



VET and social capital: A paper on  
the contribution of the VET sector to  
social capital in communities

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## EXECUTIVE SUMMARY

There has been a growing international and Australian interest in the concept of social capital. The impact of the dynamic global knowledge society and economy on communities has brought with it a heightened interest in the role of social capital and the ways in which social and economic policy coalesce to drive economic progress and community well being.

Internationally, this is reflected in the work of OECD and the World Bank, while in Australia the Productivity Commission, Australian Bureau of Statistics, and other government agencies have addressed the issue of social capital.

While there have been some individual initiatives, the VET sector overall has not been active in this area, and little prominence has been given nationally (in reports such as that of the Productivity Commission) to the role of the VET sector in contributing to social capital in communities. This paper has been prepared to provide for discussion of the VET contribution to social capital and the implications of this concept for VET policy and practice.

The paper adopts the OECD definition of social capital.

*Social capital is networks together with shared norms, values and understandings that facilitate co-operation within or among groups.*

This definition draws attention to the three key elements: the networks which link people in communities for joint action, the norms and values that bind these networks, and the significance of these components for the culture of a community.

The paper distinguishes bonding, bridging, and linking forms of social capital.

Social capital brings a spectrum of economic, social and cultural benefits to a community. It is particularly significant in combating exclusion and building inclusive and cohesive communities able to adapt to changing conditions. The links between social capital, human capital, and economic outcomes are discussed in terms of a model developed by OECD.

### **The VET Contribution to Social Capital**

In considering the VET contribution to social capital, the paper follows the work of the World Bank in identifying seven key sources of social capital:

families,  
civil society,  
gender

communities,  
public sector,

firms,  
ethnicity,

The paper argues that the VET contribution to social capital could, in principle, relate to each of these sources of social capital, although at present this contribution is more developed in some of these areas than in others.

The paper identifies and discusses eight types of VET contribution to social capital. These types are:

- i. building social capital in firms;
- ii. building networks of businesses, especially in the small business sector;
- iii. developing employability skills which contribute to social capital in both firms and civil society;
- iv. fostering values and norms that underpin social capital;
- v. contributing to inclusive and cohesive communities through equity strategies for disadvantaged groups;
- vi. initiating and contributing to learning community initiatives;
- vii. innovating in the use of information and communication technology to build virtual communities;
- viii. contributing to civil society as a good citizen.

Examples of VET action across these areas are given, including the VET role in learning community initiatives. The current VET National Aboriginal and Torres Strait Islander Strategy for 2000-2003 (*Partners in a Learning Culture*) is given as a good example of a VET strategy with a strong social capital component.

### **Measuring Social Capital**

Measurement of social capital is difficult, although the World Bank has developed measures of social capital which have been applied in surveys of Third World countries. In Australia, the Australian Bureau of Statistics has developed a Social Capital Framework and a draft set of social capital indicators. These are currently being revised with a view to the inclusion of social capital indicators in the 2005-06 General Social Survey. Against this background, a possible VET approach to measuring performance is discussed.

## **Implications for VET Policy and Practice**

Social capital is an important issue for VET in the context of social and economic shifts associated with the impact of the global knowledge society and economy.

The VET vision and strategic objectives for 2004-2010 with the triad of objectives in serving business, people, and communities, provide an opportunity to strengthen the VET contribution to social capital.

The paper concludes with a set of twelve propositions relating to VET and social capital. These are brought forward to engender discussion of the VET contribution to social capital, and the implications for VET policy and practice.

1. The concept of social capital is highly relevant to the VET role in serving employers, individuals, and communities and in building human capital.
2. While VET already makes a contribution to most sources of social capital in communities, this contribution is variable and uneven and could be strengthened in more integrated and holistic strategies.
3. The fundamental interdependence between social capital, human capital and economic and community well-being should be recognised. This will lead to value added outcomes for all stakeholders.
4. Building a social capital dimension into VET policy and practice will require addressing questions of norms and values in the work of the sector.
5. The implementation of employability skills by VET, which should also be seen as life skills relevant to building social capital in communities, provides an opportunity for innovation in the VET contribution to social capital.
6. Future directions for the Australian Flexible Learning Framework beyond 2004 also provides an opportunity to strengthen the VET contribution to social capital in communities in innovative ways through the role of information and communication technology.
7. Social capital considerations are relevant to professional development of VET staff under strategies such as Re-framing the Future directed at staff development for high-performing VET organisations.
8. Local partnership strategies, such as learning communities, have considerable value in building social capital and a local social infrastructure for innovation across economic, social, cultural, and educational sectors.
9. Social capital is important in the capability of communities to adapt to changing conditions, and in the dissemination of new ideas to stimulate innovation.
10. The success of VET equity strategies is likely to depend to a considerable

extent on the linkages made to social capital and community building processes, so that social capital networks support these strategies and contribute to building inclusive and cohesive communities.

11. Information and communication technology, and innovative approaches to e-learning in a range of community contexts, has the potential to add value to social capital, in particular in strengthening bridging and linking forms of social capital.
12. VET should develop performance indicators to monitor its contribution to social capital, aligning with the work of the Australian Bureau of Statistics in developing social capital indicators for its Social Capital Framework with self-assessment by VET institutions of their social and community role and impact, an appropriate starting point assisted by guidelines developed by ANTA.

## 1. SOCIAL CAPITAL IN THE DYNAMIC KNOWLEDGE SOCIETY

*Societies founded on networks of trust and co-operation can help to realise human potential. Alongside individual skills, social relationships are important to human achievement.*  
OECD, *The Well-being of Nations*, 2001.

The impact of the dynamic global knowledge society and economy on communities has brought with it a heightened interest in the role of social capital and the ways in which social and economic policy coalesce to drive economic progress and community well-being.

This interest is reflected in the work of international agencies such as OECD and the World Bank on social capital,<sup>1</sup> while in Australia agencies such as the Productivity Commission, Australian Bureau of Statistics, the Australian Institute of Family Studies, and the National Office of the Information Economy have addressed the concept and role of social capital.<sup>2</sup>

While the significance of education for building social capital in communities is widely recognised by leading scholars in this field,<sup>3</sup> the role of the VET sector in contributing to the development of social capital in communities has had little prominence in national and international discussion on this subject, and has not been a significant objective in VET policy development up to now.

The VET sector, however, contributes to building social capital in communities in a number of ways, and there are grounds for believing that this contribution could be strengthened in the context of the strategic objectives set for the sector in the VET National Strategy for 2004-2010 which involve VET serving businesses, people, and communities.<sup>4</sup>

In this context, this paper has been prepared as a basis for discussion of the VET contribution to building social capital in communities in the context of the dynamic knowledge society with its accompanying social, economic, and cultural shifts. The impact of these forces on communities sets the stage for consideration of the VET role and contribution.

While the VET contribution to communities will be strengthened under the VET National Strategy for 2004-2010, there is also increased interest in the role of higher education in communities which was discussed at a conference held in July 2003.<sup>5</sup> The opportunity may exist to concert VET and higher education roles in serving communities.



## **The Context**

The current High Level Review of Training Packages has drawn attention to major shifts in the socio-economic context of the 21st century in which the VET sector must re-define its role and contribution to Australian society.<sup>6</sup>

Key aspects of this context which bear of the role of social capital in communities include:

- the changing patterns of work, family life, and community engagement;
- fundamental shifts in values and patterns of social engagement with generational change especially significant;
- a growing concern at a worsening interface between economic progress and social dysfunction;
- a sharpening of equity issues arising from the exclusion of groups and communities disadvantaged in the conditions of the 21st century knowledge society;
- growing imperatives to extend opportunities for lifelong learning for all citizens as a right and in order to sustain inclusive and cohesive communities;
- a requirement to produce creative knowledge workers with a capacity to generate and use knowledge in innovative ways.

