ such as regional development agencies, business-led regional assemblies, and devolution in general (Amin 2005: 614). As Amin (ibid: 616) argues:

In the area of urban regeneration, spatial targeting (especially at a neighbourhood level), local partnerships, and community involvement have been the cornerstone of efforts to revitalize social capacity and economic dynamism.

Local boosterism policies centre around the promotion of ‘locally rooted activity such as industrial cluster development strategies delivered through technopoles, and local knowledge transfer,’ ‘building local partnerships between firms in interrelated industries, tapping into local knowledge-transfer networks, and building local institutional complementarities’ (ibid: 614-616). Strategies of local boosterism may also involve a combination of such mechanisms as community-led regeneration strategies, the creation of science parks and industrial districts, the development of knowledge industries, measures to attract the creative class, the creation of bohemian strips and ‘Potemkin tourist districts’, the building of gigantic shopping centres and high visibility public relations ventures such as theme parks and international sporting events and even, as was the case in South Australia, the proposed development of a Multi-Function Polis (Kotkin 2006).

It is in this context that the ‘rational strain’ of social capital (Lewandowski 2006) has come to play a key role in the discourse of the knowledge economy through its contribution to regional economic performance. Following the work of Douglas North (1990), a whole new body of research has emerged looking at the effects of organisational social capital on the performance of firms and industries and a link has been made between social capital building strategies such as industrial clustering and the economic well-being of regions (e.g. Saxenian 1994; Scott 1988). Alfred Marshall (1920) first argued that firms cluster together in what he termed ‘agglomerations’ in order to capitalise on productive efficiencies and gain competitive advantage. The renewed interest in industrial clustering

has been informed by arguments linking social capital with regional economic performance. The social capital perspective on industrial clustering draws directly from Putnam who argued in *Making Democracy Work* that the success of industrial districts of Italy 'and beyond' were determined by social capital in the form of 'norms of reciprocity and networks of civic engagement' (Putnam, Leonardi & Nanetti 1993: 161). Putnam concludes that the crucial determinant of the success of industrial districts, 'is mutual trust, social cooperation, and a well-developed sense of civic duty – in short, the hallmarks of a civic community' (ibid).

However, many have questioned the involvement of social capital in industrial clustering and regional economic development. For example, Kenworthy (1997) examined data from the 1991 *World Values Survey* relating to various indicators of civic engagement taken from Putnam's study (including volunteering and voter participation) across the 18 wealthiest industrialised countries. He compared these figures with averages for the three major indicators of economic performance in those same countries: productivity growth, unemployment and inflation. His findings suggest strongly that civic engagement has little or nothing to do with national economic performance (ibid). Furthermore, after assigning scores on cooperative economic behaviour based on literature relating to these same countries, he argues that civic engagement also has little to do with economic cooperation itself. Kenworthy (ibid: 649) concludes:

Industrial districts, although not unique to northern Italy, are not nearly as prominent in any other industrialized nation. Furthermore, if trust is of limited importance in fostering the types of cooperative economic behaviour that are prominent in some other countries, civic engagement may have little to contribute. Civic engagement cannot explain why Australian labor unions consistently moderate their wage demands, why large Japanese firms successfully build long-term relationships with their suppliers, why German banks forge

long-term partnerships with firms of which they are part owners, or why American companies such as Procter & Gamble make effective use of self-directed work teams.

The drive for regional development through industrial clustering, drawing inspiration from a number of perceived international success stories of economic regeneration based on local economic development strategies, ignores the fact that ‘these examples clearly do not represent the typical product of the adoption of conventional forms of neo-Keynesian interventionism’ (Broomhill 1999: 127). On the contrary, these examples are ‘rare exceptions to the dominant trends in regional development’ resulting from ‘specific local circumstances and policy approaches which demonstrate that successful local economic development is integrally connected to the quality of the region’s political, social and cultural infrastructure’ (ibid). Broomhill (ibid) argues that the resilience and social coherence evident in these examples ‘cannot be developed by entrepreneurial and economic policy approaches’. Furthermore, as Kenworthy (1997: 649) points out, cooperation can be induced by institutional measures which have little to do with trust, civic engagement or social capital: ‘Institutional arrangements...can encourage cooperation whether trust is high or low.’

In a book entitled *Decentering the Nation*, Ash Amin, Doreen Massey and Nigel Thrift (2003), argue that the ‘local boosterism’ approach to regional development does not succeed in reducing regional disparities because it fails to tackle the ‘secular centrism and skewed trans-regional connections’ that persistently reinforce power and growth in central regions at the expense of consistently disadvantaged regions (Amin 2005: 624). Furthermore, strategies which promote competitive advantage ignore ‘the fact that only a few local communities can be winners in such a competitive race’ (Broomhill 1999: 126). As Peel (1995: 232) wrote over a decade ago in his ethnographic study of the region which will form the basis of my case study in the chapters to follow:

The ultimate problem with the focus on locality, whether in theories about politics, or in the formation of urban policy, stems from the tendency to bypass or ignore the harder questions of structural inequality. Local projects do not by themselves generate any direct challenge to the roots of that inequality, especially if it is not acknowledged that justice for Elizabeth has to mean less ‘justice’ for more affluent areas. For Elizabeth to win, they have to agree to lose.

The search for a ‘New Institutional Fix’ through glocalisation, has resulted in local regulatory systems including local governments being conferred ‘*responsibility without power*’ where responsibilities are handed down from the level of the nation state to localities who have little in the way of political-economic power in the context of globalising accumulation and global deregulation [their italics] (Peck & Tickell 1994: 311). Furthermore, (as has been the case in Australia), the new responsibilities conferred on local and regional government structures are often not met with an equal increase in funding or influence (Dollery, Crase & Johnson 2006). Conversely, supra-national regulatory systems have inherited ‘*power without responsibility* [their italics]’, as ‘remaining welded to a neo-liberal agenda, they continue to fuel global economic instability with apparent disregard for its damaging effects on national and local economies and its pernicious ecological and social consequences’ (Peck & Tickell 1994: 311). In this situation, strategies of local boosterism constitute an innovative yet unstable institutional fix. As Broomhill (1999: 120-121) argues:

In practice, the local state is even more vulnerable to pressures from national and global capital to restructure its activities and to redirect them to serving the economic needs of capital rather than the social and welfare needs of the community. Consequently, the real story is not that the nation-state is losing power to the local state but rather that, to some extent, the nation-state and, even more profoundly, the local state, are both losing power to a restructured but increasingly centralised and globally mobile capital.

I am inclined to agree with Peck and Tickell's (1994: 311) argument that the crisis of uneven development in *after*-Fordism is unlikely to be resolved through bottom-up approaches involving local competition. Resolution must instead be sought through action from above involving national and global coordination (ibid).

The new regionalism is not only centred around strategies of regional competition, local boosterism and urban entrepreneurialism, but also entails a reconfiguration of the ethno-politics of community, whereby the social in disadvantaged regions is redefined as local and assessed in terms of absence. As Amin (2005: 614) argues, the 'repackaging of the economy and society as a series of territorial entities' associated with the decline of the KNWS, has been accompanied by 'a similar repackaging of the "social" as the special feature of hard-pressed areas affected by high levels of unemployment and social stress or breakdown'. In the process, the 'social and the spatial have come to be folded together', with the social depicted as 'somehow lacking' in economically disadvantaged regions, as 'a regenerative tonic' and 'something that needs building up in them' (ibid). Amin (ibid) encapsulates this argument, stating 'if only people were more trusting, cohesive and socially engaged' (i.e. had more social capital), 'they would live longer, prosper, and put something back into the community'. Through the ethno-politics of social capital, 'the social has come to be redefined as community, localized, and thrown-back at hard-pressed areas as both cause and solution in the area of social, political and economic regeneration' (ibid: 612). While Amin documents how 'the social as local' is a core concept in the policies and documents of Blair's Social Exclusion Unit, he also notes its diffusion to various other government departments around the world (ibid: 615). The 'social as local' thesis asserts that social life in the areas of economic decline and social deprivation is 'dysfunctional and morally deficient, lacking in trust, civic sense, social attachment, altruism, energy, and drive' (ibid: 620). Accordingly:

hard-pressed localities are now visualized as malignant organisms that require their parts to be restored and linked up through the tonic of community cohesion, local trust, and active citizenship. Their future lies in their capacity for self-regeneration (ibid).

The ethno-politics of regional development is associated with ‘a strong morality of blame and praise’ as the social symptoms of decline and deprivation become the subject of moral commentary, and through this commentary, are thrown back as the causes of decline and deprivation (ibid). In an essay on ‘Social Capital in British Politics and Policy Making’, Stephen Baron (2004: 15) effectively highlights the dangers associated with the social capital approach to regional development couched in the rhetoric of the ethno-politics of community:

social capital is based on the implicit claim by government to be the moral voice of a unitary community which has the right and the capacity to define good, decent and bad forms of spontaneous social life. In part this reproduces the thirty year old policy discourse of deeming people, in structurally impoverished areas as being socially, culturally and psychologically pathological. In part this represents the extension of this thirty year old discourse further into the realms of personal life and spontaneous social networks, opening these up for more intrusive surveillance and intervention through new ‘soft’ policing methods...These tendencies are, I suggest, sufficient to speak of the emergence of a ‘new authoritarianism’ similar to that heralded by the ‘mugging’ moral panic of the early 1970’s.

This ‘confused but effective babble of community’, encouraging a ‘new social morality’ and ‘pathology of local decline and renewal’, is backed up by a new science of measures and metrics which reinforce these ideas of ‘spatial organization and worth’, ‘gradually naturalizing the idea that community spirit of a certain kind is essential for local regeneration’ (Amin 2005: 620). In place of talk about the causes and consequences of uneven development, lack of job opportunities, rights and entitlements, state obligations, sustained investment in local infrastructure, and other drivers of well-being, developed

regions instead receive, a plethora of surveys and studies measuring indices of democratic participation, civic engagement, community capacity, and social capital. Detailed audits of social life and social capital create measures of participation in politics, work, family and social life including local and national associations, elections, organized leisure pursuits, and so on, 'with the results thrown back to the hard-pressed communities as evidence of lack and degeneracy' (ibid). As Amin (ibid) argues, the dangers are that as 'spatially finetuned measures' of concepts like social capital start to appear regularly in national and international statistics (as is already occurring in the offices of the World Bank, the UK Office for National Statistics and in various Australian Bureau of Statistics surveys and reports), 'other policy perspectives on local regeneration will find it increasingly difficult to make their case'. Furthermore, there is a danger that 'the deservingness of places for government regeneration initiatives', along with 'their worth in a market for investment and attention that increasingly depends on quantitative rankings', will come to be determined by the results of surveys and reports measuring 'community' through concepts like social capital (ibid).

This Third Way 'governmentality' of local regeneration based on local community empowerment, community cohesion, community participation and social capital as 'drivers of both economic regeneration and democratic renewal', hinges on a problematic conceptualisation of communities as spatially circumscribed' (ibid: 616-617). Indeed, the real paradox may be that in an era of economic globalisation, and the birth of the network society, where decisions made by the heads of multi-national corporations and supra-national policy bodies and development organisations have a dramatic impact on the future development of regions throughout the world, 'the local has been re-imagined as the cause, consequence and remedy of social and spatial inequality' (ibid: 614). As Amin (ibid: 619) argues, 'It seems odd that, at a time of increasing connections and flows between places

linked to diverse geographies of globalization which routinely affect all places albeit in different ways, we should think of some places as somehow spatially enclosed'. The argument that we are living in a post-capitalist society ignores the fact that global neoliberal economic restructuring, and strategies of local boosterism create a global economic environment entirely suited to the interests of capital, no longer constrained by loyalty to particular regions and nations, nor forced to adhere to the restrictions imposed upon them by governments. As Peel (1995: 160) contended over a decade ago:

The rise and fall of different places at different times will...continue to follow the experiments and decisions of major corporations...Indeed, one of the consequences of smaller government, and the reliance on market decisions in economic policy, is that private investors, speculators and corporate boards will increasingly deliver the final verdict on local fortunes.

The resurgence of interest in social capital as a remedy for inequality in regional development makes an implicit assumption that the root of these problems lies in the weakening of civil society rather than the form of contemporary capitalism and the impacts of neoliberal economic and state restructuring. However, as Foley and Edwards (1997: 557) argue, political systems 'are important determinants of both the character of civil society and of the uses to which whatever social capital exists might be put'. Alessandrini (2002: 111) agrees, pointing out that neoliberalism and economic restructuring have been 'identified by several theorists and commentators as a danger to society at large'. As Tarrow (1996: 396) argues, according to these perspectives the cause of economic stagnation in struggling regions is a 'lack of social capital'.

But if the absence of civic capacity is the by-product of politics, state-building and social structure then the causes of the malaise of development are more likely to be structural. Then policy-makers who attack the lack of social capital would be attacking the symptoms and not the causes of the problem.

3.4 Contextualising Social Capital: Social Capital in Australian

Regional Development

Despite, or perhaps due to, the numerous theoretical problems with the concept ‘social capital’, it remains extremely popular in the contemporary Australian policy environment. In recent years, it has come to play a starring role in Australian development policy. The importation of the term into Australian development contexts is evident in Australian Federal Government initiatives like the Community Networks Initiative and the Stronger Families and Communities Program, designed to foster the development of social capital in disadvantaged communities assumed to have deficits in this area (for more information see www.facs.gov.au). The term continues to appear in most of the development policies recommended by both Australian Labor and Liberal Governments and in recent years, has emerged in almost every Australian government plan (federal, state, and local) that makes reference to community (Genoff 1999; Commonwealth of Australia 2004; Government of South Australia 2004). The recent push to align local, state and federal strategic plans ensures the concept will be utilised by all tiers of government.

While the main advocate and theorist of social capital in Australian politics, Mark Latham (1996; 2000; 2003; Botsman & Latham 2001; Latham & Botsman 2001) resigned from his position as Labor Party and Federal Opposition Leader in 2005 due to ill health, the concept has champions on both sides of the political spectrum. The recently elected Prime Minister Kevin Rudd (2006a; 2006b; 2006c) and Deputy Prime Minister Julia Gillard (2007a; 2007b; 2007c) have both promoted social capital building, as a means of addressing the needs of disadvantaged communities, and as a key plank in the Federal Government’s Social Inclusion Initiative. Rudd (2008) recently announced that how to

‘build social capital’ within and between communities would comprise one of the key topics to be discussed in the Australia 2020 Summit.

While current Federal Opposition leader Brendon Nelson has been much quieter on the topic, former Prime Minister John Howard has described social capital as vital in ensuring that both international and local communities are able to ‘respond constructively to the challenges of change’ (Howard 1998). Former Federal Treasurer Peter Costello also delivered a number of speeches on the benefits of social capital building (Costello 2003a; 2003b; 2003c). Thus, it seems likely that social capital will play a role in Australian development discourse for some time to come. However, even if the concept of ‘social capital’ declines in popularity, the ideologies and policies in which it is embedded in the context of regional development are likely to remain unchanged, and the concept replaced with other terms like ‘community capacity building’, ‘assets-based welfare’, and ‘social cohesion’.

Current debates about social capital in regional development take place within the context of social and economic uncertainty arising from the opening up of the Australian economy to global markets over the last few decades. Neo-liberal policy came to dominate Australian policy making in the 1980s in response to the perceived, ‘crisis of the welfare state’ and the changing nature of the economy and its hold over the nation’s capital has not since been relinquished (for an account of how economic rationalism took hold of Canberra see (Pusey 1991)). The deregulation of the Australian economy was kick-started in the 1980s and 1990s by the Hawke/Keating Labor Governments and was extended full-throttle by the previous Howard Liberal/National Coalition Government. Over the last two decades, tariffs on imports of imported goods (including automobiles) have been cut, government owned industries have been privatised, the financial services and labour market have become increasingly deregulated and the Australian government is in the

process of ratifying a number of multi-lateral and bi-lateral Free Trade Agreements, including the recently ratified Free Trade Agreement with the USA, similar to the North American Free Trade Agreement (NAFTA) (Wilson 2006: 336). Australia was drawn into the neo-liberal project in conscious pursuit of the enhanced competitive advantage commended to nations by Michael Porter (1990), as the 80s and 90s saw both sides of politics dominated by the belief that neo-liberal policies ‘represented the only workable response to the forces of “globalisation”’ (Badcock 1997: 252).

The social capital debate was first introduced to Australia by Eva Cox (1995) in her Boyer Lectures *A Truly Civil Society* which were broadcast on the Australian Broadcasting Commission’s (ABC) public radio station. Cox (ibid: 6) saw social capital as a means of reintroducing the social into a political environment dominated by a culture of neoliberalism, arguing that ‘The makers of the current political agendas focus on markets which exclude the social...We miss the social in pursuit of the economic’. Following Cox’s lecture, social capital was enthusiastically taken up in a number of publications by Mark Latham (1996; 2000; 2003; Botsman & Latham 2001; Latham & Botsman 2001), which were followed by the publication of an in-depth report on *Social Capital and Public Policy in Australia* (Winter [ed.] 2000). This publication generated significant interest in the concept which was taken up in successive reports by the ABS (2000a; 2000b; 2002a’ 2002b; 2004; 2006) along with a report by the Productivity Commission (2003) entitled *Social Capital: Reviewing the Concept and Its Policy Implications*. Australian policy reports contain little or no critical examination of the concept as reflected in their definitions of social capital. For example both the ABS (2004) and OECD (2001a; 2001b) reports contain, for the most part, an uncritical replication of the works of overseas scholars of social capital, consisting of a melding of the ‘rational’ and ‘civic’ strains and

promoting a 'Putnamesque' approach to the application of social capital in Australian regional development discourse (Lewandowski 2006; Preston 2005).

Social capital is now an unavoidable discursive feature of academic and political life in Australia. Debates around social capital overseas have included representatives on both sides of politics, including those who have rejected the concept as something which progressive forces should have nothing to do with (Harriss 2002; Fine 1999; 2001a; 2001b; 2002; 2003; 2005). In contrast, the dominant tendency in Australia has been to view social capital as a progressive force capable of challenging and undermining the tenets of neoliberalism (Cox 1995; 1996; 2000; 2002; Latham 1996; 2000; 2003; Botsman & Latham 2001; Latham & Botsman 2001; Leigh & Putnam 2002; Onyx 2000; 2005; Onyx & Bullen 1997; 2000; Winter [ed.] 2000; Stone, Gray & Hughes 2003). However, while Cox's (1995) lecture catapulted the concept to political prominence, with social capital becoming a common feature of the Australian political vocabulary, the concept is not necessarily utilised in a way which supports her initial aims.

The social capital approach to regional development in Australia takes place within the context of an importation of Third Way agendas from overseas. Australian advocates of the Third Way have used the concept to distance themselves both from extremist economic rationalists and leftist critiques of the free-market agenda (Latham 1996; 2000; Botsman & Latham 2001). While neo-liberal economic policy continues to dominate in Canberra, the contemporary federal Australian policy stance may be better summarised as neoconservative, as increasingly the propagation of neo-liberal economic policies is complemented by a focus on issues of morality and community. Jayasuriya, borrowing a term from Jeffrey Herf (1984), described the approach of the former Howard government as 'the new reactionary modernism', a new form of governance that seeks to depoliticise social and economic life. Jayasuriya (2003: 1) argues that the Howard government, and I

would add the current Rudd Labor Government, share a common political logic with Blair's New Labour, which consists of 'a strategic mix of enthusiastic commitment to the value and processes of economic liberalism with an equally assiduous propagation of illiberal policies that draw on reactionary and nostalgic understandings of community and culture'. This logic results from economic globalisation having undermined the ability of governments to deliver on significant elements of the social contract associated with the KNWS. Governments now seek to implement a new kind of 'security and identity bargain' to substitute for the insecurities and anxieties created by the erosion of the social contract (ibid: 3).

The integration of the 'civic strain' of social capital into Australian development discourse has assisted this shift from 'welfare' to 'workfare' (Lewandowski 2006; Jessop 2006). While social democratic elements may have seen social capital as an effective tool for arguing against Thatcher's claim that 'there is no such thing as society', social capital continues to function in the contemporary Australian policy environment in a way relatively compatible with elements of Thatcherism. One of the former Howard government's (1998) main strategies aimed at building Australia's social capital was through a focus on mutual obligation, as exemplified through programs like 'Work for the Dole', which fits nicely with Thatcher's (1987) assertion made in completion of the previous quote, 'There's no such thing as entitlement unless someone has first met an obligation'.

The current Rudd Labor government has a different take on social capital with the concept intricately tied to their social inclusion agenda (Rudd 2008). Rudd (2006a; 2006b; 2006c) has accused the former Howard government of damaging the nation's 'social capital' through economic reforms which have not considered the human costs. While it may be too early to make such claims, the Rudd administration seems intent on maintaining a

commitment to neoliberal economic policy along with the neoconservative approach of the Howard government, albeit accompanied by a strong rhetoric of social justice (Donnelly 2007). The continuation of this neoconservative approach can be seen in Rudd's support of the Howard government's intervention in the Northern Territory (Smith 2007). In this context, terms such as 'social capital' and 'social inclusion' simply mean the 'inculcation of certain standards of responsible social conduct', and a passing off of moral responsibility from the state to the disadvantaged (Jayasuriya 2003: 3).

The 'civic strain' of social capital has been incorporated into Australian regional development discourse in accordance with the process described by Rose (1999) as the 'ethnopolitics' of community, or 'governance through community' (Smith & Kulynych 2002). As Mowbray (2004) argues, while the term 'community' has proliferated in the names of state agencies and their programs since the 1970s, a new range of 'programmatic labels' reflects a recent 'faddish' resurgence of government interest in the concept. This is evident in a number of public programs and policy designs in recent years including social capital, community capacity building, government-community partnerships, community and neighbourhood renewal, place management, and so on. All Australian state and territory governments currently have communitarian programs featuring these concepts, operated by departments with terms like community development or community services in their titles, as well as other public agencies (ibid: 107). A plethora of administrative reorganisations have produced government departments of community including the Strengthening Communities Unit in the NSW Premier's Department along with a number of state government community departments in Victoria, Queensland and Western Australia (Gleeson 2004: 316). This drive has been complemented by the development of a number of area-based initiatives functioning as 'social triage units, allocating emergency aid to stressed and damaged communities' including Queensland's Community Renewal

Program, State and local government Place Management programs in NSW and the former Office of the North in South Australia, which was a collaboration between state and local governments (ibid). As Gleeson (ibid) argues, 'Australian governments have sensed the new communal yearning and have instated it as a high order policy value.'

Mowbray (2004: 114) identifies several key features which are likely to be replicated in all these schemes. He argues firstly that these schemes tend to rely on the ideological allure of 'community' and other terms with similar positive appeal, such as 'social capital' and 'social entrepreneur'. Secondly, these schemes emphasise social transformation, especially of the welfare state, rather than transformation of the mainstream economy. Thirdly, these schemes are based on a small number of ideas centred on the concept of community building and the retrieval of a community lost. Official speculations are expressed in very general, hopeful, populist terms with little attention paid to the evaluation of practical outcomes. Fourth, they rely on inexpensive community-based services rather than those provided by the state, with little attention paid to criticisms of communitarian schemes reliant on voluntary labour, particularly that of women. Fifth, they are characterised by a lack of inclusion of community advocacy or other activities antagonistic to either government or business. Finally, they assume that business is naturally benign, ignoring the tendency of business to mobilise against programs or enterprises that might be seen to threaten profit margins or other interests (ibid).

Accordingly, the development of policies and programs aimed at addressing inequalities in Australian regional economic development through community programs and the building of social capital has been contested by critical studies. For example, a study of regional communities in New South Wales found that 'social capital' was indeed a key factor in the ability of the communities they studied to cope with social problems (Hase, Phelps & Saenger 2004). They found that 'social capital' in the form of 'extended family networks'

and strong community ties enabled social problems to be addressed through innovative and imaginative projects, especially where those communities had a poor economic base and highly visible social disadvantage. However, despite these efforts, the underlying causes of these problems and the general level of disadvantage in the community did not disappear. The researchers concluded that, particularly in relation to Australian regional development, rather than blaming regions for a supposed deficit in 'social capital', policy makers and social scientists would be wise to consider that 'the real problem underpinning social disadvantage lies in the culture of neo-liberalism that colors the political, economic, and social landscape' (ibid: 4).

Social capital has been integrated into Australian regional economic development policy in an environment dominated by the discourse of the knowledge economy. The Rudd government has embraced the Howard government's commitment to creating a more innovative and entrepreneurial Australia in order to maintain competitiveness in the global knowledge economy (Donnelly 2007). Despite the emergence of a number of critics who would question the validity of the application of the knowledge economy concept to Australia's contemporary economic reality (eg. Fleming, Harley & Sewell 2004; Gibson & Klocker 2005), a commitment to the knowledge economy has become a principal organising metaphor for economic strategies in Australia, with the discourse of the knowledge economy being adopted by local, regional, state and federal governments (Genoff 1999; Genoff & Sheather 2003; Government of South Australia 2004; National Economics 2001; 2003; Vaile 2000). For example, one of the key objectives of the South Australian State Strategic Plan is to achieve a ranking in the top three regions of Australia in Richard Florida's Creativity Index within 10 years (Government of South Australia 2004). The commitment to the knowledge economy as a key objective for local and regional governments was enshrined in the *State of the Regions* reports for 2001-2002 and

2002-2003 produced by National Economics (2001b; 2003) in collaboration with the Local Government Association, focusing respectively on the creation of learning regions and regional economic governance in the knowledge economy.

Accordingly, social capital has also been integrated into Australian regional development in accordance with the new regionalism associated with the ‘hollowing/spidering out’ of the state in the shift from a KNWS to a SPNR. The networked partnerships based approaches to government is justified according to the logic that it increases the responsiveness of government to local citizens and builds on local networks of information thus enhancing ‘social capital’ (Latham 1996; Latham & Botsman 2001; Considine 2004; 2005; Considine & Hart 2006). In *Localising Agenda 21: A Guide to Sustainable Development for the APEC Region*, the building of partnerships and the creation of local planning documents are cited as the key ingredients to driving the process of sustainable regional development (Commonwealth of Australia 2000). In 1997 Australia’s national LA21 program was established as the Asia Pacific Economic Cooperation (APEC) Ministers for Sustainable Development set an APEC-wide target to double the number of local councils involved in LA21 by 2003 (Commonwealth of Australia 2007). The networked partnerships-based approach to regional development is evident in the Australian Commonwealth Government’s Sustainable Regions Programme (Commonwealth of Australia 2004). The programme takes a partnership approach to regional development, encouraging the withdrawal of the nation-state from former areas of responsibility and fostering ‘the development of self-reliant regions’ (Commonwealth of Australia 2001: 6).

However, the result of this process in Australia, as elsewhere, has been the creation of a far harsher economic policy environment in which national, state and local governments are under extreme pressures to redefine their approach and role (Broomhill 1999: 110). State,

local and regional governments have increasingly been expected to assume responsibility for economic management and adopt more 'entrepreneurial' strategies in response to 'the demand by capital for local economies to be more competitive in the new world economic order' (Worthington & Dollery 2000; Jessop 1994: 272). Some have argued that the transferral of additional responsibility to smaller sectors of government without a corresponding increase in power or funding, has created a 'crisis of local government' in Australia (Worthington & Dollery 2000). This situation has created a climate of competition, often described within mainstream economic discourse in Australia as 'competitive federalism' (Broomhill 1999: 111). Despite the Rudd government's (2005) current hyping of a new era of 'cooperative federalism', there is every indication that Australian regional development will continue to be characterised by a climate of competitive federalism under the new arrangements (Metherell 2007). While the federal government seems set on increasing its control over areas of state and regional responsibility, the states and regions will remain charged with responsibility for the delivery of an ever expanding range of services, and forced to bid against one another for federal government funding (Keating et al. 2007; Allsop 2008).

These political arrangements, along with the flexibility and mobility of capital under the current phase of neoliberal restructuring, have resulted in the promotion of local and regional strategies of 'urban entrepreneurialism' or 'urban managerialism'. As Broomhill (1999: 111) argues, over the last ten to fifteen years there has been a shift in the approach taken by local, regional and state governments in Australia 'towards what might be termed a more entrepreneurial state role'. In Australia, as in other countries, these strategies often result in an energetic, frantic and confused 'hotchpotch of policy approaches', culminating in desperate bids to make 'a particular local economy stand out in the crowd of competing regions', producing 'a great deal of hype but little of substance' (ibid). However, overseas

experience suggests that strategies of 'local boosterism', which rely on the devolution of responsibility for economic development, simply make for 'more intense competition between local governments, along with greater reliance on the experiments of corporations and the skills of local elites in luring them' (Peel 1995a: 221). This climate of competition promotes bidding wars for available investments between state, local and regional governments and work-forces often resulting in the adoption of 'beggar-thy-neighbour policies' (Broomhill 1999: 111). As small local enterprises are unlikely to offer the economic stability the region needs, competition for mobile capital is often the only 'real option' (Peel 1995: 221). In this environment, 'Councils must become skilled opportunists and self promoters, trying to provide what local firms want, while bargaining with state and federal governments for attention and funding' (ibid).

Accordingly, different regions around Australia have begun competing to brand themselves as the 'new knowledge region' and attract 'knowledge workers' or members of the 'creative class', in the hope of increasing economic performance and attracting investment. In recent years, academic works celebrating the importance of the knowledge worker as a driver of economic growth have inspired the generation of a plethora of policy papers, reports, recommendations, urban design and community development strategies aimed at meeting the needs and desires of this privileged class (ABS 2002; Allen Consulting Group 2002; Baum et al. 2007). For example, the *State of the Regions 2002-2003* report applies Florida's 'creativity index' to Australian regions in order to 'assist local governments in developing economic planning guidelines' (National Economics 2003; Gibson & Klocker 2005). Another report entitled *The Role of Community and Lifestyle in the Making of a Knowledge City*, goes even further, recommending the restructuring of entire communities and lifestyles to meet the needs of the knowledge worker in the name of encouraging economic growth (Baum et al. 2007). The report

‘presents a picture of this new mass social class and anticipates its needs and desires in policy proposals’ (Baum et al. 2007).

The implications of the social capital approach to regional development in terms of inequality will be explored in greater detail in the case study to come. For now, suffice it to say that just as only a few regions will be able to compete in the global knowledge economy and successfully brand themselves as the new knowledge region, only a small percentage of the workforce will be able to secure careers as knowledge workers (Heyman 2007). There is a danger that social capital succeeds on the one hand, in encouraging this divisive approach to regional development through its contributions to industrial clustering and regional economic development theory, and on the other, in shifting responsibility onto those people and regions who are unable to compete (supposedly due to their ‘lack of social capital’) through its contributions to the ‘ethno-politics’ of community (Rose 1999).

3.5 Conclusion

In this chapter I described the process by which social capital became integrated with the discourses of regional development in Australia, concluding that the popularity of social capital is due more to the concept’s discursive fit with the political and economic environment in which it was spawned than its ability to address issues of inequality in regional development. I argued that the popularity of social capital in Australian regional economic development discourse results from its compatibility with key economic and political trends which have emerged in recent decades. These include: the rise of the neoliberal project of economic globalisation; the transition from an industrial Fordist economy to a Post-Fordist information economy, knowledge economy or ‘new economy’; the failure of neoliberal policies and the perceived crisis of the KNWS in the face of

economic globalisation; the rise of the Third Way; and the shift from a KNWS to a SPNR (Jessop 2002).

I argued that the integration of the ‘civic strain’ of social capital (Lewandowski 2006) into Third Way discourse has assisted in encouraging the shift from the primacy of the state in compensating for market failures in a mixed economy to an emphasis on networked partnerships-based economic, political and social governance arrangements. The discourse of the Third Way has encouraged the shift from a welfarist to a workfarist mode of reproduction of labour power and the broader population, through the ‘ethno-politics of community’ (Rose 1999). The integration of the ‘rational’ strain of social capital (Lewandowski 2006) into the discourse of the ‘knowledge economy’ has assisted in the promotion of the shift from Keynesian to Schumpeterian aims and modes of intervention, with an emphasis on entrepreneurial modes of government in the face of global competition. The discourse of the ‘knowledge economy’ has encouraged a new regionalism, fostering the promotion of new strategies of ‘urban entrepreneurialism’ informed by the social capital approach to regional economic development.

Thus I argue that in the contemporary Australian policy environment, social capital functions as a form of ‘anti-politics’, which is used to transfer responsibility for issues of social and economic management from the state to the residents and governing bodies of disadvantaged regions (Ferguson 1990; Rose 1999; Lewandowski 2006). While the ‘rational strain’ of social capital encourages an approach to regional development which is likely to exacerbate inequalities both within and between regions, the ‘civic strain’ assists in the transferral of responsibility for issues of economic management from the state to the residents and governing bodies of disadvantaged regions, while the excision of the ‘Marxist strain’ (Lewandowski 2006) detracts from the identification of these inequalities as a product of the contemporary phase of capitalist restructuring.

4. STUDYING SOCIAL CAPITAL: TOWARDS AN ANTHROPOLOGICAL POLITICAL ECONOMY

4.1 Introduction

In this chapter I outline the research project, research environment, methods and methodology for the thesis. A detailed analysis of the research site and justification for the case study is provided in the following chapter. The research site for this dissertation is the City of Playford, a council district located to the north of the South Australian state capital, Adelaide. My approach to the case study is an exercise in methodological triangulation. Firstly, my research involves the utilisation of data from an ARC Linkage project in the City of Playford, which is compared with the results of previous and simultaneous projects on social capital occurring in the study region. Accordingly, I begin by providing a description of the ARC project which forms the basis of my case study in the City of Playford. The various methods involved in the data gathering process for the ARC project included surveys, interviews, focus groups and participant observation. Secondly, my research includes an ethnographic component, involving the analysis of the results of eighteen months of fieldwork in the region and the documentary analysis of various anthropological materials, including policy documents, newspaper coverage and literature on social capital. Thirdly, these methods were situated within an overarching anthropological political economy approach to the study of social capital in Australian regional development, through which I hoped to restore a focus on issues of class, power and structural inequality which I have argued have been neglected in social capital research since the excision of the 'Marxist strain' (Lewandowski 2006).

4.2 The ARC and Me: Situating the ARC Project within the Thesis

The research for this thesis took place within the context of an Australian Research Council (ARC) Linkage project in partnership with the Australian Institute for Social Research (AISR) at the University of Adelaide and the City of Playford Council. My candidature was funded by a scholarship through the Australian Post-graduate Award Industry (APAI) Linkage Scheme which involves partial funding from a Linkage Partner who in this case was, then Chief Industrial Strategist at the City of Playford Council, Rodin Genoff. The University of Adelaide research team was led by the AISR Executive Director Associate Professor John Spoehr and comprised myself, and research associate Dr. Lou Wilson. The ARC project aimed to explore the relationship between social capital, social inclusion and economic development in one of the most socio-economically disadvantaged regions in Australia, the South Australian Council District of the City of Playford, located to the north of the state capital, Adelaide (Spoehr, Chiveralls & Wilson 2007).

As part of the project, I was involved in the development of a model for measuring the relationships between social capital, social inclusion and industrial cluster development, to inform and be utilised by Australian regional planners, economists and social policy experts (*ibid*). The project sought to build a model for mapping social capital and economic development in Australian regions, which would allow the researchers to address dimensions of social capital that were underdeveloped in the literature (*ibid*). This project is itself evidence of the growing interest in policy and academic circles of the link between social capital and economic development. As one of our earlier project reports stated:

At the local government level the City of Playford seeks to better understand the stocks of social capital in the area and investigate the contribution, if any, that social capital makes to the alleviation of social exclusion and ways in which it may strengthen community capacities. It also wishes to explore the role social capital plays in generating employment

and the establishment of collaborative industrial networks and clusters (Spoehr, Wilson & Chiveralls 2005: 1).

One of the difficulties with conducting research under research funding mechanisms like the ARC Linkage Scheme, is that researchers will increasingly be required to ‘produce information for educational and policy purposes alongside...other practitioners who have very concrete needs and applications in mind’ (Gibbons et al. 1994: 11). The production of knowledge that may be in part funded by project partners in policy vectors can lead, at least in some cases to partisan – that is partial knowledge. Directives by the project partner played a strong role in the formation of the project itself and its development throughout the research process, including the focus of the surveys, their structure and content (the project partner’s relationship with the City of Playford and the City of Playford’s approach to regional development through social capital are explored in detail in the following chapter). Under funding mechanisms like the ARC Linkage Scheme, research topics, research questions and methodologies may also be devised prior to doctoral students coming on board, as was the case with this project. As such, the construction of the surveys reflected dominant understandings of social capital. In some respects, this raised difficulties for my own research in that I was often required to utilise terminology and methods which I found questionable. For example, as I outlined in chapter one, there are a number of difficulties associated with measuring concepts like social capital, along with associated terminology like trust and civic engagement, the definitions of which are subject to variability and vigorous debate.

On the other hand, the project enabled me to test the claims of social capital theorists by participating in a fairly standard social capital survey project, in the context of a more detailed and critical study. Members of the research team continually attempted to maintain a critical approach to the study of social capital. One objective of the ARC project, and particularly of this thesis, was to critically explore the link between social

capital and economic development through a case study of the City of Playford. The data obtained through the ARC survey enabled us to explore these links by breaking down the responses to questions on social capital by socio-economic status and investigating differences in responses among different socio-economic groups in the region. The production of this thesis also provided me with freer reign to engage in a critical analysis of social capital as a concept, and its ability to address issues of inequality in Australian regional development, than was afforded to other project participants.

It also proved advantageous that I was able to make comparisons with the results of other projects which were run previously and simultaneously in the region. The ARC community survey was constructed at the same time as the Institute was developing another survey involving social capital themes for the Northern Adelaide Social Inclusion Survey (NASIS) (Spoehr et al. 2007). NASIS was designed to examine the relationship between social capital and social inclusion in the Northern Adelaide region and to test whether indicators of high social capital can co-exist with indicators of social exclusion in some disadvantaged communities (Wilson 2005; Spoehr et al. 2007). NASIS was carried out by the Australian Institute for Social Research at the University of Adelaide in partnership with the South Australian Department of Public Health, the Office for the North and the South Australian Government's Social Inclusion Unit. All three Institute members of the ARC project team sat on the reference groups for this project and assisted with the development of the survey's content and structure. As NASIS achieved a much higher response rate than the survey of the City of Playford, in some ways it has served as a more reliable source of data for the thesis than the ARC project (Spoehr et al. 2007).

About half way through the project I discovered another research project on social capital was being conducted in the region; the *People and Places: Urban Location, Social Capital and Health* project conducted by a number of researchers led by Fran Baum from Flinders

University (Baum et al. 2007). This project sought to compare levels of social capital in four different regions in Adelaide; Playford, Burnside, Prospect and Onkaparinga. The City of Playford had also previously been involved in the development of the *Playford Partnership Social Capital Surveys*, which provided me with another useful source of information on social capital in the region (Playford Partnership 2001a; 2001b; 2001c).

These studies served as an interesting point of contrast to the ARC project, the results of which are discussed in detail in the chapters to come. The differences in the results of these studies, which all purported to be measuring the same thing in the same region, demonstrate the difficulties associated with measuring a concept like social capital. The studies all had slightly different understandings of social capital and, as such, did not utilise the same research methods or ask exactly the same questions; a factor which is bound to account for some of the differences in results obtained. Nevertheless, there were enough similarities in the questions asked to make some of the data comparable. However, the differences in the results of these studies also demonstrate some of the difficulties associated with the kind of research methods utilised to gather data in these studies. Anthropologists have long criticised the more objectivist methods of questionnaires, formal interviews and focus groups, for their tendency to employ pre-determined hypothetical questions to procure context-less responses which may be highly variable on replication (see for example Rossman & Rallis 1998; LeCompte & Schensul 1999; Sandelowski 2002; Bernard 2005). As will be discussed in more detail in the following sections, I attempted to counter some of these tendencies by complementing the data obtained from these studies with data obtained through the ethnographic method.

The first objective of the ARC project was to develop a mail survey on social capital to be randomly distributed amongst residents in the region (Spoehr, Chiveralls & Wilson 2007). The survey questions were developed by the research team with reference to relevant

literature and through consultation with the project partner and reference group. The reference group consisted of the research team, key informants in the region and members of local council. Reference group meetings provided the team with useful information and advice on: how best to go about conducting surveys and focus groups in the region; how to word questions in the survey appropriately for survey respondents and maximise response rates; relevant questions and appropriate survey content.

The community survey instrument asked questions on perceptions of community; informal social capital including neighbourhood activities; formal social capital including membership in groups and organisations; civic engagement; and questions on television viewing and internet usage to test Putnam's propositions regarding the effects of media on social capital (ibid). We also included a demographic section to provide us with information on socio-economic status by which the data could be broken down for analysis at a later date. The demographics section included questions on the respondents' age, sex, suburb of residence and duration of residence in the region, country of birth, Aboriginal and/or Torres Strait Islander origin, main language spoken at home, highest level of educational qualification achieved, current occupation, employment status, labour force status, main source of average weekly earnings, approximate weekly earnings before tax and other deductions, and how respondents were managing financially (ibid).

The section on perceptions of community was primarily designed to provide information on the inclusiveness of social networks in the region. Respondents were asked: if they considered their community to be friendly towards newcomers; if they see themselves as part of their community; and the extent to which differences in wealth, social status, cultural background or age caused problems in their community (ibid).

The informal social capital section asked about whether respondents had given or received assistance from relatives, neighbours or friends with: odd jobs; the lending of household

items or equipment; shopping; care for a member of their family; lending or borrowing money; looking after their house or pet while they were away; helping them find a job; and mentoring in regard to career matters (ibid). Additional questions were included on the frequency of assistance, the background of the person who assisted them the most and whether that person lived in or near Playford (ibid). These questions were added to assist in addressing the bonding/bridging argument as well as exploring Bourdieu's (1984) conception of social capital as a means of producing and reproducing social status and hierarchy.

