Social Capital, Tourism and Regional Development: SPCC as a Basis for Innovation and Sustainability

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Traditional views of regional development have focused on economic factors and potential innovation in technical and resource exploitation processes. Similarly, regional tourism development is usually couched in economic terms, such as number of jobs and increasing land values. This approach usually ignores the social and community aspects of tourism development; thus an alternative view argues that the community needs to be factored into our planning and development strategies to balance the traditional economic view. It is argued in this paper that fostering innovation in regional development is much more than a process of community consultation. Rather, what needs to be factored in is SPCC – social, political and cultural capital. This works in both directions; tourism development depends on a level of social, political and cultural capital in order to be a successful regional development tool (even in economic terms) while at the same time tourism development can be undertaken in a way that contributes to SPCC in the region. The paper outlines the key concepts of social capital, political capital and cultural capital. It does so within the context of regional tourism development and the concepts of systems of innovation and sustainable development.

Keywords: social capital, regional tourism, impacts of tourism development, innovation in tourism development, sustainable development

Introduction

Social, Political and Cultural Capital (SPCC) represents a way of understanding how the social characteristics of communities contribute to successful innovation and sustainable development. This paper outlines the key concepts of social capital, political capital and cultural capital and how they can further our understanding of regional tourism development, particularly in the Australian context and those of other ‘developed’ nations.

It should be emphasised at the outset that social, political and cultural capital are ‘contested’ concepts in the social sciences; that is, there is considerable disagreement on their meaning, ideological location, measurement, application and usefulness. Our interest in this paper is to develop an approach that will...
allow us to use these concepts, one that is based on the key debates and theoretical formulations that have arisen in the literature. This approach leaves implicit the underlying philosophical and political questions that have developed around the linking of concepts such as ‘capital’ and ‘the social’ within late capitalism. However, it acknowledges that such associations are ones that should not be treated uncritically (in much the same way that the linking of ‘capital’ with ‘human’ in the notion of human capital can be problematic from a humanistic, social and political perspective).

The position taken here is that, regardless of the complications in associating ‘capital’ with the ‘social’, ‘political’ and ‘cultural’, the linking of these terms opens up fruitful new ways for thinking about sociality as a strategic resource for sustainable tourism development. This is so even if they are viewed simply as metaphors. In other words, we need not consider these concepts as concrete attributes of communities that analysts have somehow previously failed to recognise. Instead, it is the fecundity of these concepts as heuristic devices that makes them attractive to tourism analysts and planners, and it will be our task in the paper to outline some of the ways that these concepts can lead to new, innovative approaches to regional tourism development.

The objectives of this paper are modest in outlining the key concepts rather than developing a comprehensive framework for measuring or mobilising a community’s reserve of social, political and cultural capital. The development of these concepts is still in its infancy, and the first task is to explore how far these concepts may be of use to areas such as tourism. The ultimate aim of our development of these concepts is two-fold, first, to use these concepts as a vehicle for making judgements about the role and/or potential role of tourism in a region. Second, we want these concepts to help stakeholders make decisions about the degree to which a community is ‘ready’ to move into tourism development in any significant way. The latter could be as simple as a local council trying to decide whether to invest money in a caravan park or camping ground.

An underlying assumption is that for tourism to contribute to sustainable development, the industry (i.e. its NGOs and corporate citizens) has to accept contributory responsibilities in the regions in which they ‘live’. At the same time, while regions have to assume responsibility for innovation, governments bear considerable responsibility to facilitate and contribute to sustainable development in those regions. This is more than simple rhetoric and regional grants schemes, because it includes the necessary legislative and economic support that will allow regions to prosper in sustainable ways. SPCC, it will be argued, offers a key means for formulating legislative and economic policies in a manner consistent with the long-term needs of communities and involving local residents in regional tourism development in a participatory manner. In this respect, we shall argue against the position that a social capital approach should be seen as an alternative to government intervention. Rather, a social capital approach brings in the community as an important player in an overall partnership between government, industry and community.

In bringing the political and social together in this way, we might be seen to be taking a broad view of social capital that encompasses both political and cultural capital. In fact, cultural capital is not well developed in the literature and it, along with political capital, are usually subsumed under the umbrella concept of social
capital. For example, Putnam (2000) has no index entry for political or cultural capital and the latter is indexed only in relation to activities. But while there are important overlaps and linkages between the three concepts, maintaining a separation between them is deemed important for tourism studies. This is the case, not only for trying to communicate the different ways in which sociality can be identified, but also in helping us relate this material to the specific contributions that SPCC might make to understanding regional tourism development. For example, a separation between the concepts is important for keeping the discourse consistent with a comprehensive and explicit model of sustainable development such as that developed by a high level inquiry in Australia (Commission of Inquiry into the Conservation Management and use of Fraser Island and the Great Sandy Region, 1990). This model gives emphasis to ecological, economic and socio-cultural sustainability (i.e. the ‘triple bottom line’). It follows that tourism must contribute to the well-being of a region if there is to be any value in committing resources to tourism development; preserving or, better still, promoting a region’s SPCC is an important aspect of such well-being.

In general, this paper seeks to explore how SPCC can be understood using a ‘systems of innovation’ approach to regional tourism development. This approach emphasises the way that SPCC (along with other factors) contributes to the innovative capacity of regions for developing and maintaining viable, long-term industries such as tourism. The manner in which SPCC can be incorporated into a ‘systems of innovation’ approach using a sustainable development framework offers regional communities, industry and government a powerful tool for planning regional tourism in a mutually beneficial way. Consequently, demonstrating how tourism development can benefit from strong SPCC, and how regional communities can, in turn, benefit from tourism planning that promotes strong SPCC, will be the central theme of our discussion.