This spectrum of issues has led to a strong interest in the interface between social and economic policy in the search for more holistic strategies to address this complex mix of issues confronting communities and their governments. Internationally, this thrust is reflected in major reforms in education and training across OCED countries, while in Australia it is reflected in such activities as the High Level Review of Training Packages and the strategic objectives set for VET over 2004-2010. Social capital needs to be considered in this context, with the impact of change on communities one of the main themes for analysis and discussion.

These socio-economic shifts have also brought to the fore the significance of the culture of communities for managing change, and for economic and social outcomes. In the emerging knowledge economy where creative knowledge workers are seen by Florida and others as the key drivers of economic progress, questions of lifestyle and culture have been added to the economic development agenda.<sup>7</sup>

The impact of shifts in values and patterns of social engagement has brought with it the view, articulated by Putnam, Cox, OECD and others,<sup>8</sup> that there has been a decline in social capital in countries such as the United States and Australia. This question is contentious, and while a number of traditional sources of social capital have declined in significance, other new forms are emerging, stimulated by such influences as the impact of the Internet and technology.

The work of Robert Putnam in America and Eva Cox in Australia articulates this point of view, which is also reflected in the work of OECD.<sup>9</sup> There is evidence in both countries of decline in various traditional forms of social engagement such as church attendance, membership of trade unions and in a range of clubs and societies, and in the willingness of people to volunteer for community service. However, the question is complex with variations between countries and communities, and more research is needed to identify shifts in patterns of social engagement, and their implications for sustaining communities.

From a VET perspective, there is a broad spectrum of issues to be examined including:

- the links between social capital, human capital and human and economic well-being in communities in a range of contexts;
- the significance of social capital for VET skill objectives in serving business and industry;
- how to measure social capital and VET performance in this area.

These critical relationships have been taken up by OECD in the development of a model which is discussed in Section 2 below.

While the VET role in serving communities is being strengthened through action proposed under the VET National Strategy for 2004-2010, the need may exist to develop further a philosophy, rationale, and strategy for VET in serving communities and building social capital, to complement and support the economic role of VET in serving business and industry. This is a significant issue for VET in the context of the strategic objectives and vision set for the sector during 2004-2010, and the possible need to re-conceptualise the VET role in 21st century Australian society in the context of the global knowledge society and economy.

In this context, this paper has been prepared to stimulate discussion of this spectrum of issues, including the following:

1. What is social capital and what is the relevance of this concept to the concept and role of VET in Australian society in the context of the 21st century global knowledge society?
2. What contributions do VET institutions make to building social capital in communities?
3. What barriers impede this contribution, and in what ways could this contribution be strengthened?
4. In what ways might a social capital dimension in VET policy and practice contribute to the objective of lifelong learning opportunities for all?

## ENDNOTES

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- <sup>1</sup> OECD 2001a; for World Bank activities see <http://www.worldbank.org/poverty/scapital/sources.htm>.
- <sup>2</sup> Productivity Commission 2003, ABS 2003.
- <sup>3</sup> Fukuyama 1999, p.10, provides a typical example.
- <sup>4</sup> ANTA 2003a.
- <sup>5</sup> The subject of higher education community engagement was considered at the Inside Out Conference hosted by the Community Service and Research Centre at the University of Queensland in July 2003. Useful papers from this conference are available on the following website. <http://www.uq.edu.au/insideout/proceed.htm>.
- <sup>6</sup> A useful overview of contextual shifts is provided in the analysis provided by OVAL in a Phase 1 report for the High Level Training Package Review. See OVAL 2003.
- <sup>7</sup> Florida 2003.
- <sup>8</sup> Putnam, 2000, Cox, 2002, OECD 2001a.
- <sup>9</sup> OECD 2001a.

## 2. CONCEPTS, ISSUES AND BENEFITS

*Social capital is important to the efficient functioning of modern economies, and is the sine qua nom of stable liberal democracy.*

Francis Fukuyama, *Social Capital and Civil Society*, 1999.

*Social capital, the crucible of trust and central to the health of an economy, rests on cultural roots.*

Francis Fukuyama, *Trust*, 1995.

Social capital is, as the Productivity Commission observed in its recent report, a contentious subject, and a range of interpretations of this concept have been made.

For the purpose of this paper, I have followed the OECD definition of this concept, which has also been adopted by the Australian Bureau of Statistics in the development of the Social Capital Framework.

OECD defines social capital in the following terms:

*Social capital is networks together with shared norms, values and understandings that facilitate co-operation within or among groups.<sup>1</sup>*

Social capital has also been called “the collective intelligence of society” to envision and create community<sup>2</sup> - an interesting concept in a world of constant change.

This conceptualisation of social capital turns primarily on the degree to which people associate regularly with each other in settings of relative equality so that relations of trust and mutual reciprocity are built up.

The OCED definitions focus our attention on the key components of the concept of social capital:

- the *networks* that link people in communities for joint action;
- the *norms* and *values* that bond these networks;
- the significance of these norms and networks in the *culture* of a community.

This focus on norms and values has drawn attention to the key role of trust.

*Trust may be viewed as both a source and outcome of social capital as well as being a very close proxy for many of the*

*norms, understandings, and values which underpin social co-operation.*<sup>3</sup>

## **Types of Social Capital**

It is usual for two types of social capital to be identified. These are:

- *bonding social capital* typically refers to relations in groups with a sense of identity and common purpose, such as families and ethnic groups;
- *bridging social capital* refers to relations between groups with significant differences.<sup>4</sup>

While bonding social capital is a kind of sociological superglue in communities, bridging social capital is critically important in combating exclusion and building communities that are inclusive and cohesive. VET institutions in their work can contribute to both bonding and bridging social capital.

In addition to these types, some scholars refer to linking social capital as a third type:

- *linking social capital* refers to relations between different social strata where power, social stations, and wealth are accessed by different groups.<sup>5</sup>

It will be seen that bridging and linking social capital can have a good deal in common.

## **Benefits of Social Capital**

Social capital may bring a range of social, economic, cultural, and educational benefits to a community. These include:

- combating exclusion and building inclusive and cohesive communities;
- the spectrum of economic benefits discussed below;
- enhancing quality of life for citizens;
- supporting lifelong learning for all citizens;
- supporting communities in adapting to changing circumstances.