The community participation section was designed to draw out more formal forms of social capital. Questions were asked with regard to respondents' participation in: political parties; unions or professional associations; sports or recreational clubs; cultural groups; service clubs or fraternal organizations; religious affiliated groups; neighbourhood, civic or community groups; school or student groups; other groups (Spoehr, Chiveralls & Wilson 2007). Additional questions were included on the frequency with which respondents participated, the size of the networks respondents were part of and the background of network members (ibid). To assess whether respondents were engaged politically, the civic engagement section included questions on whether in the last twelve months respondents had: voted in local government elections; contacted MPs and Local Councillors about issues that concerned them; attended public meetings; wrote or emailed a newspaper or television news program; and/or consulted their neighbours on issues that concerned them (ibid).

The community mail survey was distributed to 1000 households in the City of Playford between May and June 2005. These households were randomly selected from a list provided by the market research company Impact Lists, which claims a ninety seven percent coverage of households in the Playford area (Spoehr, Wilson & Chiveralls 2005).

All selected households were sent a copy of the survey instrument along with an accompanying cover letter which, under advice from Council reference group members, was designed to emphasise the connection of the survey with the University as opposed to the Council in hope of reducing scepticism on behalf of participants who may have negative feelings towards their local council (Spoehr, Chiveralls & Wilson 2007). The mail survey was designed using Dillman's Tailored Design Method to explore the relationships between social capital, social inclusion and economic development in the region (Dillman 2000). Dillman describes the Tailored Design Method as 'the development of survey procedures that create respondent trust and perceptions of increased rewards and reduced costs for being a respondent, which take into account features of the survey situation and have as their goal the overall reduction of survey error' (ibid: 27). According to this method, mail surveys require four follow-up mailings per survey in order to achieve the optimum response rate (Dillman 2000). Accordingly, four follow-up letters were sent to non-responding households at fortnightly intervals, which resulted in a response rate of 29% with the collection of 296 responses. The survey results were gathered and analysed using the Statistics Package for the Social Sciences (SPSS) and Geographic Information Systems (GIS) technology. Open ended responses to the surveys were saved in Excel and raw data was imported into SPSS for analysis (Spoehr, Wilson & Chiveralls 2005).

The ARC project's community survey was complemented by a series of focus groups, consisting of selected respondents who indicated in the survey they would like to participate in the focus groups, which we conducted in the City of Playford Civic Centre (Spoehr, Chiveralls & Wilson 2007: 53-54). The social capital focus groups were designed to bring out differences in the types and functions of social capital between different socio-economic groups in the region. Accordingly the two groups were recruited from survey participants in the low income and middle to high income groups respectively.

Unfortunately we were not able to recruit a large number of participants for these focus groups from the Playford survey, so we supplemented the sample by recruiting participants from the NASIS. Though we had aimed for a balance of age, gender and ethnicity which was representative of that in the wider community, the difficulties we experienced in recruiting participants meant this would not be possible. Unfortunately this meant that a number of different groups were not represented in our sample, most notably young people. While we received a better response from the high-income group, they were unfortunately all male, an occurrence which cannot be solely explained by the gendered distribution of income in the region.

In order to overcome some of these limitations, I drew on the data I obtained while note-taking for the NASIS focus groups on social capital. The focus groups for NASIS were broken up into three groups which were also designed to bring out differences in the types and functions of social capital between different socio-economic groups in the region, though in the case of NASIS the region included the council districts of Gawler and Salisbury as well as the City of Playford (Spoehr et al. 2007). The first group was recruited from those participants who had identified themselves in the survey as having faced barriers to participation in the community. The second group was recruited from survey participants in the middle-high income range. The third focus group was recruited from survey participants who were classified as receiving a low income (defined as less than five hundred dollars per week) (ibid).

The community survey of social capital in Playford was complemented by a business/industry survey to provide us with data on social capital and industrial clustering in the region (Spoehr, Chiveralls & Wilson 2007). At first it was decided that the project would focus on the role of social capital in contributing to industrial clustering through a case study of the manufacturing industry in the City of Playford. However, we soon

established that the City of Playford was not a large enough geographical area in which to capture the dimensions of industrial clustering in the region. We thus determined that expanding the sample area to encompass the entire Northern Adelaide region would provide us with more adequate data. The research team attempted to assemble a list of businesses through a number of different means, including random selection of manufacturing companies in the publicly listed Yellow Pages and White Pages, procuring a sample of businesses in the region from Impact Lists and obtaining a list of business from the Northern Adelaide Business Enterprise Centre (BEC). Unfortunately however, these methods all proved inadequate as they were either not comprehensive enough for our purposes, or failed to specify the nature and type of businesses on the list. In the end we were provided with access to a contact list of manufacturing companies in the Northern Adelaide region maintained by the Advanced Manufacturing Design Centre (AMDC) as a result of the project partner's involvement with industry in the region. The Centre is an information and software sharing initiative funded by the Australian Government and the City of Playford in support of South Australia's manufacturing industry, via the Playford/Salisbury Sustainable Regions program.

A convenience sample (a sample consisting of those participants who were easiest to reach rather than representative of the wider population) of the email addresses of 133 skilled engineers working in manufacturing firms located in the Northern Adelaide industrial cluster was drawn from a database maintained by the AMDC (ibid). An online survey of skilled engineers working in the automotive manufacturing industry in the Northern Adelaide region was held in March 2006 (ibid). The engineers were invited by email to participate in the online survey of social capital in industry settings in Northern Adelaide. Data from submitted forms was entered electronically into an Access database linked to the survey instrument. Following methods outlined by Dillman (2000) four follow up emails

were sent out to remind recipients to participate. This process elicited 43 responses, or a response rate of 32 percent (Spoehr, Chiveralls & Wilson 2007). We also attempted to conduct a focus group with the highly-skilled workers and engineers recruited through the industry surveys, however only two of the ten participants who had agreed to make it to the focus turned up, due to pressing work commitments and last-minute overseas travel.

The industry survey sought to test the claims of key theorists working on the relationship between social capital and industrial cluster development by exploring patterns of civic engagement and both formal and informal social interaction and its influence on knowledge sharing and the development of industry clusters in the region (Spoehr, Chiveralls & Wilson 2007). The industry survey questions were designed to address three propositions: skilled engineers working in allied manufacturing industries in the Northern Adelaide region would have informal contacts among themselves; contacts would live and meet in reasonable proximity to each other; general knowledge would be shared through informal contacts but high value technical knowledge would not be shared (ibid). The industry survey instrument asked questions on: demographics; informal meetings among respondents; how informal contacts were made; whether technical or general knowledge was traded at informal meetings; the value of the knowledge traded; trust in colleagues to use the information traded responsibly; where colleagues met; and the location of the respondents' place of residence (ibid). Questions were also asked on the frequency of informal social meetings with colleagues and where these meetings took place (ibid).

As outlined in the previous chapter, social capital's academic and political appeal makes the concept highly compatible with a research environment in which cross-disciplinary research is increasingly being encouraged through a variety of funding mechanisms like the ARC Linkage Scheme. Its capacity to function as a kind of shared language which transcends disciplinary divides and institutional structures makes social capital an ideal

topic for research projects like this one, involving partnerships with outside institutions. However, it is this very same property which makes social capital so problematic, as the project of rendering knowledge transferable across disciplines and sectors, inevitably means that there will be a large proportion of knowledge lost in translation. This tendency makes the development of an alternative approach to the study of social capital all the more vital, in order to combat the tendency of social capital studies to deny ‘the complexity of social life’ by ‘collapsing whole disciplines of social theory into a single variable’ (Woolcock cited in Fine 2001b: 167). This approach will be discussed in the sections below.

4.3 The Anthropological Attitude: An Antidote to Social Capital?

In addition to the data from the ARC project, my research involved an ethnographic component, comprising the analysis of the results of fifteen months of fieldwork in the region along with the documentary analysis of various anthropological materials, including policy documents, newspaper coverage and literature on social capital. The need to complement the survey results with some form of qualitative research was emphasised by all involved in the research project and indeed by almost every participant in the project as well. Participants continually informed me throughout my fieldwork that the region had been ‘surveyed’ or ‘studied to death’. That there were three projects simultaneously conducting audits of social capital in the region while our research was taking place appeared to confirm this. The ongoing nature of this phenomenon is demonstrated by the fact that similar trends were highlighted by Peel in his ethnographic work on the region from over ten years ago (Peel 1995a: 2). That the ethnographic approach might also be preferred by many research subjects was suggested during my attendance at the City of

Playford Strategic Planning forums. When the issue of methodology was raised in relation to the gathering of data to inform the council's planning process, one participant forcefully responded, 'No more surveys!' After being asked how the Council could then be expected to gather the necessary data, the participant responded by stating that the research methodology should be, 'qualitative rather than quantitative', involving the informal gathering of information through processes like participant observation, which were perceived as less invasive for participants. An anthropological approach also seemed likely to enable a restoration of issues of context, historicity, depth and complexity lost in many social capital studies.

While for financial and practical reasons I was unable to conform to the anthropological ideal of living in the study region, I am inclined to agree with the statement that ethnographers increasingly need to accept the idea that 'the ideal is rarely attainable...Instead we must accept a standard that, in the circumstances, is "good enough"' (Mars & Mars 2006: 76). While anthropological fieldwork was previously characterised by lengthy stays in far-off locations, recent years have seen anthropological debates emerge over shorter stays in multiple field sites, as well as a shift towards 'anthropology at home' (Jackson 1987; Marcus 1995; Ginkel 1998; Morton 1999). Fieldwork functions as a mechanism for challenging the taken-for-granted assumptions of both the researcher and the researched and the main purpose of fieldwork is to challenge 'ingrained or taken-for-granted assumptions regarding one's own and others practices in fixed realities' (Kapferer 2000: 189). In the practice of fieldwork, the body of the anthropologist becomes a scientific instrument and the reflexive deconstruction of the anthropologist's own assumptions and perceptions is how knowledge is gained. This employment of human reflexive consciousness and the recognition of the need to acknowledge one's own socio-cultural perceptions may be seen to operate in contrast with,

and in opposition to, the primacy awarded to objectivity in most other scientific (or scientific) practice. Thus, Kapferer (2007) argues, even if the nature of fieldwork has changed, its central function in anthropological thought remains the same, the cultivation of the ‘anthropological attitude’.

Kapferer (2000: 182; 177) defines the anthropological attitude as ‘an attitude which may break the structures of an often historically and culturally confined “commonsense”’, referring to the discipline’s ‘anti-hegemonic challenge’, and ‘capacity to question conceptions and theories spawned in dominant centres’. Kapferer (2007) points out that while academics like Giddens (1996) have trivialised anthropology due to the emergence of ethnography as a technique in other disciplines, it is the anthropological attitude which distinguishes the practice of fieldwork in anthropology, from the way in which it may be conducted in other disciplines. As Kapferer (2000: 189) argues, ‘It is conceivable that such an attitude can be achieved without fieldwork and there is no reason why fieldwork ‘at home’ should not be as ontologically challenging’. Thus, there is no necessary link between in-depth understanding of an anthropological kind and duration of stay since in-depth ethnography is not determined by the length of the fieldwork but by the extent of critical engagement with ethnographic material (ibid: 190).

There were three main fieldwork ‘sites’ which together constitute the body of my ethnographic work. The first was the project itself. The meetings which took place as part of the ARC project itself proved valuable sources of information in terms of the way in which research on social capital is conducted in the contemporary academic environment. The interactions which took place both informally; through telephone conversations, email exchanges and smaller meetings between the researchers and project partners; and more formally through the reference groups devised for the projects to which I contributed;

provide valuable information as to how the cross-disciplinary research process works and how partnerships with outside bodies can influence research design.

Secondly, I was able to engage in participant observation with both local and state government bodies as part of the research process. The timing of the fieldwork was opportune because during the research period a number of key policy developments were occurring. At the beginning of the research period the City of Playford was in the process of developing their Strategic Plan. The research was also timed to coincide with the development of the state government's South Australian Strategic Plan (SASP) and these planning processes would form a key component of my research. From the early stages of my fieldwork, I was granted access to the workings of local government in the region. The first major participant observation I conducted in the region was attendance at the forums for the development of the City of Playford Plan. I was also able to attend the Community Well-Being focus groups and given access to the data from a number of other surveys and projects being run by the council in the region at the time. Participant observation was carried out within state government by attending community forums which were held as part of a strategy to increase community engagement with the SASP. Another interesting group from which I was able to gain insight into state government approaches to regional development was the Social Capital Community of Interest run by the South Australian State Government Department of Premier and Cabinet, which yielded some valuable material in terms of the way public servants are responding to government calls to 'build social capital'. However, as will become clear in the chapters to come, ethnographic data relating to the role of social capital in regional development policy was not obtained solely through participant observation but also through extensive documentary analysis of policy documents and media sources.

The third source of ethnographic data was obtained through participant observation which took place in the City of Playford. I spent the first few months of my research candidature driving around the region and familiarising myself with the area, exploring local sites and amenities, shopping at the local shopping mall, which was undergoing major redevelopment, and attending various community activities that were open to the public. As I grew more familiar with the events and community organisations that were operating in the region I began to attend the meetings of those community organisations who would have me and which I thought would provide an appropriate setting for exploring the subject matter of the project. These included the Peachey Resident Association, the Peachey Farmer's Market and Peachey Proud (among others), but most of all a group that would come to be known as Playford Proud. The group, which was developed with the support of all levels of government with an initial aim of helping to increase social capital in the region (which would later be referred to as community capacity building), would evolve and eventually dissolve during the course of the research. I was a member and attendee of the Playford Proud Network for almost two years. The group met once a month in the rooms of the new Playford Civic Centre, which proved almost as controversial as it was well-equipped. This data is complemented by the qualitative data obtained through the project's focus groups, along with a number of informal interviews with participants in various community groups, events and forums.

This research provided me with valuable insights into the history, sensibilities and lived experiences of many residents in the region, which could not have been obtained through other means. It is important to note however that despite its 'backseat role', this research has informed the arguments made throughout this thesis. As Kapferer (2007) argues, anthropologists do not view ethnography as mere data but enter into a critical relation with the scenes in which they enter. While much of the material from my fieldwork could not be

directly included in the thesis, it has certainly helped me to cultivate an ‘anthropological attitude’ and enter into a ‘critical relation’ with the research matter (ibid). I also hope that the addition of an ethnographic approach to the research methods informing this thesis has helped to provide a more accurate account of the potential impacts of the social capital approach to regional development for residents in the region and has contributed to countering some of the concerns raised by residents about being ‘surveyed to death’ by people who have had little involvement with the region itself.

4.4 An Anthropological Political Economy: Restoring Class in Regional Development Discourse

The above methods were situated within an overarching anthropological political economy approach to the study of social capital in Australian regional development. My decision to adopt such a methodology was motivated by a desire to restore a focus on issues of power, class and inequality to the development dialogue which have been neglected in social capital theory since the excision of the ‘Marxist strain’ (Lewandowski 2006). An anthropological political economy approach to the study of social capital seemed well positioned to achieve this through its ability to restore a focus on wider issues of political economy, class and structural inequality. While the political economy component of this enables the re-politicisation of development through attention to the impact of social and economic policy in both mediating and contributing to the effects of inequality in regional development, the anthropological component allows an account of the impacts of, and responses to, the social capital approach to regional development as it is experienced in a given locale. Political economy offers a historical approach and regional focus, while the anthropological component addresses political economy’s tendency to be too materialist by

providing an account of the lived experiences of real people (Ortner 1984; Roseberry 1998).

This thesis represents an attempt at developing an effective cross disciplinary research methodology of triangulation which combines both qualitative and quantitative research methods, drawing from the disciplines of political economy, sociology and anthropology.

As Woolcock (2005) pointed out in his plenary presentation to the *Engaging Communities Conference*, while:

there will always be a need for an idea like social capital that can broadly encompass and quickly convey the core themes that we are concerned with...social capital the word, the idea, the concept can only bear so much...Social capital is not the only arrow in our quiver. We have a whole range of different tools built up over centuries for getting at these particular issues and we don't have to cast our lot entirely with one particular term...We have a whole tradition of scholarship, a whole series of much more precise terms and tools that we can and should deploy.

Woolcock (ibid) emphasises there is a 'need to incorporate history, context, power, politics and process and there is no way we should expect social capital to include all aspects of this story'. I argue that these issues can be addressed through an anthropological political economy approach to the study of social capital in regional development. As Australian social capital researcher Jenny Onyx (2005) commented at the Engaging Communities Conference, 'A political economy must be included in any social capital analysis and very often it is not'. Similarly, anthropologist Anthony Bebbington (1999: 2038) argues, 'discussions of social capital often understate the 'rawer' questions of political economy and violence'. However, I argue that an anthropological political economy can be used to combat the inadequacies of social capital theory, restoring the depth and complexity which is often lacking in traditional social capital approaches, through historical and contextual ethnographic analysis. Such an approach would allow a restoration of issues of power,

class and structural inequality in development discourse, through the documentation and analysis of the political and economic forces by which the inequality of regional development has been established and maintained in particular locales, along with an examination of the results of and responses to the social capital approach to regional development.

Fine (2001b; 2003) argues that political economy is the means by which the social sciences (not least the discipline of anthropology) can be wrested from the threat of colonisation by neo-classical economics posed by social capital theory. In the conclusion to *Social Capital versus Social Theory*, Fine (2001b: 198) argues that 'There is an alternative alternative' which consists of 'pursuing alternatives based upon scholarly integrity, genuine interdisciplinarity, and the resuscitation of political economy within and across the social sciences'. Similarly, in a discussion on social capital, Hart (2002: 818) argues for an alternative approach that focuses on 'the limits and fragilities of spatially uneven capitalist development' which, 'cannot be read off a universal, abstract logic of capital, or the structure of social relations a` la Granovetter'. This thesis represents one attempt at applying such an approach to the study of social capital in Australian regional development.

The political economy component of my approach has already emerged in chapters two and three, where I engaged in an analysis of the political and economic conditions which gave rise to the popularity of social capital in regional economic development over the last decade or so. Rather than being guided by the formation of hypotheses to be tested, the research for these chapters was framed by particular epistemological concerns, especially 'the ways in which political context influences the formation of knowledge' (Lem & Leach 2002: 3). I was also especially interested in exploring 'the ways in which different intellectual projects are sustained or constrained within changing economies and structures

of power' (ibid). However, the anthropological component of the analysis is also vital because, as Kapferer (2000: 184) argues, 'Ideas achieve their meaning and their shape in their contexts of use and should not be addressed independently of the structural practices in which they are embedded and the logics they may activate and develop'.

In the following chapter, I take the anthropological political economy approach further, providing a detailed analysis of the history of the research site and the application of social capital in the City of Playford's approach to regional development. As Woolcock (2005) pointed out at the *Engaging Communities Conference*, 'good social science requires a good story'. The story I want to tell is not just a story about social capital but the story of a 'new' kind of regional development; the story of attempts to revitalise and repackage an Australian region which was designed to foster and contribute to the economic development of the state and then abandoned and 'sacrificed to change' when the plan went awry, in the name of economic efficiency and international competitiveness (Peel 1995a: 5). This story is the subject matter of the chapter to follow. In telling this story, the inadequacies of social capital as a story telling device, explanatory concept or solution to the unevenness of regional development in Australia, become strikingly apparent. In many ways this story takes off from where Peel's (1995a) work departed. In the decade or so which has passed since the publication of his ethnographic work on Elizabeth, much has changed, but the trends he highlighted in his final chapter and epilogue have been carried through in the repackaging and redevelopment of the City of Playford. Nevertheless, the importance of grounding any analysis of Playford's approach to regional development in a historical understanding of the development of the region cannot be ignored. While the story has become even more complex since then, Peel's (ibid) tale never was a tale of just one town, but of the multiple versions of Elizabeth as planners, industries and residents struggled to establish their ambitions for the town. Similar struggles are bound to ensue

today, as Playford is repackaged and restructured in ways which constrain other, potential versions of the City. However this tale is not just a story about Elizabeth, or of Playford, but a story about Australia's past and future in the face of competitive global capitalism. To paraphrase Peel (*ibid*: 5), the story of what is currently happening in Playford 'tells us a lot about what is happening throughout a more and more divided Australia'.

A political economy approach to the study of social capital also entails a specific approach to class and to the state, whereby class is viewed as 'a structure of relations of, and processes (re-)producing, inequality in the distribution of means of production and the resultant relations/processes of exploitation between classes' (Das 2006: 7). As argued in the previous chapter, the emergence of contemporary understandings of social capital are associated with postmodern approaches to the study of social life, in which class is viewed as an outdated concept with little relevance to individuals in post-industrial capitalist society who, it is argued, resist strict classification imposed by traditional class analysis and identify with multiple points of social categorisation across their life-span (Bell 1960; 1974; Lyotard 1984; Fukuyama 1989; Drucker 1993; Giddens 1999; 2000; Giddens [ed.] 2001). However, in line with a number of other researchers in political economy and anthropology, I argue that class continues to be one of the most important factor/s influencing the structure and organisation of social life in contemporary capitalist society (Atkinson 2007; Callinicos 2000; Das 2006; Ewins 2007; Hardt & Negri 2000; Harriss 2002; Harvey 1989; 2000; Jameson 1991; Lem & Leach 2002; Llyon-Callo & Brin Hyatt 2003; Roseberry 2002). While studies of social capital frequently focus on issues of race, ethnicity or gender, as argued previously, they do not commonly focus on issues of class and inequality (Bezanson 2006; Dasgupta & Serageldin 2000; Franklin 2003; 2004; Franklin, Holland & Edwards 2006; Goulbourne & Solomos 2003). As such, I have chosen to focus on issues of class and structural inequality throughout this thesis, often at the

expense of other factors, in order to address what I believe is a yawning gap in social capital research.

Accordingly, in chapters six and seven I draw out the implications of the social capital approach to development in the City of Playford in terms of class and structural inequality. My analysis is informed by the results of previous research in the region, the ARC project, and my own fieldwork, all of which found that the categories of ‘working’ and ‘middle class’ had continuing significance for study participants in determining perceptions of regional identity and patterns of social interaction (Peel 1995a; Playford Partnership 2001a; 2001b; 2001c; Wilson 2005; Baum et al. 2007; Spoehr, Chiveralls & Wilson 2007; Spoehr et al. 2007). Due to its centrality in literature and policy, along with its pertinence to the case study at hand, I also employ the term ‘creative class’ as an organising category, despite its not having been utilised by residents in the region (Florida, 2003; 2004). The relevance of these terms to the case at hand, along with their significance and utility in exploring the contributions of social capital to inequality in regional development in the City of Playford, outweighed any concerns I may have had over crudeness of terminology or the need for the development of a more post-modern problematisation of class.

4.5 Conclusion

In this chapter I outlined the research project, research environment, methods and methodology for the thesis. I described how this thesis involves the analysis of the results of an ARC project in the City of Playford, which I have extended through comparison with the results of previous and simultaneous projects on social capital occurring in the study region. I provided a description of the ARC project which formed the basis of my case study in the City of Playford and described the various methods involved in the data

gathering process, including: surveys, interviews, and focus groups. I then described the ethnographic component of my research, which involved the analysis of the results of fifteen months of fieldwork in the region and the documentary analysis of various anthropological materials, including policy documents, newspaper coverage and literature on social capital. Finally, I described how these methods were situated within an overarching methodology of anthropological political economy. Through an anthropological political economy approach to the study of social capital in Australian regional development I aim to restore a focus on issues of class, power and structural inequality which have been neglected in social capital research since the excision of the 'Marxist strain' (Lewandowski 2006).

5. LOCATING SOCIAL CAPITAL: SOCIAL CAPITAL IN THE CITY OF PLAYFORD

5.1 Introduction

In this chapter I introduce the reader to the main research site detailing demographic data and providing historical information about the City of Playford. I begin by outlining the history and development of the City of Playford, with the construction and settlement of Elizabeth, a site of 'Holdenist Suburbia' (Winter & Bryson 1998). I argue that the decline of the City of Elizabeth and the corresponding construction of the City of Playford through the amalgamation of surrounding council districts resulted from the impact of political and economic forces arising in the shift from a KNWS to a SPNR (Jessop 2006). I argue that the City of Playford Council has responded innovatively to the demands of the SPNR through its twin strategies of social and industrial diversification both of which are, to some extent, informed by social capital theory and underpinned by a partnerships approach to governance in the region. These strategies can be seen as part of an effort to repackage and reconceptualise a site of 'Holdenist suburbia' as a new city for the new economy, and create a region more favourable to the interests of transnational capital in a global economy (Winter & Bryson 1998). The City of Playford's approach to regional economic development is thus an excellent example of the new regionalism in action and a prime location for the analysis of the integration of social capital into the discourses of regional economic development in Australia.

5.2 A Tale of Two Cities: From the City of Elizabeth to the City of Playford

The City of Playford is perhaps best renowned as the centre of South Australian manufacturing and home to the former City of Elizabeth. Elizabeth was and remains what Ian Winter and Lois Bryson would describe as a site of ‘Holdenist suburbia’, referring to Australia’s first locally manufactured car to which Playford is home, the Holden (Winter & Bryson 1998). Winter and Bryson (ibid: 73) use the term ‘Holdenist suburbia’, ‘to refer to those suburban spaces built by the particular conjuncture of capital-state relations in the post-war period which have now developed as sites of urban poverty’. The mantle of ‘Holdenist suburbia’ is particularly appropriate in relation to the City of Playford due to the fact that, as then Mayor Marilyn Baker put it, ‘The City was developed literally around the manufacturing capacity of Holden’ (Mares 2006: 4:26).

However, the traditional heartland of South Australian manufacturing took over a century to emerge from European settlement, which took place in the region in around 1850 (City of Playford 2004a). During this period, the indigenous Kaurna inhabitants were displaced to make room for semi-rural settlements including Munno Para and Smithfield, which were created to service the surrounding agricultural and rural populations, primarily focused on wheat fields and crop-based agriculture (City of Playford 2004a). However, the most significant growth did not take place until the post-war period when the South Australian government established Elizabeth in 1955, as a major industrial satellite city for the state capital, based on the British New Town concept (Peel 1995a; City of Playford 2004a). As a ‘New Town’, Elizabeth was designed and built from scratch according to British town planning concepts, just over fifty years ago to attract migrants and industry to Adelaide's northern plains. Elizabeth, the first suburban area within the City of Playford, experienced

rapid industrial, residential and population growth during the 1950s and 60s, resulting from extensive post-war European migration, most notably from the United Kingdom, a factor that continues to influence the population of Playford today (Spoehr, Chiveralls & Wilson. 2007: 7).

Elizabeth was the vision of the City of Playford's namesake, South Australian Premier Sir Thomas Playford, who served between 1938 and 1965. Playford played a major role in the development of the region and the industrialisation of South Australia through a policy agenda known as the Playford Plan, which 'aimed to provide the state with a safe haven in an unkind national and international economy' (Peel 1995a: 62). The Playford Plan functioned through policies of government intervention, including investment in infrastructure and public housing, protective tariffs, income security, and the attraction of foreign investment through incentive packages, including lower wages and taxes, cheaper power, and industrial peace. Playford was responsible for the negotiation of a contract with GM Holden, a condition of which was that the State Government create a region filled with the manpower to support manufacturing (Mares 2006). The GM Holden plant was established in the middle of a giant wheat field in Elizabeth and many other companies involved in the service of the automotive industry followed in Holden's wake. Elizabeth also became home to various other manufacturing industries including whitegoods. In fact the very first factory to manufacture in Elizabeth was the Pinnok sewing machine factory which can lay claim to having arrived in the region just prior to Holden. However, aside from what was known as the Weapons Research Establishment (WRE) and is now known as the Defence Science and Technology Organisation (DSTO), located near Elizabeth, virtually all other companies in the region were focused on the automotive and manufacturing industries.

During the post-war period the South Australian state government sought to stimulate economic growth, by gaining maximum benefit from federal industry protection policies in order to attract private investment away from the eastern states and from foreign investors (Broomhill 1999: 119). However, the state government was also involved in the provision of public economic and social infrastructure services and the active promotion of increased social development, coherence and equity, especially during the 1970s under the actively reformist Dunstan Labor government (Broomhill 1999: 119). The South Australian Housing Trust (SAHT) was established in 1936 to provide the housing arm of the low wage/low cost industrialisation policy (Stretton 1970; Peel 1995a: 33). One of the essential features of the development and settlement of Elizabeth was the SAHT's large-scale construction of public housing estates during the post-war period in order to house low-income earners and attract and service the growth of manufacturing industry in the region (Stretton 1970; Peel 1995a). The construction of public housing was central to the Playford Plan, as the State's provision of housing for workers meant wages could be kept lower than would otherwise be possible, thus encouraging industrial expansion and fostering employment growth in new sectors (Stretton 1970; Peel 1995a). As Peel (1995a: 63) argues:

The Playford Plan did a lot more than throw a few material inducements in the way of mobile entrepreneurs. It attempted to provide a whole structure of locational opportunity and advantage – buildings, workers, savings and efficiencies – that would first attract and then hold capital in place.

For many years Elizabeth was a remarkable success story. It was the birthplace of South Australian manufacturing and has made a major contribution to the economic success of the state since its very inception. Elizabeth prospered in the 1950s and 60s as a thriving industrial 'Worker's City' (Peel 1995a). It was 'the place to be', enjoying international recognition and attention, including visits from its namesake Queen Elizabeth and the stars

of Coronation Street (ibid). While Elizabeth triumphed during the post-war years at the height of manufacturing, the era should not be romanticised. As Peel (ibid: 3) writes, ‘the city was neither as successful as its publicity nor as awful as the swipes of passing critics’. The Elizabeth of the past was fraught with issues of class and gender inequality and even during its most prosperous era, the City was a ‘struggle town’, where working people were aware of the uncertainties and instabilities of economic success (Peel 1995a). However, between the ‘model town’ and ‘the slum’ was what Peel (ibid) describes as the most successful version of Elizabeth, the ‘Worker’s City’. While prosperity was unevenly distributed in the region, the long boom brought with it an era of full employment for adult men along with options for overtime and work for women and the young. Secure employment thus provided most residents with the means to satisfy the overarching working-class ethos of ‘ordinary respectability’, which Peel (ibid: 118) argues came to characterise the town during this era. Peel (ibid: 120) describes the conditions for most working class migrants in Elizabeth as ‘better than we’d ever known’.

The region was hard hit by the shift from a KNWS to a SPNR, the rise of the new economy and the decline of manufacturing, as by its very design, the future prosperity of the region was intimately tied with the future of manufacturing in Australia. For example, Baum and Hassan (1993) document the relationships between manufacturing decline, unemployment and poverty in the region. Elizabeth’s most successful era was one of large factories, strong unions, and high levels of employment. However, as Towart (2005) argues, ‘Its decline mirrored the downturn in manufacturing and the era of Fordism from the 1970s’. Elizabeth’s prosperity hinged on its status as a satellite town, built around industry and industry centred policy. The main industries in Elizabeth were manufacturing industries, particularly automobile and whitegoods manufacturers, which were highly dependant upon consumer demand, interstate markets and protection from import competition, all of which

were threatened by the recession of the 70s and 80s and the deregulation of the Australian economy instituted by the Hawke and Keating governments (Peel 1995a). The 70's and 80s fostered a new kind of uneven development, as investment in new technologies and the flexibility afforded by new production and distribution techniques made investors more mobile and less attached to labour and resource landscapes like Elizabeth (ibid). Low tariffs, a high dollar and international competition, saw Australian industry head off-shore at an alarming rate. As the flight of capital from Playford began, investors shifted enterprises or parts of enterprises to entirely new cities and regions (ibid: 159). These difficulties were compounded by policies of economic and institutional restructuring carried out by successive Australian governments since the 1980s. As Beer and Forster (1996: 55) argue, though driven by a desire to integrate the economy more thoroughly into global and fiscal commodity markets, processes of urban structural adjustment have 'acted significantly to reinforce long-standing patterns of spatial inequality within Australian cities'.

A new era of uneven regional development in South Australia was ushered in as corporate rationalisation and ineffectual political intervention served to effectively concentrate the recession in particular regions and localities, like Whyalla, Adelaide's north-western suburbs, and Elizabeth (Peel 1995a: 161). For example, Peel (ibid: 188) documents how, with the shift from public housing to welfare housing brought about by the neoliberal ascendancy of the 1980's, Elizabeth became 'a place for the poor'. A major catalyst for reform was the Industry Commission Inquiry into Public Housing (Industry Commission 1993), which placed increasing pressures on State Housing Authorities to improve their accountability and efficiency, inspiring the intense restructuring of the SAHT during the 1990s (cited in Arthurson 2003a: 359). As these organisational reforms were being implemented, government assistance for public housing provided under the

Commonwealth-State Housing Agreement (CSHA) declined by almost 15 per cent in real funding terms from 1989 to 1999 (Steering Committee 1999: 1079 cited in Arthurson 2003a: 360). The outcome of these processes was tighter targeting for public housing assistance, which ‘resulted in public housing becoming a repository for the most complex and disadvantaged tenants’ (Arthurson 2003a: 360). The shift from worker housing to welfare housing during this period did nothing to improve the lot of the region as blue collar workers were transformed into or replaced by the non-working poor in the space of a generation. These changes saw the Playford region plunge into an economic decline from which it has arguably never fully recovered. Essentially, Elizabeth was ‘sacrificed to change’, presumably a small cost for the economic efficiency of a nation, ‘because few could or would intervene to smooth its transition from an industrial to a “post-industrial” place’ (Peel 1995a: 160).

The City of Playford is located within the Northern Adelaide region, comprised of the local government areas of Salisbury, Playford and Gawler (see Figure 1: 137). Not to be confused with the more elite suburbs of North Adelaide, the Northern Adelaide region is located at the northern extremity of the Adelaide metropolitan area, with the northern boundary of the region at Gawler, approximately 45 kilometres to the north of the Adelaide CBD. Adelaide is a city of approximately one million people, which stretches for 80 kilometres along a narrow coastal strip between the Mt Lofty Ranges and St. Vincent’s Gulf. While in recent decades, the northern and north-eastern suburbs of Adelaide have expanded to effectively incorporate Salisbury and more recently the urban parts of Playford as part of the urban area of Adelaide, Northern Adelaide is a spatially distinct region relatively well separated from the rest of the Adelaide metropolitan area. To the south the region is bordered by large areas of vacant industrial land comprising former abattoirs, derelict railway yards, wetlands and crown land, which is slowly filling with

industry and housing. The northern part of the region is skirted by market gardens at Virginia and the Barossa wine growing district. On the west the region is bordered by mangrove swamps and St. Vincent's Gulf and to the east by the Mt. Lofty Ranges. Despite improvements in recent years to Adelaide's road system there are no freeways within the metropolitan area and north-south transit across the length of the city can be slow and time consuming. Public transport to and from Adelaide city is limited to an hourly train service outside of peak hours and bus services. The northern region has a distinct identity and is commonly referred to by residents and outsiders alike as 'The North'. Indeed, our research found that residents of Playford more commonly identified with 'the North' than they did with the City of Playford. Residents tended to view amalgamation as an attempt to counter the stigmas attached to Elizabeth and associated this process with a host of boundary modification and street and suburb renaming which they felt had been damaging to the cultural identity of the region and as such were less inclined to identify with Playford.

NOTE:

This figure is included on page 137 of the print copy of the thesis held in the University of Adelaide Library.

Figure 1- Map of Northern Adelaide Region

Source: Spoehr et al. (2007: 17)

While the Northern Adelaide region is characterised as an area of high ‘social need’, it also includes areas with relatively high socio-economic status, including the ‘hills face’ suburbs in the pleasant foothills of the Mt. Lofty Ranges and adjacent country towns close to the Barossa wine growing district (Carson & Martin 2001; Wilson 2005). However the region also contains a relatively high proportion of public housing and a mix of middle and working class suburbs with significant pockets of social disadvantage in some areas characterised by high unemployment and poverty, including the City of Playford’s ‘Peachey Belt’ (Wilson 2005: 6)

The City of Playford was established a decade ago in 1997 through the amalgamation of the Munno Para and Elizabeth City Councils. The City now spans 346 square kilometres covering 35 different suburbs across the Northern Adelaide region, each with their own unique histories. As a result of amalgamation, the City, home to over 70,000 people, collectively ‘contains the history and culture of over one hundred and fifty years’ (City of Playford 2004a). The amalgamation has given rise to a struggle over the identity of the region with residents from the former City of Munno Para rightly feeling their history and contribution to the City of Playford is frequently overlooked in favour of a focus on the contributions of the City of Elizabeth. For the past decade, Marilyn Baker, who was the last Mayor of the City of Elizabeth, served as Mayor of Playford. However, in the 2006 local government elections Baker was beaten by the last Mayor of Munno Para, Martin Lindsell.

The City of Playford is located in Adelaide’s Northern Plains around 30 kilometres north of the metropolitan CBD, and forms part of the state capital’s northern suburbs. Playford’s boundaries are: the Gawler River, Wingate Road, Dalkeith Road, Smith Road and the South Para River in the north; Bassnet Road to the east; Airstrip Road, Hannaford Hump Road, One Tree Hill Road, Gould Creek, the Little Para River, Prunus Avenue, Jarvis

Road, Porter Street, Commercial Road, Heaslip Road the Gawler Railway Line, the northern boundary of the DSTO facility and the Edinburgh Royal Australian Air Force (RAAF) Base and a line to the north of St. Kilda in the south; and the Gulf of St. Vincent in the West (City of Playford 2004a). The suburbs of Elizabeth and Smithfield are marked by a mixture of industrial and commercial activities including the recently refurbished Elizabeth City Centre, specialised manufacturing industries and the Holden manufacturing plant in Elizabeth West. The rural areas to the west and east, including Virginia and St. Andrew's Farm boast significant agricultural and specialised horticultural production, as well as semi-rural and rural-residential living. A map of the City of Playford and the many suburbs it encompasses is provided below in Figure 2.

NOTE:

This figure is included on page 139 of the print copy of the thesis held in the University of Adelaide Library.

Figure 2 – Map of City of Playford

Source: Spoehr, Chiveralls & Wilson (2007: 7)

The birth of the City of Playford can be seen as the result of increasing pressures placed on local government associated with the 'hollowing out of the nation state' in the shift from a KNWS to a SPNR (Jessop 1994). As Broomhill (1999: 119) argues, 'The end of the post-war Fordist period of growth dramatically changed the political, economic and social context, not only for the national state, but for the local state as well'. The shift from a KNWS to a SPNR placed increasing pressure on local governments as responsibility for many of the former regulatory activities of the nation-state were passed down to lower tiers of government. This process began in Australia during the 1980's and early 1990's as changes were made to Commonwealth-State relationships (most significantly in the area of finance) and greater demands were placed on State government spending, at a time when the Commonwealth sought to cut State and Territory funding while simultaneously encouraging a networked, partnerships based approach to governance (Oakley & Verity 2003: 200). These policy shifts were accompanied by 'managerialist' reforms in the public administration of local government which 'gained currency' in Australia during the 1980s and were accelerated under the neo-liberal climate of the 1990s (ibid). According to Peel (1995a: 222) this process of devolution began in South Australia in the early 1980s, as 'after more than a decade of relative inactivity, state departments and authorities stirred themselves into action' by 'producing a new Planning Act in 1982, which gave greater autonomy to local councils'. While in reality their responsibility has always extended beyond this, the traditional mantra of local government is 'roads, rates and rubbish'. However, recent years have seen local governments expected to engage in a wider range of activities including economic development, environmental regeneration, social planning, welfare delivery, and community development (ibid).

The formation of the City of Playford council through the amalgamation of surrounding council districts can be seen to result from the impact of a policy context where increasing

pressures on local government have created an overwhelming 'funding gap' (Dollery, Crase & Johnson 2006). Dollery, Crase and Johnson (ibid: 1) argue that 'Australian local government stands at a critical period in its history'. In their book on *Australian Local Government Economics*, they argue that, 'inexorable and intensifying financial pressures' on local governments have created a situation where the status quo simply cannot be sustained indefinitely' (ibid). Citing a report by the Commonwealth Grants Commission (2001), they identify five main reasons for the current financial crisis in local government. These include: devolution, where local government is given responsibility for new functions by a higher sphere of government; raising the bar, where a higher tier of government, through legislative or other changes, raises the complexity and/or standard at which local government services must be provided, thereby increasing the cost of service provision; cost-shifting, either where a municipal government agrees to provide a service on behalf of a federal or state government (with funding subsequently reduced or stopped) or where some other tier of government ceases to provide an essential service, thus forcing the local authority to take over; increased community expectations, where a community demands improvements in existing municipal services or the provision of a new service; and policy choice, where specific councils voluntarily expand and/or enhance their services (ibid). The response to this situation has been a sustained and ongoing drive towards council amalgamations in Australian local government, in which the amalgamation of local councils has been rapidly implemented with the stated intention, among others, of 'increasing efficiencies' (Oakley & Verity 2003: 200). While at the start of 1995 there were 118 councils in South Australia, by March 1997, only 76 remained with some still in the process of amalgamation (ibid). Thus, the formation of the City of Playford council through the amalgamation of surrounding council districts can be seen to result from the

impact of a policy context in which amalgamation was seen as a potential solution to the crisis of local government in the face of rapid devolution.

The formation of the City of Playford through amalgamation of surrounding council districts can also be seen as an attempt by local government to combat the stigma associated with Elizabeth as a site of 'Holdenist suburbia' (Winter & Bryson 1998). Like other 'Holdenist suburbs', Elizabeth was and remains highly stigmatised (ibid: 65). As Peter Mares (2006) argued in a special edition of ABC's *Radio National*, on 'The Future of Manufacturing in Australia', 'The general perception, certainly from outside the region, is that the dream of the New Town has fallen in a hole'. Prevailing perceptions over the last few decades have been to view the region as yet another 'rust belt'; a region built and based around a manufacturing industry whose time has passed (ibid). The region has a reputation as a kind of urban ghetto, characterised by crime, domestic violence, teenage single mothers, dole bludgers and any other sign of 'social dysfunction' (Baum, et al. 2007; Mares, 2006; Mitchell 2004; Playford Partnership 2001a; 2001b; 2001c). As Mitchell (2004: 70) writes, the majority of people living in Adelaide's inner suburbs rarely visit the City of Playford, except perhaps when passing by along Main North Road on their way through to the wine regions and tourist districts of the Barossa Valley. As Peel (1995a: 1) put it, 'Even the name of the road indicates this is a place to be passed through, on the way north'.