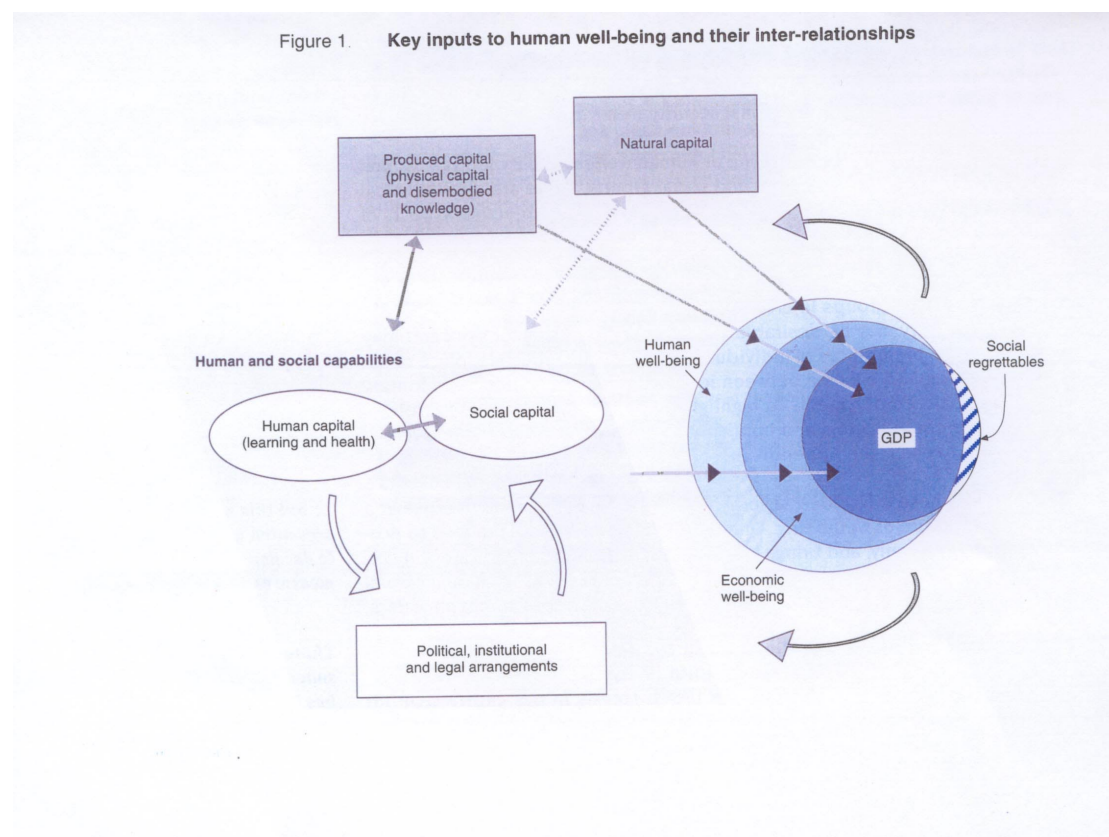
## **Combating Exclusion**

The networks, norms, and values associated with social capital are important in combating exclusion and in the building of inclusive and cohesive communities.

Bridging and linking forms of social capital are especially important to this role, and so are highly relevant to VET equity strategies for disadvantaged groups.

## Social Capital and Economic Outcomes

OECD in its work on social capital has sought to examine the relationships between social capital and economic outcomes. These relationships have been brought into a model which illustrates the inter-relationship between human and economic well-being and human and social capital. The OECD model is given in Figure 1 below.<sup>6</sup>



This figure depicts three layers of well-being. While economic well-being is involved, human well-being in communities also includes such facets as the enjoyment of civil liberties, relative freedom from crime, enjoyment of a clean environment, and individual states of mental and physical health.

OECD recognises that our concept of well-being is inevitably pervaded by values that will differ between individuals and social groups. For this reason, discussion of social capital inevitably includes consideration of norms and values, and so involves consideration of the culture of a community.

OECD in its work on social capital has identified a number of ways in which social capital contributes to desired economic outcomes. These include:

- adding to productivity in firms through trust-based relations and lower transaction costs;
- facilitating local and regional systems of innovation;
- contributing to the development of human capital in firms through fostering a culture of learning throughout the entire life cycle;
- raising skill levels through supporting disadvantaged groups in accessing learning and skill pathways;
- longer-term macro-economic benefits.<sup>7</sup>

The relations between social and human capital are intimate, and require further research in a range of social and economic contexts. This can draw on the international work of OECD and the World Bank.

The significance of trust in underwriting economic transactions, both within firms and between firms, has been noted by OECD, Fukuyama, the Productivity Commission, and others. OECD observes that “firms can benefit from norms of co-operative trust embodied in various types of intra-firm or inter-firm networks because these facilitate co-ordination and lower transaction costs arising from negotiation and enforcement, imperfect information and layers of unnecessary bureaucracy.”<sup>8</sup> If a workforce development concept of VET is adopted, the role of social capital and trust becomes increasingly significant.

The role of social capital in facilitating local and regional systems of innovation has attracted considerable attention in the work of OECD, Putnam, Fukuyama, and others. OECD observes the “regional industrial systems base on local learning networks are potentially more flexible and dynamic than those in which learning is confined to individual firms.”<sup>9</sup> The five year OECD study of learning cities and regions provided further evidence on the relationship between social capital, learning, and innovation.<sup>10</sup> Social capital overall contributes to innovation through the spread of new knowledge and innovation across networks.

The broader macro-economic benefits of social capital have also attracted attention, although this is also a contentious area where the evidence of the impact of trust on economic growth has been mixed.<sup>11</sup> While some researchers have concluded that interpersonal trust and norms of trust towards institutions may be central to many economic and social activities, this issue is still contentious. Both OECD and the World Bank cite studies which show economic growth associated with increases in social capital.<sup>12</sup>



Overall there is sufficient evidence on the impact of social capital on economic outcomes in a range of contexts for VET policy and practice to take account of the role of VET in building social capital in communities, and for VET research to contribute to the further development of the knowledge base in this area.

### **Social Capital and Culture**

The increased interest in social capital has brought with it the argument of Fukuyama and others that social capital rests on cultural roots.<sup>13</sup> If we wish to build social capital in a community it is consequently necessary to have a deep understanding of the culture of that community.

More recently, this interest in the cultural underpinnings of social capital has also been influenced by the growing interest in creativity and innovation as drivers of the knowledge and innovation economy, a theme vividly expressed, for example, in Florida's seminal book *The Rise of the Creative Class*.<sup>14</sup>

If the creative ethos of communities is increasingly dominant in terms of social and economic outcomes as Florida asserts,<sup>15</sup> the social and cultural capital in communities which contribute to this ethos and culture also have increased significance.

While Florida, like Putnam, recognises that social bonds in communities are loosening, his conclusion is different. For Florida the trend is a movement from social capital to creative capital as the dominant creative class exerts influence on the emergence of a new form of community – the creative community.

While the concept of social capital remains contentious, there is sufficient evidence of links to social and economic benefits for communities in the work of OECD, the World Bank, and others for the VET sector to examine in depth the implications of the concept for the work of the sector, and the contribution that VET makes to building social capital in communities. This question is taken up in Section 3 which follows.

## ENDNOTES

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- <sup>1</sup> OECD 2001a, p.41.
  - <sup>2</sup> Lappé and Du Bois, 1997.
  - <sup>3</sup> OECD 2001a, p.41.
  - <sup>4</sup> Ibid, p.42; Putnam 2000, pp.22-23.
  - <sup>5</sup> OECD 2001a, p.42.
  - <sup>6</sup> Ibid, p.12.
  - <sup>7</sup> Ibid, pp.57-61. See also Productivity Commission 2003, pp.34-35.
  - <sup>8</sup> Ibid, p.57.
  - <sup>9</sup> Ibid, p.58.
  - <sup>10</sup> OECD 2001b, pp.113-121.
  - <sup>11</sup> OECD 2001a, pp.59-60.
  - <sup>12</sup> OCED 2001a, pp.59-61, for World Bank see <http://worldbank.org/poverty/scapital.htm>.
  - <sup>13</sup> Fukuyama 1995, pp.33-41.
  - <sup>14</sup> Florida R, 2003.
  - <sup>15</sup> Ibid, pp.8-12.