The transformation of the City of Elizabeth into the City of Playford could itself be seen as part of the drive to revitalise the region through a strategy of industrial and social diversification. Amalgamation has provided the City of Playford council with greater industrial diversity than could be found in the City of Elizabeth. The northern Adelaide region of which Playford is part, still accounts for 70 per cent of South Australia's manufacturing output and generates a major proportion of the state's knowledge intensive

manufacturing exports (Genoff & Sheather 2003: 3). The City of Playford is home to some of the nation's leading manufacturers and high technology companies, including: Holden, which recently invested \$1.4 billion to increase production volumes at their Elizabeth manufacturing plant; Scholle Industries, a former South Australian manufacturer of the year which produces 65 per cent of the world's plastic wine cask market with its US parent company and plays a key role in the wine industry's research and development effort; and Exide Batteries (City of Playford 2006b).

However, the City of Playford is now able to market its industrial diversity with reference to the horticultural districts of Virginia and Angle Vale, and the surrounding district of Gawler, 'gateway to the Barossa Valley' wine regions (Genoff 1999). The agricultural and horticultural region of Virginia known as the 'fruit basket' or 'salad bowl' of South Australia produces over 60 products including fresh vegetables, flowers and wine, with a gross value of \$70 million per year and a wholesale processing value of \$402 million (Genoff 1999; Stylianou 2005; Mares 2006; City of Playford 2006b). The tomatoes and cucumbers produced in the region account for 82 and 63 per cent of the State's total production respectively (Stylianou 2005; Mares 2006). The City of Playford anticipates that production will increase by fifty per cent over the next five years as a result of the increased water available from the recently commissioned Virginia Pipeline (City of Playford 2006b). The Virginia Horticulture Centre has been established to act as a nucleus for the expansion of the horticulture industry by increasing exports to overseas markets, enabling co-operation and co-ordination between growers and promoting the research and development of new horticultural and marketing techniques (ibid). The City of Playford also boasts the largest and probably the last area of broad acre farming lands within 20 kilometres of the CBD with farm gate produce in the vicinity of \$900 million a year (Mares 2006: 11.00).

Amalgamation has also provided the region with greater social diversity. The marketing of this diversity is evident in the following comments made by then Mayor of Playford Marilyn Baker on Radio National in an attempt to counter the perception of Playford as a rustbelt and site of 'Holdenist suburbia':

In the City of Playford we have everything from paupers to millionaires and every type of industry, every type of geographic location, every type of individual that you could possibly wish...It would have to be one of the most diverse populations in Australia as a whole as far as local government (ibid: 8.30).

However, it is important to recognise that this diversity has been gained largely through regional expansion to encompass the variety of lifestyles surrounding districts had to offer. Nevertheless, economic disadvantage has always been and remains unevenly located within the region. The ABS's Socio-Economic Index for Areas (SEIFA) Index of Relative Socio-Economic Disadvantage takes account of factors that reflect disadvantage such as income, educational attainment, unemployment, and jobs in relatively unskilled occupations (City of Playford 2004a). A low score indicates a high level of disadvantage in the region, while a high score represents lack of disadvantage rather than advantage per se (ibid). SEIFA rankings vary considerably within the City of Playford (see Figure 3: 145), ranging from 706.4 for Elizabeth South to 1,096 for One Tree Hill and the surrounding suburbs (City of Playford 2008a). The rate of unemployment also varies markedly within the region. In 2001 in One Tree Hill and the surrounding suburbs, the unemployment rate was under a quarter that of the average for Playford at 3.2%, while in Smithfield Plains, the unemployment rate was as high as 29.9%, over double the average rate for Playford of 14.1% and almost four times the unemployment rate of the Adelaide metropolitan division (City of Playford 2004a). While the unemployment rate has improved in recent years, the variation in different regions has not, with the rate of unemployment varying from 2.2% in One Tree Hill to 18.2% in Elizabeth South according to the 2006 Census (City of Playford

2008a). This data suggests an uneven rate of prosperity within the region and the existence of a number of different socio-economic groups within the City of Playford. The rural and agricultural regions are the most affluent regions in Playford. By contrast the ‘Peachey Belt’, which covers the suburbs of Davoren Park, Smithfield and Smithfield Plains and is separated from the other suburbs in the region by Peachey Road, is the most disadvantaged region within Playford.

City of Playford: SEIFA Index of relative socio-economic disadvantage

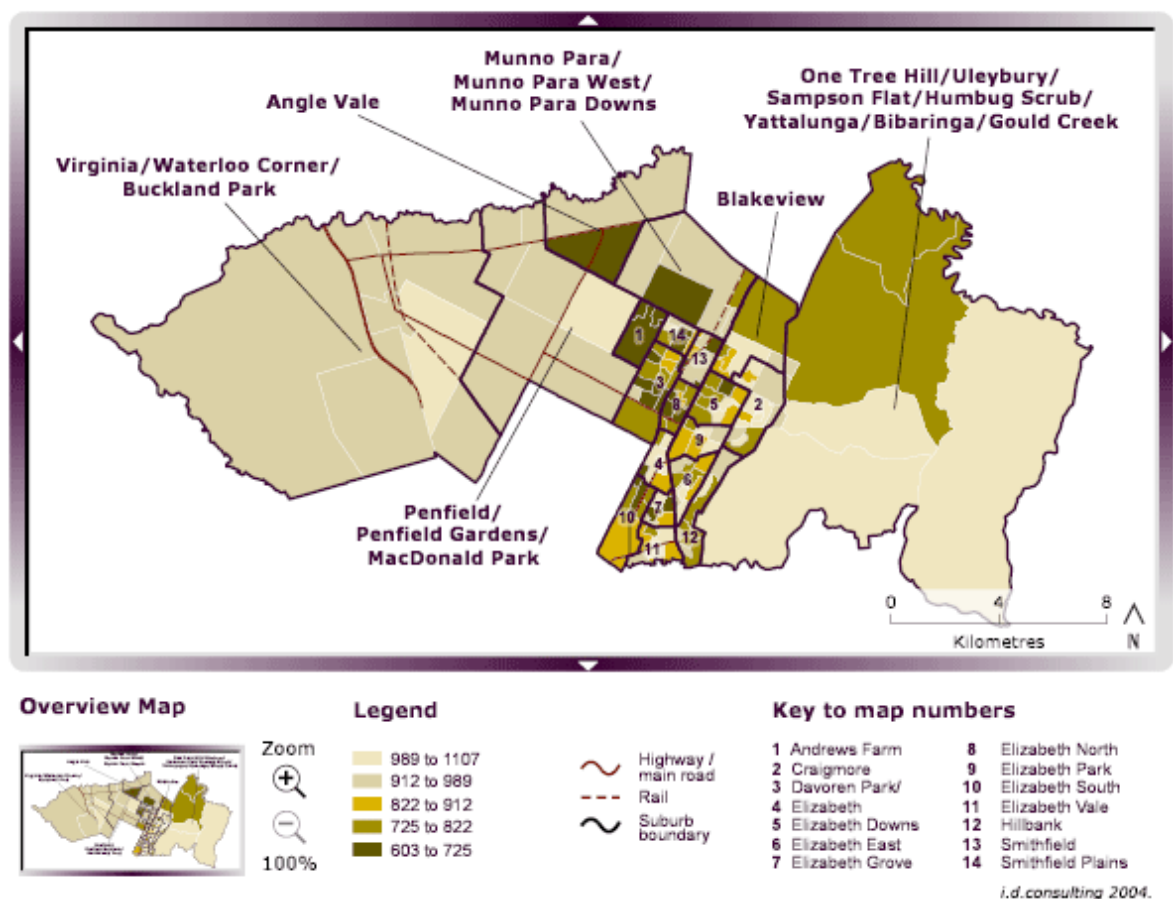


Figure 3 – Map of City of Playford: SEIFA Index

Source: Australian Bureau of Statistics, 2001, Socio-Economic Indexes for Areas, Cat no.2039.0 cited in City of Playford (2008a).

However, despite the many benefits of the diversity gained through amalgamation, and the uneven location of disadvantage in the region, the City of Playford has not escaped its past and remains marked by the poverty characteristic of a site of 'Holdenist suburbia' (Winter & Bryson 1998). Almost one in six Playford residents live in government housing, just under half earn less than \$400 per week, and the local unemployment rate remains almost double the state average of 5.2% (City of Playford 2008a). According to the 2006 Census, the City of Playford is currently one of the most economically disadvantaged regions in Australia, with a SEIFA ranking of 885.6 compared with 1021.9 for the Adelaide Metropolitan district, the lowest ranking in the Adelaide statistical division (ibid). Among the many challenges facing the Playford region are: low school retention rates, a high crime rate, a high rate of youth unemployment and entrenched generational unemployment (City of Playford 2008a; Baum et al. 2007: 21-22).

Furthermore, the City of Playford continues to confront ongoing stigma based on popular characterisations of Elizabeth. In her book about the infamous Snowtown 'bodies-in-the-barrels murders', entitled *All Things Bright and Beautiful: Murder in the City of Light*, Susan Mitchell described Elizabeth as a 'city of shadows and lost dreams' and refers to sections of Playford's population as 'human debris, hidden in the ghettos of the lost, the forgotten, the disturbed and the deviant' (Mitchell 2004: 71 & 75). The book's reference to Playford results from the unfortunate coincidence that some of the victims and murderers involved had lived in the northern suburbs. In an article in the local *Messenger News Review*, Mitchell is quoted as saying, 'It's not that Elizabeth is weird and twisted but there are ghettos within Elizabeth and Salisbury and other parts of SA where these events happened' (Day 2005b: 11). The book sparked a 'war of words' between the author and then mayor of Playford, Marilyn Baker (ibid). Mrs Baker 'hit back at the author's portrayal' commenting, 'I'm totally outraged and insulted and I certainly don't consider

myself a reject and nor do the other people who live here' (ibid). While only 'a small section' of Mitchell's book refers to Elizabeth, the author repeatedly contrasts the lives and experiences of those living in the 'ghettos' of Northern Adelaide with those of the wealthy elite living in the central and outer suburbs of the capital (Day 2005b; Mitchell 2004: 11). On a visit to the Adelaide Writer's Week Festival, Salmon Rushdie (1991: 231) once described Adelaide as 'the ideal setting for a Stephen King novel, or horror film' and Mitchell (2004) wrote the book in an attempt to dispel the City's reputation as the murder capital of the world. However, the novel is essentially an analysis of the continuing influence of class in contemporary Adelaide, the pertinence of which will become clear in later chapters of this thesis.

While today, 'The City of Tomorrow' faces an uncertain future, the City of Playford is committed to distancing itself from its reputation as a site of 'Holdenist suburbia' and creating a more positive image for the region (Peel 1995a; Winter & Bryson 1998: 23). As Mares (2006) put it, 'The City of Playford is one "unlikely" region determined not to be left behind in the race to become an internationally competitive creative region in the global knowledge economy'. The City of Playford council has responded innovatively to the demands of the region, fighting back with strategies designed to attract investment and jobs to the region. As Genoff and Sheather (2003: 14) wrote:

The City of Playford recognises that it needs to develop a new plan for the 21st century. The last plan was developed in the 1950s. A new plan is required to make the region a global investment destination and to marshal the energy of communities in northern Adelaide and to build their connectivity to the CBD.

The City of Playford's (2002) ten year plan *Revitalising Our City – Playford Plan 2002-2012* was released in 2002. The City of Playford's Strategic Plan, emphasises a partnerships approach to regional development led by local government. In the foreword to

the City of Playford's *Economic Prosperity Goal Plan 2006-2011* former Mayor Marilyn Baker states:

The "old economy" was characterised by "we pay our taxes and it's up to someone else, mostly the government, to make things happen"...The future has arrived and it is characterised by partnerships, shared responsibility and civic engagement (City of Playford 2006b: 8).

The Council has recently updated its ten year plan, which has been posted on the City of Playford website and, in accordance with the 'ethno-politics of community', named the *Playford Community Plan* (Rose 1999; City of Playford 2007b). The new Playford Plan is informed by a 'triple bottom line strategy', emphasising three 'Strategic Goals': 'Economic Prosperity', 'Environmental Care', and 'Community Wellbeing' (City of Playford 2007b). Each of these strategic goals is informed by external Goal Plans: the *Economic Prosperity Goal Plan 2006-2011*, the *Environmental Care Goal Plan 2006-2011*, and the *Community Well Being Plan 2006-2011* (City of Playford 2006b; 2006c; 2006a). Progress on the strategic actions contained in these goal plans is reported in the annual City Plans (City of Playford 2007b). The City Plans bring together strategies arising from the Playford Community Plan and Goal Plans, translating them into funded projects for service provision and the maintenance and development of the infrastructure of the City, providing publicly available information on annual progress and budgeting procedures. Once adopted, the Plans become internal management plans for the coming financial year and key reference points for staff and elected members. As the focus of this thesis is on the integration of social capital into the discourses of regional economic development in Australia, for the sake of conceptual clarity, the majority of material will be drawn from analysis of the overarching ten year plan and the community and economic goal plans, along with previous economic planning documents and other publications produced by the Council, at the expense of neglect of the environmental goal plan.

As Genoff and Atkinson (2002: 5) announced in a conference paper at the *Sustaining Our Communities Conference*, the City of Playford endorses ‘the principles of social capital in the development of its Social and Economic Plans’ and recognises ‘the role social capital plays in turning around the outcomes and prospects for its community’. Social capital has been integrated into these planning documents through the twin strategies of social and industrial diversification both of which are informed by social capital theory and delivered through a partnerships approach to governance in the region. For ease of analysis, both here and in the corresponding chapter divisions of Part Three, I have divided this chapter and the analysis of the integration of social capital in the City of Playford’s approach to regional development according to the logic of the twin strategies of social and industrial diversification. The decision to divide my analysis in such a manner was not arbitrary but was informed by the Council’s own discussions of their strategies for urban regeneration, the Council’s understanding of social capital as the link between economic and community development, and the separation of their plan into separate documents and plans relating to economic and community development (Mares 2006; City of Playford 2006a; 2006b). Nevertheless, it is important to recognise the overlap between the City of Playford’s strategies of social and industrial diversification, both of which are designed to restructure, repackage and remarket the region as a place which is suited to the needs of the new economy.

5.3 Social Capital, Governance and Partnerships in Playford:

Collaboration or Competition?

The shift from government to governance associated with the shift from the KNWS to the SPNR is readily identifiable in the City of Playford having coincided almost immediately

with the birth of the new City. Playford Partnership was established shortly after amalgamation under the Olsen Liberal Government of South Australia in June of 1999 (Considine & Hart 2006: 12). An article in 2004 advertised the Playford Partnership as ‘a collaborative venture between all levels of government, private and not-for-profit organisations and the community,’ which aims to ‘bring together existing resources to work more effectively and then seeks to acquire additional financial support’ (City of Playford 2004b). The Playford Partnership is ‘an informal alliance between government and non-government agencies which aims to achieve the ongoing revitalisation of the City of Playford’ (Genoff & Sheather 2003: 50). It was initially created in order to join up state, local and community agencies to focus on the social and economic development of the Peachey Belt. However in recent years, while the focus on the Peachey Belt remains, the partnership’s role has expanded to encompass the City as a whole.

The Partnership achieved many successful initiatives and policy developments ‘before undergoing a process of evolution, consolidation and atrophy at difference levels (sic)’ (abstract to Considine & Hart 2006). Considine and Hart (2006) argue that Playford Partnership can be seen to have evolved over three distinct stages. Stage One, from 1999-2002, ‘involved a multi-lateral partnership in which the four government partners struggled to establish a clear vision’ (ibid: 13). However, the objectives of the partnership were eventually spelled-out in a paper by Sandeman (2002) entitled ‘The Playford Partnership: Community Capacity Building in Action’. According to this document the five goals of the Playford Partnership were to: ‘develop a sustainable and effective partnership between government and community; engage with the community and other stakeholders; strengthen families and community; increase educational, training and employment opportunities; and improve housing and physical infrastructure’ (Considine & Hart 2006: 13). During this stage, the Partnership Executive, nestled within the City of Playford, was

comprised of seconded officers from State Government departments including: a Project Director from the Department of Human Services (DHS), a Manager of Economic and Employment Development from the Department of Industry and Trade and a Community Development Coordinator from the DHS/City of Playford (Dixon 2002). The original partnership was chaired by Greg Crafter, a former state Labour MP, government minister and ex-parliamentarian who was well connected in the Peachey Belt, and now worked as a lobbyist. Peter Sandeman was recruited by Greg Crafter in 2001 to the executive of the Partnership, which was to run for five years (Considine & Hart 2006: 13-14).

During this early stage, the partnership was responsible for brokering better use of existing funds in the area through the creation of new partnership projects with specific mandates, particularly in the areas of education and 'community capacity building' (ibid 2006: 12). After conducting interviews with Playford Partnership consultant Ian Dixon (2002) and former Partnership executive staffer Peter Sandeman (2002), Considine and Hart (ibid) found that this first stage of the partnership was successful in identifying and attracting funding for a range of new social services. However, despite the many successes of Playford Partnership, there are clear difficulties associated with collaborative networking approaches to regional development in a climate of competition which is bound to be compounded by multiple bodies of governance operating within the same region (Trainor 2006: 13). As Considine and Hart (ibid: 19) point out, 'Predictably all this partnering has its risks'.

Towards the end of its first stage the Playford Partnership was significantly affected by the establishment of the Office of the North. The combined Playford and Salisbury areas were selected as one of only eight 'prototype regions' included in the Commonwealth Government Sustainable Regions Program in 2001 (Sandeman & Elliott 2006). The regeneration of the Northern Adelaide region was a key issue for the then opposition

Labour party leading up to the 2002 state government election. The Rann government's election platform *A Vision for the North*, proposed the creation of a regional strategic partnership to lead economic and social development in the region (ALP 2002). Following the election of the Rann Government, this platform became policy with the State Cabinet approving the formation of the Northern Partnership and creating the Office of the North in August 2002 to be officially opened on the 4th November 2002 (Sandeman & Elliott 2006; Trainor 2006). The Office of the North was a working body involving the three main councils of the northern Adelaide region, the City of Playford, the City of Salisbury and the City of Gawler. The Office worked with State government development agencies 'to achieve policy alignment and the strategic targeting of resources to increase local investment and employment' (Baker 2003: III). Following the election of the Rann Labor Government in 2002, Sandeman, and the State's partnership funding were moved to the newly created Office of the North (Considine & Hart 2006: 13).

Ongoing conflict and confusion between the different partnership structures led to the closure of the Office of the North in late 2006. As Considine and Hart (2006: 13) argue, the 'blurring of the mandates of these two entities would become an ongoing dilemma'. That the two partnership structures continued to work in the same space and that Sandeman, who originally helped develop the Playford Partnership, was employed by the Office of the North as a key actor, resulted in 'parochial tension' according to Considine and Hart (ibid: 19). The Office of the North was involved in brokering an economic alliance amongst its local government constituents to 'develop a shared vision for new industry', particularly in relation to the land of the former Defence and Science Technology Organisation in Salisbury (ibid). This land was being promoted by the Office of the North as 'a single "supply park" for the Holden plant in nearby Elizabeth, with all the attendant synergies and spill-overs that this could involve' (ibid). The tension between

the two organisations rose to a climax when the City of Playford managed to secure the location of the auto components supplier Hirotech in its own industrial precinct at Elizabeth West (ibid). This outcome created ‘political ructions in state government’ and ‘strained working relations’ between the two partnership structures, as well as between the City of Playford and the City of Salisbury (ibid; Trainor 2006). In reflection on this experience, Sandeman and Elliot (2006: 16) commented ‘International experience suggests economic development partnerships based on a group of municipalities often face competition between the constituent municipalities’. However he noted, ‘Competition for investment is understandable given the significant employment opportunities for residents and the large rate revenue that accrue from industrial development’ (ibid).

This climate of competition had far reaching implications for the future existence and continued functioning of yet another governance structure in the region, the Northern Adelaide Development Board (NADB), which had existed prior to both Playford Partnership and the Office of the North. The NADB had been jointly funded by the three northern councils and the state government for fifteen years or more and was the product of a co-operative effort between the four then councils of the northern region, Elizabeth, Munno Para, Salisbury and Gawler (Trainor 2006; Peel 1995a: 219). The Board’s task was ‘to sell the northern suburbs and rebuild the local economic development base by lobbying state government to fund infrastructure projects and other economic development initiatives’ (Peel 1995a: 219). The NADB’s medium-term plan for a ‘new north’ involved increasing local employment opportunities, relating job creation to existing skills and labour markets, implementing retraining for redundant workers, and co-ordinating local government efforts to attract jobs and funding from private and public sectors (ibid). The NADB’s long-term plan for the region involved a vision of a flexible, export-orientated and high-technology production zone resting on: the existing Technology Park at

Salisbury, the potential Multi-Function Polis, rapid development of Munno Para's horticultural and floricultural industries, and service-based employment at regional shopping centres and in local tourism (ibid). The NADB's proposals covered a range of locality incentives, from the creation of enterprise zones through to the targeted funding of technology-intensive new firms. Diversification, especially through the growth of small businesses and small to medium sized enterprises (SMEs) was an important objective for the NADB, an objective that is carried through in Playford's work today (ibid).

However, the NADB was de-funded in 2006 as a result of political conflict in the region. At around the same time as the City of Playford secured the location of the auto components supplier Hitech to its industrial precinct in Elizabeth West, the City of Salisbury, which had been contributing around \$100,000 per annum, withdrew funding and support for NADB (Trainor 2006). Trainor argues that Hitech's decision to locate away from Salisbury's 'supply park' for Holden generated political ructions in the government, which helped to seal the fate of the NADB (ibid). Processes to remove funding for the NADB were set in motion in late 2003 to be completed by June 2004 (ibid). While NADB was replaced with yet another regional system of governance for the northern Adelaide region, the Northern Adelaide Economic Development Alliance (NAEDA), by 2007 this too would become defunct (ibid).

During its second phase of development, which ran from 2002-2005, the Playford Partnership was 'characterised by the internal rhetoric of being "informal"' (Considine & Hart 2006: 13). While the partnership published a document in 2002 that stated a number of different goals, Considine and Hart (ibid: 13-14) describe how commitment to these goals 'atrophied with the declining participation of former members' as a result of the emergence of the Office of the North. A 'pared down partnership', instead began work on the formation of a new Playford Plan, developing ten year measures and targets around

issues such as employment, literacy, crime rates and school retention, under the logic that ‘Intra-governmental and bi-partisan agreement to these 10 year targets could effectively guide investment and synthesise the efforts of different government departments to achieve a common goal’ (ibid: 14). In collaboration with Playford Partnership, the City of Playford began developing an ‘ambitious’ City Plan, outlining its strategies for urban regeneration (Stylianou 2005; Genoff 1999). Thus the second stage of the Partnership’s development saw it become very much an instrument of the City of Playford. Considine and Hart’s (2006: 13) research documents how, ‘while the Office of the North was busy establishing its larger geographic focus, the Playford partnership became the instrument of the City of Playford’. They argue:

The Council’s determination to keep the partnership going even though the state government had to some extent shifted its mandate to the new Office of the North is explained locally as a sign that the Council had by now been transformed from a traditional “roads, rates and rubbish” operation to one sponsoring integrated social and economic development (ibid).

Playford Partnership continues to function as an informal mechanism of governance in the region, despite the challenges it faced working alongside the other regional governance bodies over the course of its history. The third stage of the Playford Partnership, which began in 2006 and continues to the present day, saw the partnership internalised as the Council’s brand name and ‘way of doing business’, ‘without having a dedicated staff or agreed mandate with external bodies’ (Considine & Hart 2006: 14). While the City of Playford is in the process of ‘exploring options for re-convening a formal partnership committee and negotiating a chair position with local MPs’, the Council website currently states, ‘Playford Partnership is a way of thinking’ (ibid: 18; City of Playford 2008b). The Playford Partnership Newsletters state:

Playford Partnership is a way of doing business for the entire community. It aims to ensure the Playford Plan is delivered through a partnering culture, and that its philosophy becomes integral to everyday life for the entire community and council (ibid).

As such Playford Partnership has become part and parcel of the shift from government to governance in the region, promoting the new 'ethno-politics' of governance through community and social capital (Rose 1999). Accordingly, the Playford Partnership has also been one of the main drivers of the integration of social capital into the City of Playford's approach to regional economic development through the *Playford Partnership Social Capital Surveys* for the South Australian Government's Department of Industry and Trade now known as the Department of Trade and Economic Development (DTED). The *Playford Partnership Social Capital Surveys* were divided into two documents; the 'Community Social Capital Audit' and the 'Business Survey Report', along with the overall report 'Social Capital and the Peachey Belt' (Playford Partnership 2001a; 2001b; 2001c). These documents were, to the best of my knowledge, never officially published and proved incredibly hard to track down during the course of my research. In the end I had only draft documents to work from. However, it seems likely that the interest generated by these reports served as the basis for the funding of our project. The results of these surveys, along with the results of our own, will be discussed in the following two chapters. The division of these reports into a business and a community survey, along with the division of our own research along these lines, partly inspire the division of the corresponding chapters into a focus on industrial diversification and social diversification. However, as will become clear through a discussion of the results, this division is also based on a lack of connectivity between the majority of residents in the region and those employed through the strategies of industrial diversification in the region.

The shift from government to governance, as evident in the emergence of a whole range of new partnership structures like Playford Partnership and the Office of the North, has been

hailed by many as a means of enhancing social capital through the development of locally based organisations which are thought to be more responsive to the needs of local communities (Considine & Lewis 2003; Considine 2004; 2005; Considine & Hart 2006; Trainor 2006). Considine and Hart argue (2006: 23), 'there is good reason to suppose' that Playford Partnership is 'doing good work and that deserving citizens are better off as a result of their efforts'.

However, these partnership structures have also been criticised for offering the rhetoric of devolved democracy but providing in its place a means of governance by unelected members of the local elite, which may actually serve to reinforce existing status hierarchy and exclude the majority of the residents from processes of local decision making. As Peck and Tickell (1994) point out, many of these local partnerships are based on the incorporation of 'key players' and defined by elitist modes of decision making which have the effect of marginalising other interests and voices. For example, citing a number of different reports, Hart, Haughton and Peck (1996: 430) describe how the emergence of a number of new local governance structures in the UK has led to concerns over a new non-elected local state that 'governs without a town hall' creating a 'democratic deficit' or 'governance gap' (Morgan & Roberts 1993; Plumber 1994). They describe how the a 'business knows best' mentality feeding down from central government has led to many of these governance structures privileging business interests over other local interests, feeding local tensions and creating a struggle over political legitimacy (Hart, Haughton & Peck 1996: 430).

As part of my research in the region I attended a number of strategic planning sessions for the development of the new Playford Plan, as well as the SASP. My observation from involvement in these sessions was that they were not open to the general community with only a select few invited to attend. Participants predominantly comprised pre-selected

representatives of government and business with only a small number of community representatives drawn from various community groups and QUANGOS in the region. As Considine and Hart (2006: 23) argue, avenues for genuine participation by community members need to be improved in order to avoid the danger of the partnership simply being 'new methods for governments to talk to themselves'. Furthermore, while there is every merit in providing opportunities to create local solutions for local problems, these partnership structures often lack the appropriate levels of finance, power and authority to match their responsibilities. For example, Considine and Hart (ibid) argue that the partnership needs a stronger policy mandate as lack of 'authority to act', 'lack of clarity' about partnership responsibilities and the way partnership structures are to interact with other governance and government structures, along with 'inadequate agreements about the longer term purposes of partnerships', often 'leads to shallow commitment.'

5.4 Industrial Diversification: The Knowledge Economy, Social Capital and Class

In accordance with the transition from a KNWS to a SPNR, the City of Playford's approach to regional economic development involves a shift from viewing the nation state as the primary driver of economic activity to viewing the region as the new locus of economic development. The City of Playford Council has embraced the 'new regionalism' as a form of 'positive localisation', accepting Ohmae's (1995: 5) argument that region-states are 'the right size and scale to be the true, natural business units in today's global economy'. For the City of Playford, part of this shift involved the appointment of a Chief Industrial Strategist to assist the council in developing their approach to regional economic development. Genoff explained his job to Peter Parish on ABC's Radio National:

It's very unique for any council or any organisation to have an industry strategist. What I do is that I do the regional and economic analysis work, the economic planning, and I also, specifically do a lot of work face-to-face with companies in terms of developing their business plans, to develop new products and enter new markets (Mares 2006: 30.10).

In the introduction to *Innovation and the Knowledge Economy* entitled, 'The New Face of Local Government', Genoff and Sheather (2003: 3) outline the City of Playford's positive localisation approach to regional economic development, arguing that as 'industrial regions have specific characteristics and needs, policy that is devolved to the local level, if well executed, is more likely to meet these needs and maximise their unique characteristics.' The shift from viewing the nation state as the primary driver of economic activity to viewing the region as the new locus of economic development is made most explicit in a report produced by the neighbouring City of Salisbury Council, who commissioned Richard Blandy and Philip Hagan to produce a report on the regional economy to inform the development of the council's *Economic Strategy*. The report, posted on the City of Salisbury Council website, develops a measure for Gross Regional Product as opposed to Gross Domestic or Gross National Product (Blandy & Hagan 2006). As Marilyn Baker (2003: III) writes in a 'Message from the Mayor' in the front of *Innovation and the Knowledge Economy*:

It would have been unimaginable three years ago to predict that local government would be leading the charge in industrial regeneration, not only in its own council area, but in the broader region of northern Adelaide.

The City of Playford's focus on networking-partnerships based approaches to development 'has not been limited to the social development arena' (Considine & Hart 2006: 18). The City of Playford's 'economic development policy has used the philosophy of partnership and collaboration, in the form of industrial clustering, to great effect' (ibid). In an article in the *Australian Financial Review* entitled 'Smartville: What Cities Need to Succeed' Peter

Roberts (2005: 23) describes the City of Playford council's 'innovative' response to the demands of the region by stating, 'Under Genoff it is embracing 'networking', the very latest trend'. The project partner's interest in and enthusiasm for revitalising the region through partnerships, networking, social capital and industrial cluster development strategies are evident in a series of publications he has produced and collaborated in, including: *Making the Future Work: Crisis and Change in the South Australian Economy* (Green & Genoff 1993), *Innovation and the Knowledge Economy: Industrial Regeneration in Northern Adelaide* (Genoff & Sheather 2003), *Food for Thought: Action Agendas to Value-Add the Food Industry in Regional South Australia* (Brown & Genoff 2001) and in The City of Playford's *An Innovative City: Economic Plan* (Genoff 1999). As I was to discover throughout the course of my research, his enthusiasm is even more evident in his public speeches, which involve provocative PowerPoint displays, excited gestures and spell-bindingly articulated visions of what the future could be for Adelaide's Northern region.

Social capital plays a central role in Genoff's vision for the region. The City of Playford's approach to regional economic development is informed by an uncritical acceptance of Putnam's link between social capital and economic development. The City's Economic Plan states: 'As Robert Putnam showed in his work in Italy, a community's social capital is strongly associated with its economic prosperity' (Genoff 1999: 12). The Plan uncritically accepts the tenets of Putnam's *Making Democracy Work*, arguing that 'Social capital principles can be applied to local and regional economic development' (ibid). However, the Plan provides only a vague definition of the concept, which repeats popular statements incorporating the many broad themes from the social capital literature: 'Social capital is often described as the glue that holds communities together. The concept of social capital incorporates notions of involvement, empowerment, participation, trust and collaboration'

(ibid). However it soon becomes clear that the Plan considers social capital in a fairly narrow sense, in so far as it can contribute to the industrial cluster development strategies that have drawn so much international attention and are vital to the repackaging and remarketing of the region. The Plan concludes:

By investing in 'social capital', the City can contribute to new forms of collaboration which can increase the welfare of the community and create new investment opportunities for business. These can include the development of new business networks and industry clusters, as seen in the region's horticulture, defence and automotive industries (ibid).

The Plan states, 'social capital is critical to the success of cluster development and regional systems of innovation and long term prosperity' (ibid).

In accordance with the new regionalism, the council emphasises the role of strategies of 'local boosterism', like industrial clustering, as a means of revitalising the region and enabling it to compete in the global economy (Amin, 1994). The City of Playford is a member of the OECD Local Economic and Employment Program and hosts Clusters Asia Pacific Inc, sharing joint secretariats in Playford and the nation's capital Canberra. The City of Playford Council has transformed a former automotive components factory in Womma Road into the Northern Adelaide Innovation Network, a \$90 million 'high tech hub designed to launch companies into global markets' (City of Playford 2004b: 4). The Innovation Network, opened by Prime Minister Howard in March of 2004, is home to more than a dozen local and international advanced manufacturing, design and trading companies. Led by automotive engineering company Priority Engineering, which last year entered a joint venture agreement with UK automotive production control systems firm CIMAC and the German firm IPF, more than \$20 million has been invested in the Network, creating more than 200 jobs. The three companies are establishing their Asia Pacific headquarters at Elizabeth West as part of the Network and as a result of this agreement a further \$70 million will be invested in new high technology including

software, telecommunications, three dimensional visualisation and laser vision equipment. An article in *The Advertiser* stated, 'Establishment of the Network is a tangible demonstration of the role local government can play in changing the way companies do business in South Australia' (Stylianou 2005).

The council's focus on networking, partnerships, social capital and industrial clustering as a means of revitalising the locality has drawn attention and recognition both nationally and internationally. As the City of Playford website announces, the innovative way in which the council has employed the Playford Partnership structure to drive the establishment of ventures like the Innovation Network 'has put Playford at the forefront nationally in developing commercially driven business clusters' (City of Playford 2004a: 4). In 2001 an article in *The Advertiser* reporting on Genoff's clustering activities announced 'World Takes Notice of Region's \$62m Business' (Kemp 2001). The article reported that 'innovative business practices in Adelaide's northern suburbs have generated \$62 million in nine months – and attracted international attention' (ibid: 1). As Considine and Hart (2006: 18) point out, 'The Playford Partnership and cluster strategy have achieved much recognition, support and numerous awards'. In January of 2001, the City of Playford Council was invited to present its work on clusters to the OECD/French government's World Congress on Local Clusters in Paris. The OECD has also recently commissioned the council to conduct research into foreign direct investment into regional economies. The City of Playford won the Commonwealth Department of Transport and Regional Services' Award for Best Practice Economic Development Model for an Industrial Council from the Commonwealth Department of Transport and Regional Services in 2002. The Council received the Department of Transport and Regional Services' National Local Government Award for Australia's most innovative economic development program and governance structure in both 2002 and 2003. The City of Playford also won an international award in

2003 for Planning for the Future along with a national award for the best local economic development program in Australia (City of Playford 2004b: 4). This was followed by the receipt of an international award for Planning for the Future which was received in the Netherlands following competition with the local governments of such powerful industrial cities as Chicago (Considine & Hart 2006: 18).

Genoff's work on industrial clustering successfully drew the attention of the Federal government which provided funding for the Advanced Manufacturing Design Centre under the Sustainable Regions Program (Stylianou 2005). The Advanced Manufacturing Design Centre under construction in Elizabeth West is designed to 'encourage networks between companies developing new products and services for national and international markets' (ibid). Then Prime Minister John Howard visited Playford no less than three times in 2005 to launch some of Genoff's clustering activities and met with then Mayor Marilyn Baker and groups of manufacturers. His visits included the launch of Priority Engineering's \$90 million Innovation Network at Elizabeth West and the co-located Centre of Robotic Excellence SA (a joint venture between Priority Engineering and CIMAC Asia Pacific) (Roberts 2005: 23).

However, the City of Playford is not the only local government in the region hoping to attract economic investment through strategies of 'local boosterism', including the creation of industrial precincts, knowledge hubs and industrial clusters (Amin 1994). The City of Playford is in direct competition with the neighbouring City of Salisbury, which has also embraced an entrepreneurial role to economic development in the region. As Trainor (2006: 10) argues, the City of Salisbury actively pursues business and industrial development in its City, as made clear in the glossy booklet *Salisbury: Shaping the Future* and the accompanying DVD (Salter 2002; City of Salisbury 2004; Sorensen & Torfig 2005). The City of Salisbury is one of the largest and most significant councils in

metropolitan Adelaide, with a larger population than the City of Playford at around 120,000 people (compared with around 70,000 in Playford) and a larger annual budget of around \$70 million (compared with around \$50 million for the City of Playford) (City of Salisbury 2008; City of Playford 2004a). The City of Salisbury is also renowned for being a world leader in 'sustainability' due to the development and implementation of environmental programs in the region, including processes for stormwater use, waste water recycling and wetlands (Hamnett 2003).

The City of Salisbury is home to one of the substantive spin-offs of the ill-fated Multi-Function Polis (MFP) project, Mawson Lakes. Mawson Lakes was a joint partnership project of the City of Salisbury, the Land Management Corporation (LMC), and Delfin Lend Lease. The Mawson Lakes development, often referred to by Playford residents as 'Mozzie Lakes', involves a landscaped housing development geared towards a cosmopolitan lifestyle, involving schools and shops, constructed around artificial lakes and water features. The Mawson Lakes campus of the University of South Australia and Technology Park, which is the base for a number of defence and high-technology industries including Tenix, SAAB, BAE and others, are also located within the development. The City of Salisbury is also home to Edinburgh Air Base and the DSTO, located to the north of the Salisbury town centre. Around 600 hectares of this land has been acquired by the LMC and set aside for the construction of the Edinburgh Parks industrial precinct, one section of which has been established as an automotive supply precinct or 'supply park' for GMH, across the railway line in Elizabeth. Other sections will be geared towards manufacturing, defence, aerospace and other related operations. A 'Defence Unit' within the South Australian Government's Department of Trade and Economic Development (DTED) secured the relocation of the 3rd Battalion Royal Australian Army Regiment to the Edinburgh Parks site in 2005, a project which could bring substantial spin-

offs for local economies. The regiment will join the Royal Australian Air Force (RAAF) at Edinburgh Parks in Salisbury. Significantly, South Australian license plates now carry the tag 'SA the Defence State', a title well earned with the announcement in 2007 of an eight billion dollar contract to build three Air Warfare Destroyers at Osborne near Port Adelaide, with the possibility of a fourth.

The City of Playford's approach to regional development through social capital and industrial clustering is heavily influenced by the South Australian State government's interest in the social capital/industrial clustering approach to regional economic development. In 1995 MFP Australia launched a prototype cluster-development process in conjunction with the South Australian Employers' Chamber of Commerce and Industry and the State Government (Blandy 2003: 102). MFP Australia 'aimed to adapt lessons learned from America's regions, like Silicon Valley and Detroit, to the Adelaide setting' through its relationship with Collaborative Economics, the chief architects of Joint Venture: Silicon Valley Network, led by Doug Henton and Kim Walesh (Collaborative Economics & Multi-Function Polis 1997; Blandy 2003: 102). The MFP was a joint Japanese-Australian project which aimed to build a high-technology city for the future in an area west of Dry Creek.

The Polis, informed by industrial clustering literature, aimed to provide a mix of residential and industrial development with a lifestyle and housing structure which facilitated communication among the workers of the high-tech industries which were to be based there. At the time, Peel (1995a: 224) wrote that while the MFP promised "'mixed" public and private housing development as one of its social justice goals', in reality it would 'gather together the winners from economic restructuring and reward them with even better environments and lifestyles'. While the development project ultimately failed, with a cost to taxpayers of over \$100 million, as will become apparent in later chapters, many of the

ideas informing the MFP have lived on in current state government policy and the City of Playford's approach to regional development.

In 1996 the South Australian Employers' Chamber of Commerce and Industry in collaboration with the South Australian Development Council (an advisory body to the Department of Premier and Cabinet) created a civic body called the South Australian Business Vision (SABV) 2010, with an objective to 'rejuvenate a declining South Australian Economy' (Blandy 2003: 98). In 1998, the South Australian Government Program to develop local industry clusters was transferred to SABV2010 (ibid). SABV2010's interest in industrial clustering arose out of interest in the now failed MFP Australia project, which sought to use industry clusters as a framework for economic development policy in South Australia (ibid: 102). When the program was transferred to SABV2010 in 1998, only two of the original clusters from MFP Australia remained, defence and multimedia, to which a spatial information cluster and a water cluster were added following the privatisation of the South Australian water industry (ibid: 104). In the intervening years a number of other clusters have been introduced along with other already developed clusters including automotive and manufacturing clusters (ibid: 105). Blandy (ibid: 114) writes that the major economic outcomes from this cluster development process have been the creation of greater trust and understanding among cluster members, a reduction in transaction costs and improved investment prospects in joint ventures.

While accepting arguments about the need for regions to become more competitive in the face of the new knowledge economy, The City of Playford challenges the argument that we are moving to a post-industrial society. In *Innovation and the Knowledge Economy*, Genoff argues that while 'industrial regions are often thought of as rust belts with intractable problems', industrial regions are critical to the knowledge economy (Genoff & Green 1998: 3). In *Manufacturing Prosperity: Ideas for Industry, Technology and*

Employment, Genoff and others challenge the myth that the world is moving to a post-industrial future and emphasise the continued ‘importance of the manufacturing sector to Australia’s economic prospects and industry’s current focus on innovation, design, research and development’ (Genoff & Green 1998; Genoff & Sheather 2003: 3). Genoff and Sheather argue that ‘elaborately transformed manufacturers (ETMs) such as electronics, information technology, automotive, engineering and pharmaceuticals continue to be one of the fastest growing areas of world trade’ and that the ‘production of ETMs...is often at the very heart of our industrial regions’. For example, referring to an uncited article in *The Age*, Genoff and Sheather (2003: 3) argue that Chicago, once thought of as the rust belt of the US, now has more high tech jobs than Silicon Valley. They argue that in the old industrial centres ‘it is not surprising to find a new generation of manufacturers, researchers and service industries combining in knowledge intensive industry clusters to generate wealth and prosperity’ (ibid). This is precisely what is beginning to emerge in the City of Playford and surrounding districts in recent years. The implications of the City of Playford’s approach to regional development through social capital, industrial clustering and industrial diversification are considered in chapter seven.