### 3. THE VET CONTRIBUTION TO SOCIAL CAPITAL

The VET sector contributes to building social capital in communities in a number of ways, while the potential also exists for the VET contribution to be made more explicit and strengthened in VET policy. The strategic VET objectives and vision set for 2004-2010 which recognises the VET role in serving employers, individuals, and communities provide a window of opportunity for such a development.

Trends in VET policy and practice over the past decade include a number of ways in which VET contributes to building social capital in communities. Some of these strategies are at present under developed or in an early stage of development.

In considering the VET contribution to social capital, it is useful to have regard to the sources of social capital identified by the World Bank, OECD and others.<sup>1</sup> The World Bank list of key sources of social capital is set out in Exhibit 1.

Exhibit 1: Sources of Social Capital <sup>2</sup>		
families, civil society, gender	communities, public sector,	firms ethnicity,

It is evident that the VET contribution to social capital can, in principle, relate to each of these sources of social capital, although this contribution is more developed in some areas than in others such as civil society and families. VET equity strategies for disadvantaged groups are particularly relevant to ethnicity and gender as sources of social capital, while much of the VET contribution under current policy relates to firms and communities.

As a basis for discussion, eight areas for a VET contribution to building social capital in communities have been identified and set out in Exhibit 2 over.

Some of these categories of action by VET overlap, while they also involve a VET contribution to bonding, bridging and linking forms of social capital in various ways. The VET contribution to social capital in communities is maximised when it ranges across all these action areas, and then it is linked to action by other partners, so that a good test for a VET institution would be to profile the extent of its contribution.

Comment follows on these areas of VET contribution.

**Exhibit 2: Types of VET Contribution to Social Capital in Communities**

- i. Building social capital in firms.
- ii. Building networks of businesses, especially in the small business sector.
- iii. Developing employability skills which contribute to social capital in both firms and in civil society.
- iv. Fostering values and norms that underpin social capital.
- v. Contributing to inclusive and cohesive communities through equity strategies for disadvantaged groups.
- vi. Initiating and contributing to learning community initiatives.
- vii. Innovating in the use of information and communication technology to build virtual communities that contribute to social capital in new ways.
- viii. Contributing to civil society as a good citizen.

**i. Building Social Capital in Firms**

Firms are one of the principal sources of social capital in a community. VET contributes to building social capital in firms in a number of ways. These include workplace learning, fostering employability skills which contribute to social capital, contributing to norms and values that support social capital, and linking firms in networks.

While there have been VET pilot projects across all these areas, the extent of the on-going VET contribution to social capital in firms is variable, and there are grounds for believing that this input could be strengthened.

The growing significance of workplace learning in the context of the knowledge economy, with its imperatives for lifelong learning and skilling,

points to an areas where the VET contribution overall can be strengthened. A recent NCVER *At a Glance* paper on *What Makes for Good Workplace Learning* recognised the influence of organisational culture and values, and of networks in facilitating learning and training.<sup>3</sup> Team work has become more important in many firms, and this has brought with it a requirement for higher trust relations among team members. This requirement is particularly important with knowledge worker teams, a need recognised in an international study of knowledge workers in Asia.<sup>4</sup>

This impact of social capital on workplace learning needs to be examined further in the development of good practice strategies for workplace learning. This is a key area for VET development over 2004-2010 in line with further work on innovation strategies.

## **ii. Building Networks and Clusters of Firms**

*Networking and networks are the keys to the way small business does business and the way it learns.*

NCVER 1998.

There is a substantial body of evidence that building networks and clusters of firms, especially in the small business sector, can bring significant benefits to the firms participating in these networks. These benefits include the dissemination of new ideas, raising skill levels, fostering quality standards and overall contributing to building a culture that supports innovation, learning, and the generation of new knowledge.<sup>5</sup>

While all these benefits can be achieved through effective networks and clusters, networks of firms also serve to build social capital, while their success depends substantially on the norms and values that underpin social capital, in particular trust.

Networks of small businesses can serve a range of purposes. These include supply chains, innovation strategies, quality assurance purposes, and skill strategies. The conditions of the dynamic knowledge economy increases the values of this approach in serving to generate and disseminate new knowledge.

Many VET institutions have been active in supporting networks of firms in a range of ways. The Small Business Professional Development Program (SBPD) which operated between 1995-96 and 1999 listed eight collaborative self-help strategies for small business which included

building networks and clusters, mentoring, and action learning, and which demonstrated the value of these strategies through pilot projects.<sup>6</sup> In addition to Australian experience, there is substantial international experience on the roles and value of networks of firms to draw on.<sup>7</sup>

Altogether, there is a compelling case to strengthen the VET contribution to building networks of firms as a key VET strategy with funding policies that provide incentives for this role. Current developments in e-learning and other learning strategies make this role increasingly feasible and relevant to a broad concept of the VET role in workforce development and in sustaining communities. In this way, the VET role in social capital building complements and supports its role in human capital accumulation, and in the dynamics of workforce development in the context of the global knowledge economy.

### **iii. Developing Employability Skills which Contribute to Social Capital**

Employability skills contribute to building social capital in a number of ways. While skills such as communication and team skills are directly relevant to building social capital, the employability skills in the ACCI/Business Council list<sup>8</sup> are as much life skills as they are employability skills with a similar relevance to community development, citizenship and strengthening civil society. These are the skills and values required by active citizens engaged in building social capital and community.

The emphasis on the ACCI/BCA report on attributes is also relevant to the norms and values which underpin social capital. While this is a difficult area for VET under present policy, progressing the VET contribution to social capital will require an active engagement by VET with questions of norms and values, in particular the core social capital value of trust. Personal attributes identified in the ACCI/BCA study, such as loyalty, commitment, honesty and integrity, and reliability contribute to building trust in the workplace, and so are relevant to building social capital in firms.

Current work on incorporating employability skills in Training Packages provides an opportunity to address ways in which VET can contribute to the norms and values underpinning social capital. This is an area for development by the VET sector in the process of implementing

employability skills, and is a key area for strengthening the VET contribution to both social and human capital.

#### **iv. Fostering Values and Norms that Underpin Social Capital**

As noted above, if VET is to contribute in full measure to building social capital in communities, it will be necessary for the sector to address the norms and values that underpin social capital in its work, with trust especially important.

The present High Level Review of Training Packages, and the current work on incorporating employability skills in Training Packages provide an opportunity to address ways in which VET can contribute to the norms and values underpinning social capital and also contribute to building a vibrant and healthy civil society. This is an area where considerable innovation and experiment is required.

Development in this area is likely to require an expanded concept of competence as has been recognised in the five year OECD DeSeCo program on Key Competencies.<sup>9</sup> International work under this program led to a concept of competence with an internal structure involving knowledge, cognitive skills, practical skills, attributes, emotions, values, and ethics and motivation.<sup>10</sup>

While such a broadened concept of competence presents a broad spectrum of issues for VET, the reality is that competence in the 21st century context of the global knowledge economy involves a complex mix of elements with norms and values an integral component. If the VET sector is to contribute to building a cadre of creative knowledge workers for business and industry, these issues will need to be addressed. Addressing the VET contribution to norms and values in building social capital provides an appropriate point for VET policy development in this area.

There is a range of issues to be addressed by VET in this area. These include tensions and conflicts between competing values, such as between competition and co-operation, while some policy thrusts of recent years have served to undermine social capital. VET/university relations have at times been characterised by a low trust relationship, and the need exists for further progress in achieving high trust relationships. Altogether, there is a strong case for VET policy to address ways in which commercial, educational, and civic objectives can be harmonised and brought into an appropriate balance in the work of the sector.

**v. Contributing to Inclusive and Cohesive Communities through Equity Strategies for Disadvantaged Groups**

While equity has been an important theme throughout the ANTA era, adopting a social capital perspective in equity strategies affords an opportunity to strengthen the impact of these strategies and achieve broader community support.

The current VET National Aboriginal and Torres Strait Islander Strategy for 2000-2005 provides an excellent example of strategic planning where social capital perspectives have been integrated in the strategy.<sup>11</sup>

From a social capital perspective, the strategy involves:

- a vision of an inclusive society to be achieved;
- a partnership ethos and strategy as the way forward;
- norms and values built on equality and equity;
- recognition of the significance of culture and heritage.

With these thrusts, implementation of the strategy involves building social capital and contributing to inclusive and cohesive communities, at the same time providing opportunities for individuals. The strategy is appropriately titled “Partners in a Learning Culture.”

The strength of this strategy resides in its recognition that the way forward lies in “unlocking the potential of partnerships”.

*Partnerships are now recognised as the key to successful vocational education and training programs for Indigenous Australians<sup>12</sup>*

Through unlocking the potential of partnerships “VET is more responsive to community, social and cultural needs”.<sup>13</sup> This is a principle that applies more widely in VET than in Indigenous people strategies, and which underpins the social capital contribution of VET. In evaluating the impact of this strategy, its contribution to social capital building should be taken into account.

The partnership principle in this strategy have been applied in initiatives across Australia. A good example is provided by the role of the Far West Enterprise and Learning Alliance in Ceduna which operates as an incorporated body with the Indigenous community partners in the work of



the Board of FWELLA which has been at the centre in the development of Ceduna as a learning community.

The existence of social inequalities in the distribution of social capital in communities observed by scholars such as Eve Cox and Robert Putnam means that a holistic approach to addressing disadvantage requires policies to build social capital in excluded groups, as well as sectoral policies in areas such as education and health.

#### **vi. Initiating and Contributing to Learning Community Initiatives**

Some VET institutions have been active in contributing to learning community initiatives in communities across Australia. For example, in the 2001 ANTA National Learning Community Project, the Port Augusta, Kaduna, and Ceduna campuses of the Spencer Institute of TAFE took leadership roles in the projects in these communities.<sup>14</sup> In a few cases, a VET institution has initiated a learning community project. A good example is provided by the role of the Hunter Institute of TAFE in the initiation of the Upper Hunter learning community project which then gained the support of the four councils in the Upper Hunter region.

A learning community has been defined in the following terms:

*A learning community is any group of people, whether linked by geography or by some other shared interest, which addresses the learning needs of its members through pro-active partnerships. It explicitly uses learning as a way of promoting social cohesion, regeneration and economic development.*<sup>15</sup>

This definition points to the fact that learning communities may either develop in geographic terms (towns, cities, regions) or as networks without spatial boundaries. The impact of technology means that virtual community networks are likely to become increasingly common and significant in the future and could be particularly significant in building bridging and linking social capital. All these forms of learning communities can be powerful instruments for building social capital.

There has been a slow but steady development of learning communities in Australia since 1998 when Wodonga declared itself Australia's first learning city. These initiatives now include:

- the Victorian Learning Towns funded by the Victorian Government since 2000;<sup>16</sup>
- the ANTA National Learning Community Project in 2001-02;<sup>17</sup>
- individual incentives taken without government assistance, eg Upper Hunter, Central Highlands (Qld), Western Melbourne Learning and Innovation Region.

Adult and community education (ACE) has taken the leading role in the Victorian Learning Towns while a broader range of partners were involved in the ANTA National Project. These included local government councils and TAFE in particular. The Western Melbourne Learning and Innovation Region initiative heralded a further stage of development with Victoria University taking the lead in the initiation of this ambitious project.<sup>18</sup>

This accumulating experience since 1998 means that a good deal is now known about effective strategies for building learning communities, and a rich source of information on Australian and international developments is available through the web site established by Adult Learning Australia called the Learning Community Catalyst ([www.lcc.edu.au](http://www.lcc.edu.au)). There is now a further opportunity for VET institutions across Australia to contribute to building social and human capital in communities through their active participation in learning community initiatives.

As in the National Strategy for Indigenous people, this is a matter of unlocking the power and potential of partnerships, and actively fostering the norms, values, and skills that underpin social capital and sustainable partnerships.

VET will benefit from broad coalitions supporting learning community initiatives which include local government, industry, schools, universities, and a broad spectrum of community organisations. An increasing number of local government councils are becoming aware of the benefits to be gained by learning community initiatives and so provide a key support for these initiatives.

While the benefits of successful learning community initiatives have been documented in the work of OECD and others, there are at present few financial incentives for VET institutions (or universities and schools) to engage in these community initiatives. Australia lacks a local infrastructure to build broad-frontal collaborations and partnership at the local level compared to most leading OECD countries,<sup>19</sup> and this is a barrier to local partnership action such as leading community initiatives.

This is an issue that needs to be addressed if a more strategic whole-of-government/whole-of-community approach to building social capital and sustainable communities is to be achieved.

**vii. Innovation in the use of ICT to build Virtual Communities**

There is interest around the world in the high potential of computers and the Internet to build communities in innovative ways and to transform the way we learn.<sup>20</sup> Achieving this potential is still at a relatively early stage of development although a broad spectrum of innovative initiatives point the way to the future.

Initiatives which explore this potential include:

- Community Networks in North America and elsewhere;
- Smart Communities in Canada and California;
- Innovations in e-learning and e-government which extend information and wider learning opportunities;
- Australian projects such as the Communities and the Internet project under the Family Community Network Initiative;
- VET experience with flexible learning;
- the work of NOIE on the impact of ICT on communities including the recent report *Australian Communities Online*.

This developing international experience provides a rich source of ideas and experience to add to the evolving VET experience in the use of technology for learning purposes. This VET experience with flexible learning projects offers a basis to which broader dimensions which connect to community building through the use of technology might be added.

The **Community Network** movement has harnessed the power of Internet technology to build community, and hence social capital, through initiatives which progress community enrichment, revitalisation and empowerment.

- The Blacksburg Electronic Village in Virginia and the Seattle Community Network provide good examples of community networks built around technology in operation;<sup>21</sup>
- The Communities on the Internet (COIN) project in the Rockhampton District provides an Australian example sponsored under the Family Community Network Initiative of FACS.<sup>22</sup>

Community Networks based on the use of technology, as in the Blacksburg and Seattle examples, typically build a rich fabric of linked community networks which function as learning communities (communities of practice). This model can be used to develop both bonding and bridging forms of social capital. In some cases, American community colleges and universities have taken the leadership role in the development of Community Networks, as for example in the role of Virginia Tech in the Blacksburg Electronic Village development.

**Smart Communities** have much in common with Community Networks in the role of technology in extending services to citizens while building community at the same time through this activity. While the Smart Community movement originated in California, Canadian Smart Communities are the best known example.

A Smart Community has been defined in the following terms:

*A Smart Community is a community that has made a conscious effort to use information technology to transform life and work within its region in significant and fundamental, rather than incremental, ways.<sup>23</sup>*

The Canadian Government is currently funding nine Smart Communities demonstration projects located in diverse regions across Canada. This program has served as a catalyst to innovation in the role of ICT in extending services in communities and transforming communities in this process. Innovations in areas such as e-government, e-learning, e-medicine have been a feature of this program.<sup>24</sup>

**Australian experience** extends across programs such as the Family Community Network Initiative where some projects such as the Communities and the Internet project in Rockhampton have been centred on innovative uses of ICT to build community, and initiatives stimulated by the role of the National Office of the Information Economy. In the VET sector the strategic approach to flexible learning, under the Australian Flexible Learning Framework and the ANTA Learnscope project has built up considerable experience with strategies for the use of technology to extend learning opportunities. This experience includes the use of technology to build virtual communities of learners as communities of practice.