5.5 Social Diversification: Urban Regeneration, Social Capital and Social Mix

The City of Playford’s approach to urban regeneration through social diversification is most evident in the current Playford Alive project (see Figure 4: 169). The Project is the result of ongoing collaboration between the South Australian Government, the SAHT, the Office of the North, the Playford Partnership, the City of Playford and the LMC. As the owner of the green fields land to be developed at Munno Para West, the LMC joined with

the SAHT, the City of Playford and the Office of the North in 2005 to undertake the master planning and feasibility study of the area led by private consulting firm Jensen Planning and Design (Land Management Corporation 2006). Playford Alive, or the Playford North Regeneration Project (as it was then termed), was officially announced on the 9th February 2006 by Premier Mike Rann, after receiving the seal of approval from the State government. In May of the same year, the LMC announced that a \$1 billion suburb 'will be created when more than 4000 homes are built in Adelaide's north' (ibid). The new homes will be built on 300ha of LMC land, with an expected increase in population from about 13,000 to 30,000 over the next 20 years (ibid). The project involves the regeneration of the Peachey Belt (Smithfield Plains and Davoren Park) and the creation of two new housing developments at Munno Para West and Andrews Farm (ibid). Munno Para West is situated next to the North Lakes Golf Course and bounded by Curtis Rd to the south, Stebonheath Rd to the west, Fradd Rd to the north and the railway line to the east (Day 2005a: 3). Andrews Farm is bounded by Petherton Rd to the south, Andrews Rd to the west, Davoren Rd to the north and Stebonheath to the east (ibid). There is also some discussion about extending the Urban Growth Boundary, set by the State Government to limit urban sprawl, to accommodate further development. Major works commenced in late 2007 with the final plans released in June of the same year for community consultation, which was then incorporated into the plan and placed on a website in early 2008 (City of Playford 2008c). Another area, Blakeview, on the other side of Main North Road is also due for redevelopment, but this project is likely to be another fifteen years in the making and will take place after the completion of Playford Alive. Playford Alive will create housing for around 15,000 people (Land Management Corporation 2006).

NOTE:

This figure is included on page 169 of the print copy of the thesis held in the University of Adelaide Library.

Figure 4 – Map of Playford Alive Masterplan
Source: City of Playford (2008c)

However, one of the objectives of Playford Alive is to establish social diversification through tenure diversification and achieve a reduction in the concentration of poverty in the region by spreading Trust houses 'more evenly across a wider area with less concentration in the Peachey Belt' (Land Management Corporation 2005). The redevelopment region has a high concentration of public housing with around one third of houses in the Peachey Belt owned by the SAHT, another third private rental, and the final third privately owned (ibid). Given that many of these properties were built in the 1960s and are now in poor condition, the redevelopment is a welcome move eagerly anticipated by many residents in the region. However, the redevelopment will not be without drawbacks. Higher density housing will replace the Housing Trust homes, with around eight new houses replacing three to four trust homes (Vasenszky 2007: 17). However the overall stock of public housing will not increase as these figures would suggest but will instead decrease by a substantial figure. While others I had spoken to at an earlier stage of project development had informed me that there would be no overall net loss of public housing, Michael White, the Place Manager for the Urban Regeneration Project (recruited by the council to manage the development on the ground), informed me that the most recent and most likely scenario would see the overall stock of public housing in the redevelopment region reduced from around 1300 Housing Trust Homes in the Peachey Belt alone to around 800 over the life of the project (this information was confirmed in a newspaper article by Day 2005a). The project will involve the demolition of most Housing Trust homes in the region with the majority of public housing remaining at the end of the project to be made up of new homes built on vacant land within the Peachey Belt and in the new housing areas.

The project will therefore place the public housing system under considerable pressure at a time when there is great demand for its provision. In early 2007, the Trust had already

ceased to fill vacancies in the region, boarding up Trust houses as soon as they became vacant to await demolition. There will be a considerable lapse between the closure of these properties and the opening of new public housing properties with new building not scheduled to begin until 2008. While Deputy Premier Kevin Foley (2006) acknowledged a major objective of the regeneration project is to reduce the concentration of public housing in the region, he argued that:

In line with the Housing Plan for South Australia, the State Government will provide affordable housing opportunities for those with high needs and those on low to moderate incomes, as well as coordinating and targeting state, local and private enterprise social programs to benefit the community.

The plan is to provide more opportunities for people to own their own homes through mechanisms like HomeStart finance.

The sale of many former Housing Trust homes takes place as part of the State Government's Affordable Homes Program which involves the sale of 8000 public houses over the next decade to wipe the Trust's \$700 million housing debt to the Federal Government (Westthorpe 2007: 13). The Northern Adelaide region has the second highest concentration of public housing in the state sitting at 2733 in March of 2007 (ibid). The government plans to double the number of public houses it sells annually from 400 to 800 (ibid). Housing Minister Jay Weatherill argued that while the program involves the elimination of debt and stabilising of housing stock, existing tenants will not be kicked out of their homes but offered the choice to purchase using the Government's HomeStart finance or rent-to-buy scheme (ibid). The program involves selling vacant Trust homes to 'social landlords', 'who accept lower rents in exchange for financial incentives from the Government' (ibid). If properties are sold to investors, the Government plans to put a timeframe in contracts to ensure properties remain as affordable housing for a set period, yet to be determined (ibid). However, Weatherill's claim that 'the sell-off would not cause

the already mammoth waiting list to increase because it was allowing low income earners to enter the housing market' seems highly unlikely under current circumstances (ibid). As Westthorpe (ibid) points out 85 per cent of all housing trust tenants are currently reliant on the receipt of an average of \$71.90 a week per household in rental subsidies just to pay the rent. This does not suggest they are in a position to be purchasing a home. An article in the local *Messenger* reports that the sell-off 'has been criticised by welfare workers who say the brunt of the social cost will be met by those most in need of help' (ibid). For example, Homelessness SA Chairwoman Jo Wickes said the sale 'would propel thousands of the state's most vulnerable into a life of poverty' (ibid). Wickes argued that:

We're talking about thousands of people missing out on public housing over the next ten years...Those people will be forced into the private market, increasing their living costs and putting families under a lot more financial and emotional stress...Eighty-five per cent of Trust tenants are people with very high and complex needs who can't get into private rentals or buy their own home...My fear is we're sending them to the Parklands, to squats, to their cars and any other makeshift arrangement (ibid).

The regeneration project could thus be seen as a retreat on the part of the Housing Trust from its former goals of affordable housing provision for those most in need, resulting from the rise of 'urban entrepreneurialism' in approaches to regional development (Oakley & Verity 2003). Oakley & Verity (ibid: 200) argue that the rise of 'urban entrepreneurialism' entails a shift in the role and structure of governance and an increasing reliance on 'market based approaches to the restructuring and regeneration of the Australian suburban city'. In keeping with contemporary approaches to regeneration through public-private partnerships, the regeneration project could be seen as another example of the increasing devolution of 'greater power to the property market with market-based responses viewed as the solution' (Arthurson 2001; 2003b; 2003a: 360). As Arthurson (2003a: 360) argues, this approach 'entails a fundamental reorganisation of the

roles and balance of power between public sector agencies and the private sector in regeneration partnerships'. The Australian housing reform agenda along with various economic imperatives, 'have set the scene for regeneration partnerships that involve increased private sector influence in both the funding and implementation of regeneration projects' (ibid). For example, citing Jackson's (1999) work on the Parks redevelopment, Arthurson (2003a: 360) describes how in South Australia it has been acknowledged that 'the private sector will play a much greater role in financing regeneration than previously' as a result of deficits in government funding. Contemporary partnership models of regeneration thus reflect 'managerial change in the public sector', along with a 'de-emphasis on the role of housing authorities in the delivery of services', providing 'a mechanism for allowing greater power and influence of the private sector over state functions in order to attract private funding' (ibid: 230).

However, the dramatic reduction of the public housing rental stock in the region and the welfare population it serves, has been a theme in local council plans since at least 1980 (Peel 1995a: 220). The 'attempt to change the population base' of the region through social diversification began seriously over fifteen years ago with the Rosewood Village project described by Peel (ibid: 220; 234-238) in the Epilogue to *Good Times, Hard Times*. Funded under the Building Better Cities programme for large-scale renovation of neighbourhoods in Elizabeth North and with the Delfin Property group as consultant and project manager, two hundred rental houses were refurbished for sale to owner occupiers in a housing project aptly named Rosewood Village. However, the Rosewood development was only the beginning of a project which was always intended to take place on a larger scale. Peel (ibid: 234) describes how the Housing Trust and local councils hoped to repeat the Rosewood development in more neighbourhoods around Elizabeth, 'with the ultimate aim of reducing the proportion of people living in rental public housing from 50 per cent to

15 per cent of the population within a decade'. At the time, Peel (ibid: 234) argued that this could result in up to 14,000 people displaced or becoming home owners, with those who chose to leave being put at the top of the SAHT relocation list. In fact the redevelopment of the Peachey Belt area 'has been on the cards since the Rosewood revamp began in 1993' (Russell 2004: 6). A \$30, 000 feasibility study for a similar project in the Peachey Belt was prepared in 1993 the same year Delfin's development of the Rosewood Estate began (ibid). The continuation of this drive is evident in that, while certainly the largest, Playford Alive is just one of a whole spate of recent and impending urban redevelopments through public private partnerships, transforming the northern suburbs. Other redevelopments in the region have included Andrews Farm, Playford Waters and Playford Rise.

The City of Playford's strategies of social and industrial diversification are intricately entwined and equally implicated in the regeneration project. As Marilyn Baker (2003: III) put it, 'In the knowledge economy it [our challenge] is about integrating urban and industrial regeneration'. These strategies form the major components of the City of Playford's attempt to distance itself from its history as a site of Holdenist suburbia and 'from a past which has proved its undoing' (Peel 1995a: 220). However, Playford's twin strategies of social and industrial diversification were actually initiated by the NADB and have been further carried out by all proceeding governance structures and local councils (Peel, 1995a). Over a decade ago, Peel (1995a: 220) described how the NADB and local councils were 'determined to find ways of making the region more attractive for mobile high-technology industries and social groups for whom "environmental quality is all important"'. Strategies for achieving this have included the industrial clustering strategies discussed above. However, these efforts at industrial regeneration have been equally met with efforts at revamping the physical image of the region. Such measures as Playford Alive, the redevelopment of Elizabeth City Centre and the improvement and

redevelopment of cultural facilities such as libraries, form ‘star attractions in a strategy to sell the place by its look and feel as much as its assets’ (ibid). As argued in the previous section, strategies of attracting ‘knowledge workers’ or members of ‘the creative class’ form a major component of local boosterism today. It is here that the link between social and industrial diversification becomes most apparent, as strategies to attract knowledge workers or members of the creative class are repainted as strategies to build social capital in the region. However, these strategies raise important questions in terms of who profits from contemporary approaches to regional development. The questions must be asked, regional development for whom, and at what cost to the wider community? These questions will be explored in greater detail in Part Three.

5.6 Conclusion

In this chapter I described the way in which social capital has been integrated into the discourses of regional development in the City of Playford. I argued that the shift from a KNWS to a SPNR was mirrored in the transition from the settlement and construction of Elizabeth to the formation of the City of Playford through the amalgamation of surrounding council districts. I argued that The City of Playford’s approach to regional development, informed by the twin strategies of social and industrial diversification, and delivered through a partnerships approach to governance in the region, constitutes an innovative approach to the pressures associated with the shift from a KNWS to a SPNR (Jessop 2006). These strategies can be seen as part of an effort to repackage and reconceptualise a site of ‘Holdenist suburbia’ as a new city for the new economy (Winter & Bryson 1998). The City of Playford’s approach to regional development is informed by an uncritical acceptance of the link between social capital and economic development.

Through the twin strategies of social and industrial diversification, both of which are, to some extent, informed by social capital theory, the City of Playford aims to create a region more favourable to the interests of global capital in the new economy.

The social diversification strategy is most evident and concrete in the City of Playford's approach to housing diversification in the form of projects like the Playford Alive project which aims to regenerate areas in the City with high concentrations of public housing like Smithfield Plains and Davoren Park. However, the strategy of social diversification is intricately tied to industrial diversification strategies, in attempts to rebuild the region by attracting social capital brokers such as civic leaders, social entrepreneurs and members of the creative class to Playford. The industrial diversification strategy focuses specifically on regional economic development through strategies of 'local boosterism', involving 'industrial clustering' strategies and the development of social and other forms of 'capital', as a means of attracting people and jobs to the region and combating the image of the region as a rustbelt (Amin 1994). The City of Playford's approach to regional economic development through industrial and social diversification embraces a melding of the rational and civic strains of social capital theory, with little evidence of critical examination of the concept or consideration of the legacy of the Marxist strain (Lewandowski 2006). In this context, the metaphor of the 'new economy' effectively writes out the need for consideration of issues of wider political economy, while 'social capital' papers over issues of class and structural inequality. The issues associated with this approach will be examined in more detail in Part Three of the thesis in which I apply and explore the main questions and arguments of the thesis through a case study of The City of Playford.

6. PLAYFORD PROUD: SOCIAL CAPITAL AND SOCIAL DIVERSIFICATION

6.1 Introduction

In this chapter, I compare and contrast the results of our focus groups and community survey of social capital in the City of Playford with the results of a number of other studies in the region, in order to interrogate the City of Playford's approach to regional economic development through social diversification and social capital. In doing so, I demonstrate how simplistic arguments linking social capital and economic development, can not only serve to produce oversimplified analyses and misrepresent the social lives of regions, but can serve to support regional stigmas and distract attention from the real causes of regional inequality. As argued in previous chapters, the link between social capital and economic development and the strategies of social diversification which they engender are based on the assumption that residents of socio-economically disadvantaged regions are deficient in social capital and that regional inequalities can be tackled by harnessing local 'social capital' both at the community level and through contributing to the development of industrial clusters and embedding industrial economic development in the community. However, if regions bearing the brunt of uneven processes of development, already have high levels of 'social capital', a strong and vibrant community, an innovative council and strong social networks, without adequate funding, it is difficult to believe that this will be enough to resolve the varied social and economic issues in the region.

6.2 ‘It’s the Little Things’: Defining Community through Social Capital

The City of Playford’s interest in social capital’s contribution to regional development dates back at least as far as 2001, when Playford Partnership (2001a; 2001b; 2001c) was involved in the production of a number of surveys of social capital in the region. The Playford Partnership Social Capital Surveys were commissioned by the Department of Industry and Trade in consultation with the City of Playford Council in recognition of the contribution social capital can make to regional economic development (Playford Partnership 2001c: abstract). While the surveys covered the entire City of Playford region, a major focus of the reports was the Peachey Belt (Playford Partnership 2001a: 2). The aim of the surveys was ‘to gain a greater understanding of the social capital within the community and amongst local businesses’ (Playford Partnership 2001c: abstract). The project was also concerned with ‘determining how social capital can contribute to creating resilient entrepreneurial communities’ (Playford Partnership 2001a: 2).

As mentioned previously, the *Playford Partnership Social Capital Surveys* were divided into three documents: the ‘*Social Capital Business Survey Report*’ and the ‘*Community Social Capital Audit*’, along with the overall report ‘*Social Capital and the Peachey Belt*’ (Playford Partnership 2001a; 2001b; 2001c). While, to the best of my knowledge, the report documents were never officially published, it seems likely that they have had some internal influence on the development of policy in the region, given that many of the recommendations of the reports have been acted upon. In this chapter I am concerned with examining the City of Playford’s focus on social diversification through social capital, utilising relevant information from the overall report ‘*Social Capital and the Peachey Belt*’ and the ‘*Community Social Capital Audit*’ (Playford Partnership 2001a; 2001c). The ‘*Social Capital and the Peachey Belt*’ report will also be examined in the following

chapter, along with the '*Social Capital Business Survey Report*', when I examine the City of Playford's approach to regional development through industrial diversification and social capital (Playford Partnership 2001b; 2001c).

The '*Community Social Capital Audit*' involved gathering data from a variety of sources including: stakeholder consultation, community consultation, discussions with staff from the City of Playford Council and a literature review (Playford Partnership 2001a: 5). However, 'Information was gleaned primarily through community consultation in order to gain insights into the views and perspectives of the Playford population, particularly those at significant disadvantage' (ibid: 6). Research for the '*Community Social Capital Audit*' involved the construction of a 'community profile', followed by ten one hour semi-structured interviews conducted with representatives from community service organisations in the Northern Adelaide region including: Northern Metropolitan Community Health Service, Northern Area Community Health Service, the Department of Human Services, Para West Adult Campus, Anglicare, Mission Australia, Job Network and the SAHT (ibid: 6-7). The researchers also conducted interviews and focus groups with community members recruited through snowballing (where existing study participants are used to recruit more participants into the sample). Their research methods were deliberately selected as 'Closed (tick-a-box) surveys were regarded as being "inadvisable" and "disrespectful" to administer in a community that had already been "surveyed to death", with little follow-up or delivery of outcomes' (ibid 2001a: 9). The interview questions were developed around the framework for measuring social capital developed by Onyx and Bullen (1997; 2000), including questions on participation in networks, reciprocity, trust, social norms and tolerance of diversity (Playford Partnership 2001a: 10). The authors take a deliberately qualitative approach to measuring social capital, arguing

that ‘the often contradictory nature and definitions of social capital means that it is difficult to quantify’ (ibid).

The *Playford Partnership Social Capital Surveys* represent social capital as a primarily positive force and apply a theoretical understanding of the concept informed by a combination of the ‘rational’ and ‘civic strains’ of social capital theory, at the expense of the ‘Marxist strain’ (Lewandowski 2006). The definition of social capital utilised throughout the project was borrowed directly from Putnam (Putnam, Leonardi & Nanetti 1993). The ‘*Social Capital Business Survey Report*’ states that social capital was defined during the project as:

Those relationships of social connectedness which enable people to act collectively...a ‘bottom-up’ phenomenon based on principles of trust, mutual reciprocity and norms of action...those features of social organisation such as networks, norms and social trust that facilitate co-operation for mutual benefit (Playford Partnership 2001b: 3; 2001: 12b).

There is little consideration in the reports of the theoretical and methodological difficulties associated with the concept, or of the ability of social capital to contribute to the production and reproduction of social stratification and inequality. Social capital is instead understood as a potential remedy for regional inequality and socio-economic deprivation. Appendix Four of the ‘Social Capital and the Peachey Belt’ describes the understanding of social capital which has informed the report, taken directly from Putnam’s *Making Democracy Work*, which directly links social capital and civic engagement with regional economic success (Playford Partnership 2001c: 90-95). The report argues that ‘links between business and social capital are important for economic development’ and ‘In any plan for the economic rehabilitation of the Peachey Belt, the resolution of the social issues will be an essential condition for a positive outcome’ (ibid: 94; 3). The reports take a simplistic view of the causal relationship between social capital and economic development. While citing Knack and Keefer’s World Values Survey data which showed

that low levels of social and economic polarisation are associated with the development of cooperative norms and trust, or social capital, the authors conclude:

It stands to reason therefore, the necessary conditions for producing social capital (trust, reciprocity, tolerance, collectivity) will create an environment in which economic outcomes (both immediate and potential) are forthcoming (Playford Partnership 2001a: 22).

However, I argue that this conclusion, like so many arguments supporting the ‘missing link’, reflects a lack of distinction between cause and effect and between causation and correlation, along with a lack of attention to the impact of class, social status and wider issues of political economy.

The Playford Partnership social capital survey reports generally paint a negative picture of social capital and social life in the region. The main report refers to the Peachey Belt region as ‘a poverty ghetto’, which has been viewed by successive governments as a ‘dumping ground for the poor’ and argues that the links that comprise social capital ‘appear to be deteriorating.’ (Playford Partnership 2001c: 11, 15, 94) The ‘Community Social Capital Audit’ argues that in ‘areas such as the Peachey Belt’, the ‘basic social fabric has all but unravelled’ (Playford Partnership 2001a: 2). The main report argues that the City of Playford, particularly in the Peachey Belt area, is ‘disproportionately under supplied with social capital’ (Playford Partnership 2001c: 8). While at one point, the reports quote Claire Dillway’s statement that the ‘Peachey Belt is an area that is community rich but resource poor’, the rest of the reports present a picture of the region as suffering from low social capital in the form of ‘a general sense of community “disconnectedness”’ (ibid 15; 1). Fortunately however, the ‘Community Social Capital Audit’ report makes at least some effort to acknowledge the positives of social life in the region, stating:

While the Peachey Belt is undermined in terms of resources and physical infrastructure, it is nonetheless, an asset rich community. It contains an able, undervalued population and a potential future workforce. Many young people have developed resourceful, resilient social and support networks. Many elderly residents have lived in the area all their life, and feel a strong sense of belonging to the area (Playford Partnership 2001a: 7-8).

However, the *Playford Partnership Surveys* are not the only surveys of social capital in the City of Playford to have concluded that the region is low in social capital. The *People and Places: Urban Location Social Capital and Health* project sought to establish, compare and contrast levels of social capital in four different Local Government Areas (LGA's) in Adelaide; Playford, Burnside, Prospect and Onkaparinga (Baum et al. 2007). While the main focus of the project was to explore the impact of location on health, the project was specifically designed to highlight the relationship between social capital and socio-economic status and investigate 'differences in social capital...between people living in four neighbourhoods within urban Adelaide' (ibid: 1). The two postcode regions selected to be representative of Playford (5113) and Onkaparinga (5169) have a lower than average socio-economic status (SES), and the two in Burnside (5066) and Prospect (5082), have a higher than average SES (ibid: 1). The suburbs included in this postcode are Davoren Park, Elizabeth Downs, Elizabeth North and Elizabeth Park (which includes Elizabeth West) (ibid: 7). The report focuses on 'individual social capital', which it defines as consisting of 'networks, values and resources' (ibid: 9). However, the authors state that they did not attempt to measure networks, values or resources but rather to measure the more general concept of social capital using an index of 'trust, social networks, reciprocity, civic activity and help available to people' (ibid: 1). The *People and Places* report supports the link between social capital and economic development, arguing that 'residents from the better off areas experienced higher levels of social capital' (ibid: 5).

The findings of *People and Places* demonstrate that perceptions of the City of Playford as deficient in social capital continue to influence thinking about the region today (Baum et al. 2007). The report paints a negative image of social life and social capital in the City of Playford region, arguing that 'Playford, respondents experienced a lower level of neighbourhood cohesion than those in the other three postcodes (sic)' (ibid: 3). According to the report, respondents in Playford were also the least likely to: be happy with their social life; consider their neighbours to be willing to help others; be trusted; have a sense of community; get along with each other; share the same values; be tolerant of people who are not like them; and perceive their neighbourhood as close-knit (ibid: 2-3).

In contrast with our own results (to be discussed later), the report argues that the City of Playford possesses lower levels of what could be described as informal social capital than the other suburbs, measured by levels of informal interaction, assistance and reciprocity (Baum et al. 2007). The authors argue that Playford respondents 'reported lower levels of reciprocity' than respondents in the other postcode regions, and 'they had less help available to them' (ibid: 3). The report presents some mixed findings to support the argument that respondents in Playford reported having 'less people available to offer help to talk about personal problems, to make important decisions, to help around the house, to give a lift, or to provide information for job searching' (ibid: 3). The authors found that more than 60 percent of respondents in Burnside, Prospect and Onkaparinga had three or more people available to talk about personal problems or offer help in making important decision, compared with only 50 percent in Playford (ibid: 59). However, while the Playford postcode area had the highest number of residents reporting they had no one available to talk with about personal problems or offer help in making important decisions (around 9 percent as opposed to under five in the other areas) residents from the Playford postcode area also had the highest number reporting they had one to two people available

to help (over 40 percent compared with around 30 percent for the other postcode areas) (ibid: 59).

A similar pattern emerged in terms of practical help such as helping around the house or giving a lift when needed. The *People and Places* report found that while more than one-third of respondents in Burnside, Prospect and Onkaparinga provided help on a monthly basis, one quarter of respondents provided help on a monthly basis in Playford (Baum et al. 2007: 63). However, the number of respondents who provided help on a weekly basis was slightly higher in Playford than in Burnside and only slightly lower than in Prospect and Onkaparinga, which may indicate that those who do provide help to friends or relatives in Playford, do so on a more regular basis (ibid). While more than 60 percent of respondents from the Burnside, Prospect and Onkaparinga postcodes had three or more people available for practical help, for Playford respondents, this figure was around 45 percent (ibid: 60). However, the Playford postcode had the highest number of respondents reporting they had one to two people available for practical help of all the postcode areas at just under 50 percent, with the other postcodes reporting figures of around 35 percent (ibid). The report concludes this section by emphasising that ‘Significantly fewer Playford respondents reported having people available for practical help’ with around ten percent of respondents indicating they had no-one available to help, compared with less than five percent in the other postcodes (ibid).

Interesting differences also emerged between the different suburbs in terms of informal social interaction. The *People and Places* report found that ‘Of the four postcodes, respondents in Burnside had significantly less face-to-face contact with relatives than respondents in the other three postcodes’ (Baum et al. 2007: 51). Respondents from the Playford postcode area had the most face-to-face or telephone or email contact with their relatives of all the postcodes and respondents from the Burnside postcode the least (ibid:

52). However, ‘Compared to respondents in the other three postcodes, Playford residents had significantly less telephone or email contact with friends’ and slightly less face-to-face contact with their friends than respondents in the other three postcode areas (ibid: 52-53). Thus, while Playford respondents had slightly less informal interaction with friends and family members than respondents from the other suburbs, they had the highest levels of informal interaction with family members and Burnside the lowest (ibid).

The *People and Places* report also provides evidence in support of the argument that ‘Burnside respondents reported the highest level of civic activity and Playford the lowest.’ (Baum et al. 2007: 3) While Playford respondents did not perform well in terms of the main activities used to measure civic engagement, some of these activities would simply not be available to many residents of the most socio-economically deprived suburbs in the state. According to *People and Places*, ‘Boycotting or deliberately buying certain products for political, ethical or environment reasons, contacting the council or local councillor and signing a petition were the most common forms of civic participation’ (ibid: 3). While Playford respondents were less likely than respondents from the other postcode areas to contact a local council or councillor about an issue, or attend a community consultation or public meeting, they were more likely than residents in the Prospect postcode to talk to people nearby about a local issue and more likely than residents in the other three postcode regions to make a formal complaint about a neighbourhood problem (ibid: 56). However, as will be discussed in greater detail in the following chapter, these results should be seen in the context of a region burdened by over-consultation and exhibiting high levels of distrust in local government. Furthermore, the report found that ‘Playford residents reported the highest levels of voting in local government elections’ with three quarters of respondents reporting having voted as opposed to 70 percent or less in the other postcode regions (ibid: 3, 57).

The report also argues that the City of Playford possesses lower levels of what could be described as formal social capital, measured by levels of civic engagement, participation in formal groups and activities and volunteering (Baum et al. 2007). The report found that while three quarters of respondents across the four postcodes participated in some group activities (eg. sporting, religious, school related), Playford had the highest level of non-participants and Burnside the lowest (ibid: 45, 51). In fact the pattern of non-participation in formal group activities seemed to have an inverse relationship with socioeconomic status, with Playford at 36 percent, Onkaparinga at 30 percent, Prospect at 24 percent and Burnside at 17 percent with significant differences between all of them (ibid: 48). These figures are especially interesting in that Playford currently has one of the highest levels of community organisations and associations in the State (ibid: 114). As the authors of *People and Places* point out, while it was clear that ‘Playford residents assessed the physical aspects of their neighbourhood most negatively’:

There was a reverse trend when it came to the social capital promoting features of areas such as community groups and centres, with Playford having the greatest number of community groups and organisations and Burnside having the least. In fact, Playford had nearly twice as many community groups and organisations as Burnside, with a comparatively high number of sporting clubs and social clubs in the area (ibid).

As the authors argue:

It seems that the provision of groups and organisations within an area is not sufficient to facilitate participation without consideration of the kinds of individual or compositional reasons for not participating discussed above, such as the cost of involvement or lack of time (ibid: 115).

According to *People and Places*, respondents in the Burnside postcode had the highest level of volunteering at 37 percent and respondents in the Playford postcode the lowest at 24 percent (Baum et al. 2007: 3). However, it is important to note that those who did

volunteer in Playford spent the most time doing so (ibid). This lower rate of participation in formal voluntary activities is also reflected in the 2006 census data with only 12.4 percent of residents in the City of Playford having participated in some form of formal volunteering activity in the last twelve months compared with 17.7 percent for the Adelaide metropolitan division (City of Playford 2008a).

Another project on social capital, entitled *Measuring Social Inclusion and Exclusion in Northern Adelaide*, was also conducted in the Playford region during the same period in which I conducted my research (Spoehr et al. 2007). The project was conducted for the South Australian Department of Health by various researchers from the Australian Institute for Social Research at the University of Adelaide, including Associate Professor John Spoehr and Dr. Lou Wilson. The project was undertaken in the context of the then recent launch of the South Australian Government's Social Inclusion Initiative, the SASP, and the establishment of the Office of the North (ibid: 6). Findings from the project were to inform the State Government's commitment to improve social outcomes in the north (as announced at the last election) and its commitment to 'building communities' as part of the SASP (ibid: 20).

The pilot project involved the establishment of a survey instrument (NASIS) and a database to collect and manage time series data from future surveys in order to inform the development of policies and programs and enable the tracking of the regional impact of State and Commonwealth social inclusion and social capital initiatives over time (Spoehr et al. 2007: 7). The NASIS consisted of three indicators to measure social inclusion, social exclusion and social capital. These included the Social Networks Indicator, the Community of Interest Indicator and the Social Inclusion Indicator (ibid: 9). The Social Networks Indicator was designed to examine the informal assistance and material support received by respondents from friends, neighbours, relatives and work colleagues (ibid). The

Community of Interest Indicator was designed to examine respondents' formal participation in clubs and societies and the amount and quality of social networks derived through this participation (ibid). The Social Inclusion Indicator was designed to explore 'community togetherness and closeness' and 'whether differences between people living in the same community in terms of wealth, income, social status, ethnic background and age were perceived to have caused problems or brought benefits' (ibid: 10).

The NASIS report presents a more positive view of social capital in the Northern Adelaide region than the *Playford Partnership Social Capital Surveys* and the *People and Places* reports (Spoehr et al. 2007; Baum et al. 2007; Playford Partnership 2001a; 2001b; 2001c). The authors of the report argue that the Northern Adelaide region possesses a 'strong foundation from which public policy can build in future interventions designed to sustain and foster the growth of social capital' (Spoehr et al. 2007: 13). The authors summarise this foundation as deriving from: high levels of community cohesion in the region; sound networks of personal support and practical assistance; high levels of participation in social clubs; high rates of volunteering; high rates of participation in political and civic processes; and respondent perceptions of the local community as one that is inclusive of its members, including newcomers (ibid: 14). The authors argue that in developing initiatives designed to strengthen social capital 'it is essential that existing strengths be used as a foundation for future intervention' (ibid).

The NASIS found that the Northern Adelaide region has high levels of informal social capital, measured by levels of informal social interaction, assistance and reciprocity (Spoehr et al. 2007). Survey responses 'revealed a significant level of support and solidarity between community members, with reciprocal exchange of both personal-emotional support as well as more practical assistance' (ibid: 62). While the report acknowledges that around 15 percent of survey respondents indicated they had given no

assistance of any kind, the authors emphasise that most respondents had helped their friends and neighbours with everyday household activities (such as, helping with odd jobs, lending household equipment and providing transport) in the previous twelve months and most did so on a regular basis (ibid). Furthermore, these forms of informal assistance and reciprocity were extended to include both the giving and receiving of personal and emotional support (such as providing advice on relationships, family and children, listening to problems and sharing confidences) (ibid: 11-12).

NASIS also found that the Northern Adelaide region possesses high levels of formal social capital in the form of high levels of volunteering and participation in formal organisations. The authors argue that 'community strength' was indicated 'by the high proportion of respondents from Northern Adelaide who had undertaken formal volunteering activity and/or participated in clubs and societies' (Spoehr et al. 2007: 12). Almost 30 percent of respondents indicated that they had engaged in formal volunteering with an organisation in the previous twelve months, with more than 10 percent having volunteered for more than one (ibid: 63). More than 70 percent of respondents had participated in a club or society in the past twelve months, with more than 60 percent indicating they met with the group they were involved with at least once a week and more than 70 percent of those who participated indicating they had regular contact with people from the group with whom they were most involved outside of group meetings (ibid: 63-64). While involvement with sports or recreational groups accounted for over 30 percent of these figures, other organisations included union or professional groups, school or student groups, service clubs and neighbourhood or civic groups (ibid: 64). Furthermore, while membership of these groups tended to be fairly homogenous, significant diversity in terms of wealth, social status, age and ethnicity was evident in group membership (ibid: 65). The report argues that group membership also appeared to provide a source of linking social capital

with most respondents being involved with groups that included members in powerful or influential occupations, capable of providing valuable professional or influential linkages (ibid: 65-66).

The report also argues that the Northern Adelaide region possesses high levels of social capital in the form of civic engagement. More than 70 percent of respondents indicated some form of political participation in the last 12 months including: writing letters or emails to newspapers on issues of concern; attending meetings or rallies; contacting politicians; or discussing issues of concern with friends or neighbours (Spoehr et al. 2007: 66). However, in the context of the high levels of informal social engagement in the region (to be discussed in more detail later) it is notable that the most popular form of political participation was discussing an issue of concern with people living nearby at just under 44 percent (ibid).

The report describes the Northern Adelaide region as ‘an inclusive community’, with 85 percent of respondents describing their local community as a friendly place to live, just over 70 percent reporting their community was welcoming to newcomers and more than 80 percent indicating that they felt part of their community (Spoehr et al. 2007: 11, 60). The researchers found that most respondents expressed tolerance of differences in the region with less than ten percent indicating that differences in gender, wealth or ethnicity had caused problems in their community (ibid: 60). The authors emphasise that the majority of residents ‘strongly identify with their community and feel a strong sense of belonging’ (ibid: 14).

Overall, the report states that ‘Northern Adelaide is challenged by social and economic disadvantage but draws strength from community cohesion and social networks.’ (Spoehr et al. 2007: 12) The authors conclude, ‘It is likely that these networks provided respondents with a rich source of social capital’ (ibid). The report summarises:

On a region-wide basis, the respondents to NASIS 2005 were positive in their assessment of their community's strength and cohesion. They described an acceptance of diversity in cultural background and socio-economic status, and participation in a range of civic, social and community activities, as well as volunteering of different kinds. Networks established through this participation were described as extending into other realms of life and providing personal, practical and other forms of support (ibid: 11).

The findings of the report were published in an article in *The Advertiser*, entitled 'Cohesive Community but Problems Remain: Northern Suburbs Still Missing Out' (Shepherd 2007). The article states that while residents continued to see the area as a 'struggle town' and were 'concerned about education, employment, housing and crime', they reported 'living in a cohesive community with strong and inclusive networks' (ibid: 3). The article quotes author John Spoehr as saying "communities that are under pressure often find the solutions to their problems within their own communities. That's a great strength and a lesson for more affluent parts of Adelaide" (ibid).

The findings of *Social Capital, Social Inclusion and Industrial Cluster Development in the City of Playford*, the final report on the ARC survey for the project through which this thesis was funded, were very similar to the findings of NASIS (Spoehr, Chiveralls & Wilson 2007; Spoehr et al. 2007). In contrast with the impression given by the *People and Places* and Playford Partnership (2001a; 2001b; 2001c) reports, the results of the survey indicate that the City of Playford could be argued to possess high levels of social capital (Baum et al. 2007; Spoehr, Chiveralls & Wilson 2007). The results of our survey suggested that the City of Playford had high levels of informal social capital in the form of informal social participation, assistance and reciprocity (Spoehr, Chiveralls & Wilson 2007). Our survey results indicated that almost all respondents living in Playford regularly visited friends, family and neighbours, and that these people also visited them. Less than one percent of respondents indicated that they did not participate in such activities (ibid: 40).

Similarly, almost all Playford respondents had helped their friends and neighbours with everyday household activities in the last twelve months on a regular basis. In turn many respondents received reciprocal assistance with activities like help with odd jobs, transport or looking after houses and pets while people were away (ibid: 24). More than 26 percent of respondents indicated that they were assisted by their friends or neighbours more frequently than once a month and more than 36 percent said they were assisted every few months. Fewer than 16 percent indicated they only received assistance once a year (ibid: 41-42). Reflecting the continuing importance of relations of kith and kin (Peel, 1995a), relatives were the people who were most likely to assist (at more than one quarter), followed by friends, and then neighbours (Spoehr, Chiveralls & Wilson 2007: 42). However, the person who assisted most, was most likely to hold the same values as the respondent and few (less than one percent) respondents indicated that a work colleague or other person assisted them (ibid: 43, 42). Retired people were the group most likely to provide assistance, followed by persons undertaking home duties, factory workers, tradespersons and the unemployed (ibid: 43). The person who assisted most lived in or near the City of Playford in approximately 66 percent of cases with only 11 percent of respondents indicating that such persons lived outside of their local area (ibid: 44).

In contrast with *People and Places*, the results of our survey suggested that Playford residents were active in the civic life of their region (Spoehr, Chiveralls & Wilson 2007). More than 70 percent of respondents indicated that they had engaged in some form of political participation in the last twelve months, including discussing issues of concern with friends, signing petitions and contacting the local council (ibid: 51). The survey found that the most common forms of political participation were discussing an issue of concern with people living near them, signing a petition, writing a letter and contacting a State MP or a local councillor (ibid). However residents seem less involved in national and

international affairs with only a small proportion of respondents having contacted a Federal MP or attended a meeting or rally about an issue of concern to them in the last twelve months (ibid).

The survey also found that most respondents felt the Playford region had a strong and inclusive community. When asked if ‘the local community is friendly towards newcomers’, 39 percent of respondents either agreed or agreed strongly, just over six percent of respondents disagreed and only two percent disagreed strongly (Spoehr, Chiveralls & Wilson 2007: 45). The majority of respondents also felt their local community was a friendly place to live, with more than 59 per cent of respondents agreeing or agreeing strongly with this statement and fewer than ten percent disagreeing (ibid: 46). Most respondents agreed with the statement ‘most of the people I know feel that they are part of their community’, with 45 per cent either agreeing or agreeing strongly and fewer than 13 percent disagreeing (ibid: 47). Most respondents also felt that they were part of their community with more than 52 percent agreeing somewhat or agreeing strongly with this statement and fewer than 13 percent disagreeing (ibid: 48).

Accordingly, the report on our survey results in the City of Playford, demonstrate that the region could indeed be argued to possess high levels of social capital. The report states:

In summary, whilst many respondents were challenged by lower than average incomes, and had issues with care responsibilities, lack of time due to paid work, illness or disability, which presented barriers to participation in community activities, their responses suggest most were engaged in social, recreational and political activities in the life of their communities which brought them into contact with people from both similar and different backgrounds. It is likely that these networks provide respondents with a rich source of social capital (Spoehr, Chiveralls & Wilson 2007: 26).

Nevertheless, despite the clear presence of many social characteristics in the City of Playford which could be taken to amount to ‘high levels of social capital’, a number of

reports have come out in recent years which present a negative picture of social life in the region and argue that it is deficient in social capital. Like the ideologies of British new town planning which inspired the construction of Elizabeth, discourses of social capital risk, ‘ignoring the complexity of “community”’, and confirming outsiders’ worst prejudices about disadvantaged cities’ (Peel 1995a: 29, 12). Accordingly, it is vital that any account of the social life of the City of Playford recognises the pride and energy which most residents take in describing the solidarity, neighbourliness and reciprocity of their community. Unfortunately however, in contemporary discourses of social capital in disadvantaged communities, it seems little has changed since the early years of the construction of Elizabeth, of which period Peel wrote, ‘Defining “community” usually meant listing the signs of its absence: “anomie”, social isolation, “one-class” housing estates devoid of civic identity’ (ibid: 85).

6.3 The ‘Wrong’ Kind of Social Capital? Class, Social Solidarity and Social Distance

While the *Playford Partnership Social Capital Survey* reports argue that the region is lacking in social capital, the authors acknowledge that there may be a fair amount of ‘bonding social capital’ in the region in the form of informal relationships of assistance and reciprocity. Citing a study by Woolcock and Narayan (2000), the ‘Community Social Capital Audit Report’ acknowledges:

There are mixed findings to suggest that deprived areas have less or just different forms of social capital, with some evidence suggesting that disadvantaged areas may in fact develop strong social capital in the face of poverty and deprivation (Playford Partnership 2001a: 13).

The report refers to work by Barbieri, Pagaum and Russell (2000: 217) which found, 'the weaker the role of the state in allocating people to jobs, the more personal social capital becomes the regulatory institution' (Playford Partnership 2001a: 21). The report states, 'Certainly, adversity has forged links, most notably relationships of reciprocity' (ibid: 31). It continues:

While there is very little connection with residents who live in another suburb, even those suburbs along the Peachey Belt, a considerable array of support networks are put in place between households with very discrete geographical areas such as a single street (ibid).

However, the authors seem to take a negative view of bonding social capital, repeating the argument that it helps economically disadvantaged people and communities to 'get by' while bridging social capital helps them to 'get ahead' (ibid: 14). They argue:

Some forms of social capital can act as barriers to employment growth. For example, in some communities experiencing long-term unemployment, bonds and trust are based around non-working, and certainly we see some evidence of this in the Peachey Belt. This can result in communities being caught in "path-dependency", confining them to low growth, decreasing employment and declining income levels. In these circumstances, what is required is a substantial process of "unlearning" old patterns of behaviour before new rounds of learning can be undertaken (ibid: 23).

The report states, 'Where inequalities exist in areas of low government intervention social capital can thus act to exacerbate rather than mediate existing inequalities' (ibid: 21). Nevertheless, the reports continue to view the development of social capital, particularly of the bridging kind, as a remedy for inequality in regional economic development. More specifically, the report explicitly recommends the development of bridging social capital and the destruction of bonding social capital stating, 'The challenge for community and economic development is to create alliances across difference; to turn bonding social capital into bridging social capital' (ibid: 14). The report states it is important that 'the

stock of social capital be identified and augmented' arguing, 'augmenting social capital will lead to economic development that will in turn bring increased wealth to the community and increase the local market' (ibid: 49, 94). The report uncritically cites the work of researchers from the World Bank which reinforces Putnam's argument that bridging social capital contributes to economic development (ibid: 92-93). It states:

The World Bank supports Putnam's view that the best form of social capital is that which links people to resources they would not otherwise be able to access. This form of bridging social capital is most likely to overcome disadvantage in the community (ibid: 93).

Similarly, while the *People and Places* report described Playford as an area with low social capital, the authors suggest that the issue is not that Playford lacks social capital so much as possesses the wrong kind of social capital (Baum et al. 2007). The report states:

There is evidence to suggest that deprived areas have different forms of social capital that are likely to bring fewer benefits to the community. It may be that while some elements of interaction in disadvantaged areas are strengthened in the face of poverty and deprivation, the resources available through these interactions are less valuable for health (ibid: 9).

The *People and Places* report suggests that what is lacking in the region is social capital of the bridging and linking kinds and provides evidence to back up these claims (Baum et al. 2007). For example, the survey found significant differences between postcodes when asking whether respondents knew people from a range of professions 'who could exercise power or influence of different kinds (e.g. lawyer, police officer, local councillor etc)' (ibid: 113). The researchers argue that of the four postcode areas, 'Burnside residents were most likely to know at least one person in a significant profession and Playford residents were the least likely to' (ibid: 3). However, I would suggest that these findings are hardly surprising given that people will obviously be more likely to know at least one person in a significant profession when the region in question contains a higher ratio of people in such professions.

However, the report provides further evidence, arguing that respondents in Playford had the lowest number of people available to help them and provide information and advice on matters like job searching and finances, and Burnside had the highest (Baum et al. 2007: 62). Respondents from the wealthier postcode regions of Burnside and Prospect reported being well supported in relation to advice about jobs and finances, with almost 30 percent of them having one or two people available, and nearly 60 percent having more than 3 people available for help (ibid). Conversely, more than 30 percent of respondents in Playford had no one available to offer help with regard to job searching and financial advice (ibid). However, again I would argue that in a region with the highest level of unemployment in the state, it is not surprising that the Playford postcode respondents had the lowest number of people available to provide information and advice on job searching and managing finances, though this is definitely an area which is in need of improvement, particularly in the Peachey Belt region. Nevertheless, this evidence is taken both to suggest the prevalence of bonding social capital as opposed to bridging or linking social capital in the Playford postcode region, and to prove the advantages of bridging and linking social capital over bonding social capital.

The authors explain the benefits of bridging and linking over bonding social capital thus:

Considerable research has documented the advantages of 'bridging' and 'linking' forms of social capital. Bridging social capital is a looser social tie than is the case in bonding social capital. It operates across differences such as in culture or ethnicity but not in terms of institutional power and influence, whereas linking social capital is also a looser tie but in addition, operates across explicit, formal or institutionalised power or authority gradients in society...One of the explanations for the way in which social capital may help people is that if people are known through networks then they may be more likely to receive help. The fact that residents of the most affluent suburb were the most likely to know people in positions of influence provides some guide to the ways in which their networks may assist

them. By contrast, those in the least well-off suburb do not have these potentially helpful networks. Linking social capital reflects what has been referred to as an ‘old boys’ network’ (ibid: 113).

However, the results of the *People and Places* report also demonstrate some of the difficulties associated with the simplistic distinction between bonding and bridging social capital (Baum et al. 2007). While Burnside respondents clearly exhibit a higher level of bridging social capital than their Playford counterparts in many regards, in others the Playford respondents display greater elements of bridging social capital (ibid). For example, the *People and Places* report found that:

Burnside respondents were more likely to know people in the same or similar social groups in term of ethnic or cultural background, age, education, and household income through social activities than respondents [from the other postcode areas], and Playford respondents knew a more diverse range of people through social activities (ibid: 67).

Thus it seems that Playford residents are not lacking in bridging social capital so much as linking social capital. However, as will be discussed in the following section, there is little to suggest that the introduction of bridging or linking social capital would automatically foster economic development or reduce inequality in the region, not to mention the difficulties associated with building social capital of any kind.

While the *Northern Adelaide Social Inclusion Survey* was much more positive in its assessment of social capital in the Northern Adelaide region, the survey also found important differences in the kinds of social capital that existed in different suburbs in the region (Spoehr et al. 2007). The report divided the data from NASIS according to three sub-locations in the Northern Adelaide region, which for confidentiality purposes were labelled “Zone A”, “the most disadvantaged area”, “Zone B” “a more affluent metropolitan area” and “Zone C” “a relatively affluent town” (ibid: 12). A previously published conference paper in which Wilson (2005) delivers some of the results of the

NASIS survey, enables the identification of the zones discussed in the final NASIS report in further detail. Zone A is a suburb from the 'Peachey Belt', an area which he describes in his conference paper as consisting of 'socially disadvantaged suburbs with high concentrations of public housing arranged along Peachey Road to the west of the City of Playford' (ibid: 6). Zone B is a suburb from the 'Hills Face' which he describes as 'located in the pleasant foothills of the Mt Lofty Ranges'. Zone C is a suburb from the 'Country Towns' which he describes as 'close to the Barossa wine growing district' (ibid). Wilson (ibid: 6-7) reports that the NASIS survey found that 48 percent of respondents from the Peachey Belt area (Zone A) reported approximate earnings before tax of less than \$300 per week compared with 34 percent in the Hills Face suburbs (Zone B) and 31 percent in the adjacent country town (Zone C). The report found:

There were important differences within the region that directly linked to different levels of socio-economic status that emerged when data relating to the three Indicators were disaggregated on this basis (Spoehr et al. 2007: 12).

The results of this project challenge the simplistic relationship between social capital and economic development as it is currently understood, demonstrating a link between economic adversity and relationships of assistance and reciprocity. The results of the Social Networks Indicator found that:

people from the most disadvantaged area (Zone A) were more likely than their more affluent regional neighbours in Zones B and C to provide and receive assistance from neighbours and friends with household tasks on a regular basis (ibid: 68).

While 92 percent of respondents from Zone A and 90 percent of respondents from Zone B indicated they provided help to their friends or neighbours on a regular basis, only 80 percent of respondents from Zone C did so (ibid: 69). Moreover while 83 percent of respondents in Zone A and 86 percent in Zone B indicated they had received similar assistance, only 68 percent of respondents from Zone C did so (ibid: 70). The report thus

concludes that ‘In terms of “bonding social capital”, the disadvantaged community was much stronger and more cohesive than its more advantaged neighbours’ (ibid: 68). As Wilson (2005: 9-10) argues, ‘Indeed there appeared to be an inverse relationship between affluence and participation in informal neighbourly activities’.

However, like the previous reports, the NASIS report also concludes that the City of Playford region, or more accurately the Peachey Belt area, is lacking in bridging social capital (Spoehr et al. 2007). While Zone A (the Peachey Belt) scored highest on the Social Networks indicator, indicating high levels of ‘bonding social capital’, ‘the findings relating to the Community of Interest and Social Inclusion Indicators were less positive’ (ibid: 68). Application of the Community of Interest Indicator found that respondents from Zone A (the Peachey Belt) were the least likely of the three communities studied to take part in clubs or societies, at 56 percent compared with 63 percent in Zone B and 69 percent in Zone C (ibid: 70). They were also less likely to meet regularly with group members outside of their usual meetings, at 70 percent compared with 74 percent in Zone B and 84 percent in Zone A (ibid). Furthermore, ‘When they did participate in clubs or societies they did so less frequently than those living in Zones B and C’ (ibid). Respondents in Zone A (the Peachey Belt) were also the least likely to be in contact with people in occupations of influence (ibid). The report found that while 44 percent of respondents in Zone C and Zone B had contact through their membership of clubs and societies with people in influential occupations only 28 percent of respondents from Zone A had such contact (ibid). As the authors of the report argue:

These findings suggest that while Zone A respondents were more likely than people in more affluent zones to have formed strong social networks through participation in community activities and the provision of reciprocal support of various kinds, they were relatively less likely to have formed such relationships through formal associations (ibid: 71).

Furthermore, the results of the Social Inclusion Indicator suggested that ‘respondents from the more affluent suburbs were more likely to feel included in their communities and regard their communities as inclusive places’ (Spoehr et al. 2007: 71). While 88 percent of respondents from Zone C and 72 percent of respondents from Zone B saw their community as an inclusive place to live, only 64 percent of respondents from Zone A did so (ibid). Similarly, while 84 percent of respondents from Zone C and 83 percent of respondents from Zone B felt personally included in their community, only 73 percent of respondents from Zone A did so (ibid). However, in an earlier conference paper, Wilson (2005: 9) argues that ‘Peachey Belt respondents were also more tolerant of difference in their community’. He described the respondents from the Peachey Belt as having a ‘high cultural tolerance of difference’ (ibid: 10). These results accord with findings of *People and Places* mentioned earlier, which suggest that the City of Playford (or the Peachey Belt) does in fact possess bridging social capital but is lacking in linking social capital. Nevertheless, these findings lead the authors to conclude that:

for most members of the Zone A community, social capital was confined to the “bonding” dimension (that is, involving relatively homogenous and inward-focused networks) and missed the benefits associated with “bridging” and “linking” social capital (that is, providing influential connections to work and other life opportunities) that were characteristic of the two more affluent communities (Spoehr et al. 2007: 68).

Accordingly, the report goes on to recommend policy initiatives aimed at encouraging the development of bridging and linking, as opposed to bonding, social capital in the region. The report acknowledges that ‘the foundation for policy intervention that is strongest involves “bonding social capital” networks that have high levels of trust and reflect a strong sense of commitment to those networks’ and that these ‘provide a positive basis for future action across the Northern Adelaide region’ (ibid: 14). However, citing Putnam, bonding social capital is referred to later in the report as “the dark side of social capital”

(ibid: 33). The report recommends ‘intervention’ in ‘the more disadvantaged areas of the region, particularly around the Zone A location’ in order to strengthen ‘linking social capital’ (ibid: 14). However, as will be discussed in the following section, the difficulty is that interventions designed to foster the growth of the right kind of social capital may succeed only in destroying the social relationships which currently exist in the region.

The findings of the *Social Capital, Social Inclusion and Industrial Clustering in the City of Playford* report were again similar to the findings of NASIS in relation to the different types of social capital in the City of Playford (Spoehr, Chiveralls & Wilson 2007; Spoehr et al. 2007). While the report was more positive of its assessment of social life in Playford than the *Playford Partnership Social Capital Survey* and *People and Places* reports, emphasising that the City of Playford could be argued to be a region high in social capital, the report describes this as consisting mostly of bonding social capital (Spoehr, Chiveralls & Wilson 2007; Spoehr et al. 2007; Playford Partnership 2001a; 2001b; 2001c; Baum, et al. 2007). For example, the report states:

Many Playford residents are active and frequent participants in community organisations including sports clubs, unions, service clubs and school groups. Active engagement in community activities has enabled many residents to develop strong social networks and to accumulate bonding social capital (Spoehr, Chiveralls & Wilson 2007: 6)

However, like the other reports, the *Social Capital, Social Inclusion and Industrial Clustering in the City of Playford* report argues that the City of Playford is lacking in bridging social capital. The report argues:

most social networks in Playford are not with people in positions of influence. Playford residents tend to form networks with people in similar life situations as themselves. Playford remains a community in which residents are challenged by social disadvantage and while many such residents have strong bonds with people in similar life situations to

their own they are unlikely to have networks with persons in positions of influence. That is, there is a deficit in bridging social capital in the community of Playford (ibid).

However, while all the reports I have discussed above are fairly uniform in their descriptions of the City of Playford as lacking in the right kind/s of social capital, I argue that the bonding/bridging/linking distinction fails to adequately address what is really going on in the City of Playford. These reports basically present what Amin (2005: 623) refers to as 'Putnamesque' social capital arguments, inferring that the City of Playford possesses the "wrong sort of community", in that it produces bonding social capital rather than bridging social capital'. While I began this chapter asking, 'Does the City of Playford possess the wrong kind of social capital', I agree with Amin's (ibid) statement that:

This is entirely the wrong question...because what needs to be appreciated is how community takes on different meanings in different conditions of economic and social well-being and in different institutional settings, as the social economy example has shown.

The results of our survey, along with the results of the surveys discussed above, suggested a preference in the Playford region for informal over formal forms of social engagement, which the findings of *People and Places* suggest tend to be popular in the wealthier regions of Adelaide like Burnside (Baum et al. 2007). In order to investigate this issue further, we divided the focus groups we held to follow-up on the results of the survey into lower income and middle to high income brackets. There were marked differences in the responses about informal social capital between the two different focus groups.

Informal relationships of exchange and reciprocity were especially significant for those in the lower income focus group. The participants frequently broke into discussions about how residents helped each other in informal ways such as helping with housework, lending each other money, allowing their neighbours to use their shower when faced with plumbing problems, and so on. Participants described the Northern Adelaide region as a region of 'friends all helping each other', 'a network of people helping each other', and

‘doing what they can to assist’. They discussed how the vicious circle of unemployment and welfare dependence had become a generational problem and in response the ‘people of the North’ had learned ways of ‘getting things done’ and ‘getting the help’. For example, one participant described her experiences of living in the Northern Adelaide region by saying, ‘The streets are very tightly knit, very tightly knit. [There’s] a lot of good support. That’s what I mean. We’ve all got hearts’. She described how, having just moved into a new home in the region two years ago, she was struck by the way that ‘everybody’ in her neighbourhood helped each other out throughout the whole year. She described her neighbourhood as a site of social interaction which generated networks of reciprocity and assistance. For example she recalled:

The kids were getting bored in our street close to Christmas time...So we decided to have a street party for them and we’ve got, you know, sport activities like volleyball. Nearly every day you have some type of activities happening on our street, you know, and we have water fights and all that sort of stuff.

She said she had never had any trouble finding people in the neighbourhood to help look after her six year old son and that people were always willing to help her out. For example she said, ‘I had car problems when the car just sort of broke down. Straight away, someone fixed it... you know. Yes there is a lot of support’. The level of distrust of government and community agencies in the region meant many residents viewed this kind of community support as preferable to seeking support through government or community agencies in the region. For example, one participant explained:

In our area, they run short on pay days...and it’s like, ‘No worries’... So no kids get neglected...Instead of like calling them bad and saying things like, ‘She should be going out and doing shopping...well there’s nobody saying [that],’cause they know that she does do that sort of thing. It’s the day before her pay day...things are getting low...[she’s] hard of cash and finding it difficult. So we’ll go around... because they’re too embarrassed to go

to Salvation Army or to one of those places 'cause you...get the hard questions...So yes, the neighbourhood's good that way. The support's all there in that area.

Another example was provided by a palliative care worker for a local hospital from One Tree Hill who was frequently involved in providing home care for patients. She commented, 'I see...so many patients who have so much support [from people who] have been neighbours for years'. Another participant laughingly described neighbourhood acts of reciprocity and assistance as a consistent characteristic of her own daily life, saying '[I] can't get my housework done [because I'm always interrupted by] a knock on the door'.

The sense of community solidarity expressed by participants in the lower income focus group was reminiscent of that described by Peel (1995a) in *Good Times, Hard Times*. At one point he quotes an interviewee saying:

All I know is, if you're in trouble, if you've got a problem, you'll have so many people who want to help you. How can I explain it? It's like when I was a child, in the East End of London, during the war years. What I can remember was the comradeship in that time, everybody helped everybody else. This is what you've got here (ibid: 204).

Similarly, the qualitative material in the *People and Places* report demonstrates this sense of community solidarity is still in existence in the region today, as illustrated by the following comment from a respondent from Elizabeth Downs:

If anyone came up and said 'Could you do this for me' everybody would say 'Yes' and do it. You know you wouldn't have to be frightened of asking. I think because we are all sort of in the same boat. We are either in the lower income, not much family around and they have seen that you are willing to help someone else so maybe you will help me sort of thing and 'if I do this for you, you will do this for me' and that sort of thing...You know there is always someone that will give you a hand which is good and I like that (Baum et al. 2007: 60).

Participants in the lower income focus group emphasised that these relationships of informal exchange and reciprocity arose from a shared sense of working-class identity. For example, one participant commented:

I draw the analogy with Liverpool, 'cause I grew up in Liverpool. You know, you couldn't get any more working-class than that. Living in terraced houses, everybody knew everybody in the street.

The sense of working-class identity was a consistent feature expressed by participants in the NASIS project and the ARC project, along with my own research. For example, on my first trip out to the Peachey Farmer's Market at the John McVeity Centre, as I was exploring to see if the markets extended inside, I was approached by a resident who offered 'Can I help you?' Before I could answer, we were interrupted by her mobile phone, the ring tone of which was Australian rock icon Jimmy Barnes (who grew up in 'the North') singing '*Working-class Man*'. This event would not seem so significant had more concrete examples of identification with working-class culture not emerged consistently throughout the focus groups. For example, during the City of Playford's community consultation forums for their Strategic Plan, one of the participants described Playford as an 'honest working-class area where you achieve what you have'. Similarly, when asked if the image of a working-class region founded around manufacturing was still relevant to the City of Playford, focus group participants from the ARC focus groups commented:

Elizabeth [has] always been working-class...a 'struggle town' That's what they call where I live.

There wouldn't be a question there.

Well what's wrong with working-class? Nothing wrong with it.

As the authors of the NASIS report argue:

Most discussion group participants described themselves and the North generally as 'working class'. This description of themselves and their region was not differentiated on

the basis of income level, gender or age. People who were quite clearly well-off preferred to describe themselves as working class, which was suggestive of a regional identity (Spoehr et al. 2007: 73).

Many participants in the lower income focus group explained their patterns of informal social engagement and participation in local organisations as related to the origin of Elizabeth as a working-class town forged primarily through migration around Holden. As illustrated in the following comments, this was particularly the case for participants from the Elizabeth and Salisbury areas:

We all began to arrive together and nobody had much so we all helped each other.

It was easy if I was mowing my lawn and I see my friend across the road has got long grass to knock on her door and offer to mow her lawn.

When we moved to Elizabeth you didn't know anyone so you joined the local social club or footy club to meet people (ibid: 82).

However, the NASIS focus groups found that while many participants actively engaged in organisations such as Scouts and sporting clubs, they were less likely to be involved in more formal forms of volunteering and organisational participation. As the authors of the NASIS report point out, 'In some cases this was because participants identified themselves as "working class", and associated organisations like Rotary and Lions with professionals and business people' (ibid). As illustrated in the following comments, those in the higher income discussion group were more likely to highlight the advantages associated with voluntary participation in clubs and societies, such as networking and the establishment of influential connections.

There are businessmen [in Rotary] or whatever else so therefore you have got that network and you've got more contacts, you've got more chance of going somewhere (ibid).

Once you are a member of one of those organisations you've got a bit of status and often you'll be in a meeting with politicians, things like that (ibid: 83).

I've been in situations with local politicians because you are a leader and it gives you a bit of an intro to actually talk to them about something...having some status within the community helps (ibid).

They [people with influence] can help you achieve your goal (ibid).

Conversely, participants in the lower income focus groups tended to be more sceptical of the benefits of volunteering. As one participant put it, 'I've volunteered for Anglicare for ten years but you never get anything out of it, no (paid) work, nothing. They take your time but don't help you (ibid: 82).' In fact some participants from the lower income focus groups were clearly outraged at the idea of utilising volunteering for instrumental purposes and personal gain. For example one participant exclaimed, 'You just don't do that! You don't help other people to get something back!'

Furthermore, participants in the middle to high income focus group placed a much greater emphasis on individual responsibility, agency and self-reliance than the lower income groups. For example, in response to a question about whether participants spent much time engaging in informal social activities in the neighbourhood such as helping with household tasks, looking after pets or lending household equipment, one participant from the higher income focus group responded, '[That's a] bit of a laugh as [I] seem to spend a lot of the time helping myself. [There's] enough to do at my own house'. Similarly, when asked if they participated in neighbourly activities like giving or receiving emotional or material support, another participant stated, '[You] don't blame anyone else. You tripped over. It's your fault...I'll not cry on someone's shoulder'. Participants in this focus group emphasised the importance of independence and individual responsibility with statements like, 'You've got to stand on your own two feet' and 'You get yourself in trouble, you get yourself out of it'.

However, it was difficult to tell whether the differences between the two groups resulted more from the influence of socioeconomic status or gender. The fact that the second group

was (unintentionally) made up of entirely male participants, made it more likely that participants would state opinions which accorded with gendered expectations of behaviour. Peel (1993a; 1995a) describes how historically, the informal forms of social interaction including neighbouring, reciprocity and assistance were distinctively female domains. These activities formed a significant part of womanhood in Elizabeth and played an essential role in the construction of the worker's city (ibid). While local government and institutions were mostly male domains, dominated by the small band of local middle-class residents, women found ways of managing the household and public spheres outside of 'the system' (ibid). It is highly likely that this gendered pattern of social participation has been carried through to the present day and continues to inform the practices of these focus group participants, as well as the way in which they discussed their involvement or non-involvement in practices of informal reciprocity and assistance.

Nevertheless, the comments of participants from the (slightly) wealthier focus group seemed to indicate an inverse link between informal social capital and material wealth. Participants seemed to see a correlation between economic stability and a decline of informal aspects of 'social capital' like informal assistance and reciprocity. As one participant's comments suggest, when one is on a higher wage there is less need to 'muck in' as expectations of reciprocity carry less value. He asked, 'Now why should I?...My wife and I can do it all ourselves'. The findings of our research suggest that those with limited means tend to engage in more informal and less formal social activities than their wealthier counterparts. The utilisation of informal social capital as a coping mechanism seems to support the argument that social capital can increase the 'yield' of resources in socio-economically disadvantaged regions but does not increase the 'stock' of resources in the region (Portes 2000: 8). As Amin (2005: 623) argues:

It is hardly surprising that community fellowship among the hard pressed, especially in the most desperate of places, is both circumspect and socially circumscribed and that it is

likely (though not necessarily) to become more associative, altruistic, and cosmopolitan with improvements to people's material circumstances, social connectivity, and well-being. It could be argued that this data provides evidence for the tenuous link between social capital and economic development (theoretical and methodological issues aside). However, I contend that to argue that residents' reliance on informal mechanisms of support is a cause of economic under-development in the region, is to ignore and depoliticise both the history of the region and the impact of more recent political and economic trends. I argue that these differences demonstrate correlation rather than causation and that the results cannot be simply reduced to either a cause or result of the economic status of the region or the individuals involved. Furthermore, I argue that the simplistic link between social capital and economic development and the simplistic distinctions between bonding and bridging social capital confuse cause and effect, fail to distinguish between access to networks and access to resources, and serve to undermine the social relationships already in place in the region.

I argue instead that this data reinforces Peel's (1993a; 1995a; 1995b) arguments about the way in which class in the region is acted out through patterns of social engagement. In *Good Times Hard Times*, Peel (1995a: 118) describes how 'class is "acted out" more than simply "possessed" by virtue of occupational position'. Thus the 'local performance of class relations' comprises an important component of the 'politics of place' (ibid: 111). I argue that this 'acting out of class' is evident in the differences between different income groups in terms of patterns of social interaction and participation both within the City of Playford, and the wider Adelaide region. The results of my research confirm Peel's (ibid) suggestions about the link between class and patterns of formal versus informal social engagement in the region.

Peel (1995a) describes the solidarity and reciprocity which he saw as central to the working-class version of Elizabeth as a product of working-class identity, one of the

defining features of which was ‘the understanding that you have little control over many of the major decisions in life. You don’t completely make your own luck, because other, more powerful, people make some of your luck for you’ (ibid: 11). However, he argues that these ‘apprehensions’, ‘do not produce conformism or fatalism’ but rather what he describes as ‘a defensive togetherness, something which has always characterised Elizabeth’ (ibid). This sense of ‘defensive togetherness’ was exactly what I encountered throughout my fieldwork in the City of Playford (ibid).

The importance of this for people living in the region is illustrated in the following quote, taken from a song called ‘Little Things’ by Ngarrindgeri musician and recording artist Howie Sumner (2003):

The summer sun is burning. The winter rains are long
 With every season turning. Every body battles on
 We have a history of struggle. But in looking at the past
 I have come to one conclusion. It’s the little things that last
 It’s the little things we do that make us stronger
 It’s the way we come together when the river is in flood
 It’s the way we fight our fires when they’re burning
 It’s the way we praise the soldier when he battles through the mud
 It’s the little things we do to help our neighbour
 It’s the way we lend a helping hand when somebody is down.

Sumner is somewhat of an icon of the Northern suburbs, having grown up in Salisbury East and worked as a teacher at Kurna Plains Aboriginal School. This passage seemed representative of the impression the majority of my informants wished to impart to me of their experience living in the North. For example, one occurrence which took place during my fieldwork had a direct accord with the lyrics of the song. When the waters of the North Para River burst its banks in 2005, flooding about 60 homes in Virginia, the Mayors of

Salisbury and Playford banded together to establish the Gawler River Flood Appeal in direct response to rallying ‘by local residents who wanted to assist local families in distress as a result of the floods’ (Piccolo 2005: 1).

Similarly, Peel (1995a: 217) describes the story of a local tragedy he overheard on one of his visits to Elizabeth, where a woman had lost all her possessions in a house fire and within a couple of days her house was filled with furniture and clothing by her neighbours, most of whom did not have regular or well-paid jobs. Likewise, data from participant observation and focus groups provided a multitude of examples of ‘the little things’ residents do to help their neighbours. For example, one focus group participant who lived in Davoren Park laughingly told such a story:

Being a diabetic I had a severe reaction one morning. (The) ambulance turned up. All the neighbours turned up. The ambulance driver couldn’t get me out of the house because of all of the neighbours.

Indeed the incident through which I became acquainted with the above lyrics illustrates both an informant’s attempt to provide me with such an impression, and an example of this behaviour in action. At the end of an evening meeting of the Playford Proud Network I was approached by one of the members who pulled me aside for an informal chat. She said, ‘It’s like Howie says, it’s tough out here but we all help each other out’. Upon hearing I had not come across his work she insisted I borrow the CD which she had sitting in her car outside the Civic Centre.

The Northern Adelaide region has from the time of its settlement, a long history of informal relationships of assistance and reciprocity. Because Elizabeth was, in Peel’s (1995a) words, a ‘migrant city’ and a ‘new city’, a sense of pioneer solidarity arose. Community was forged through necessity as Elizabeth needed to be built from the bottom up, mostly by people who had recently arrived and had scarce social resources and networks. Peel (ibid: 93) describes how during the ‘general “mucking in” of early

settlement', vital networks of reciprocity and exchange developed as neighbours helped one another out, shared resources and assisted with daily tasks. While, the Housing Trust was involved in the establishment and maintenance of these relationships as 'estates and tenancy officers lent people tools and paint, distributed trees and seeds, or offered help with gardens', Peel (ibid: 110) emphasises their informal and organic nature:

Maintaining the car generated a whole network of exchanges in parts, labour and advice, through which men built links with kin and neighbours in a way they never would through organised 'community participation'.

However, Peel (ibid: 93) emphasises that while during these first few months and perhaps even years, interactions might cross social barriers and divides as 'newcomers involved neighbours and accessible kin in the process of organising the home, the garden and activities for the kids', the stratified housing pattern meant that 'social contacts between renters and buyers were probably less frequent than the much repeated image of "mucking-in" would suggest'.

Nevertheless, it seems the sense of community solidarity cultivated during this period persists in the region, despite (or perhaps due to) the social divisions which existed even then and have most likely been exacerbated since through processes of economic restructuring. Peel (1995a; 112; 194: 1995b) describes how, as the impacts of economic and housing allocation policies combined to make Elizabeth a 'place for the poor', internal class divisions relaxed as locals were united against newcomers. This sense of solidarity was reinforced by feelings of isolation, due to Elizabeth's physical separation from the rest of Adelaide, which has given the town a particular sense of community (Peel 1995a: 136). While solidarity is common in any new suburban development, the strong history of migrant settlement in the region meant that, 'pioneer solidarity would persist for years in sharing strategies and neighbouring' (ibid: 117). Thus, Elizabeth 'was a common turf and a common experience, a place where, local people still say, everyone was in the same boat.

As such, Elizabeth was a community' (ibid: 120). The fieldwork and focus groups material discussed above demonstrate that this sense of working-class solidarity continues to characterise the City of Playford today.

In contrast with the working-class ethic of informal socialisation, neighbouring and reciprocity, Peel (1995: 121b) describes the middle-class ideal as 'neighbouring at a distance'. He refers to a study of a new town in Melbourne in the 1980s by Lyn Richards (1990), who found that especially in the suburbs of the 'outwardly and upwardly mobile', '[t]he ideological barriers guard against community, not against isolation' (Peel 1995b: 121-122). He points out that similar results were found in Jean Martin's (1970) study of the constraints on neighbouring in Adelaide in the 1960s (Peel 1995b: 122). Peel (ibid) concludes that while the working-class also value their privacy, their neighbouring behaviour is rather different:

Where working-class women practised a kind of neighbouring that balanced privacy, exchange, and solidarity, middle-class women may have focused on voluntary work, committees and church groups outside the immediate neighbourhood.

He describes how formal venues for civic participation in Elizabeth became the domain of the middle-class as public housing tenants were discouraged from voting in local government elections and participating in neighbourhood associations (Peel 1995b: 119). Furthermore, he suggests that working-class residents preferred more informal forms of social engagement, arguing that 'most clubs were not attractive to working-class residents', who were 'much more comfortable at the pub, bingo, in sporting groups, at the working mans club or at the union hall' (ibid: 121, 120).

However, the 'defensive togetherness' described by Peel (1995a: 11) does not refer solely to working-class practices of neighbouring and social engagement. The inclusion of the LGA of Burnside in the *People and Places* project was particularly significant, as throughout my fieldwork informants repeatedly made comparisons between Playford and

Burnside. Many of my informants proudly emphasised the difference between patterns of social engagement in Playford, compared with wealthier regions of Adelaide, concluding stories of informal engagement, social support and reciprocity with statements like, 'You wouldn't find that in Burnside'. This is clearly a long-standing tendency, as highlighted by Peel (ibid) in his ethnography on Elizabeth. In relation to the incident with the fire explained above, Peel (ibid) writes of the comment consistently made by locals telling the story, 'you wouldn't find that happening in Burnside, would you':

Elizabeth people, from my experience, tend to talk about 'social justice' in strongly relative terms: the insistent counterpoint is Adelaide's affluent areas: 'Burnside', 'North Adelaide', or just the 'other side' of the city. On the one hand, outsiders are ignorant: 'people down there don't know what it's like, they don't know what it's like to have nothing'. On the other hand, the people of Elizabeth think they're just as good as the people who live in the 'better' parts of Adelaide. In fact they're probably better, because they look after each other and are more of 'a community'.

Similarly, some of the earliest positive descriptions of Playford I heard whilst in the field were often told in comparison with the eastern suburbs of Adelaide. For example, a young woman in one of the council forums was arguing that too many people focus on the negatives of the region. When asked what she liked about living in Playford, she said, 'The people are always so friendly. They will always smile and nod or help you out...not like in Burnside or wherever'. Similarly, informants telling stories of how their neighbours had come to their aid, and would frequently finish the tale with a statement like, 'You wouldn't find that in Burnside'. For example, at the end of a focus group session one participant told a tale about how she had been sitting at home one evening and had heard what sounded like a gunshot ring out in her neighbourhood. As she ventured outside to investigate, she saw that all the neighbours on her street had also come out to see if anyone needed help. She concluded the tale by saying 'You wouldn't get that in Burnside. They'd all be hiding

under their tables, protecting their things'. Similarly, a worker at the Smithfield Plains community centre described an incident where a young lady had been attacked in a car park in the neighbourhood and a whole bunch of locals had come to the victim's aid. She too ended the tale stating, 'in Burnside they'd be too worried about themselves'. The perception seemed to be that the wealthier the community, the less community-minded individuals became.

The kind of dialogue I encountered during my work in Playford is reminiscent of that described in Peel's (2003) latest book *The Lowest Rung: Voices of Australian Poverty*. In a chapter entitled 'Heroes', Peel (ibid: 33-61) describes how, in the disadvantaged towns he studied across three different Australian states, local residents employed 'fantastic', 'local legends' in order to contrast the 'community spirit' of their region with the social and 'moral bankruptcy' which they felt were characteristic of the so-called 'better suburbs'. These stories were 'tales of battle and defiance', 'pitting residents against [common] enemies' (ibid: 38). He writes:

One of the most surprising discoveries for unprepared newcomers is that the people who live in these suburbs actually think they are better than people who live in "nicer" areas...they had to earn what-ever they have. They are more supportive of each other, more generous and resilient, and more willing to sacrifice for others (ibid: 39-40).

While jokes and anecdotes such as those described above expose the 'ignorant prejudices of people crossing over into the "badlands"', other stories dramatised 'what happened to people who moved to a "better" suburb' (Peel 2003: 40). In these stories, the newly moved residents would experience a crisis of some kind. The new neighbours would fail to lend a hand and make clear that in their 'kind of area' people are expected to look after themselves. Peel (ibid) states, 'Shamed by their abandonment of real friends,' the movers would then return, often to the same street. Indeed, a similar tale was told to me by one of our focus groups participants who said she was thinking of returning to Davoren Park after

moving to a better-off suburb because she missed the community support. She commented ‘It was a lot more community minded when I lived in Davoren Park than now that I live in Elizabeth East’. She recalled how while she had been living in her Housing Trust home in Davoren Park the neighbours borrowed things off each other all the time and helped each other out. She felt this was less the case in Elizabeth East where people tended to ‘keep to themselves’ a lot more. As Peel (ibid) argues:

Such stories reinforced local knowledge...They also inverted the assumption that poor people are deficient and rich people better. Struggling people care for each other and will always help in a crisis, while rich people only care for themselves.

Peel (ibid: 40-41) acknowledges that these stories, which emphasise the benefits ‘of ordinary know-how over expertise’ and ‘of living in a “real” community’, ‘are not the sole preserve of poor places’. However:

they have a particular edge there because the urge to be respected is especially strong and especially unlikely to be fulfilled. The inversions are more extreme, and the ridicule harsher, because there is a much greater threat that you will – in fact and not fantasy – be treated badly, ignored, accused, perhaps even punished. When you’re sure most people think you don’t count for much it’s all the more reason to make yourself count, in a story that you can control, told with and among people who know how hard you try and how difficult it is to get along (ibid).

Citing the work of anthropologist James Scott (1985: 37), Peel (2003: 42) refers to these verbal histories, folktales, jokes and local legends as ‘the “offstage” conversations of the repressed’. These stories not only reflect a past in which the tellers have struggled to be recognised as good people, serving to turn the tellers’ own experiences of poverty and hardship into stories of heroic endurance, but they also serve to merge them into ‘a self-respecting and steadfast community’, ‘an enduring body’ which is ‘larger than any of them alone’ and within which each of them can ‘not only find a place for now but a path into the

future' (ibid). Peel (ibid) argues that these stories don't just 'narrate' particular events so much as 'appropriate' them, making them the core in a 'morality tale', which asserts 'that in disadvantaged suburbs people are decent and generous'. However, behind such local legends lies 'a powerful sense of injustice' (ibid). In telling these 'local legends', residents of disadvantaged regions use ridicule, irony and dramatic inversions 'to accuse those who so often accused them' (ibid). Furthermore, these stories make 'the very important claim that ordinary people' deserve better (ibid: 61).

However, the pride and energy which most residents take in describing the solidarity, neighbourliness and reciprocity of their community, should be taken not just as a tale of ironic inversion utilised to counter the stigmas and accusations so often rendered against them, but as a social fact (Peel 2003). As Peel (ibid: 41) emphasises, while these are 'fantastic stories', they are not fantasies, because they refer to 'real experiences'. While they may not be 'a completely accurate narration of events' with flourishes 'added after the fact', 'exaggerations', details that have 'been embellished' and stories 'shaped to a desired conclusion...that doesn't make them untrue, because the stories of our lives are always in some sense strategic' (ibid). It is important to recognise that like all legends, these stories speak a truth that people want to have heard (ibid).

However, there are reasons to challenge these 'local legends about heroic endurance and strong communities' (Peel 2003: 58). As every story of heroism must have its villain, these stories should be questioned, not because they are inaccurate, but for their divisive potential (ibid). Peel (ibid) describes how these stories frequently utilise a sense of past struggle and nostalgia to pass off blame for present disappointments onto newer residents:

If you looked around and things weren't really any better, then perhaps it was because the people like you, the heroes, were a diminishing force...For all its attractions as a local history, the stories of heroes could have hard edges. It was a vindication that could become vindictive.

However, the ability of these stories to create generational divides was much more evident in the focus groups conducted in Playford (both as part of NASIS and as part of the ARC project) than the division between old and new residents. During these focus groups it seemed it was the youth of Playford who had been chosen to fill the role of local villains with some focus group participants expressing, ‘marked hostility’ towards the younger generation (Shepherd 2007: 3). As the NASIS report put it:

Young people were not seen to be as hard working as their parents had been, and not to have shared the hardships of their elders as the North was developed. They were seen as disrespectful to their families and communities and given to drugs and violence. The concern with declining job opportunities in the North rarely extended to the plight of young people who tended to be depicted as “wanting it all now” and not willing to take jobs at entry level pay rates (Spoehr et al. 2007: 13).

Nevertheless, as discussed above, ‘the broad trend was to portray a community with well-developed internal networks, supporting friends and neighbours and contributing to community well-being through volunteering and other forms of civic engagement.’ (ibid) Much like Peel (2003: 61), we found that the majority of people did not turn on either ‘the newcomers’ or the youth of Playford, but on ‘those who really bore the blame: politicians and outsiders, the rich and the comfortable’.

Furthermore, for all their divisive potential, these stories also have an ability to forge alliances across difference in a manner so often sought after by those seeking to ‘build bridging social capital’ in the region. In the suburbs in which he conducted his research, Peel (ibid: 154-155) consistently found that ‘Despite the arrival of more and more impoverished people they had built relationships and common causes and managed a degree of interaction few middle class people could claim’. For example, he describes how, contrary to many stereotypes of poorer places as the dens of Hansonites and One Nation supporters, these places are where ‘multiculturalism is made real’ (ibid: 145-155). With

particular relevance to Playford due to the high proportion of migrants (especially in Virginia and Angle Vale), Peel (ibid: 151, 152) argues that in these suburbs, ‘people who spoke different languages and came from different backgrounds’ practised ‘a form of tolerance in which a range of people saw their differences as less significant than their common cause’. While most of the people he spoke with ‘shared a very strong and deeply held interpretation of the world as divided into a “them” and an “us”’, this division was consistently based, not around issues of race or ethnicity, but on ‘the gulfs of place and class’ (ibid: 154).

As will be discussed in the following section, it is precisely because of the tendency for the social capital approach to ignore such issues of class and structural inequality, that it cannot adequately address issues of inequality in regional development. However, the evidence presented in this section suggests that rather than condemning the residents of Playford for their supposed lack of social capital (or the right kind of social capital) we should acknowledge their achievements, before returning our focus to the wider political and economic causes of inequality in regional development. While it is important to acknowledge their ‘capacities, inventiveness and ingenuity’, to magnify their heroism and endurance is to continue to speak about the wrong thing (Peel 2003: 61). To continue to focus on social capital ‘is to ask everything of them and nothing of the powerful’ (ibid).

6.4 Bridging the Distance? Building Social Capital through Social Mix

Despite the findings discussed in previous sections that the City of Playford could be argued to be a region with high levels of social capital, the perception of the region as deficient in social capital, or lacking in the right kind of social capital continues to inform development practices in the region. The Playford Partnership Social Capital Surveys

advocate the development of bridging social capital in the region through regeneration projects, the introduction of local owner/occupiers and ‘encouraging the role of formal and informal and social capital brokers’, and ‘social entrepreneurs’ (Playford Partnership 2001c: 7; 2001c: 50; 2001c: 64). The main report recommends the development of bridging social capital in the form of increasing connections between local and regional business and the local community, a valid and important suggestion as will be discussed further in the following chapter (Playford Partnership 2001c). However, it seems the main message taken from this report has been to build bridging social capital through urban regeneration initiatives informed by an ideology of social mix. The report argues that residential turnover and the high proportion of high needs tenants resulting from the large concentration of public housing in the area ‘has a direct impact’ on potential social capital development’ and ‘overwhelms the capacity of the community to support such families and drains local service infrastructure’ (Playford Partnership 2001c: 5). However, rather than recommending increased funding for local service infrastructure in the region, the report pushes for social mix, arguing:

An increase in the number of people that are owner/occupiers in the Smithfield Plains and Davoren Park would help stabilise the population and give residents a greater stake in the area generally (ibid).

The final report states ‘It is clear that unless the median income of the Peachey Belt can be increased it will remain an area in economic decline’ and that ‘The only sustainable way to increase median income levels is to increase the proportion of the community in full time employment’ (ibid: 26). While the report acknowledges, ‘This will require intensive assistance including skills training’, many report readers have clearly realised that a much faster way of increasing the median income level in the region would be to decrease the number of public housing tenants in the area and build housing designed to attract more wealthy income earners (ibid).

The reports seem to be one of the driving forces behind Playford Alive, encouraging urban regeneration projects informed by an ideology of social mix, as a strategy for building social capital and regional economic development. The 'Community Social Capital Audit' report argues that 'Serious attention, therefore needs to be paid to improving the standard and "mix" of housing in ways that can contribute to a positive image of the Peachey Belt and sense of community within it' (Playford Partnership 2001a: 54). The report specifically recommends 'dispersing public housing throughout Playford', arguing that 'concentrations of public housing in the Peachey Belt have contributed to concentrations of disadvantage' (ibid: 55). The report also stresses the lack of social capital 'brokers' in the region (ibid). While the report recommends building on local brokers that already exist in the community and utilising children and pets as informal social capital brokers, the obvious step in areas 'lacking in social capital brokers' is to introduce them from outside the region through regeneration initiatives designed to attract the middle-class (ibid).