Future directions for flexible learning are currently the subject of consultations focused on a discussion paper titled *Your Future, Your Choice: Flexible Learning Futures*. This paper recognises the significance of social capital for communities, and the growing significance of community issues.<sup>25</sup>

*The concept of community will undoubtedly become more important in the future. Geographical communities will continue to re-invent themselves and virtual communities will continue to grow and evolve. Links between virtual communities of practice, business processes and community development will strengthen.*<sup>26</sup>

It would seem opportune for consideration of future directions for flexible learning in VET to take account of ways in which VET strategies for flexible learning can contribute to building social capital in communities through building virtual communities of learners. This role is likely to be particularly significant in rural areas with limited post-school education facilities. Future directions for flexible learning are likely to make a significant contribution to building social capital in communities.

#### **viii. Contributing to Civil Society as a Good Citizen**

Civil society consists of the groups and organisations, both formal and informal, which act independently of the state and market to promote diverse interests in society.<sup>27</sup> OECD observes that there are important synergies in the relationship between civil society, state, and market.<sup>28</sup>

The nature of these synergies means that there are good practical reasons, as well as altruistic ones, for VET institutions to contribute to civil society as a good citizen.

VET institutions contribute to their communities as good citizens in a range of ways, including serving as exemplar of good citizenship. However, there are grounds for believing that a more strategic approach by VET to building social capital in communities through its work will contribute to civil society in ways that lead to reciprocal benefits for VET. At present there is a dearth of quality information on these relationships, so that the need exists for research to clarify these relationships as a basis for more holistic VET strategies in serving industry, individuals, and communities.

In developing the good citizen role of VET institutions, it will be desirable for regard to be had to related developments such as Corporate Social Responsibility so that synergies can be achieved where this is feasible.

### **General Comment**

The discussion set out above involves an initial attempt to outline the range of ways in which VET contributes to building social capital in communities. A broad spectrum of issues arising from consideration of the VET role merit extensive discussion in an assessment of the implications of a strengthened social and community role for VET for current VET policies and directions. Some aspects are discussed in the final section of this paper.

#### **Some Questions**

5. Do you agree that VET contributes to building social capital in communities in a range of ways?
6. How relevant is social capital to the work of VET?
7. What is the relevance of social capital to the VET role in meeting the skill needs of industry?
8. Are you in agreement with the eight types of VET contribution to social capital identified in Exhibit 2? Are there any other types?

### **ENDNOTES**

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<sup>1</sup> OECD 2001a, World Bank <http://www.worldbank.org/poverty/scapital/sources/index.htm>.

<sup>2</sup> World Bank, op. cit.

<sup>3</sup> NCVER 2003.

<sup>4</sup> Economist Intelligence Unit, Anderson Consulting, 1998.

<sup>5</sup> Kearns 2002, pp.35-36.

<sup>6</sup> Ibid.

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- 7 Ibid, pp.36-37. International sources include the work of the British Merchant Observatory and the Irish FASNET project.
- 8 Australian Chamber of Commerce & Industry and Business Council of Australia 2002 (ACCI/BCA).
- 9 Rychen & Selganik 2003.
- 10 Ibid, p.44.
- 11 ANTA 2000, p.18.
- 12 Ibid, p.18.
- 13 Ibid, p.19.
- 14 Learning Audit reports for these initiatives may be assessed through the ANTA web site ([www.anta.gov.au/publications/learning\\_communities](http://www.anta.gov.au/publications/learning_communities))
- 15 Kearns P et al 1999, p.6.
- 16 Information may be obtained from [www.acfe.vic.gov.au](http://www.acfe.vic.gov.au).
- 17 For Learning Audit reports see (14) above.
- 18 Kearns P 2003, *Growing Western Melbourne Together*, (unpublished).
- 19 Kearns P & Papadopoulos G 2000.
- 20 Kearns 2002.
- 21 For Blacksburg see <http://www.bev.net>; for Seattle <http://www.scn.org>.
- 22 See [http://www.facs.gov.au/internet/facsinternet/asf/about\\_facs/programs](http://www.facs.gov.au/internet/facsinternet/asf/about_facs/programs)
- 23 World Foundation for Smart Communities, <http://www.smartcommunities.org/about.htm>.
- 24 See <http://www.smartcommunities.ic.gc.ca>.
- 25 ANTA 2003b, pp.9-10.
- 26 Ibid, p.10.
- 27 OECD 2001a, p.47.
- 28 Ibid, p.47.
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#### **4. MEASUREMENT AND PERFORMANCE**

It is widely recognised that measurement of social capital is difficult. This situation reflects both the nature of the concept, unresolved conceptual issues, and the early stage of development of operational indicators.

OECD in its work on social capital acknowledges that much of what is relevant to social capital is tacit and relational, defying easy measurement or codification.<sup>1</sup>

However, the World Bank has developed measures of social capital, which have been applied in surveys in Third World countries, which assess the extent and characteristics of associational activity, and of trust in various institutions and individuals.<sup>2</sup> Similar surveys have been developed in Britain while measures of the extent of trust have been derived from the 1995-96 World Values Study.<sup>3</sup> This study shows a mediocre performance by Australia on the trust measure (39.9%) while the Nordic countries, Netherlands, and Canada performed best (65.3% - 52.4%).<sup>4</sup> The same countries lead in developing policies for lifelong learning.

Putnam in his work on social capital in America has measured social change over a significant period of time using national surveys<sup>5</sup> while Fukuyama has measured changes in social capital through changes in crime, family breakdown, and trust.<sup>6</sup>

These national approaches to measurement recognise that the concept of social capital is multidimensional with trust, civic engagement and community involvement widely seen as the key dimensions.

Overall, the national strategies adopted to date follow two broad approaches:

1. to conduct a census of groups and group membership in a given society or community;
2. to use survey data on levels of trust and civic engagement.

The census of groups in communities has sometimes led to mapping of group relationships, as in the learning audits from some Australian learning communities, or in the “networks of trust” mapping undertaken by Fukuyama.<sup>7</sup> Mapping the networks of trust of VET institutions in their communities could be a useful exercise.

These broad macro measures, however, tell us little about the VET role and contribution, although they provide a broad national framework for consideration of national trends and for development of indicators of the VET role.



## **The ABS Approach**

Further insights into a possible VET approach to social capital is afforded by the work of the Australian Bureau of Statistics in developing its Social Capital Framework. Possible indicators under the Framework have been developed and were discussed at a workshop in June this year. A revised set of indicators are currently being developed with a view to a limited set of these indicators being included in the 2005-06 General Social Survey.<sup>8</sup>

The ABS has adopted the OECD concept and definition of social capital and has accordingly developed indicators that reflect behaviour, attitudes and perceptions in respect of social networks. Social networks are the central feature of the Social Capital Framework with indicators developed for four attributes of social networks relevant to social capital. These are shown below while the ABS model is illustrated in Figure 2 over.

<b>Attributes of social networks relevant to social capital<sup>9</sup></b>			
1.	network qualities	2.	network transactions
3.	network structure	4.	network types.