However, I argue that the City of Playford's strategy of social diversification, embodied in Playford Alive, represent a re-emergence of old ideas of social mix, repackaged in the rhetoric of social capital building. Peel (1995a; 1995b) describes how support for social mix in Australia derived from the British model of new town planning applied by the SAHT in the construction of Elizabeth in the 1950s. Just as in the days of the construction of Elizabeth, planning a community meant 'providing the material basis for social distinction', through the creation of a 'hierarchy of housing, types, tenures and areas', one of the main components of the City of Playford's approach to redevelopment is social diversification through tenure diversification (Peel 1995b: 113). Peel (1995a: 39) describes how Elizabeth was designed to foster the development of 'balanced and happy social groups' through the two main rules that informed the planning of Elizabeth: self-containment and social balance. According to the principles of 'social balance', 'new

towns would be “communities” because they contained the full range of the class structure’ (ibid). However, there was no acknowledged ‘tension between this hierarchy of class and the harmony of community, for without middle-class leadership, community was simply impossible’ (Peel 1995b: 113). The problem of the “one-class estates” was that they lacked middle-class leaders necessary for community’ (Peel 1995a: 40).

However, much like social capital, social balance proved hard to define. While social balance could be defined by its absence: ““imbalance” meant the “one-class” estates demonised as “soulless” and “destructive of community life” in the new town literature they were reading’, a ‘positive and prescriptive definition’ of social balance ‘was hard to come by’ (Peel 1995a: 44). There was confusion over whether social balance meant Elizabeth should contain a representative sample of the social structure with different groups living in different areas. Alternately, social balance blended into social mix with a view to balancing each neighbourhood. It was hoped the various classes would mix, with different types of housing being built next to each other and through integrating institutions like schools and community centres (ibid). Peel (ibid: 47) writes that while the ‘planners often seemed to slide from social balance into social mix, assuming that balance within each neighbourhood would somehow lead people to mix in community institutions,’ the meaning of social mix and how exactly this strategy would work, was ‘rarely defined in any coherent way’. However, Peel (ibid) argues that ‘social mix’ was ‘fundamentally aimed at the deficiencies of working-class people as builders of community’, relying on ‘the leavening effect of middle- and working-class proximity’, which, it was hoped, would breed emulation. Nevertheless, ‘Despite claims that middle-class people would also benefit from an interaction with those below them, it is generally clear whose behaviour and whose culture is being rendered deficient’ (ibid).

The re-emergence of these new town planning ideals informed by an ideology of social mix began with the establishment of the Rosewood Village project. Peel (1995b: 112) describes how, as a result of the economic crisis of the 1970s coupled with changes in public housing policy which turned Elizabeth into a ‘place for the poor’, ‘the local politics of social mix and community changed irrevocably’. He argues:

the logic that a “one-class community” was a social problem took on rather different dimensions when the one class in question was not local workers, but the unemployed and stigmatised beneficiary groups (Peel 1995a: 194).

While the 1970s saw the re-emergence of ‘the offensive against one-class developments’ in town planning, this time Elizabeth was no longer the model but had become ‘the lesson’ (Peel 1995b: 128). Rosewood saw the ‘social pathology perspective on “problem estates”’, ‘applied with a vengeance’ as Elizabeth became the ‘culture of poverty’, which required restoration through redevelopment and social diversification through social mix (ibid: 128; 131). The Rosewood project was initiated in an environment where local interpretations of Elizabeth’s decline saw the SAHT accused ‘of “dumping” poor people in the town’, and ‘even of creating “northern ghettos”’ as ‘Elizabeth became both the territory of the “battler” and a “golden age” since ruined by the invasion of single parents, dole bludgers and Aborigines’ through what Peel (ibid: 130-131) describes as ‘a strategic memory of place’. Thus, Rosewood Village was ‘linked to the revitalization of social diversity as a planning objective’ with brochures promising ‘a more diverse population’, a ‘friendly, village-like atmosphere’, and a ‘genuine community spirit’ (ibid b: 132-33). However, such projects raise the question as to whose ‘social project’, and ‘whose future’, they are confirming (ibid: 133).

Similarly, the City of Playford’s approach to social diversification through tenure diversification replicates ideas about social mix, now social capital, which have their basis in British new town planning. The very title of ‘Playford Alive’ suggests a view that social

life in the region was 'dead' prior to commencement of the project, which will regenerate the region and bring it back to life. While the council recently launched the Playford Alive website, for the majority of the time I was writing this thesis, brochures about the regeneration project were not yet publicly available, and detailed information on the project was tellingly difficult for members of the public to access (City of Playford 2008c). Nevertheless, the Playford Partnership Social Capital Surveys served as an interesting source of information from which to draw links between the relationship between the ideologies of social mix, which have informed development projects in the region, and understandings of social capital theory put forward by one of the primary bodies involved in the development of Playford Alive. The Playford Partnership 'Community Social Capital Audit' report states that, 'The challenge for community and economic development is to create alliances across difference; to turn bonding social capital into bridging social capital' (Playford Partnership 2001a: 14). The argument supporting the conversion into bridging social capital is that; 'In more disadvantaged areas such as Smithfield Plains and Davoren Park, the individuals within these communities are less able to access the 'bridging' social capital that could facilitate their access to more 'resource rich' networks' (ibid). Much like 'social mix', social capital theory is based on a deficit model of disadvantaged communities who are assumed to lack the 'right kind of community' or necessary 'bridging social capital' for economic development. The solution is argued to lie in the introduction of 'middle-class leaders', 'civic entrepreneurs' or other forms of social capital brokers to disadvantaged regions (Henton, Melville & Walesh 1997a; 1997b; 2004; Henton & Walesh 1998). Accordingly, when announcing the project, Housing Minister Jay Weatherill justified the reduction in concentrations of public housing by stating, 'You've got to make the area work as a community and that will help by having a greater diversity' (Day 2005a: 3).

However, as critics from both Australia and abroad have extensively argued, there is very little evidence to support social mix as a strategy to encourage positive change in disadvantaged communities (Arthurson 1999; 2001; 2002; 2003a; 2003b; 2004; 2005; Atkinson & Kintrea 2000; Jupp 1999; Kintrea & Atkinson 1998; Peel 1995a; 1995b; Ruedigger 1998; Wood, 2003; Wood & Vamplew 1999). As Peel (1995b: 133) wrote in his discussion of the Rosewood Village project:

there are many unanswered questions about the impact of redevelopment on disadvantaged groups, perhaps especially about who gains and who loses from privatization, and whether local activism and services can survive “increased mix”.

Arthurson's (2002) research was based on six case studies of Australian housing estates typified by high concentrations of public housing undergoing regeneration through social mix strategies. Two of these estates were located in South Australia, The Parks (Westwood) and Salisbury North. Much like Playford Alive, these housing projects planned significant reductions in concentrations of public housing for the estates in question through demolition and sales, to encourage changes in social mix. As a result of her research, Arthurson (*ibid*) argues that there are three main problems with social mix. These include: the difficulty of creating social contact between old and new residents; the potential of social mix strategies to exacerbate tension based on income and class differences; and the potential for social mix to reduce rather than increase the ability of the region to attract services and procure funding for the region. Furthermore, Arthurson (*ibid*) identifies three major negative impacts associated with urban regeneration projects relying on modification of the social mix. These include: decreasing access to public housing; breaking up existing communities; and moving the problems around.

One of the major difficulties associated with the social mix or social diversification approach to urban regeneration is creating the requisite social contact between public tenants and home owners in order to actualise the potential benefits of integration.

Throughout her work, Arthurson cites a number of studies which highlight this problem (Arthurson 1999; 2001; 2002; 2003a; 2003b; 2004; 2005). For example, studies by Kintrea and Atkinson (1998; Atkinson & Kintrea 2000) on three social housing estates in Scotland found that lower-income social housing tenants were less mobile than their middle-income neighbours and more likely to spend more time at home. Conversely, they found that the wealthier residents and home-owners were more mobile and more detached from their localities, carrying out most of their social activities outside of the estates and utilising local services less. Thus, despite income differences between social housing tenants and home owners being minor, 'there was a lack of social interaction between the two groups' (Arthurson 2002: 247). Similar results were found in a study of 10 mixed tenure housing estates by Jupp (1999) which involved interviews with 1000 residents across the estates. Jupp (1999) found only limited contact between social housing tenants and home owners. Only two-fifths of residents had any contact with neighbours of a different tenure status and just one fifth of survey respondents reported that they could ask for help or advice from neighbours of a different tenure. Furthermore, there was no significant correlation between residents' perception of whether social mix caused problems on the estate and overall feelings about the estate (*ibid*). Similarly, a study by Wood and Vamplew (1999) of two neighbourhoods undergoing regeneration in the North of England found that in one neighbourhood the estate had effectively been divided into three segments with clear tensions between owners, council tenants and housing association tenants. Residents perceived occupants of the newly built houses as 'outsiders' who were separated and isolated from the original tenants (*ibid*). In the other neighbourhood, initial enthusiasm for diversification dissipated over time resulting in growing numbers of empty properties which were boarded up or vandalised (*ibid*). Thus Arthurson (2002: 248) argues:

where social distance is least...there is greater disapproval of the new mixed income community. It seems middle-income residents want to distance themselves from low-

income residents in the income strata below them, which is consistent with general findings on social interactions, social networks and social distancing.

Similarly, Peel (1995a; 1995b) describes how in both Elizabeth and the developments in Britain on which the new town was modelled, similar findings occurred. While areas of social mix were characterised by the development of cross-cutting social ties which could be argued to constitute bridging social capital, they were instead ‘characterised by a search for distance’ (Peel 1995b: 117). Peel (1995a: 54; 1995b: 111, 117) argues that the middle-class version of Elizabeth failed because the first imperative of middle-class newcomers was not to form ‘community’, establish ‘social mix’ or build ‘social capital’ but to ‘establish their distance’ from their working-class neighbours. Indeed, he argues that many middle-class residents saw insulation from their neighbours, as an ‘overriding imperative’, ‘especially where they were not of similar origin.’ Elizabeth’s ‘local elite’, began organising local associations that could support this distance: insisting that the SAHT and other outside authorities ‘acknowledge their special right to speak and be heard’; retreating ‘into the “nicer” neighbourhoods and the small-scale performances of superior status in public events like anniversary celebrations’; and where this failed to provide adequate distance, retreating even further into the new private housing areas along the hill face (Peel 1995b: 126, 111, 127). Thus the ideals of social mix did not result in the creation of a socially mixed city but instead resulted in the ‘model landscape’ splintering ‘according to conflicting conceptions of who, and what, the town was for’, as the way in which residents utilised and transformed their landscape ‘created different Elizabeths within the same space’ (Peel 1995a: 56). Social mix thus succeeded in creating different versions of Elizabeth:

a middle-class Elizabeth of mortgagees and home owners opposed to an Elizabeth of double-unit tenants; a workers’ Elizabeth of worksites and an employers’ Elizabeth of sites

of profit; a man's Elizabeth of cars, pubs and factories and a woman's Elizabeth of streets, informal neighbourhoods and intermittent work (ibid).

As Peel (1995b: 127) argues, 'the ultimate legacy of investment in middle-class Elizabeth was not increased class contact and association, but the closure of particular areas of the city around a project of distance'. Nevertheless, the 'failure' of middle-class Elizabeth was not explained as a lesson in the dangers of social mix. Instead, the SAHT was 'blamed for making Elizabeth into a one-class community' and the 'failures seen as a result of Elizabeth 'losing' its middle-class (ibid: 111). The 'most troubling legacy of a middle-class Elizabeth' was not 'the failure of social mix to produce community, but the lessons that were drawn from that failure' (ibid: 112). In response to such criticisms, the SAHT began construction on Rosewood village. Peel (ibid) writes:

In a final ironic twist, the very housing authority they had so long suspected of abandoning them would come back to build a new socially mixed village. And Elizabeth's past would be confirmed as proving the pathology of a one-class community.

However, he continues:

Elizabeth's problem was never that its local leaders had failed to make the new town in their own image. Its problem was a model of community which supposed that any other kind of local society, for instance one based on working-class identity, was a social problem and a self-inflicted wound (Peel 1995a: 87).

Peel is not alone in his arguments about the potential for social mix to exacerbate rather than alleviate issues of inequality. A number of studies have found that placing tenants of differing income levels in the same neighbourhood can serve merely to create tensions and raise awareness of income and class differences rather than provide a means of overcoming these differences. For example, Arthurson (2002: 248) refers to an evaluation of the Mitchell Park regeneration project in South Australia by the Social Policy Research Group (1998) which 'found that public housing tenants felt sceptical about whether new incoming

and more affluent home owners would really want to live next door to them'. Another South Australian study by Ruedigger (1998) involving pre- and post-follow-up interviews conducted with public tenants in the Hillcrest regeneration project found that:

In some instances, public tenants relocated to 'dispersed' public housing felt socially isolated due to more obvious class differences emerging between themselves and other residents than were evident on the public housing estate (Arthurson 2002: 248).

Similarly, Wood (2003) reproduces an excerpt from a transcript from an AHURI research project which demonstrates the resentment on the part of existing residents of more affluent households moving onto the estate. The excerpt describes a mother walking through the neighbourhood with her young boy who was dragging a stick in the fresh concrete on the new estate. When an employee asked what they were doing the mother responded, 'I'm just showing you what I think of the new people that will be moving in here' (ibid: 50).

There are also difficulties associated with the argument that introducing middle-income owners into disadvantaged neighbourhoods facilitates provision of additional services to the area undergoing regeneration (Arthurson 2002: 247; Wood 2003: 50). This argument stands on the assertion that middle-income earners are more likely to demand and successfully attract additional and better quality services to the neighbourhood, like schools and medical services. However, conversely there is also some evidence to suggest that there are advantages associated with grouping high need residents together in certain regions, like the Peachey Belt. For example, Arthurson argues (2002: 248) that:

Many special government services are only available when numbers of recipients reach a certain threshold. Without a critical mass, services are unlikely to be set up or, if already established, maintained once the concentrations of disadvantaged residents are lowered through dispersal.

Furthermore, as specialist services are often targeted directly at those localities with the greatest need, changing social mix may lead to a loss of additional resources (Wood 2003). The argument that the increased bridging social capital supposedly obtainable through social mix or tenure diversification will lead to a reduction in unemployment is also problematic. This argument is based on the idea that middle-class residents will provide positive role models of good citizenship and provide other advantages for their working-class neighbours, including access to labour market networks (Arthurson 2002: 247). However, citing two evaluation reports on the effects of tenure diversification on employment in Scotland (Homes 1999; Tarlin, Hirst et al. 1999), Wood and Vamplew (1999: 51) argue that:

While there is some empirical evidence to show that there are reductions in joblessness associated with the introduction of owner-occupation this is normally linked with the 'dilution' effect of importing employed people on to estates rather than through an increase in opportunities for unemployed tenants to access the job market.

The danger is that these approaches will lead to 'social capital' becoming the means to securing employment for disadvantaged residents, 'rather than job creation and the training of the potential workforce' (Wood 2003: 53). While some studies highlight the role of postcode prejudice and stigma in reinforcing social polarisation and reducing job opportunities, there is also little evidence that tenure diversification on its own is sufficient to overcome regional stigma (Wood & Vamplew 1999; Atkinson & Kintrea 2001). Where diversification strategies do succeed in reducing regional stigma, this may simply result from the relocation and exclusion of certain sectors of the stigmatised population (Wood & Vamplew 1999: 51). Furthermore, as Amin (2005: 622) argues:

The idea of wholesale economic regeneration through community involvement of one form or another is simply unrealistic, and potentially irresponsible, since the latter is rarely a pathway to formal employment or entrepreneurship among the socially excluded.

The results of NASIS, the ARC social capital survey in Playford and my own research discussed above, call into question the whole idea of social diversification and social mix as a necessary strategy for regional economic development (Spoehr, Chiveralls & Wilson 2007; Spoehr et al. 2007). As Arthurson (2002: 253) argues, 'the findings that poor neighbourhoods do not necessarily lack social cohesion and active support networks are by no means uncommon and have been known for a long time' (Forrest & Kearns 1999 and Atkinson & Kintrea 2000 cited in Arthurson 2002). For example, Arthurson refers to a survey which was distributed at the Parks, Salisbury North, Manoora and Inala which found that 'a strong and positive sense of community already existed within particular sectors of the community, especially amongst long-term residents prior to regeneration commencing' (Arthurson 2002: 253). Furthermore, Arthurson (ibid) quotes an SAHT (1995: 146-147) report on The Parks development at Salisbury North which found that although many residents had low levels of disposable income, the area displayed, 'much of the traditional closeness and resilience of working-class communities'. The report argued that 'a degree of innovation and self sufficiency' had also emerged 'as an element of life in the area, often matched with a cooperative approach between neighbours' (ibid). The findings of my research reinforce the following statement by Peel (1995a: 235), which equally applies to levels of social capital in Playford's poorest neighbourhoods today:

I would venture that the people living in Elizabeth's poorest neighbourhoods already have the sense of identity and solidarity which might in fact make them a 'community'. They have all the dense networks of self-help and sharing of resources, a sense of mutual needs and problems, highly localised solidarities and local activisms centred on schools, neighbourhood houses and other small-scale institutions. What they haven't got is money, jobs or much sense of a future.

As Arthurson (2002: 258) argues, where 'supportive social networks already exist, breaking up the community under the justification of changing social mix', 'appears an

illogical way to address social disadvantage'. In such circumstances, 'there are convincing arguments for retaining communities rather than undertaking large-scale changes to social mix' (ibid: 254). Strategies of social diversification through social mix often threaten to undermine the support structures and social networks already in place without providing new support structures to replace them (ibid).

Furthermore, even where social capital is in short supply in disadvantaged communities, it seems bizarre to view social capital as the solution to the economic difficulties of the region. As Amin (2005: 621) asks:

Why expect social capital, participation, and cohesion to come to the rescue when it is in such short supply, and for very good reasons, associated with the loss of confidence and hope, anomie and atrophy, suspicion and distrust, social breakdown and circumspection, which accompany unemployment, lack of opportunity, negative press, and institutional abandonment?

I am inclined to agree with Amin (ibid) that the residents of the regions undergoing this kind of approach to regeneration:

are least equipped and least motivated to play at such lofty community expectations, stripped as they are of the material, institutional, experiential, and possibly also the psychological means to associate with others not like them and to participate in civic and public life. It simply does not make sense to base regeneration on community in these contexts.

There is also a risk that the demolition and sale of public housing involved in Playford Alive will reduce the overall stock and decrease access to public housing. As Arthurson (2002: 252) aptly argues, 'Overall, home purchase is unlikely to be an option for the 95 percent of public housing tenants nationally who are defined as being in need of housing assistance'. Arthurson (ibid), citing a study by Swan (1999: 252), points out that in 1999 for every 3.5 public housing residences sold in South Australian regeneration projects,

enough funding could only be procured for the purchase of one other dwelling elsewhere. Regeneration projects like The Parks, Salisbury North and Playford Alive, which involve large reductions in concentrations of public housing, result in considerably lower levels of public housing overall due to the high cost of replacement housing (ibid).

The above trends are creating a more unequal housing system and a more stratified society in Australia as a result of the shift away from state provision of public housing towards the private housing market (Badcock & Beer 2000). Processes of regeneration which involve the selling off of public housing stock and a reduction in the overall numbers of dwellings available for public rental tenure, assist in supporting this repositioning from public to private provision and contribute to greater inequality (Arthurson 2002: 252). Furthermore, large-scale reductions in concentrations of public housing in regeneration areas like Playford mean that substantial numbers of existing public tenants are relocated at substantial cost to prospective tenants on waiting lists (ibid). For example, around 10 percent of public housing allocations in South Australia were required for tenants to be relocated from the Parks area during the Westwood regeneration project, which was estimated to stagnate housing allocations in the local region for two years and increase the average time spent on waiting lists from 5.5 to 7.5 years (ibid). Thus there are clear tensions in the social mix policies of Australian housing authorities ‘between the aims to develop more “cohesive” and “sustainable” communities and the requisite large-scale reductions to overall numbers of public housing’ (ibid). As Arthurson (ibid: 253) concludes:

Taken as a whole, social mix policies adopted in regeneration along with ongoing reductions to funding provided for new housing under the Commonwealth-State Housing Agreement will make it much harder in the future for many socio-economically disadvantaged people to gain or preserve their access to public housing.

This issue is even more pertinent in present times where housing affordability has made purchasing a home beyond the reach of most middle-income Australians and even the private rental market is difficult for many to access. With vacancy rates of around one percent in the private rental market and potential tenants reportedly bidding for properties this is not a good time for anyone to be looking for accommodation, especially for people of limited financial means (Todd, 2007). An article in *The Guardian Messenger* in 2007 announced a critical shortage of housing in South Australia with Housing Trust waiting lists hitting the 25,000 mark and rental prices having risen by 80 percent in some suburbs over the past five years (ibid). The article reports that, 'Welfare organisations say the situation is critical, with many low-income earners priced out of the rental market and forced to join a growing waiting list for Housing Trust properties' (ibid: 1). The article describes how 'Families are being forced to share houses or live in their cars as Housing Trust properties in the area are sold and not replaced, and rental prices sky-rocket' (ibid). Executive director of Shelter SA, Gary Wilson, is quoted saying, 'You really need to be in dire circumstances, just being homeless won't get you a Housing Trust home' (ibid). The impact of social mix strategies on dispersed and relocated tenants must also be considered. As Arthurson (2002: 254) argues:

Past efforts by Australian Housing Authorities to deal with spatial concentrations of disadvantage on housing estates have been criticised for focusing on dismantling pockets of poverty through permanently relocating tenants to other areas, rather than dealing with actual problems.

Arthurson (ibid: 255) cites a number of researchers arguing that relocating difficult tenants simply serves to move crime, unemployment and other problems 'from one area to another rather than leading to constructive solutions'. Dispersing public tenants may be advantageous in that it detracts attention away from issues like crime, high unemployment, poverty which are often experienced on such estates. Paradoxically however, while

dispersal makes disadvantaged public tenants less visible, where disadvantage is concentrated and visible, action is more likely to be taken by governments and other agencies to resolve the situation (ibid). Conditions may thus be worse for tenants who have been dispersed or rendered invisible in the new mixed-income regeneration sites. As Arthurson (ibid) warns, it could easily become a case of 'out of sight, out of mind'. To paraphrase Peel (1995a: 237), while Playford Alive may well save Playford, 'the wreckage remains. Disadvantage is less physically concentrated; the poor are more scattered. Perhaps they are also harder to see'. Thus there is a danger that Playford Alive will ultimately mean that Playford is saved 'by shunting the worst of the social wreckage into other suburbs' (ibid).

Such findings draw into question exactly who is likely to benefit from strategies of urban regeneration. Arthurson (2002: 255) argues that the new communities created through regeneration projects are largely the recipients of improvements made to their neighbourhoods, including better quality housing and employment opportunities. While some of those populating the regeneration sites are likely to be original residents, the question remains as to what will become of those unable to remain on the newly regenerated estates and whether they will benefit equally from the regeneration process. According to Arthurson (ibid), attempts at urban regeneration through social mix represent 'a retreat from public policy as a way to alleviate problems of social inequality', portraying community rather than government as the locus of social change. Peel (1995: 236) agrees, arguing that this kind of approach 'represents a largely physical and local approach to disadvantage', which focuses on what you do with 'people once they are poor, not on what made them poor'. Thus Playford Alive:

might be a new start, a place to begin again. But it can never be an ending, because dealing with inequality must ultimately involve economic and social solutions to the problems of

poor people, not just physical and design solutions to the problems of poor places (ibid: 237).

The applicability of the findings of this thesis to similar suburbs and regions around Australia is made evident in an examination of Peel's (2003) latest book. In his study of three disadvantaged regions in three states around Australia, Peel found the same social phenomena, the same stories of resilience, solidarity and community in the face of disadvantage and disruption. Similarly, Peel (2003: 171) describes how 'brave words were being spoken' about the futures of all the suburbs he studied:

Words, like renovation and rehabilitation, which spoke of a conviction that these suburbs were damaged and deficient. It was a refrain strongest among strategic planners and development consultants who spoke in interviews of 'innovative place management', 'selling Mount Druitt', 'facilitating community synergies' or 'forging a competitive hub'. They wanted to work on 'image' and change the 'living environment' to attract 'high-calibre businessmen'.

Peel's book demonstrates how contemporary approaches to Australian regional development view the problems of these places not as resulting from 'issues of inequality or social justice' but from 'the "over-concentration" of poor people in particular places' (Peel 2003: 171). Thus the prevailing aim of these initiatives is not the eradication of poverty, but the desire to shift it 'from your patch onto someone else's' (Peel 2003: 171). To paraphrase Peel (2003: 171), the difficulty with current approaches to regional development through social capital is that they demand 'less change outside disadvantaged places and more within them'. However, such approaches are doomed to fail because they assume 'that solving the physical and technical problems of cities, while leaving alone – and even investing in – social inequalities and hierarchies,' will produce a better city (Peel 1995a: 55).

6.5 Conclusion

In this chapter, I compared and contrasted the results of our focus groups and community survey of social capital in the City of Playford with the results of a number of other studies on social capital in the region, in order to interrogate the City of Playford's approach to regional economic development through social diversification and social capital. In this chapter I have argued that simplistic arguments linking social capital and economic development, can not only serve to produce oversimplified analyses, misrepresenting the social lives of regions, but can serve to further stigmatise regions and 'blame the victims', rather than address the real causes of regional inequality. In documenting our findings on social capital I have drawn attention to the way in which arguments linking social capital with economic development are not only misleading but potentially counter-productive. Initiatives focusing on the role of social capital in regional economic development have suggested that these regional inequalities may be able to be tackled by harnessing local 'social capital' both at the community level and through contributing to the development of industrial clusters and embedding industrial economic development in the community. However, if regions already bearing the brunt of uneven processes of development carried forward by a global neo-liberal project, already have strong 'social capital', a strong and vibrant community, an innovative council and outstanding social networks, without adequate funding, it is difficult to believe that this will be enough to resolve the varied social and economic issues in the region.

The similarity of my findings and arguments with those made by Peel (1995a) in a study constructed over ten years ago, demonstrates how new terms can serve to reinforce old ideologies and discourses of development, delaying the inevitable need for strategies genuinely designed to tackle inequality through a more equitable distribution of material

resources. Thus arguments which view the economic stagnation or decline of regions as a result of the lack of social capital on the part of residents, not only serve to distract from the real causes of socio-economic inequality in regional development, they also serve to reinforce regional stigmas and ultimately delay the application of potentially more effective solutions. Peel's (1995a; 1995b) documentation of the effects of past social mix policies and their potentially divisive impacts should serve as a warning to those considering such policies recast in the discourses of social capital in the present era. As the old saying goes, if we do not learn from our history, we are condemned to repeat it.

7. PLAYFORD AS A DUAL CITY? SOCIAL CAPITAL AND INDUSTRIAL DIVERSIFICATION

7.1 Introduction

In this chapter I further interrogate the link between social capital and economic development, focusing on the City of Playford's approach to regional economic development through industrial diversification. I describe how the City of Playford's approach to regional development, involving industrial clustering, networking and social capital, is aimed at transforming the region from a site of 'Holdenist suburbia' to a new 'knowledge hub' capable of competing in the global knowledge economy (Winter & Bryson 1998; Towart 2005). While industrial diversification is an important strategy and industrial clustering has obvious benefits for the companies involved, without attention to wider structural issues, this approach may serve to exacerbate rather than alleviate issues of inequality. As argued from the outset, reliance on a concept initially employed to explain social stratification, as a means of tackling inequality in regional economic development, is questionable at best. I argue that social capital is more likely to result in the reinforcement of social inequalities and the 'establishment of distance' than to become a means of 'bridging' this distance (Peel 1995a; Peel 1995b). Thus, the City of Playford's approach to regional development through social capital seems likely to exacerbate inequalities and encourage the rise of a 'dual city' with 'dual economies', evidence of which was already apparent during my fieldwork (Castells 1989 [2002]; Susser 2002).

7.2 From 'Rustbelt' to 'Smartville': The City of Playford as the New Silicon Valley?

The City of Playford's industrial diversification strategies aim to distance the City from its past as a site of 'Holdenist suburbia' and transform the City into a new 'knowledge hub' or 'Smartville' capable of competing in the new knowledge economy (Winter & Bryson 1998; Towart 2005; Roberts 2005: 23; Genoff 1999). Peel (1995a) argues this process began in 1984 with the initiation of the Innovation Network project. Under then mayor of Elizabeth Martin Evans, the local council began working in partnership with a private developer on the planning of a 'backyard industry zone' (ibid: 220). This project aimed to 'replace Elizabeth West's "modern slum" image with a 21st century estate' in order to 'distance itself from its past and remove the sources of its decline' (ibid). In *Innovation and the Knowledge Economy*, Genoff and Sheather (2003: 11) describe how in response to 'the new global challenges facing local government', 'the City of Playford has tailored the use of cluster approaches to meet the demands of the new economy'. Recent efforts to repackage the region as a new 'knowledge hub' are evident in various forms of place marketing and newspaper headlines like, 'Smartville: What Cities Need to Succeed' and 'Northern Rustbelt Booming'; and in the titles of council publications emanating from the City of Playford like *An Innovative City: Economic Plan* and *Innovation and the Knowledge Economy: Industrial Regeneration in Northern Adelaide* (Towart 2005; Stylianou 2005; Genoff 1999; Genoff & Sheather 2003). While in the article entitled 'Smartville' Roberts (2005: 23) writes, 'No one in Playford is under the illusion that a new Silicon Valley is about to spring up on the Adelaide Plains', there is every indication that some of those involved in driving the City of Playford's approach to regional development are suffering from such an illusion. The following excerpt from *Innovation and the*

Knowledge Economy was featured in a full page advertisement in the *Messenger News Review* commissioned by the City of Playford which announces that ‘the future really has arrived’ in Playford (City of Playford 2004b: 4):

It’s the afternoon rush hour. As the train pulls out of the station a band of men and women armed with laptops sit down to discuss the latest in technology and what their friends in London and Boston are up to...No, we’re not in Silicon Valley or crossing the Sydney Harbour Bridge into the high tech precinct of North Ryde. We’re in Elizabeth, in Adelaide’s northern suburbs (Genoff and Sheather 2003: 3).

However, as anyone who has caught the train from Adelaide to Elizabeth will testify, the gap between rhetoric and reality here is startling.

The growth of clusters based on the automotive, horticultural and defence industries over recent years does indeed suggest a more positive era of growth in foreign investment and economic development for the City of Playford. The manufacturing and horticultural industries are undergoing expansion at a substantial rate and as these industries continue to expand, they will require a continuing supply of labour (Playford Partnership 2001: 54). However, the new jobs created through the growth of the advanced manufacturing and horticultural industries, are unlikely to compensate for the job losses in the mid-level manufacturing work of the past. As opposed to the once 12,000, now less than 4,000 workers employed by Holden, the main companies focused on in the City of Playford’s industrial clustering strategies collectively employ less than 400 workers. In 2001 National Economics (2001a) conducted a research project entitled *Creating Employment Links: Employment Futures for Northern and Western Adelaide (CEL)* commissioned by six council districts including: Playford, Salisbury, Port Adelaide, Enfield, Charles Sturt, Tea Tree Gully and West Torrens to examine the economic and employment prospects in the regions of Northern and Western Adelaide (National Economics 2001a). The *CEL* project included a survey of 1,150 firms in the region (ibid). The report concludes that while good

growth prospects exist in a number of industries in the Northern Adelaide region (including the City of Playford), the inability of these industries to generate enough good jobs poses a major problem (ibid). The report states that the City of Playford is forecast to lose around 2100 jobs experiencing a contraction from 18,198 jobs in 1998 to 16,116 jobs in 2010 (ibid cited in Spoehr et al. 2002: 23). While growth in manufacturing is fast in some sectors, overall manufacturing employment is forecast to decline in net terms by around 1,300 jobs over the 1996-2010 period (ibid).

Furthermore, unlike the majority of workers employed by the manufacturing companies of the past, comprised of semi-skilled, factory workers and manual labourers, the majority of workers employed by these 'knowledge hubs' are highly skilled workers like technicians and skilled engineers (Towart 2005). As these industries expand, they will need to upgrade their marketing and delivery skills to meet the requirements of wider markets, leading to an increase in the demand for highly skilled labour (Playford Partnership 2001c: 54). As the *Social Capital and the Peachey Belt* report argues, 'Manufacturing requires dramatic advances in skill levels if it is to retain its current position' (ibid). The report points out that the Post-Fordist economy has given rise to a 'paradigm shift in the skill requirements of the economy so that there is an increase in the relative demand for high skill labour and a relative decrease in the demand for low skilled labour' (ibid: 88).

The Northern Futures report *Living and Learning: A Profile of Young People, Employment, Education and Training in Northern Adelaide* was conducted in 2002 utilising data from the 1996 and 2001 Censuses to assess the changing economic, education and labour market trends for the Northern Adelaide region (Spoehr et al. 2002). The *Living and Learning* report argues that both the Playford and Salisbury LGAs have experienced a decline in low skilled positions in recent years, and that these unskilled positions are not being replaced as quickly by the emergence of new, more highly skilled positions (ibid: 56). While the

proportion of the workforce that is highly skilled is growing, some of the low skilled positions have moved into the service economy, which is characterised by insecure conditions of employment (ibid). Accordingly, as the *Living and Learning* report argues, the growth in high-tech high skilled manufacturing work has been met with an increase in largely part-time and casual employment growth in South Australia (ibid: 69).

Moreover, the *CEL* report highlights a dramatic mismatch between the skills required in these industries and those possessed by workers in the Northern Adelaide region (National Economics 2001a). The report found that while the firms surveyed in Northern Adelaide ‘were reasonably optimistic about future employment growth...the greatest optimism was in the sectors that required the highest level of skills – information communications and technologies and advanced manufacturing’ (ibid cited in Playford Partnership 2001c: 46). The report argues that employment prospects for highly skilled workers are good but emphasises that this will not suffice for the large number of workers in the region that are vulnerable to structural change (National Economics 2001a). As the *Social Capital and the Peachey Belt* report argues ‘these jobs require a high level of skills which are not abundant in the region’ (Playford Partnership 2001c: 2). Referring to workers in the Peachey Belt able to fulfil the skill requirements of the new advanced manufacturing positions opening up, the report states, ‘At present there would not be 50 such workers in the region’ (ibid: 54).

However, this problem is not just isolated to the Peachey Belt. The *CEL* survey found that more than 25 percent of the firms surveyed in the Northern Adelaide region reported skill constraints, and over a third made the point that their development was constrained by the lack of local skills (National Economics 2001a cited in Playford Partnership 2001c: 46). The *CEL* report found that the Northern Adelaide region has a lower than average share of highly skilled workers and a higher than average share of routine production workers and

that the latter are particularly vulnerable to structural change (National Economics 2001a). The report concludes that ‘over time a shift to technology intensive advanced manufacturing techniques will render them redundant without extensive retraining’ (National Economics 2001a cited in Playford Partnership 2001c: 75). Furthermore, the firms surveyed by the *CEL* report confirmed that they were prepared to recruit job applicants without recent relevant job experience only on a limited basis which does not bode well for existing residents of the Playford region (National Economics 2001a).

The majority of residents in the City of Playford are currently lacking the necessary educational backgrounds to prepare them for participation in the knowledge economy and the kinds of employment being generated through the City of Playford’s industrial clustering strategies. The *Living and Learning* report found the region had low rates of year 12 completion, and a higher than average proportion of early school leavers (those who completed schooling after year 9, 10 or 11), when compared with the Adelaide metropolitan area (Spoehr et al. 2002: 15). The 2006 Census Data confirms similar trends with the City of Playford boasting a much higher proportion of residents who left school in year 10 or earlier at 40.6 percent compared with 30.6 per cent for the Adelaide metropolitan division (City of Playford 2008a). The City of Playford also has a much lower percentage of people who went on to complete year 12 at 26.6 percent compared with the Adelaide metropolitan division at 41.9 percent (ibid).

A profile of post-secondary educational qualifications in the region indicates a preference for the kinds of hands-on learning and vocational qualifications offered through apprenticeships and technical colleges (which have been closed in the region for a number of years but are currently in the process of being re-opened), over the more formal higher educational qualifications likely to be required for participation in the knowledge economy. While the *Living and Learning* report found the region had a rate of attendance

at TAFE which is equivalent to the metropolitan average, a relatively low proportion of the population of Playford attended university or other tertiary education (Spoehr et al. 2002: 15). Thus the educational qualifications of the population of the Playford region were quite distinct from those of the metropolitan population, most notably in the very high proportion of persons whose qualifications could be described as ‘skilled vocational’, and the comparatively low proportion of the population with the university degrees required to be listed as ‘knowledge workers’ (ibid).

The 2006 Census data confirms these figures, finding that the City of Playford has a lower overall proportion of people with formal educational qualifications than the Adelaide Metropolitan region, with 25.1 percent of residents holding a Bachelor or higher degree, Advanced Diploma or Diploma, or Vocational qualification compared with 38.6 percent in the Adelaide statistical division (City of Playford 2008a). Accordingly the City of Playford also has a higher proportion of people holding no formal qualifications at 61.8 percent compared with 50.1 percent for the metropolitan division (ibid). The City of Playford also has a much smaller proportion of people with Bachelor or Higher Degrees than the Adelaide region at 3.8 percent compared with 14.9 percent and Advanced Diplomas or Diplomas at 3.8 compared with 6.9 percent (ibid). However, the City of Playford has a slightly higher proportion of people with Vocational Qualifications at 17.5 percent compared with 16.8 percent for the Adelaide metropolitan division (ibid). As these figures attest, the educational profile of the region has been steadily improving. Since the 2001 census the number of residents in the City of Playford with vocational qualifications has increased by 1,711 persons and the number of residents holding no formal qualifications has decreased by 1,678 persons (ibid). The proportion of people holding Bachelor or Higher Degrees and Advanced Diploma or Diplomas has also increased slightly over the same period from 3.2 to 3.8 percent and 3.1 to 3.8 percent respectively (ibid). However, I

would argue that positive as they are, these improvements hardly justify application of the new tag 'Smartville' (Roberts 2005: 23).

In stark contrast with the image of a laptop carrying, IT savvy population conjured in the City of Playford's advertisement mentioned earlier, the *Living and Learning* report also found that the Salisbury/Playford region had a lower proportion of residents who utilise computers at home (at under 36 percent compared with over 42 percent for the Adelaide metropolitan region) and who have access to the internet at home when compared with the metropolitan average (at under 29 percent compared with around 38 percent for the Adelaide metropolitan region), which represents a major drawback in terms of access to the knowledge economy (Spoehr et al. 2002). Similar figures are reflected in the 2006 census data (City of Playford 2008a). Analysis of the type of internet connection for households in the City of Playford revealed a larger proportion of households with no internet connection at 44.4 percent compared with 37.7 for the Adelaide metropolitan division (ibid). While the City of Playford had a similar proportion of households with access to dial-up (23.4 percent compared with 24.5 for the Adelaide metropolitan division), Playford had a smaller proportion of households with access to broadband internet (24 compared with 31.1 percent for the Adelaide metropolitan division) (ibid). As the City of Playford (ibid) website states:

It is widely accepted that broadband internet access is an essential requirement to participate in the so-called 'new economy' and households with only dial-up or no internet service are increasingly being left behind in the information age.

I would also venture that figures for the percentage of residents owning their own laptops would also be much lower in Playford than the Adelaide metropolitan region, suggesting the imagined laptop carrying IT savvy people featured in the article would most likely be commuters.

An assessment of the current labour market structure in the City of Playford, relative to other LGAs in Australia, does not leave the impression it is well placed to meet the demands of the knowledge region it is currently being promoted as by the City of Playford Council (Genoff 1999; Genoff & Green 1998; Genoff & Sheather 2003). The *Living and Learning* report utilises indicators from the NIEIR's YourPlace database to measure regional trends affecting economic development potential in the City of Playford and wider Northern Adelaide region, enabling the performance of the City of Playford LGA to be assessed relative to the performance of other Australian LGAs (Spoehr et al. 2002: 16). The YourPlace database for each region consists of hundreds of officially available and estimated data series combined to form 28 indicators for each LGA based on a maximum score for LGAs throughout Australia of 100 (ibid: 41). One of these indicators is the Low Skills and Clerical Indicator, which reflects the type of occupations of the residents of a region, with a score of 100 reflecting a dominance of highly skilled workers and few low-skilled or clerical workers (ibid: 16). Playford scored an extremely low score of three, compared with the metropolitan average of 38, indicating a relatively high proportion of the population are employed in low skilled or clerical employment (ibid). The neighbouring City of Salisbury did not fare much better, achieving a score of 4 (ibid).

Data from the 2006 Census corroborates these figures. According to the 2006 Census data, the main occupations of residents in the City of Playford are Labourers (5276 or 20.2 percent), Technicians and Trade Workers (4022 or 15.4 percent) and Clerical and Administrative Workers (3357 or 12.9 percent) closely followed by Machinery Operators and Drivers (3037 or 11.7 percent) and Sales Workers (2645 or 10.2 percent) (City of Playford 2008a). In combination, the three main occupations account for 12655 people or 48.6 percent of the employed residential population of the City of Playford (ibid). Compared with the Adelaide Statistical Division, the City of Playford contains a higher

percentage of people working as Labourers (20.2 percent compared with 10.9), Machinery Operators and Drivers (11.7 compared with 6) and Technicians and Trade Workers (15.4 compared with 14) (ibid). Conversely, the City of Playford contains a lower percentage of people working as Managers (9 percent compared with 11.4) Professionals (8.5 percent compared with 20.5 percent) and Clerical and Administrative Workers (12.9 percent compared with 15.9 percent) (ibid). As the *Living and Learning* report argues:

this is undoubtedly a major impediment for local economic development as these types of occupations provide the lowest incomes and are generally occupations which will come under increasing pressure from mechanisation and the greater use of computers (Spoehr et al. 2002: 16).

Conversely, highly skilled occupations attract high rates of income and employment growth and regions with populations possessing these skills are more likely to be able to generate highly skilled industries locally (ibid: 17). However, Playford did not perform well on the Highly Valued Skilled Index receiving a score of 6 compared with the South Australian average of 42 (ibid). It is important to note however that the score varies substantially across different South Australian LGAs, with Burnside receiving the highest score at 99 and Salisbury the lowest at 4 (ibid). The Highly Valued Skilled Indicator includes most, although not all, of those occupations classified by Robert Reich (1992) as Symbolic Analysts as well as service workers such as doctors and lawyers which are included in Richard Florida's (2003; 2004) conceptualisation of the 'creative class' of knowledge workers (Spoehr et al. 2002: 55). The region also fared badly on the Index of Job readiness, which reflects the proportion of the adult population ready for, or already undertaking employment, with a score of 100 reflecting an LGA with the fewest long-term unemployed, migrant unemployed, and recipients of other social security benefits associated with structural unemployment, including the disability pension (ibid: 17).

Playford and Salisbury are well below the South Australian state average of 40 with respective scores of 5 and 21 (ibid).

It seems that in all practicality, Playford is ill-equipped to meet the lofty expectations of a global 'knowledge hub' (Towart 2005). A high score on the Global Knowledge Flow Index reflects an LGA with a relatively high proportion of workers employed in occupations contributing to the global flow of knowledge, by participating in innovative, value-creating, enterprise networks (Spoehr et al. 2002: 17). As the report argues, 'LGA's with high scores are best equipped with the skills needed to emerge as hubs and nodes in creative global networks' (ibid: 57). Both Salisbury and Playford have had an increasing number of workers employed in such occupations in recent years (ibid: 17). However with a score of 92, well above the national average of 64, Salisbury far eclipses Playford in this regard, with a score of 47, well below the national average (ibid). The classification used in the Global Knowledge Flow Index is based on Reich's (1992) classifications of workers according to three categories: Symbolic Analysts, In Person Service Workers and Routine Workers (Spoehr et al. 2002). Playford also performed well below the state average of 64 on the Life-Long Learning Indicator, which measures the proportion of residents undertaking further training to improve their chances of future employability and prosperity, with a score of 29. Though it remains well below the state average, Salisbury also eclipses Playford on this indicator with a score of 50 (ibid: 17).

The above figures have important implications in terms of Playford being 'an effective hub of knowledge flows' in the global economy. As the *Living and Learning* report argues 'It is impossible for all regions to be hubs of global knowledge capable of competing on a worldwide basis' (Spoehr et al. 2002: 57). The City of Playford is just one of many regions around the world currently competing to badge themselves as the 'Next Silicon Valley' (Kotkin 2001a; 2001b). Playford will not only be forced to compete with these cities when

seeking to attract its share of knowledge intensive industries and the ‘symbolic analysts’, ‘knowledge workers’ or members of the ‘creative class’ required to drive the local knowledge economy (Reich 1992; Florida 2003; 2004; 2005). The city will also be vying with national centres like Sydney and Melbourne, not to mention the state capital Adelaide and even the nearby Salisbury Council, both of which are, according to the figures provided above, much better positioned to carry out the task. As Marceau (2005) argues in the *Australian Review of Public Affairs*, we can’t all have a Silicon Valley. The *Living and Learning* report highlights this predicament, arguing that ‘As the income and wealth of global knowledge flow workers increases faster than other workers...it will be harder to attract the required level of support locally’ (Spoehr et al. 2002: 57-58). The report argues that while metropolitan Adelaide is likely to benefit substantially from the transition to the knowledge economy, ‘it is harder to extend this influence to the sub regions without devoting particular attention to this group [the creative class/knowledge workers] of the workforce’ (ibid: 58).

While this is exactly what the City of Playford is attempting to do through its strategies of social and industrial diversification, the question must be asked as to what is to become of the current residents of the region who do not fit into the model of the new knowledge economy. The City of Playford’s approach to regional development through industrial diversification is likely to result in economic development and employment growth in the City of Playford. However it remains uncertain whether these positive developments will be of great benefit to the majority of residents residing in the region. Long term unemployment and a low level of educational qualifications, combined with a history of ‘postcode prejudice’ or ‘postcode discrimination’ in the region have created ‘doubts as to whether the community will be able to take advantage of the opportunities without intervention’ (Arthurson 1998; 2004; Palmer et al. 2004; Playford Partnership 2001c: 44).

For many residents, extensive retraining would be required before they were able ‘to take advantage of these opportunities’, and for many with a history of poor educational performance, such opportunities would always remain out of reach (Playford Partnership 2001c: 10). The concern that the new spate of industrial expansion in the region would not be of benefit to current residents was also expressed by participants in our focus groups. As one participant put it:

The right industry is developing, coming up around the Salisbury and Holden’s area. Where Holden’s are laying off a shift, there’s still other factories moving in, so the unemployment rate should go [down], but it’s also getting people to take those jobs. Now other people are going to take those jobs...from the Western suburbs, Southern suburbs, Eastern suburbs, and therefore the ones in the North still don’t have a job.

Another participant agreed, ‘There’s still a lot of work in factories and other areas but who’s going to take them – people from other suburbs’.

In 2001 the Playford Partnership conducted the *Social Capital Business Survey* in order to investigate the influence of social capital on employment and economic development in the region, with a particular focus on the Peachey Belt (Playford Partnership 2001b: 4). The survey targeted 167 businesses in the Playford region, 50 of which completed the survey (ibid). Two of these were the biggest employers in the Playford region, GMH and Commit Farm Produce Pty Ltd, and the remainder were small to medium sized businesses, 34 of which were located in the Peachey Belt. In total the businesses employed 10,759 employees with 9,538 or 88.6 percent of these employees employed by the two major employers (Playford Partnership 2001b). The results of this survey were compared with the results of a similar social capital survey project conducted at the same time in the City of Onkaparinga (Kristine Peters Project Management Pty Ltd 2001).

Given the skills mismatch highlighted in the above figures, it is hardly surprising the survey found that, compared with the other post-code regions, Playford business seemed

reluctant to hire local workers. The report states, 'One of the greatest problems for the employable residents of the Playford Region is that companies are consistently hiring from outside the community' (Playford Partnership 2001c: 32). While 20 percent of businesses employed 100 percent of their staff from the Playford area, more than twice as many businesses in Onkaparinga employed only local staff at 44 per cent (ibid). While only 34 percent of businesses in the Northern Adelaide Region employed 76-100 percent of their staff from the Playford region, almost two thirds of businesses from Onkaparinga employed the same percentage of locals (ibid). Furthermore, the Playford Partnership survey found that only 38 per cent of firms in Playford were actively seeking to employ staff based in their local area, which was less than half the number of firms in Onkaparinga that were seeking to do the same in their region (ibid: 33).

However, the *Social Capital and the Peachey Belt* report argues that the issue of skills mismatch is not the only reason current industrial growth 'will not necessarily translate into jobs for local workers', citing the impact of negative perceptions of local workers by potential employers (Playford Partnership 2001c: 60, 8). Referring to the *CEL* (National Economics 2001a) report, which found that more than one quarter of the businesses surveyed in the Playford region highlighted local skill constraints, the Playford Partnership (ibid: 46) report makes the point that while in some cases technical skill deficiencies were reported, in most cases these firms were referring to generic competencies and skills. The Playford Partnership report argues that their survey results imply 'that this disparity is due to employers' reluctance to employ local labour rather than the lack of availability of such labour' and that the opinions of employers 'appeared to be conditioned by perception rather than real investigation' (ibid: 33). The Playford Partnership *Social Capital Business Survey* asked employers to identify the knowledge skills and personal attributes they

considered to be important when hiring staff (Playford Partnership 2001c). The report argues:

The main concern for business was personal issues rather than the lack of skills relating to potential local employees. Other factors that were noted were the perception of unreliability of local residents, their lack of experience, inappropriate behaviour and attitude and an inability to pass a medical or a drug screen (ibid: 34).

The authors of the report highlight that of the fifteen most common responses, twelve were personal attributes rather than knowledge or skills (ibid). Similarly, the Playford Partnership *Community Social Capital Audit* found that informants from Para West Adult Campus, the Department of Human Services and the Office of Employment and Youth stated that many employers ‘both in and outside the region’ will not employ young people from the Northern region, especially the Peachey Belt:

“They have a reputation of being lazy”...“they are afraid of hard work”...“they will never stick it out”, were just three of the negative stereotypes of the local labour force reported in interviews. As a result, young people were encouraged to move out of the area to “use a different postcode on your cv” (Playford Partnership 2001c: 34).

The report argues that ‘the self-exclusion of businesses from the social community seems to have led to a stereotyping of the workers within the region’ and that ‘awareness of ‘community decline permeates the local business community’ to the extent that it is ‘reluctant to hire workers from that area even when they have the requisite skills’ (ibid: 34, 2).

This ‘postcode prejudice’ or ‘postcode discrimination’ is widely reported to continue in the region today (Arthurson 1998; 2004; Barila 2004; Palmer et al. 2004). Indeed, in 2004, the situation was so dire as to inspire the local *News Review Messenger* to launch an initiative called ‘Northern Jobs for Northern People’ in order to promote northern employers taking on local people. In the article launching this initiative Greg Barila (2004: 5) argued that:

Northern employers have a history of turning their backs on northern people. Welfare groups, employment advocates and youth workers agree that local employers are increasingly reticent to give locals a go, due to an unofficial 'no ferals policy'. The problem was highlighted in last year's State Government Poverty report, which found some northerners were even concealing their address when applying for work due to 'fear of discrimination'.

Our research also uncovered evidence of residents having confronted this kind of 'postcode stigma' when applying for jobs (Arthurson 1998; 2004). For example, one focus group participant commented, 'I went for a job over at Unley...as soon as one lady asked me where I lived I knew hadn't got the job really'. Another focus group participant commented that she had been 'passed over for a lot of jobs' because she lived 'in the wrong area'. She described a recent job interview by way of example saying, 'They threw my resume in the bin before I walked out the door...They just said to me, "Your address is wrong"'. Similar tales were encountered in the *People and Places* forums. The report on their community consultation sessions states:

In the north it was noted that while there were new jobs, unlike in Onkaparinga, they tended not to go to locals. In fact, it was perceived that there was prejudice against locals from some employers. It was reported in the state workshop that at an employment forum held in Playford, one local employer had said "we don't employ ferals" when referring to local residents (Baum et al. 2007: 99).

The *Social Capital and the Peachey Belt* report argues that this lack of willingness on the part of employers is due to a lack of social capital in the region, arguing 'Many businesses in the region are disconnected both from each other and the community in general' (Playford Partnership 2001c: 3). The authors surveyed a number of businesses in the region and found that while the statistics from their survey data indicated 'that 64 per cent of local firms saw other local firms as being entities with which they could co-operate', according

to the report, ‘this notion of cooperation did not spill over into business practice’ (ibid: 37). The authors argue that ‘Local companies seem to operate within their own structure. They don’t consider seeking advice from outside their business’ (ibid). They found that while in the Onkaparinga region, 70 per cent of businesses used outside advice and 67 per cent used local business people for inspiration, in the City of Playford 40 per cent of local companies requested no advice from people or organisations outside their individual businesses (ibid). However, almost 75 per cent of businesses in Playford believed that business networks should be strengthened (ibid). They also ‘indicated a willingness to come together to develop a basis for skills training that would enable the region to respond to new competitive pressures’ (ibid: 39). This is taken to indicate fertile ground for initiatives aimed at building social capital between industries in the region.

Thus the Playford Partnership reports view social capital as key to bridging the gap between residents and employers in the region and encouraging cooperation between businesses, thereby enhancing economic growth (Playford Partnership 2001a; 2001b; 2001c). The final Playford Partnership report concludes that the personal skills cited above as reasons for locals failing to gain employment in the region, ‘are learnt through interaction with other people; they are directly linked to the levels of social capital.’ (Playford Partnership 2001c: 34). Accordingly, the *Community Social Capital Audit* report argues that:

Strategies need to be implemented which ensure that those “locked out” of the knowledge economy (due to factors such as age, ethnicity, gender, skill and location) are informed of a) the availability of social capital producing resources, and b) how access to these resources can translate into tangible economic outcomes (Playford Partnership 2001a: 22).

Similarly, as discussed in Chapter Four, the City of Playford Council has attempted to address some of the above issues through attempts to build social capital through strategies of industrial clustering strategies and networking. However, I argue that focusing solely on

the contribution of social capital to regional development neglects the influence of wider issues and political and economic trends in creating existing conditions of structural inequality. As the Playford Partnership *Community Social Capital Audit* acknowledges, 'Social capital alone cannot be expected to solve problems that are essentially ones of poverty and deprivation' (Playford Partnership 2001a: 47). Furthermore, as discussed in previous chapters, this approach assumes a link between social capital and economic development which is highly problematic.

Our survey results suggest the City of Playford's approach to regional development through industrial diversification and social capital overstates the importance of the civic engagement side of social capital in creating successful industrial clusters and fostering regional economic growth (Spoehr, Chiveralls & Wilson 2007). The highly skilled workers and engineers we surveyed were members of the industrial clusters and companies which have been part of the City of Playford's regional success story, including the Innovation Network, Hirotech and Priority Engineering (ibid). However, these workers did not engage in common community activities, nor did they live in proximity to each other (ibid: 71). Their meetings were infrequent, in the main no more than once a year (66 percent) and at best monthly (33 percent) (ibid: 63, 64, 70). Moreover, although some had initially met through participation in community activities (23.1 percent), most had met through work related events or education and training (70.3 percent) (ibid: 65, 71). This does not suggest that many respondents had common roots in a given community with a relationship to the industry within which they worked, or indeed were likely to see themselves as part of a community located in a definable region (ibid: 71).

However, in contrast with the Playford Partnership reports, our survey results indicate that the region is not necessarily lacking in the levels of cooperation and trust between highly skilled workers that could be taken to constitute industry level social capital (Playford

Partnership 2001a; 2001b; 2001c; Spoehr, Chiveralls & Wilson 2007). Our survey of highly-skilled workers found there were healthy connections between businesses already in place in the region which could be taken to constitute social capital (Spoehr, Chiveralls & Wilson 2007). The majority of our respondents did mix socially with colleagues from other companies in the same industry as themselves (62.8 percent) and most of these respondents utilised these social interactions to both give to (96.3 percent) and receive (81.5 percent) knowledge from their colleagues about new and existing products and services produced or offered by their firms as well as general knowledge (ibid: 63, 64). Our respondents did not appear to be limited to sharing only general knowledge due to loyalty to their firm, but were actively engaged in sharing technical knowledge rated as being of both medium and high value (ibid: 70). While 70.4 percent of respondents who did participate in such informal meetings indicated that the knowledge they received was of either medium or high value, around 77.8 percent indicated the knowledge they provided was of either medium or high value (ibid: 65, 66). Moreover most (74 percent) said they trusted their colleagues either to an extent or a great extent to use the information shared responsibly (ibid). This data suggests that the group of knowledge workers surveyed had developed trusting relations with their colleagues and benefited from the work related social relationships (or social capital) they possessed (ibid: 70). Our results indicate that many businesses in the region are connected with one another, at least informally, and that networking practices which are likely to be of substantial benefit to the future growth of these industries are already in place in the region (ibid).

Nevertheless, it seems that many businesses in the region, at least in the fast growing high-tech industries, remain disconnected from the wider community of the City of Playford (Spoehr, Chiveralls & Wilson 2007). The highly-skilled workers that we surveyed preferred to meet their colleagues at locations outside of the area in which they worked,

with a preference for social meetings in the predominantly upper to middle class inner suburbs of Adelaide, or in Adelaide's pleasant coastal beach suburbs rather than in Playford or surrounding areas (ibid: 71). The vast majority of meetings in which these professionals exchanged information did not occur in the City of Playford or the surrounding region with only 26.4 percent of respondents choosing to meet in the Northern Adelaide region (ibid: 67). Adelaide City (36.9 percent), the café zones of North Adelaide (a suburb immediately adjacent to the central CBD and approximately 25 kilometres from the Northern Adelaide region), the wealthy inner eastern suburbs (19.7 percent) and the seaside cafes of Glenelg (10.5 percent) were favoured destinations for meetings (ibid: 67). Furthermore, while all our respondents worked in the region, most did not live there but were widely dispersed across the metropolitan area (ibid). Just under 67 percent of the workers surveyed who mixed socially with colleagues from other companies in the same industry as themselves did not live in the Northern Adelaide region but instead preferred to reside in the Eastern suburbs close to the Adelaide CBD or in coastal beach suburbs (ibid: 66). Our finding that skilled workers in the Playford area seemed to prefer to live away from the Northern region (see Figure 5: 260) was reflected in unpublished journey to work data on skilled engineers from the 2001 Census obtained from the Australian Bureau of Statistics for the Local Government Area of Playford and the surrounding LGAs of Gawler and Salisbury. The Census data indicates that while some 370 science and engineering professionals worked in the Playford LGA, only 7.3 percent of these professionals actually lived there (ibid: 68). Furthermore, only a small proportion of these professionals lived in adjacent areas, with less than 19 percent of science and engineering professionals working in Playford living in the Northern LGAs of Playford, Gawler and Salisbury (ibid). Conversely, more than 81 percent of science and engineering professionals working in Playford lived outside of the three Northern LGAs (ibid).

NOTE:

This figure is included on page 260 of the print copy of the thesis held in the University of Adelaide Library.

Figure 5 – Location of Social Capital Survey Respondents

Source: Spoehr, Wilson & Chiveralls (2007: 62)

Similarly, the *Living and Learning* report found that Playford performed relatively poorly on the Local Employment Provision Indicator, which assesses the ratio of workers engaged in a given area compared with its residential population (Spoehr et al. 2002: 17). A high score suggests the LGA attracts many daily work commuters whereas a low score indicates a large number of residents that have to travel outside of their LGA to their places of work (ibid). Playford and Salisbury both scored much lower ratings for this indicator at 12 and 16 respectively, compared with the state average of 27. However, as the report acknowledges, these figures are also likely to reflect the fact that in both these areas the labour force is relatively small as a percentage of the population (ibid). The report contextualises this data by arguing:

An examination of the working destinations of people living in Adelaide reveals a large proportion of people who travel out of the area to their place of employment. This is particularly the case in metropolitan labour markets like Adelaide where relatively short travelling distances enable people to comfortably travel from one side of the city to the other (ibid: 20).

However, even taking this into account, the report's finding that over half the population of the Northern Adelaide region travel outside of the region to work seems excessive (ibid). The continuation of this trend in more recent times is reflected in the 2006 Census statistics, according to which, 11,938 people or 61.2 percent of the people who work in the city do not reside in the City and only 7,958 people or 38.8 percent of those who work in the City of Playford also reside there (City of Playford 2008a). Conversely, while 54.3 percent of the residents of Playford who work do so within the City of Playford, 45.7 percent of residents have to travel outside of the city for work (ibid). As we argued in our draft report for the City of Playford:

While the distance between where many of our respondents worked and where they lived might not seem great in the context of larger cities, travelling distances of 30 to 50

kilometres to work is considered to be excessive in Adelaide because of heavy traffic congestion on narrow arterial roads in a spatially elongated city devoid of freeways or rapid public transport systems (Spoehr, Wilson & Chiveralls 2005: 63).

Many of the skilled engineers we surveyed lived in areas relatively distant from Playford in the context of Adelaide's roads and transport system and many of these skilled workers would routinely experience long journeys to work (Spoehr, Chiveralls & Wilson 2007: 72). In this context, 'It is striking that so many skilled professionals prefer long journeys to work in Playford to living close to their places of employment' (ibid: 68).

The findings of our survey call into question typical arguments about the link between social capital and economic development (Spoehr, Chiveralls & Wilson 2007). The link between what could be described as 'community level social capital' (often indicated by levels of trust, civic engagement and activities of neighbouring and reciprocity), and what could be described as 'industry level social capital' (indicated by levels of trust, cooperation, networking, knowledge sharing and information transfer between different companies working in the same industry) seems minimal at best. Most of the highly skilled workers we surveyed did not live in the City of Playford, nor did they engage in common community activities, either in Playford or in their own suburbs of residence (ibid: 71). Moreover, while a small group of respondents had met through participation in community activities, the vast majority had met initially through work-related events or through education and training related activities (ibid). Thus, while Playford could be argued to be a region with high levels of social capital, the skilled workers that we surveyed appeared to be engaged in very different kinds of social capital related activities which were quite distinct from those of the majority of residents in the region. For most of the skilled workers we surveyed, social capital was shared purely amongst themselves through work related processes rather than through civic engagement or local community activities (ibid). This does not suggest that the industrial clustering strategies being pursued by the

council are resulting or are likely to result in the development of bridging social capital in the region or a reduction in unemployment, poverty or inequality in the region. Nor does it suggest that the economic success of the council's industrial clustering activities can be linked with simplistic arguments about broader patterns of trust, civic engagement and reciprocity (or social capital) in the council region.

7.3 'There's No Trust Here': Exclusion from the Knowledge Economy and the Rise of the Informal Economy

The figures discussed in the previous section, along with the results of our focus groups, suggest a preference for 'hands-on' learning and a resistance to requirements for formal education and qualifications in the region. Participants across all our focus groups lamented what they saw as the devaluing of hands-on knowledge and on the job training offered by apprenticeships and technical colleges, which they felt, had been replaced in recent years by an increasing demand for credentials. As one participant in the lower income focus group commented, 'Everything you do even in life that we work on you've gotta have a ticket for, even with a whippersnapper'. Another participant agreed saying, 'They want...a university degree to do virtually nothing'. He described how when he was much younger and started work at the WRE, only minimal qualifications were required but now things have changed:

You know, it just went up and up. The job was no different but the technical skills required to get that job were different. You know, they make it harder to get the job.

A participant in the higher income focus group expressed similar sentiments saying, 'nearly every job that I've ever had they said "Oh no, you can't get that you're not qualified", or "[You] might as well not bother going for that"'. Another participant agreed

saying, 'It's the same in every industry...They want you to have a little black licence, where do you get it from?'

The following passage from one of our participants in the lower income focus group highlights the impact that the loss of low-skilled, mid-level manufacturing work at GMH has had on residents in the region. She describes how the increasing requirement for formal qualifications, rather than hands-on learning, in manufacturing has led to positions being filled by skilled immigrants or people from other suburbs rather than locals:

Holden's getting ready to close down, but the government's bringing in people from overseas...Why can't they train us all up? People are clever. People are intelligent, but they just won't use them, you know? It's like you've got to have so many credentials. Not everybody wants to pass Maths and English. But there's a lot of practical people out there, a lot of people that are hands-on...But that's where Holden was great. You know, Holden would take these kids in straight out of school, give them a bit of work experience and then it's like, 'Wow, you've got talent. We'll have you...We don't care about your Maths. We don't care about your English. Mate you just show us what you can do with your hands. That's good enough for us.' That's what we need. We need more places that will say... 'Here, let us teach you'. Give us something to put back in, 'cause we're hungry to put something back in our community but there's nobody will let us.

This reluctance to fulfil requirements for formal qualifications is indubitably influenced by financial considerations. The *Social Capital and the Peachey Belt* report found that training organisations in the Northern Adelaide region were:

finding it difficult to get a commitment to attend courses from unemployed workers. Since the training courses entail quite high sunk costs non-attendance by potential trainees leaves them highly exposed and reluctant to take further risks (Playford Partnership 2001c: 81).

Similarly, focus group participants across all socio-economic groups commented that education was becoming a luxury they were no longer able to afford. A participant from the lower income focus group commented, 'Do you know how much it is for me to get my

degree? To complete my social work degree, I have to look at a \$35,000 HECS debt'. Similarly, a participant from the higher income focus group commented that the cost of higher education was restrictive, especially for people from lower 'socioeconomic backgrounds', stating:

It's not [that] you can't just get into university any more, it's almost impossible unless you've got money behind you to do anything like that...I mean my kids are clever enough but I don't think I could afford to send them to university. And that's a shame. But what can you do?

Another participant agreed saying 'I pay my son's school fee and union fees so he doesn't have too big a HECS debt and that sends his mum and I broke'. Yet another participant replied, 'But I don't think you should have to go broke to give your kids a decent chance at education'.

Nevertheless they felt there was a pressure to engage in life-long learning processes that in effect amounted to a second job. As one participant put it, 'you've got to increase your skills and increase your qualifications to get the next job and the next job and the next job'. He elaborated:

Even to keep the job you're in...you've got to be doing a lot of studying and a lot of other things depending on the type of work you do...So even if you're not working, you might be working on your resume and you might be working on your qualifications, to try and better yourself again...all this out of [work] hours...and because people don't stay in the same job for 100 years anymore you may have to re-educate yourself several times through your working life to accommodate new jobs that you are going into so that's a fact.

Another participant described this race for qualifications as a 'vicious circle'. He explained: 'I've got lots of pieces of paper but you end up at the top of the tree or near the top of the tree and you're still in the same boat'.

However, many participants felt this trend was not localised to the City of Playford but a reflection of an Australia-wide skills shortage, which resulted from particular kinds of knowledge having been prioritised over others, with formal knowledge and qualifications being valued over ‘hands on’ experience. As one participant put it, ‘All the kids that we need are at university getting a degree’. Participants felt that while most jobs now require a university degree or other qualification in order to be eligible for employment, the emphasis on formal qualifications had occurred at the expense of ‘hands-on experience’ and on-the-job learning. They argued that while students may hold qualifications, ‘they lack some of the needed skills’ and start work asking, ‘Oh how do you do this? Oh I don’t know’, due to having had ‘no hands on’ experience. For example, participants discussed nursing and argued that while students have ‘Got to go to University to be a nurse’, when they come out they ‘don’t know how to empty bed pans’.

The Playford Partnership *Community Social Capital Audit* report (2001a: 48) argues that ‘At the local or community level, a considerable barrier to accessing social capital is being locked out of the knowledge base’. The main report argues that there are spill-over effects associated with communities with high levels of long-term unemployed:

For instance, if no-one in a community has been involved in the high tech industry, school leavers and other job seekers in that region may not even consider the possibility of a job in that industry because there is a lack of information available about the returns on investment in high-tech education and training. Moreover, even if a person wants to work in the high tech industry, the absence of relevant networks within the region is likely to limit access to jobs in the sector (Playford Partnership 2001c: 82).

The report found that the narrowing of job opportunities leaning toward the high-skill end, combined with the concentration of unemployment within particular demographic groups, meant that young people entering the labour market in Playford were less aware than young people elsewhere of what the opportunities and prospects are (Playford Partnership

2001c). The authors argue that this has created a 'culture of pessimism' among young people leaving school and 'a reluctance to complete school or complete further training' (ibid: 62). Similarly, the authors of *People and Places* encountered 'strongly expressed views' in their state workshops that the culture in Playford 'did not support young people going on to higher education or skilled employment' (Baum et al. 2007: 99). For example, the report recounts how one participant in the workshop stated that women re-entering school face huge barriers and are often told they are 'getting above themselves' and that education is 'not for you' (ibid). The report argues that this had led to low expectations on the part of residents in the region which have 'become a self-fulfilling prophecy' and that a 'central issue' for Playford to establish 'initiatives to change this culture' (ibid).

However, the *Community Social Capital Audit* report later argues that 'Before communities can be expected to work together, residents need to see evidence of a process that will deliver culturally appropriate and relevant outcomes' (Playford Partnership 2001a: 20). While I would argue that to suggest residents of Playford do not currently work together is both derogatory and misleading, the need for 'culturally appropriate and relevant' strategies is paramount (ibid). Investing in adequate education and skills training in the region is important. However, perhaps a more realistic approach than that currently being pursued by the council, would be to secure a greater proportion of existing and future jobs which match the skills and capabilities of people currently residing in the region, rather than focusing on attracting and investing in new 'high tech' jobs, which are currently being filled by people living outside the region (Playford Partnership 2001c: 77). As the *People and Places* report argues, training opportunities for trades and semi-skilled employment are 'very limited' and expanding these, as is beginning to occur with the State Governments initiative to open a number of new trade schools in the North, is a good start (Baum et al. 2007: 98).

Rather than concentrating on the impact of the history, culture and educational background of the region or the need for appropriate employment provision, the Playford Partnership reports depict Playford residents as lacking in generalised trust demonstrative of deficient social capital (Playford Partnership 2001a; 2001b; 2001c). The *Community Social Capital Audit* report states that ‘Social capital as a mechanism for community and economic development is driven by trust (in everybody from friends and neighbours, through to “the system”)’ (Playford Partnership 2001a: 20). The report argues that: ‘In vulnerable areas such as the Peachey Belt, that stock of trust has been all but depleted’ (ibid). The report elaborates:

In an area where there is a significant concentration of disadvantaged groups, a high population turnover, and a community experiencing disillusionment and disenfranchisement at every turn, developing and maintaining relationships of trust is a considerable challenge (ibid: 34).

For a start, it is important to distinguish between trust in institutions like government and big business, and trust in individuals. The *People and Places* report attempted to do just that and found that there were significant variations in reported levels of trust across the four post-code regions (Baum et al. 2007). The survey asked respondents to rate their levels of trust on a 7-point scale, with 1 meaning ‘do not trust at all’ and 7 representing ‘trust completely’ (ibid: 64). Aside from generalised trust in people in Australia, (which at 4.7 for the Burnside, 4.5 for the Prospect, 4.6 for the Onkaparinga and 4.3 for the Playford postcodes did not stray far from the pattern), the mean scores for trust had a direct inverse accordance with hierarchy of the different post-codes in terms of SES (ibid). While Burnside and Prospect respondents had the highest levels of trust in business and government, Playford respondents had the lowest levels of trust in big business, government and Australians in general (ibid: 45) However, while respondents across all postcodes showed positive levels of trust of people in Australia, with a mean score of 4.5

out of a 7-point scale, respondents reported lower levels of trust in relation to the government and big business (ibid: 64). Crucially, this was particularly the case in Playford, with trust in government and big business both recording a low score of 2.7 (slightly lower than the other regions with the highest score in Burnside landing at 3.2) compared with a more moderate score of 4.3 for trust in Australians in general (ibid). However I would argue that, having phrased the question in terms of generalised trust in people in Australia, this question may even underestimate generalised levels of trust (however accurate these can ever be) in the City of Playford, as the sense of ‘defensive togetherness’ described by Peel (1995a: 11) may lead to lower levels of trust in people outside the region.

Furthermore I would suggest that the above figures from *People and Places* reflect not so much the impact of a lack of social capital in the region but more importantly, the effects of wider political and economic trends including the decline of manufacturing (Baum et al. 2007). A survey of social capital in the southern regions of Adelaide which was administered following the closure of the Mitsubishi plant in Lonsdale to assess the effects of the closure on redundant workers turned up similar results (Beer et al. 2006). The survey asked respondents to rate their perceptions in response to three statements relating to generalised trust on a 5-choice response scale, ranging from 1 ‘strongly agree’ to 5 ‘strongly disagree’, with 3 being ‘neutral’. The statements were: ‘Generally speaking, people in Australia can be trusted’, ‘Generally speaking, you can trust governments’, and ‘Generally speaking, you can trust big business’ (ibid). The survey found that ‘In general, Mitsubishi respondents were more likely to trust people in Australia than they were to trust governments or big business’ (ibid). While 63 per cent of respondents chose to strongly/moderately agree that people in Australia could be trusted, and only 15 per cent chose to moderately/strongly disagree with this, only 20 per cent of respondents

strongly/moderately agreed that governments and big business could be trusted, and about 55 per cent moderately/strongly disagreed (ibid). The results of this survey were compared with the results of the state-wide South Australian Health Monitor survey which was conducted at the same time as the survey of redundant workers at Mitsubishi and asked the same questions about levels of trust (ibid). The comparison showed that male respondents in metropolitan Adelaide recorded much higher levels of trust on all three aspects, with one quarter more of respondents in metropolitan Adelaide being highly trustful of people in Australia and of governments, and one fifth being more highly trustful of big business (ibid). Conversely, more of the Mitsubishi respondents showed distrust on these three aspects, and they were especially distrustful of governments (ibid).

The impact of the loss of mid-level manufacturing work on residents of the City of Playford, a city which was, after all, settled around the work provided by Holden and other manufacturing industries, should not be underestimated. I argue that the City of Playford's approach to regional development through social capital and industrial diversification will be hard-pressed not only to compensate for the loss of employment and investment provided by multi-national companies like GMH, but to fill the cultural void left in their wake. Participant observation and focus group data revealed a strong identification with Holden and the manufacturing industry amongst residents of the City of Playford. Participants expressed fears that Holden was 'shutting up shop' and soon 'there would be nothing left'. My research indicated a contradictory and uneven relationship between Holden and Playford residents. Much like the lion on the GMH logo, Holden is on the one hand a symbol of pride and loyalty and on the other hand, an object of fear, suspicion and distrust. Repeated job losses at GMH, the major employer in the region, combined with the shift from worker to welfare housing in some parts of the region described in earlier chapters, have fostered a sense of abandonment by both government and industry. That

these issues have had an impact on levels of trust in both government and big business in the region was made clear throughout our focus groups. As one participant from the low income focus group put it:

We can't protect ourselves. I mean we have no answers...so this is something we have to leave [it] in the hands of industry... its between the industry and the government to talk about that now...We've just gotta trust somebody...At the moment there's no trust here that's why there's problems. You know what I mean? No trust.

Distrust in government was indeed prevalent in the City of Playford throughout our research and is a consistent feature in the literature and other studies on the region (Baum et al. 2007; Peel 1995a; Playford Partnership 2001a; 2001b; 2001c). Focus group participants across both groups frequently expressed the feeling that government was not particularly responsive to the needs of local community. While often expressed through distrust or dislike of particular local, state and federal politicians, this distrust did not appear to be directed at any particular level of government. Participants in the low income focus group made it clear that this distrust was 'directed at all levels' of government, 'not just the one' with statements like, 'all governments are the same'. Comments about government action (or inaction) in the region were made by individuals in both focus groups and were met with agreement in the form of ridicule and derisive laughter from the other participants in the group. Participants frequently juxtaposed government members and organisations with the local community in a 'them and us' mentality. For example, one participant in the higher income focus group stated, 'we don't have a lot of faith in them and if you want something done you'll have to do it yourself'. Similarly a participant in lower income focus groups stated:

I think it's the community that sticks together through it all don't you? Our government does nothing...I think they support themselves and I think that they're just out for

themselves...It's the community that fights for our health, and our education, and our crime...Why should we trust them? What have they done for us?

She elaborated on this statement by describing personal circumstances in her past which had led her to be in need of assistance, commenting:

It was...the actual community that helped me. I mean somebody that was in my neighbourhood that found that there was kids and offered to come in and help my kids and myself...That showed me where my home was. So did the government offer help or assistance? Nup...Forget the government...The community will help each other before the government helps. All they wanna do is destroy families.

Similarly, the Playford Partnership *Community Social Capital Audit* reports:

Authorities and bureaucracies intimidate and 'experts' of various kinds are simply not trusted, measured, in part, by the low use rate of general practitioners in the Peachey Belt. More significantly, agencies report that the high turn over (sic) of staff, due in part to short-term contracts, impedes the development and maintenance of relationships of trust in the region (Playford Partnership 2001a: 35).

The report recounts how the establishment of the Anglicare annexe at Davoren Park, was met with local residents repeatedly asking the workers there, 'will you be here this time next year?' (ibid). The report states:

In an area where promises for change have been made and rarely delivered, people are sceptical about embarking on new projects or forming alliances with strangers, the prevailing view being "what's the catch?" (ibid: 52).

The authors of *People and Places* encountered similar tales of suspicion and distrust of governments and other institutions at both state and local community consultation sessions (Baum et al. 2007). Both workshops identified this distrust as resulting from what was referred to as 'projectitis', indicating a lack of long-term support from government agencies to support local community development programs (ibid: 106-107).

My research turned up similar results. For example, I attended a meeting of the Peachey Belt Resident Association in 2006 when the Council's community consultation process for the Playford Alive project was underway. When one member reported on his experience attending one of these sessions earlier that day, many residents expressed their distrust of the project and such community consultations with statements like, 'Oh yeah. I'll believe that when I see it'. The residents of the Peachey Belt region have been waiting on the promised Regeneration Project for almost twenty years and seemed simply fed up with being 'led on' by government bodies promising improvement in the region. These feelings of suspicion and distrust about the impending redevelopment were certainly not assisted by the fact that only scant detail about the project was available to members of the public in the years leading up to the commencement of the project. The secrecy of council meetings about the Playford Alive was a consistent feature of the local *Messenger News Review* for a number of years prior to the project's initiation (Barila 2005; Day 2005c). An article in 2005 reported that the council had met behind closed doors twice in the space of one month for 'secret sessions' to discuss the project (Barila 2005: 16). The article reports the Council's explanation for this secrecy stating that 'The public was excluded from both meetings on the basis that commercial information was being discussed, which could be advantageous to a third party if made public' (ibid). The secrecy surrounding the project in its initial stages also limited the material I was able to access about it during my research.

Distrust of big business was also prevalent throughout my research in the region, particularly amongst the lower income focus groups. Members of this group clearly felt that business was not accountable to the community. Many focus group participants held industry responsible for the lack of employment and the corresponding social and economic problems in the region. For example, referring to the spate of recent job losses at

the GMH plant in Elizabeth South, one participant commented that she felt they should be doing more for people in the region:

We've done a lot for them and we've provided for them great staff and sometimes you feel...betrayed...They're getting a profit what about giving something back. And now all of a sudden...Holden's are talking about closing down...They're wanting security...Because they're cheaters as well you know...they'll give you a career and then they'll take it away from you at the same time. Oh yeah, we'll train you up, we've got the best years off you...(and then they let you go)...Employers want too much.

However, another of our focus group participants from the lower income group demonstrated that this distrust is not just directed at large companies, stating 'There's a great distrust in business I think'. He recounted a tale of a mechanic trying to 'rip off' a friend of his by charging him to fix parts of his car that weren't even broken stating, 'and you get that all the time. A lot of these places will rip you off'. This statement was met with broad based agreement from the other participants in the group, who told similar stories of having been 'ripped off'.

This distrust of formal agencies, governments and businesses, along with the resistance to requirements for formal qualifications, has motivated many residents in the region to rely on engagement with the informal economy which has been built upon the patterns of informal social interaction in the region described in the previous chapter. While an in-depth study of the informal economy in the City of Playford is beyond the scope of this thesis, evidence of the importance of the informal economy in the region was found in the comments of many of my informants and focus group participants as well as in the results of previous research (Peel 1995a; Playford Partnership 2001a; 2001b; 2001c; Baum et al. 2007). The evidence suggests that informal economic activity thrives in those areas which are most challenged by economic disadvantage, and as demonstrated in the previous chapter, most characterised by relationships of informal social interaction, reciprocity and

exchange, like the Peachey Belt. For example, the *Playford Partnership Community Social Capital Audit* argues that, 'The informal exchanges and alliances that comprise an informal economy are part and parcel of disadvantaged communities' (ibid). The report quotes Helen Connelly of Anglicare, who explained the development of the informal economy in the region by saying 'people are driven to do things because they have no other supports' (ibid). The report states, 'Certainly, adversity has forged links, most notably relationships of reciprocity' (ibid). The report describes the informal economy in the region as follows:

In the Peachey Belt, child minding and home maintenance are the sorts of small scale, impromptu, not always material, exchanges that people draw upon to help maintain their interpersonal relationships within a specific social and geographical locality. Involving a donation of time or labour, rather than the exchange of money, these are the elements in a currency of daily exchange through which belonging and obligation to a neighbourhood is routinely played out. It is not uncommon, for example, to find that when one household has their electricity cut off, their neighbour will run an extension cord in through a window so that they can have power (ibid: 32).

The following passage by a resident of Elizabeth Downs taken from the *People and Places* report similarly demonstrates the importance of informal trade in the region:

Quite often someone will say 'Oh I have got something I want to sell' and you sort of mention it around, 'do you know anyone who wants to buy such and such' (Baum et al. 2007: 63).

Throughout my fieldwork, as I drove around the suburbs of Playford, I would frequently notice ad-hoc notices advertising goods for sale, from honey and flowers, to fridges and cars, written on pieces of paper or cardboard and stuck on gates or lampposts outside the driveways of private residents, or on the front windows of abandoned shops.

The Playford Partnership *Community Social Capital Audit* report states 'The Peachey Belt is by all measures work poor' (Playford Partnership 2001a: 21). However, this is not

entirely accurate. As the following comments from one of our participants in the lower income focus group attest, the informal economy is thriving in the Northern Adelaide region:

They say nobody's workin' in the North...but everybody's workin'...every day...I mean they'll do more for each other than what they'll do for a company...They'll do something at home and get satisfaction out (of it). I'd rather help my neighbour out next door, you know and do it for nothing...But at the same time, if I do a good job, help them out, it also gives me the opportunity that I've got a favour for later on when it's needed...So down the line...they've noticed...the front part of my house needed to be mowed...So they've come across and (said) 'We just could mow the lawn for you.'...I'd rather have my neighbour come in and mow a lawn for me every now and then out of the blue, than go and pay a gardener \$10 or \$20 to keep my front lawn mowed... And that's how we're workin' around here.

She described how many of her neighbours have offered to help her out with things around the house and with her car, saying things like 'I've got a bit of knowledge, but I'm not qualified'. She explained that this didn't matter to her because most of the time they were more trustworthy and did a better job than the qualified people.

One of our participants in the lower income focus group linked the distrust of businesses in the region with patterns of informal social interaction and participation in the informal economy. She described how she had gone to a mechanic and been told she needed a new wheel bearing for her car. After sourcing the part from the automotive wreckers, she had paid a substantial sum of money for the mechanic to put it in. A couple of weeks later the same part had fallen out again. She described how she had been telling her neighbour about what had happened and he had offered to fix it for her for a four-pack of Bourbon and Cola which cost her no more than ten or fifteen dollars. He did an excellent job and she has never had a problem with the car since. She asked:

So why should we go to businesses, when...you're getting ripped off anyway and they seem to want more and more? The more you give to 'em, the more they'll take. And so it's like (you rely on each other 'cause) at least you're not gonna get ripped off.