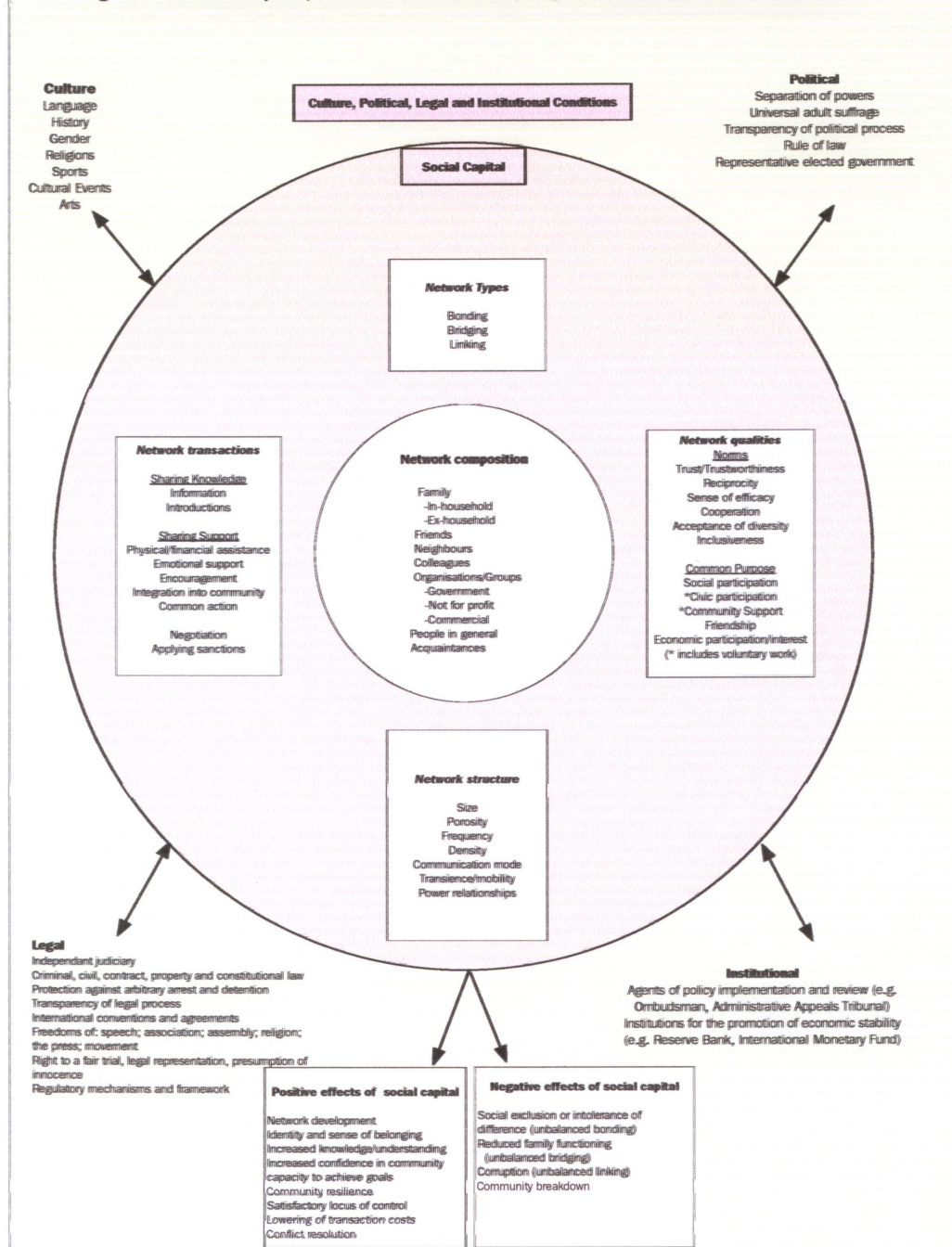
A large number of indicators have been developed for each of these attributes of social networks. Examples of indicators being developed by ABS for concepts such as trust and reciprocity are given on the ABS social capital web site ([www.abs.gov.au/themes/socialcapital](http://www.abs.gov.au/themes/socialcapital)).

## **Towards a VET Approach**

VET will gain valuable information from social capital questions in the 2005-06 General Social Survey that will assist VET institutions in gaining a deeper understanding of the social characteristics and culture of their communities. This will assist VET institutions in “localising” their work across broad areas such as equity strategies, building social capital in firms, marketing VET in the best ways to local communities and developing local strategies for integrating social and human capital.

The final list of ABS social capital indicators may also suggest ways in which some social capital questions might be included in VET surveys. This suggests an evolutionary approach to social capital over 2004-2010 in line with national

**Figure 2: Social Capital, Culture and Political, Legal and Institutional Conditions**



Source : Australian Bureau of Statistics

developments in other sectors, and VET objectives for 2004-2010 in serving industry, individuals, and communities.

In developing a VET approach there would be value in a stocktake being undertaken of the social capital outcomes of existing learning community projects such as Victorian Learning Towns. Such a stocktake should take account of work undertaken in Britain on the wider social and community benefits of learning, including the work of the London Institute of Education's Centre for Research on the Wider Benefits of Learning ([www.learningbenefits.net](http://www.learningbenefits.net)).

In addition, there is also a case for ANTA supporting VET institutions to undertake self-assessments of their contribution to the various forms of social capital in their communities. This might be done through pilot projects to identify good practice leading to guidelines set by ANTA to assist institutions. Such a self-assessment would be analogous in some respects to the self-assessment approach to quality in universities adopted by the Australian Universities Quality Agency.

Overall, there is a case for the VET sector to act both as a good citizen and in self interest in developing an approach to assessment of its performance in contributing to social capital in communities.

#### **Some Questions**

9. What do you see as the main difficulties for VET in measuring social capital?
10. How relevant is the ABS approach to VET?
11. What do you see as the most feasible VET approach to measuring social capital and the VET performance in this area?
12. What action should be taken?

## ENDNOTES

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- <sup>1</sup> OECD 2001a, p.93.
  - <sup>2</sup> See <http://www.worldbank.org/poverty/scapital/schewmeas.htm>.
  - <sup>3</sup> OECD 2001a, pp.43-45.
  - <sup>4</sup> Ibid, p.44.
  - <sup>5</sup> Putnam 2000, pp.415-424.
  - <sup>6</sup> Fukuyama 1999, pp.6-9.
  - <sup>7</sup> Ibid, p.3.
  - <sup>8</sup> ABS 2003. [www.abs.gov.au/themes/social\\_capital](http://www.abs.gov.au/themes/social_capital).
  - <sup>9</sup> Ibid.

## 5. THE WAY FORWARD

*As Adam Smith well understood, economic life is deeply embedded in social life, and it cannot be understood apart from the customs, morals, and habits of the society in which it occurs. In short, it cannot be divorced from culture.*

Francis Fukuyama, *Trust*.

The emergence of the dynamic global knowledge economy has brought a new set of issues to the fore for the VET sector requiring more integrated and holistic responses from VET and other stakeholders.

The question of the VET contribution to social capital assumes a new significance for VET in this context. As OECD rightly observes, social and human capital are mutually reinforcing, so that the VET contribution to building human capital in communities now requires a concern with social capital in order to sustain communities and to underpin economic and social outcomes.

For this reason, there is a fundamental interdependence between the goals set for the VET sector in the Strategic Plan for 2004-2010 in serving employers, individuals, and communities. Both employers and individuals benefit from communities where there is a rich development of social capital. This will require a search for policies and strategies that build synergies between action directed at this triad of interdependent objectives, and for the further development of a rich array of partnerships.