Informal economic activity in the region has led to the development of a number of local programs which aim to build on the informal economy and establish links to the formal economy, especially in the Peachey Belt. As the Playford Partnership report on social capital states, a range of initiatives have been developed in the region in which definitions of 'employment' and 'the economy' are reconceptualised and rethought 'in terms of micro-enterprises or "the community economy"' (Playford Partnership 2001a: 44). For example, the Local Exchange Trading Scheme (LETS) office for the Northern Adelaide Region, located in Salisbury at Parafield Gardens aims to build on the local informal economy in the region and improve outcomes for local residents. According to Wikipedia, the term LETS was developed by Michael Linton who applied the trading system in British Columbia in 1982. As outlined in the pamphlet for the Salisbury chapter, LETS are local non-profit trading systems which enable people to exchange goods and services with one another without the need for printed currency or involvement in the formal economy. They utilise interest-free local credit in the form of local currency 'units' so direct swaps need not be made and value stays within the local area. Members accrue 'units' for goods and services provided which can be exchanged with other registered members for goods or services to the same unit value. Another program entitled 'Garden Gladiators' was recently initiated in Playford in partnership with the Playford Proud Network, Anglicare, the Self Help Garden Project and Para West Adult Campus in order to build 'on the importance of reciprocity as a mechanism for developing social trust and relationships of mutual benefit' (Playford Partnership 2001a: 32). The program involves ten households working co-operatively to fix up each other's homes and gardens and involves the sharing of ideas and equipment and the swapping of landscaping, planting, mulching and other gardening

supplies between households. According to the Playford partnership report, ‘The program adopts the principles of LETS...enabling residents to barter services with one another’ (ibid). However, LETS and Garden Gladiators are just two of many such programs in the region. Playford, in particular the Peachey Belt, features a number of co-operative organisations designed to circumvent formal economic structures and improve local outcomes, including Playford Food Co-op, The Fields Youth Market, the Playford Farmers Market, and so on.

While the Playford Partnership (2001a; 2001b; 2001c) reports do not necessarily see the emergence of the informal economy as a positive trend, equating it with the wrong kind of social capital, I argue that far from demonstrating the wrong kind of social capital, these practices represent meaningful strategies of agency and resistance to a development agenda which is antithetical to the interests, attitudes, beliefs and practices of many residing in the region. As the *People and Places* report acknowledges, after running their community consultation sessions, ‘the most fundamental factor that was likely to reduce inequality’ was not social capital but ‘access to education (both school and post-school) and to employment’ (Baum et al. 2007: 98). As will be argued later in this chapter, the issues of education and employment associated with transition towards a knowledge economy must be seen ‘against the backdrop of a growing polarisation of society between the better and the worse off’ (ibid). To blame inequality in regional economic development on a lack of social capital, or to repaint these practices of informal economic engagement and reciprocity as ‘the wrong kind of social capital’, is to deny the history of the region and the impact of wider political and economic forces, and to attack what for many residents is the only survival strategy they have.

7.4 ‘Investing in Inequality’: A Dual City with Dual Economies?

In this section, I argue that the City of Playford’s approach to regional development through social and industrial diversification and social capital is likely to exacerbate inequalities and encourage the rise of a ‘dual city’ with ‘dual economies’ in Playford (Castells 1989; 1989 [2002]; 1993; 2004; Castells & Hall 1994; Castells & Portes 1989; Susser [ed.] 2002; Sassen 1991; 2000). In utilising the concept of the dual city I am hoping to highlight the way in which the City of Playford’s approach to regional development through social and industrial diversification has the potential to create a more divided city, fractured along class lines, with two quite distinct populations moving in distinct circles of both work and leisure. Through use of the term dual economy, I am referring both to dualities within the formal economy (between the rise in employment opportunities in high-tech high-paid manufacturing industries and the growth of often casual and low paid service work to support these industries), and between the formal and informal economies in the region, so that there are functionally three levels at which the dual economy occurs. As has been discussed in the previous section, evidence of the emergence of the informal economy was already apparent in the region during my fieldwork, as was the exclusion of much of the population in the region from the high-end manufacturing jobs being created through the City of Playford’s approach to regional development through industrial diversification.

As previously argued, the City of Playford’s approach to regional development is aimed at repackaging the region as a new ‘Smartville’ capable of competing in the knowledge economy or information society (Roberts 2005: 23). Castells (1989) links the development of the information society with the emergence of the ‘dual city’. The dual city is characterised by an increasing polarisation between the rich and poor, with the rise in

formal economic activities in the informational sector being met with an increase in informal economy activity, along with a reduction in social service provision (ibid). Castells (1989 [2002]: 307) argues that while the dual city is a classic theme of urban sociology, 'there is a new form of urban dualism on the rise, one specifically linked to the restructuring process and to the expansion of the informal economy'. The concept of the dual city relates 'to the simultaneous processes of growth and decline of industries and firms,' which he argues is 'taking place most intensely at the nodal points in the economic geography', particularly in 'the largest metropolitan areas where most of the knowledge-intensive activities and jobs are concentrated' (ibid). According to Castells (ibid) the rise of the information society has given rise to an 'occupational transition', which 'unlike the historical shift from agricultural to industrial societies, is characterised by a mismatching between the characteristics of labor being phased out and the requirements for new labor'. He argues that this mismatch results partly from 'the contradiction between the much higher knowledge components of a substantial proportion of the new occupations and the institutional capacities of most societies', and partly from the inability of these societies to adapt educational systems 'to enhance the structural conditions that give rise to a higher cultural and scientific level of labor' (ibid).

While Castells' (1989; 1989 [2002]; 1993; 2004; Castells and Hall 1994; Castells & Portes 1989; Susser [ed.] 2002) thesis on the dual city was concerned primarily with the large metropolitan centres of America, particularly the dominant world cities such as New York and Los Angeles, research has shown that in Australia, poverty is more frequently concentrated on the urban fringe of metropolitan centres (Badcock 1997). I argue that in Australia, it is here where the dual city is growing, as 'Holdenist' suburbs built on the urban fringes of metropolitan cities seek to model themselves on 'global cities' and transform themselves into 'high-tech hubs' populated by the 'creative class' in order to

compete in the global economy (Winter & Bryson 1998; Sassen 1991; 2000; Towart 2005; Florida 2003; 2004). Castells (1989 [2002]: 265-266) argues that 'industrial cities' like Playford, 'whose fate has been overwhelmingly determined by the old manufacturing industries', are the exception to the rule of the dual city. However, I argue that the City of Playford's approach to regional economic development through social and industrial diversification is one example of the way in which contemporary Australian approaches to regional economic development through social capital are transforming the exception into the rule.

While Castells (1989) argues that the dual economy is fed by the exploitation of female and immigrant labour, I argue that it is not only female and immigrant labour that is being exploited in the dual economy, but the labour of all of those who are unable to fulfil the requirements necessary to qualify as a member of the 'creative class' of knowledge workers. The dual city is characterised by 'processes of sectoral growth and decline, and the reallocation of jobs and labor' which take place 'simultaneously within the same metropolitan areas', and form 'a complex pattern' (Castells 1989 [2002]: 265-266). This pattern includes the destruction of middle-level jobs in the old manufacturing industries, combined with 'the gradual shrinkage of protected jobs in the public sector', 'the proliferation of new, low-paid jobs both in services and in downgraded manufacturing' and the creation of new, highly paid jobs in the advanced services and high-technology sectors (ibid).

The evidence presented above detailing the coexistence of simultaneous growth and decline in the City of Playford in recent years calls to mind Saskia Sassen's (1991; 2000) views on the dual city. According to Sassen, simultaneous growth in both the formal and informal sectors of the economy affects both skilled and unskilled labour, leading to a highly differentiated social structure which is both polarised and fragmented (ibid). While

some surplus labour is recycled in the dynamic structure of the new informational economy, the rest leaves the formal labour force to be distributed among the recipients of welfare, the informal economy, and the criminal economy (ibid). Sassen argues that the shift in consumption patterns, from the needs of mid-level suburban families to those of high-level urban professionals, fosters a movement from the consumption of capital-intensive consumer goods to labour-intensive consumer services, which in turn, stimulates a high demand for customised labour services in both high and low-skill occupations (ibid). While many of these jobs are by no means part of the informal economy, Sassen argues that their definition and working conditions make them border-line occupations due to the flexible nature of the work, which makes part-time, overtime, one-time service, and sub-contracting work, the rule rather than the exception (ibid). These trends cause the increasing polarisation and segmentation of labour along with many activities of daily life (ibid). This is precisely the pattern emerging in the City of Playford as the region is re-imagined from 'rustbelt' to 'Smartville' through contemporary approaches to regional development through social and industrial diversification (Roberts 2005: 23).

However, Castells (1989 [2002]: 265-266) describes three additional 'inter-related phenomena', which occur alongside the above trends in dual cities, adding 'further complexity to the emerging urban social structure'. The first of these phenomena is the rise of the informal economy, which Castells describes as 'unregulated income-generating activities in a context where similar activities are government-regulated' (ibid). The existence and potential growth of the informal economy in certain areas of the City of Playford was discussed in detail in the section above and is further supported by the figures discussed below.

The second phenomena which Castells (ibid) lists as a defining characteristic of a dual city is a 'reduction of the rate of participation in the labor force, as officially defined, indicative

of a growing surplus population in the formal economy'. I argue that while this trend is currently emerging in the City of Playford, in accordance with the concept of the dual city, the pattern is evident only in some areas of the city, while others demonstrate a rise in participation in the formal economy. Both the Adelaide metropolitan region and the City of Playford as a whole saw an increase in the rate of participation in the labour force between 2001 and 2006 of one percent from 52.8 percent to 53.8 percent and from 58.6 percent to 59.3 percent respectively (City of Playford 2008a). However, the increase in labour force participation is restricted to only seven of twenty suburban areas in the City of Playford including, Andrews Farm, Blakeview, Craigmore, Elizabeth, Elizabeth North, Elizabeth Park and Munno Para (ibid). The rest all experienced a decline in labour force participation, with the exception of Elizabeth Downs where the figure remained steady (ibid). The largest declines in labour force participation were experienced in the horticultural regions of Penfield, Virginia and Angle Vale and the Peachey Belt suburbs of Davoren Park, Elizabeth South, Elizabeth Vale, Smithfield and Smithfield Plains which all saw a reduction in the rate of participation in the labour force of one per cent or above from 2001 to 2006 (ibid).

These figures should also be viewed in the context of the City of Playford's persistently high unemployment rates compared with the wider Adelaide metropolitan region. In 2001 the City of Playford had an unemployment rate of 14.1 percent compared with 7.9 percent for the Adelaide metropolitan region (City of Playford 2008a). While the 2006 Census has seen this figure improve to 8.6 percent, it is still substantially higher than the figure of 5.3 percent for the Adelaide metropolitan region (ibid). Thus while the figures for both regions have improved substantially between 2001 and 2006, and the City of Playford has improved at double the rate of the metropolitan region, the City of Playford still boasts a much higher unemployment rate than metropolitan Adelaide (ibid). These figures should

be viewed in the context of the strong performance of the South Australian economy over the last decade which has seen the improvement of labour market statistics across the board. Furthermore, the variability of unemployment rates across different regions within the City of Playford further serves to reinforce the image of a dual city, with some areas (like the Peachey Belt), which are characterised by high levels of unemployment, likely to have correspondingly high levels of involvement in the informal economy. In 2001 Davoren Park (formerly Elizabeth West) had an unemployment rate of 28.9 percent (ibid). While in 2006 this figure improved substantially, at 17.4 per cent it still remains over three times that of the metropolitan Adelaide region (ibid).

Finally, Castells (1989 [2002]: 265-266) argues that dual cities are characterised by ‘the proliferation of the criminal economy, particularly in activities related to the drug trade’. While this was not a specific avenue of enquiry pursued in my research, persistent high crime rates in the City of Playford compared with other metropolitan regions suggest the existence of a substantial criminal economy in the region. As the *People and Places* report argues, the City of Playford has consistently boasted a higher crime rate than the average for LGAs in South Australia in recent years (Baum et al. 2007: 21-22). While the rate of offences recorded per 1,000 members of the population has declined steadily in the City of Playford in accordance with the average for LGAs in South Australia since 2002, in 2005 Playford the rate of offence was still around the 250 mark compared with a state average of around 180 offences per 1000 residents (ibid). However it is important to acknowledge that like all other factors, these figures vary substantially across the Playford region. A report on *Inequality in South Australia* found that while the Playford ‘West Central’ area (mostly located along the Peachey Belt), had the highest crime rate in metropolitan Adelaide with 262.1 offences involving apprehension per 1000 residents aged 10 years and over, the Playford ‘Hills’ area, with a rate of 30.6 offences per 1000 residents, was one of the lowest

rates in Adelaide (Hetzel et al. 2004). Further evidence to support the existence of a substantial criminal economy in the region emerged in our focus groups. For example, as participants in the low-income group began to discuss the ‘resilient’, ‘creative’ and ‘innovative’ character of people living in the region and the application of these talents to production in the informal economy, one participant used the example of a friend who produced and sold marijuana to supplement their income. The relationship between the criminal economy and the informal economy in the region would be an interesting avenue for further inquiry.

The dual city has profound implications in terms of the spatial organization and processes of large metropolitan areas. The notion of the dual city refers not only to the ‘contradictory dynamics of growth and decline’, but also to ‘the polarizing and exclusionary effects of these dynamics’ (Castells 1989 [2002]: 308). Castells (ibid: 289, 310) argues that the dual city results from the transformation of ‘desirable’ spaces ‘historically occupied by ethnic minorities or working-class families’ to new residential locations ‘for the new urbanites of the informational society’. This process occurs through ‘systematic gentrification and displacement that further segregates the city’ which results in ‘a spatial structure that combines segregation, diversity and hierarchy’ (ibid: 310). I argue that this process is reflected in the City of Playford’s approach to regional development through social and industrial diversification and the Playford Alive project. Castells (ibid) warns that this kind of approach to urban redevelopment is likely to result in a divided city where the ‘upper tier of the society...occupies select spaces...and maintains them in a separate circuit of lifestyle, services, leisure’. Meanwhile:

the vast majority of downgraded workers and new laborers share an excluded space that is highly fragmented...building defensive communities that fight each other to win a greater share of services, and to preserve the territorial basis of their social networks’, which he argues are ‘a major resource for low-income communities (ibid).

These 'Downgraded areas of the city serve as refuges for the criminal segment of the informal economy, as well as reservations for displaced labor, barely maintained on welfare' (ibid). Castells (ibid) argues that while 'Newcomers to the dual city often pioneer transformations of these areas', they can also trigger increasing tension 'between conflicting social interests and values expressed in territorial terms'. The dual city is manifested in 'the spatial co-existence of a large sector of professional and managerial middle-class with a growing urban underclass' (ibid: 228). Accordingly, the contradictory development of the new informational economy is epitomised in the conflictual appropriation of the dual city 'by social groups who share the same space while being worlds apart in terms of lifestyle and structural position in society' (ibid). Thus the dual city is characterised by 'two equally dynamic sectors, interconnected by a number of symbiotic relationships,' which 'define specific labor markets and labor processes in such a way that the majority of workers are unlikely to move upwardly between them' (ibid: 309). The dual city results in an 'economy, and thus society,' which is 'functionally articulated but organizationally and socially segmented' (ibid). However Castells (ibid) notes that the structural dualism of the dual city does not merely result in the creation of two distinct social worlds, 'but in a variety of social universes whose fundamental characteristics are their fragmentation, the sharp definition of their boundaries, and the low level of communication with other such universes'. He explains:

The dual city is a multi-faceted reality, but structural dualism manifests itself in the transformation of bipolar dialectics into dual dichotomies. It is in this sense, and only in this sense, that we can speak of dualism (ibid).

The fragmentation of the City of Playford, already evident in the disconnection between the workers employed in the new knowledge sectors of a transformed economy and those engaged in the informal economy and other sectors of the formal economy, indicates that the move towards a dual city has already begun to take shape in the region. The extent of

disconnection between these sectors indicates that the call to build social capital in the region will be insufficient to bridge these differences without attention to wider structural processes. As Castells (1989 [2002]: 311) argues:

the endless social and spatial fragmentation of the diversified segments of restructured labor...fixes their cultural and territorial identities in terms irreducible to other experiences, breaking down the pattern of social communication with other communities and among different positions in the work process.

Thus I argue that in the current political and economic climate, the re-imagining of the City of Playford as a new knowledge region for the new economy is tantamount to the creation of a dual city. This has dire implications for those concerned with issues of inequality in the region, as the needs of the ‘creative class’ of knowledge workers required to sustain this new economic activity, will most likely be privileged above the needs of the majority of residents in the region who find themselves excluded from the knowledge economy. As Castells (ibid: 311) argues, the ‘essence of the dual city’ as an urban form, is its articulation of ‘the rise of the new socially dominant category in the informational mode of development,’ and its simultaneous disarticulation and opposition towards ‘the fragments of destructured labor as well as the components of the new labor incorporated into the emerging economic structure’. Thus, through the processes of spatial restructuring which are fundamental characteristics of the contemporary form of the dual city, ‘distinct segments of labor are included in and excluded from the making of new history’ (ibid).

7.5 Conclusion

In this chapter I explored the City of Playford’s approach to regional economic development through social capital and industrial diversification. I described how the City of Playford’s approach to regional development, involving industrial clustering,

networking and social capital, is aimed at transforming the region from a site of 'Holdenist suburbia' to a 'knowledge hub' capable of competing in the global knowledge economy (Towart 2005). I argued that innovative as these strategies may be, they are unlikely to be able to completely mitigate the effects of wider political and economic trends in the region. The City of Playford's approach to regional economic development through industrial diversification results in the creation of high tech, high skill, high end jobs which demand high levels of qualifications and experience. These jobs are unlikely to be able to compensate for the number of mid-range jobs being lost in the manufacturing industries in the region. The existence of intergenerational unemployment and a comparatively low level of formal qualifications, along with a history of postcode discrimination by employers in the region, suggests that without the restoration of a sustained focus on education, training and employment strategies, the majority of residents of the City of Playford will remain excluded from the knowledge economy and the kinds of economic development strategies being employed by the council. Furthermore, as indicated by the results of our industry survey, most of those employed by the emerging high-technology industries in the region live lives that are relatively divorced from the majority of residents of the City of Playford, occupying different circles of work and leisure. The majority of highly-skilled workers employed by these companies do not live in the region and prefer to socialise and conduct business in the CBD. This does not suggest that the strategies of social and industrial diversification being pursued by the council are likely to lead to the creation of bridging social capital in the region, or that the economic success of these strategies can be tied to wider patterns of civic engagement (or social capital) in the City of Playford.

In the following section, I argued that there is there a relationship between the kinds of organisational social capital discussed in theories of industrial cluster development and the

community-level social capital demonstrated through the survey results. However, this relationship is not as straightforward as the social capital approach to development assumes. I argued that the kinds of informal social capital discussed in the previous chapter, are carried through into patterns of participation in the informal economy. A resistance to requirements for formal qualifications, along with a distrust of government and big business in the region have fostered intimate patterns of labour exchange, bartering and reciprocity in the region which are able, to some extent, to mitigate the effects of financial deprivation and exclusion from the knowledge economy. I argued that far from demonstrating the existence of the ‘wrong’ kind of social capital in the region, the development of the informal economy represents an innovative response on the part of residents to wider political and economic trends and a developmental agenda which is antithetical to the interests, attitudes, beliefs and practices of many residing in the region.

Finally, I argued that the City of Playford’s approach to regional development through social and industrial diversification and social capital is encouraging the rise of a ‘dual city’ with ‘dual economies’ in Playford (Castells 1989 [2002]; Susser [ed.] 2002). I utilised the concept of the dual city in order to draw together the material in the previous two chapters and highlight the way in which the City of Playford’s approach to regional development through social and industrial diversification has the potential to create a more divided city, fractured along class lines, with two quite distinct populations moving in separate social circles of both work and leisure (Castells 1989 [2002]; Susser [ed.] 2002; Sassen 1991; 2000). Thus, the City of Playford’s approach to regional development through social and industrial diversification and social capital is likely to exacerbate rather than alleviate inequalities in regional development. By investing in strategies of regional development through social and industrial diversification informed by social capital theory, the City of Playford may ultimately be investing in the production of inequality.

8. CONCLUSION: RE-POLITICISING DEVELOPMENT

From the evidence presented here, insofar as social capital itself metaphorically adopts the form of money in the market for ideas, it is subject to Gresham's Law! Like bad money, it will drive more appropriate ideas and solutions out of circulation...Such an outcome is not inevitable. It can be prevented. Doing so depends on pursuing alternatives based upon scholarly integrity, genuine interdisciplinarity, and the resuscitation of political economy within and across the social sciences (Fine 2001b: 200).

8.1 Introduction

Throughout this thesis, I have taken a critical approach to social capital and the link between social capital and economic development in the hope of paving the way for the re-politicisation of development. The central question of the thesis was, 'How useful is social capital theory in addressing issues of inequality in Australian regional economic development?' Essentially, my answer is, in the current political and economic environment, social capital is not only unable to address issues of inequality in regional economic development, but may also lead to their exacerbation. Following the excision of the 'Marxist strain', social capital has been associated with academic and political perspectives which deny the continued importance of issues of class and structural inequality, ultimately serving to depoliticise issues of economic and social management (Lewandowski 2006). Even allowing for the unlikely reintroduction of the 'Marxist strain' in Australian regional development discourse, the concept of 'social capital' is theoretically, methodologically and ideologically problematic (ibid). Thus 'the missing link' is missing too many links to be of service in addressing the structural causes of inequality in regional development (Grootaert 1998). The failure to attribute the rise of

regional inequality to the effects of the current phase of capitalist restructuring, and the tendency to blame struggling regions for their lack of social capital, runs the risk of placing the burden of structural adjustment, squarely on the shoulders of those with the least resources to cope. Accordingly, this thesis represents a call for an academic and political abandonment of the concept of ‘social capital’. As the title of this chapter and the opening quote suggest, I hope that this call will serve to rally academics and politicians alike in a common project to re-politicise development and re-introduce issues of class and structural inequality to the development dialogue. In the three parts of my thesis, I have addressed the main problems with social capital, which can be loosely summarised as theoretical, methodological and policy issues. I restate these main points below, emphasising original insights produced through my own research and highlighting areas in need of further exploration.

8.2 Theoretical Issues

In Part One of the thesis, I demonstrated both the theoretical and ideological difficulties associated with social capital, and described how the popularity of the concept can be linked with the political and economic environment in which it rose to prominence. I argued that while since the popularisation of the concept through Putnam’s (1987; 1993; 1995; 2002; 2007; Putnam [ed.] 2000; Putnam, Leonardi & Nanetti 1993; Putnam, Feldstein & Cohen 2003) work, social capital has become almost anything to anyone, there are distinct strains that can be identified in the work of social capital theorists (Fine 2001a). In Chapter Two, I charted the journey of social capital, from the ‘Marxist strain’ evident in the works of Karl Marx (1961 [1885]) and Pierre Bourdieu (1986), with its concern for issues of class and structural inequality, through the ‘rational strain’ in the

rational-choice works of economists like Gary Becker (1964) and James Coleman (1988; 1990), to the ‘civic strain’ most prominent in the works of Putnam and others (Lewandowski 2006). I detailed the shifts in the meaning of social capital which occurred during this transition and argued that in its contemporary guise, social capital most commonly takes the form of a combination of the ‘rational’ and ‘civic strains’. I argued that firstly, social capital was removed from a framework of the different types of capital and its position within given fields. Secondly, social capital was transformed from a property residing in the networks of individuals to a property of groups, regions and even nations. Third, social capital was transformed from an analytical concept for the explanation of social stratification, to its supposed remedy. Finally, a link between social capital and economic development was established and it was argued that regional economic development could be encouraged by building social capital in disadvantaged communities. Social capital was thus dubbed ‘the missing link’ and accepted into the hallowed halls of academic institutions and development organisations around the world (Grootaert 1998).

I then discussed some of the discrepancies in popular understandings of social capital theory, drawing attention to gaps in social capital research and outlining the contradictory nature of the concept. I argued that social capital is an oxymoron which contains neither a proper definition of social nor of capital. I proposed that the link between social capital and economic development is fundamentally flawed due to a lack of distinction between causation and correlation, a lack of distinction between access to networks and access to resources and a tendency to underemphasise the negative aspects of social capital, particularly its contribution to the production and reproduction of inequality. I argued that ‘the missing link’ does not stand up to scrutiny, and that the popularity of the concept has

more to do with its discursive fit with the academic and political environment in which it was spawned than its ability to tackle inequality in regional development (Grootaert 1998). In Chapter Three, I described the political environment in which social capital rose to popularity, arguing that the integration of social capital into Australian regional economic development discourse resulted from key political and economic trends which took place over recent decades. These include: globalisation; the rise of neo-liberalism; the transition to a 'Post' or 'After' Fordist 'information society' or 'knowledge economy'; and the shift from a KNWS to a SPNR (Fine 2001a; Harriss 2002; Reich 1992; Castells 1993; 2004; Jessop 2003). I argued that the broad-based bi-partisan appeal of social capital results from its compatibility with Third Way ideology which posits that we are moving from an industrial Fordist economy to a Post-Fordist information society or knowledge economy, in which the issues of class associated with industrial capitalism cease to be relevant (Reich 1992; Giddens 1999; 2000; Giddens [ed.] 2001; Castells 1993; 2004). The shift to a Post-Fordist information society or global knowledge economy has often been cited to justify the current phase of capitalist restructuring which Jessop describes as a shift from the KNWS to the SPNR (Reich 1992; Castells 1993; 2004; Jessop 2003).

I argued that three main trends in the crisis-induced restructuring of the KNWS and the formation of the SPNR have particular pertinence to the popularity of social capital in regional development discourse (Jessop 2003: 6). Firstly, the shift from Keynesian to Schumpeterian aims and modes of intervention involves a shift from a 'welfarist' to a 'workfarist' mode of reproduction of labour power and the broader population, as in an effort to make economies more innovative and internationally competitive, social and labour market policy is increasingly subordinated to the need for flexibility and profitability (*ibid*). Secondly, the discourse of the new economy has given rise to a 'new regionalism', according to which the primacy of the national scale in economic and social

policy making has been replaced by a post-national framework in which no single scale dominates, allowing regional development discourses to come to the fore (ibid). This 'new regionalism' promotes a form of urban entrepreneurship, where state, regional and local governments are under pressure to redefine their role and embark on strategies of 'local boosterism' to make their regions more competitive in the face of global competition (Amin 1994; 2005). Economically disadvantaged regions are thus charged with responsibility for their own economic management, in the absence of the consideration of the impact of wider economic and political structures. Accordingly, the shift from the primacy of the nation state in compensating for market failures in a mixed economy has been accompanied by an emphasis on networked, partnerships-based economic, political and social governance arrangements, involving the encouragement of entrepreneurial modes of government in the face of global competition (Jessop 2003: 6). I argued that, in accordance with the demands of the shift from a KNWS to a SPNR, social capital is often utilised to transfer issues of responsibility for the management of social and economic life from national governments to the governments, governing bodies and residents of disadvantaged regions, in accordance with what Rose describes as 'governance through community' or the 'ethno-politics of community' (Rose 1999).

Thus, while social capital was initially introduced into Australia by social democrats who saw social capital as a Trojan Horse which could be used to restore the social to the predominantly market-orientated development discourse, in the contemporary Australian policy environment, social capital functions instead as a Third Way 'weasel word', allowing politicians and policy makers to address the concerns of many sides of the political spectrum while committing to nothing (Watson 2003; 2004a; 2004b). I argued that, in accordance with the 'post-modern and cultural turns' of the 1980s and early 90s, the excision of the 'Marxist' strain from social capital theory, created a new form of 'anti-

politics' in which a focus on issues of power, class and structural inequality was replaced by a focus on morality and values through the 'ethno-politics of community' (Strangleman 2008; Lewandowski 2006; Ferguson 1990; Rose 1999). As such, social capital frequently functions as part of the 'de-politicisation' of development which breeds new forms of 'responsibilization' in disadvantaged regions (Harriss 2002; Rose 1999).

8.3 Methodological Issues

In Chapter Four I outlined the research project, research environment, methods and methodology for the thesis, tackling some of the methodological issues associated with studying social capital in the process. My approach to the case study was an exercise in methodological triangulation. Firstly, my research involved an ethnographic component, including the analysis of the results of fifteen months of fieldwork in the City of Playford and the documentary analysis of various anthropological materials, including policy documents, newspaper coverage and literature on social capital. While much of this material could not be directly included in the thesis, the research provided me with valuable insights into the history, sensibilities and lived experiences of many residents in the region, which could not have been obtained through other means. It is important to note however, that despite its backseat role, this research informed (and I hope strengthened) the arguments made throughout. Secondly my research involved the utilisation of data from the ARC project, which I compared and contrasted with the results of previous and simultaneous projects on social capital occurring in the study region. The various methods involved in the data gathering process for the ARC project included surveys, interviews, focus groups and participant observation. Finally, these methods were situated within an

overarching anthropological political economy approach to the study of social capital in Australian regional development.

My decision to adopt a methodology of anthropological political economy was motivated by a desire to restore a focus on issues of power, class and inequality to the development dialogue which have been neglected in social capital theory since the excision of the 'Marxist strain' (Lewandowski 2006). An anthropological political economy approach to the study of social capital seemed well positioned to achieve this through its ability to restore a focus on wider issues of political economy, class and structural inequality. While the political economy component of this methodological approach enables the re-politicisation of development through attention to the impact of social and economic policy in both mediating and contributing to the effects of inequality in regional development, the anthropological component allows an account of the impacts of and responses to the 'capitalisation of development' as it is experienced in a given locale. While I do not pretend this approach has been developed to its fullest potential in this thesis I hope it provides useful hints for those who find themselves engaged in future social capital research.

In Chapter Five, I provided a justification for the case study, introducing the reader to my main research site, detailing demographic data and providing historical information about the City of Playford. I engaged in an analysis of the role of social capital in the City of Playford's approach to regional development with reference to council plans, publications and policy documents, as well as various media sources and marketing materials. I began by outlining the history and development of the City of Playford, with the construction and settlement of Elizabeth, as a site of 'Holdenist Suburbia' in the 1950s (Winter & Bryson 1998). I argued that the decline of the City of Elizabeth and the corresponding construction of the City of Playford through the amalgamation of surrounding council districts resulted

from the impact of political and economic forces arising in the shift from a KNWS to a SPNR (Jessop 2003). Faced with the impact of decades of structural adjustment, increasing intergenerational unemployment, and the decline of the manufacturing sector in the face of intense international competition, the City of Playford council has been increasingly expected to perform the functions of economic and social management previously undertaken by federal and state governments. I argued that the City of Playford Council has responded innovatively to the demands of the SPNR through its twin strategies of social and industrial diversification, both of which are, to some extent, informed by social capital theory and underpinned by a partnerships approach to governance in the region. These strategies can be seen as part of an effort to repackage and to reconceptualise a site of 'Holdenist suburbia' as a new city for the new economy, and create a region more favourable to the interests of trans-national capital in a global economy (Winter & Bryson 1998). Thus I argued that the City of Playford's approach to regional economic development is an excellent example of the new regionalism in action and a prime location for the analysis of the integration of social capital into the discourses of regional economic development in Australia.

I argued that The City of Playford's approach to economic development hinges on an acceptance of the link between social capital and economic development, and a melding of the 'rational' and 'civic strains' of social capital theory, with little to no consideration of the legacy of the 'Marxist strain' with its emphasis on class, power and structural inequality (Lewandowski 2006). The issues associated with this approach were examined in more detail in Part Three of the thesis in which I applied and explored the main questions and arguments of the thesis through a case study of the City of Playford.

8.4 Policy Issues

In Part Three I tackled some of the policy issues associated with the social capital approach to regional development, presenting the results of my research in order to examine and critique the City of Playford's approach to regional economic development through the twin strategies of social and industrial diversification. In Chapter Six, I interrogated the City of Playford's approach to regional economic development through social diversification and social capital. I argued that the link between social capital and economic development and the strategies of social diversification which they engender are based on the assumption that residents of socio-economically disadvantaged regions are deficient in social capital. However, in contrast with a number of other studies which represent Playford as a region lacking in social capital, our data suggests that the region is characterised by high levels of social engagement and reciprocity (Playford Partnership 2001a; 2001b; 2001c; Baum et al. 2007; Spoehr, Chiveralls & Wilson 2007; Spoehr 2007). Playford residents, for the most part, demonstrate a strong attachment to and identification with and are heavily involved in the social life of their region. They are proud of their region, its history and of their own 'community'. Playford could thus be argued to be a region with high levels of 'social capital'.

However, many social capitalists would conclude that Playford simply has the 'wrong' sort of social capital (bonding as opposed to bridging) (Amin 2005: 623; Putnam 2000). The results of my research suggest a long history of informal engagement and reciprocity in the region that can be traced back to the settlement of Elizabeth as a working class migrant town (Peel 1993a; 1993b; 1995a; 1995b; Wilson 2005; Spoehr, Chiveralls & Wilson 2007). However, the results suggest a preference in the region for more informal as opposed to formal forms of social engagement, which are more popular in the wealthier

regions of Adelaide like Burnside (Peel 1995a; 1995b; Playford Partnership 2001a; 2001b; 2001c; Wilson 2005; Baum et al. 2007; Spoehr, Chiveralls & Wilson 2007; Spoehr et al. 2007). The correlation between socio-economic status or class and the preference for formal or informal social engagement also emerged through an analysis of responses by residents in different socio-economic groups in Playford (Wilson 2005; Spoehr, Chiveralls & Wilson 2007). The findings suggest that those with limited economic means tend to engage in more informal and less formal social activities than their (slightly) wealthier counterparts.

While it could be argued that this data provides evidence for the tenuous link between social capital and economic development (theoretical and methodological issues associated with the concept notwithstanding), I argued that these differences demonstrate correlation rather than causation and that the results cannot be simply reduced to either a cause or result of the economic status of the region or the individuals involved. I argued instead that this data reinforces Peel's arguments about the way in which class in the region is 'acted out in place' through patterns of social engagement (Peel 1993a; 1995a; 1995b). Many of my informants proudly emphasised the difference between patterns of social engagement in Playford, compared with more wealthy regions of Adelaide, concluding stories of informal engagement, social support and reciprocity with statements like, 'You wouldn't find that in Burnside'. The utilisation of informal social capital as a coping mechanism seems to support the argument that social capital can increase the yield of resources in socio-economically disadvantaged regions but does not increase the stock of resources in the region (Portes 2000: 8; Hase, Phelps & Saenger 2004: 8). To argue that residents' reliance on informal mechanisms of support is a cause of economic under-development in the region is to confuse cause and effect and to ignore and depoliticise both the history of the region and the impact of more recent wider political and economic trends.

Nevertheless, perceptions of the region as deficient in social capital, or lacking in the right kind of social capital, continue to inform development practices in the region. The City of Playford's approach to regional economic development through social diversification is most evident in the new Playford North Urban Regeneration Project, now known as Playford Alive, which is likely to dramatically reduce the concentration of public housing in the Peachey Belt and provide social diversification through tenure diversification. As most of the physical infrastructure in the region has not been upgraded since the 1950s or 60s, the redevelopment is a welcome move for many residents. The Playford Alive project is the first major redevelopment in the region since the construction of Rosewood Village in the 1980s. However, like Rosewood, the redevelopment is informed by an ideology of 'social mix' recast in the discourse of social capital, and informed by the 'ethno-politics of community', which views residents in the region as lacking in social capital (Peel 1995a; 1995b; Rose 1999). In many ways the project represents a return to the British Town Planning concepts which informed the development and construction of Elizabeth, involving assumptions about the pathology of working class communities and the necessity for the introduction of middle class leaders (Peel 1995a; 1995b). The Regeneration Project aims to attract 'knowledge workers' or members of the 'creative class' (otherwise referred to as 'civic leaders' 'civic entrepreneurs', 'social entrepreneurs' or 'social capital brokers') to the region in order to provide Playford with a suitable labour market for the new economy and build bridging social capital in the region (Reich 1992; Henton, Melville & Walesh 1997a; 1997b; 2004a; 2004b; Henton & Walesh 1998; Florida 2003; 2004).

However, as Arthurson (1999; 2001; 2002; 2003a; 2003b; 2004; 2005) and Peel (1995a; 1995b) have pointed out, social mix frequently does not work. As Peel (1995a; 1995b) described in his ethnography of Elizabeth, the British new town version of the town failed to emerge because class was 'acted out in place', and one of the first objectives of the

middle-class leaders in Elizabeth was to 'establish distance' from their working-class neighbours. The Regeneration Project therefore seems likely to result in an antagonism of issues of class and inequality in the region, rather than their remedy. Furthermore, the redevelopment raises a number of questions about who will be the primary recipients of the benefits of the project and what effects it will have on existing social relationships in the region as the most disadvantaged are displaced or moved around. Thus I argued that simplistic arguments linking social capital and economic development not only serve to produce oversimplified analyses, which run the risk of misrepresenting and further stigmatising disadvantaged regions, but can also encourage policies which may have detrimental effects on the social relationships and survival mechanisms already in place in the region.

In Chapter Seven, I further interrogated the City of Playford's approach to regional economic development through industrial diversification. This approach involves the repackaging of the region and of manufacturing in order to distance itself from its past as a site of 'Holdenist suburbia' (Winter & Bryson 1998). In various place-marketing materials, the City of Playford has attempted to reconceptualise the region as a new city for a new economy, with a focus on various industrial clustering strategies and reference to other successful 'knowledge regions' or 'knowledge hubs' in the global economy like Silicon Valley (Towart 2005; City of Playford 2004b). These strategies of 'local boosterism' have attracted both national and international attention, which culminated in a headline in a national newspaper dubbing the region 'Smartville' (Amin 1994; Roberts 2005: 23). The City of Playford's industrial clustering strategies have resulted in the creation of the Innovation Network and the Advanced Manufacturing Design Centre, involving firms like Priority Engineering, Hirotech and Produce Direct Australia, and succeeded in attracting a considerable amount of investment to the region.

I argued that innovative as these strategies may be, they are unlikely to be able to completely mitigate the effects of wider political and economic trends in the region. As opposed to the once 12,000, now less than 4,000 workers employed by Holden, the main companies focused on in the City of Playford's industrial clustering strategies collectively employ less than 400 workers. Unlike the majority of workers employed by the manufacturing companies of the past, comprised of semi-skilled, factory workers and manual labourers, the majority of workers employed by these 'knowledge hubs' are highly skilled workers like technicians and skilled engineers (Towart 2005). The City of Playford's industrial diversification approach results in the creation of high tech, high skill, high end jobs which demand high levels of qualifications and experience. The existence of intergenerational unemployment and a comparatively low level of formal qualifications, along with a history of 'postcode discrimination' or 'postcode prejudice' by employers in the region, suggests that without the restoration of a sustained focus on education, training and employment strategies, the majority of residents residing in the City of Playford will remain excluded from the knowledge economy and the kinds of economic development strategies being employed by the council (Arthurson 1998; 2004; Palmer et al. 2004). Furthermore, as indicated by the results of our industry survey, the majority of workers employed by these companies do not live in the region and tend to socialise and conduct business in the metropolitan centre (Spoehr, Chiveralls & Wilson 2007). This does not suggest that the strategies of social and industrial diversification being pursued by the council are likely to lead to either a reduction in inequality or to the creation of bridging social capital in the region.

My research suggests that patterns of informal engagement in the region discussed in the previous chapter have been carried through into participation in the informal economy. A resistance to requirements for formal qualifications, along with a distrust of government

and big business in the region have fostered the development of intimate patterns of labour exchange, bartering and reciprocity in the region which are able, to some extent, to mitigate the effects of financial deprivation and exclusion from the knowledge economy. I argued that far from demonstrating the existence of the 'wrong' kind of social capital in the region, the development of the informal economy represents an innovative response on the part of residents to wider political and economic trends (Amin 2005: 623). While a detailed study of the informal economy in the region and its relationship with the criminal economy was beyond the scope of this thesis, my research does suggest this would be a fascinating subject for further inquiry. Nevertheless, it seems that the City of Playford's strategy of regional development through social and industrial diversification may be promoting the rise of a 'dual city' with 'dual economies', which is likely to exacerbate rather than alleviate inequalities in the region (Castells 1989; 1989 [2002]; 1993; 2004; Castells & Hall 1994; Castells & Portes 1989; Susser [ed.] 2002; Sassen 1991; 2000).

This thesis has captured just one moment in time in one place on our wide reaching and rapidly transforming planet. The City of Playford is currently undergoing a period of dramatic change which will last for well over a decade. While many of the changes currently taking place in the City of Playford will no doubt yield substantial benefits, the impacts of these changes on those currently residing in the region remains to be seen and would be a fascinating and important subject for future research. However, the phenomena explored in this thesis are not unique to the City of Playford. The City of Playford's approach to regional development through social and industrial diversification has gained national and international recognition and is being touted by the OECD (2001a) as a template for successful regional development. The social capital approach to development is currently being applied in struggling regions throughout Australia and indeed throughout the world. The replication of this study in different times and places would thus be an

interesting avenue for further inquiry. The potential applicability of the findings of this thesis to similar regions around Australia was made clear through an examination of Peel's (2003) latest book. In his study of three disadvantaged regions in three states around Australia, Peel (2003) found the same social phenomena, the same stories of resilience, solidarity and community in the face of disadvantage and the disruption caused by similar approaches to regional development. These trends demonstrate the need for alternative approaches to development focused on cooperation rather than competition, on redistribution rather than recrimination and on recognition of the need for a radical rethinking of the roles and responsibilities of global institutions and governments in promoting a more sustainable, equitable kind of economic development. While I do not pretend to have all the answers, I think the evidence presented herein indicates that inequality in Australian regional economic development would be better addressed through the restoration of a commitment to redistributive policy mechanisms, rather than through a focus on building social capital.

8.5 Conclusion

Taking Australian regional development as the subject matter and the City of Playford as the research site, this thesis has tackled but a small portion of the multifarious avenues of enquiry into social capital theory. Throughout the research I have taken a critical approach to both the concept of social capital and the link between social capital and economic development, an approach which has been sorely lacking in much of the literature on social capital currently informing policy in Australian regional development. My findings reassert the continuing importance of issues of class and structural inequality in contemporary Australian society and highlight the inability of social capital to adequately

address such issues. As such, I hope this thesis has assisted in opening up the possibility of redirecting the energy engaged in the social capital debate, away from social capital and towards the real causes of social and economic inequality in Australia and their location in the restructuring of the contemporary capitalist system. It is my informed opinion that, in the current Australian political and economic environment, this is the only way in which genuine progress toward a fairer, more equitable Australia, the aim of many social capitalists, can realistically be achieved.

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