These imperatives of the dynamic learning and knowledge era will require an expanded concept of VET in Australian society serving multiple interdependent objectives. Such a concept will enrich and deepen the VET contribution to Australian society in contributing to plural economic, social, civic, educational, and cultural objectives.

A one-dimensional concept of VET serving the skill needs of business and industry is no longer sustainable in the dynamic and complex conditions of the global knowledge society and economy. The increased significance of the social context of industry in the knowledge society has fundamental implications for VET, including the VET approach to competence, as the five year OECD DeSeCo project on key competencies concluded.

*The underlying assumption of our model of competence is that the relationship between the individual and society is dialectical and dynamic. Individuals do not operate in a social vacuum.<sup>1</sup>*

Neither does business and industry operate in a social vacuum, so that the social and cultural characteristics of the community have a significant influence on economic outcomes. This significance of social and cultural characteristics in communities, which then influences individuals, was recognised by the Australian Chamber of Commerce and Industry/Business Council of Australia in their Employability Skills Framework in the emphasis given to the attributes of individuals which largely reflect norms and values in families and communities, and the role of the education system in furthering these attributes.<sup>2</sup>

For these reasons, building and sustaining social capital in communities is an important issue for the VET sector which requires policy and strategic responses, and progress towards more integrated and holistic strategies which combine, in synergistic ways, the economic, social, educational, and cultural objectives of VET activity.

### **Towards a 21st Century Concept of VET**

The multi-dimensional concept of VET emerging from the analysis of this paper suggests that VET policy and practice, in responding to the challenge of the dynamic 21st century context of its work, should foster a number of key roles for the sector in integrated and holistic ways.

These roles are:

- the **economic role** in providing skills and human capital for business and industry on a lifelong learning and skilling basis;
- the **social and equity role** in opening learning pathways for all members of the community throughout life, and in educating autonomous individuals to take responsibility for their lifelong learning and development;
- the **civic role** in contributing to building and sustaining community, and in promoting through its work the social capital, norms and values to sustain inclusive and cohesive communities, and underpin economic success;
- the **cultural role** in contributing to building cultural capital in communities which enhances creativity and innovation in the community, and the attraction, development, and retention of

creative knowledge workers with a capability to be effective in the 21st century innovation economy.

The VET contribution to social capital needs to be seen in the broad context of the multiple roles of the sector in Australian society, and in the context of progress towards a 21st century concept of VET serving business and industry, communities and their citizens.

At the same time, it also needs to be recognised that tensions and barriers exist which impede VET achieving the full potential of its broader contribution to communities and Australian society. These include funding and cultural barriers.

In addition to tensions and barriers confronting VET, there are also broader issues challenging Australian communities which are tending to undermine social capital and, in some cases, the cohesion and sustainability of communities. This leads to the critical requirement seen by Richard Florida as “building new forms of social cohesion in a world defined by increasing diversity and beset by growing fragmentation”.<sup>3</sup>

VET is a stakeholder in addressing this critical requirement along with a wide range of other stakeholders as partners. In the medium to long term, the VET contribution to the Australian economy will be impaired if the social and cultural underpinnings of economic success, in the context of the global knowledge society, are not addressed.

The concept of civic engagement takes on a new meaning for VET in the context of the global knowledge society. In this context it will be necessary to find new ways of connecting VET teaching, learning and research to public purposes in Australian communities.

For all these reasons, the question of the VET contribution to social and human capital in communities merits widespread discussion as a step towards this richer and more dynamic 21st century concept of VET in Australian society.

As a contribution towards such a dialogue, a series of propositions emerging from the analysis of this paper are set out below as a basis for discussion.

### **Some Propositions for Discussion in Relation to the VET contribution to Social Capital in Australian Communities**

1. The concept of social capital is highly relevant to the VET role in serving employers, individuals, and communities and in building human capital.
2. While VET already makes a contribution to most sources of social capital in communities, this contribution is variable and uneven and could be strengthened in more integrated and holistic strategies.
3. The fundamental interdependence between social capital, human capital and economic and community well-being should be recognised. This will lead to value added outcomes for all stakeholders.
4. Building a social capital dimension into VET policy and practice will require addressing questions of norms and values in the work of the sector.
5. The implementation of employability skills by VET, which should also be seen as life skills relevant to building social capital in communities, provides an opportunity for innovation in the VET contribution to social capital.
6. Future directions for the Australian Flexible Learning Framework beyond 2004 also provides an opportunity to strengthen the VET contribution to social capital in communities in innovative ways through the role of information and communication technology.
7. Social capital considerations are relevant to professional development of VET staff under strategies such as Re-framing the Future directed at staff development for high-performing VET organisations.
8. Local partnership strategies, such as learning communities, have considerable value in building social capital and a local social infrastructure for innovation across economic, social, cultural, and educational sectors.
9. Social capital is important in the capability of communities to adapt to changing conditions, and in the dissemination of new ideas to stimulate innovation.
10. The success of VET equity strategies is likely to depend to a considerable extent on the linkages made to social capital and community building processes, so that social capital networks support these strategies and contribute to building inclusive and cohesive communities.
11. Information and communication technology, and innovative approaches to e-learning in a range of community contexts, has the potential to add value to social capital, in particular in strengthening bridging and linking forms of social capital.
12. VET should develop performance indicators to monitor its contribution to social capital, aligning with the work of the Australian Bureau of Statistics in developing social capital indicators for its Social Capital Framework with self-assessment by VET institutions of their social and community role and impact, an appropriate starting point assisted by guidelines developed by ANTA.



### **Some Questions**

13. In what ways could a social capital dimension be strengthened in VET strategic development during 2004-2010?
14. How could such a social capital dimension contribute to the VET strategic objectives for 2004-2010 in serving communities?
15. Is there a link to the VET role in supporting creativity and innovation in industry and in communities?
16. Do you agree with the 12 propositions linked in this section of the paper as a basis for discussion? Are there further points that should be added?

### **ENDNOTES**

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<sup>1</sup> Rychen & Salganik 2003, p.45.

<sup>2</sup> Australian Chamber of Commerce & Industry and Business Council of Australia 2002, p.5.

<sup>3</sup> Florida 2003, p.318.

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## GLOSSARY

<b>Bonding social capital</b>	Bonding social capital typically refers to relations in groups with a sense of identity and common purpose such as families and ethnic groups.
<b>Bridging social capital</b>	Bridging social capital refers to relations between groups with significant differences.
<b>Civil society</b>	Civil society consists of the groups and organisations both formal and informal, which act independently of the state and market to promote diverse interests in society.
<b>Human capital</b>	The knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being.
<b>Learning community</b>	Any group of people, whether linked by geography or by some other shared interest, which addresses the learning needs of its members through pro-active partnerships. It explicitly uses learning as a way of promoting social cohesion, regeneration, and economic development.
<b>Networks</b>	These are interconnected groups of people who usually have one or more attributes in common.
<b>Norms</b>	Social norms are shared understandings, informal rules and conventions that prescribe, proscribes or moderate certain behaviours in various circumstances.
<b>Smart Community</b>	A community that has made a conscious effort to use information technology to transform life and work within its region in significant and fundamental, rather than incremental ways.
<b>Social capital</b>	This is networks together with shared norms, values and understandings that facilitate co-operation within or among groups.

**Trust**

The expectation that arises within a community of regular honest, and co-operative behaviour based on community shared norms, on the part of other members of the community.