Conceptualising Social, Political and Cultural Capital

Capital has been primarily an economic construct, but its inadequacy to account for many aspects of exchange and transaction in everyday life has led to consideration of other forms of ‘capital’. However, the application of the concept of capital beyond the economic sphere brings with it certain implications about the ubiquity of the concept of capital. For example, social capital has adopted a terminology to try to give our largely informal networks some currency in economic debates. This sometimes leads to a narrow, monetary benefits approach to social capital that does not necessarily capture the rich texture of networks and associations, reciprocity and trust that are the hallmarks of the social (Requier-Desjardins, 1999). Smith, for example, writes:

There is a deep danger of skewing our consideration of social phenomenon and goods towards the economic. The notion of capital brings with it a whole set of discourses and inevitably links it, in the current context, to capitalism. (Smith, 2001)

However, this may be more the result of a narrow concept of capital than a problem with the concept of capital per se, and it is our intention to broaden the
concept to include non-economic forms of ‘value’ that can be attached to a variety of physical and non-physical resources.

Social capital refers to the bank of resources built up through interpersonal networks and associations upon which individual members of a community can draw. While there is some disagreement about the origin of the term ‘social capital’, there is no doubt that it is a concept which has gained prominence over the last decade due mainly to theory development by Pierre Bourdieu, Robert Putnam, James Coleman and the World Bank.

Bourdieu (1986) was one of the first theorists to extend the concept of capital beyond the economic sphere with its emphasis on material exchange, to include non-economic forms of capital, such as cultural and social capital. According to Bourdieu, capital is represented in four basic forms, each of which can be exchanged or ‘cashed in’ for any other form. These are economic, cultural, social and symbolic capital. Taug and Roberts (2002) describe these various forms of capital as follows:

1) Economic capital, which is immediately and directly convertible into money and it may be institutionalized in the form of for example property rights; 2) Cultural capital, which is convertible, on certain conditions, into economic capital and it may be institutionalized in the form of for example educational qualifications; and 3) Social capital, made up of social obligations (‘connections’), which is convertible, in certain conditions, into economic capital and it may be institutionalized in the form of for example a title of nobility. 4) Bourdieu’s symbolic capital is ... capital in whatever form insofar as it is represented, apprehended symbolically, in a relationship of knowledge ....

We will return to Bourdieu’s notion of cultural capital (and the concept of symbolic capital we include within it) later in this paper. It is the concept of social capital that has received the most attention by theorists. Social capital is commonly associated with networks of relationships that are formed between people. For example, Bourdieu defines social capital as:

the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition. (Bourdieu, 1986: 248)

Similarly, Putnam, in making a distinction between social capital, physical and human capital, remarks:

Whereas physical capital refers to physical objects and human capital refers to the properties of individuals, social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. (Putnam, 2000: 19)

The association of social capital with social networks is, however, only one of a number of perspectives that are employed by contemporary social capital theorists. Woolcock and Narayan (2000) categorise four approaches to social capital: communitarian, network, institutional and synergy approaches. The communitarian approach associates social capital with local organisations such as clubs, associations, and civic groups. The network approach equates social capital with
relationships between individuals. The institutional approach views social capital as institutionally generated, and hence, sees a primary role for the state. Finally, a synergy view combines the network and institutional perspectives, emphasising both community and state involvement.

Robert Putnam (1993, 1995a, 1995b, 2000) is the theorist most commonly associated with the communitarian approach. Although, like many theorists, Putnam (1999) associates social capital with institutionalised networks, he is primarily interested in the way that networks are a manifestation of civic virtues or a communitarian spirit, which he regards as the real substance of social capital. In the words of the World Bank, social capital is, ‘not just the sum of the institutions which underpin a society – it is the glue that holds them together’. For example, Putnam notes a decline in civic participation in America and saw this as a decline in social capital. Putnam (1995a) uses measures of participation in many different kinds of civic and political activities to provide evidence of a steady decline since the 1960s. He also attempts to show that membership in community organisations could predict regional differences in the success of the regional government reforms that were initiated in 1970 in Italy.

Of course, critics of Putnam’s analysis and of social capital as an ideology point to the structural, ideological and political economy of the times to help understand these changes. But Putnam’s perspective has led to a general rethink of the role of citizenship virtues in social and economic development that has relevance to understanding how social, economic and political capital can contribute to government programmes to develop regional tourism systems (as we shall see shortly). However, although Putnam (1995b) has stated that a positive correlation exists between social capital and government size, his call for people to take their civic responsibilities seriously in the face of a breakdown in family and community structures leaves silent the matter of whether corporations or governments should also be called to action.

Some social capital theorists have explicitly opposed government intervention. In an approach properly labelled a neo-liberal perspective on social capital, Fukuyama (1995) sees social capital as inconsistent with government involvement. He writes: ‘Cultures inclined toward voluntary associations . . . can create large economic organisations spontaneously and do not need the state’s support’ (Fukuyama, 1995: 63).

Those promoting what Woolcock and Narayan label an institutional approach to social capital are critical of this ready dismissal of the government’s role. The institutional perspective is one that is characteristic of what might be called a ‘European’ approach to social capital. For example, Siisiäinen (2000) criticises the ‘US-centredness’ of Putnam’s approach to social capital, which tends to privilege a consensus perspective on society and ignores the way conflict is embedded in the social structure in the form of conflicting organisations and social classes. Consequently, Putnam fails to recognise the way in which the state plays a primary role in fostering social capital by integrating competing factions within an inclusive dialogue and minimising social inequalities through welfare policies, thereby increasing public trust in the state and amongst fellow citizens. Siisiäinen uses the example of the Nordic countries, where the development of a welfare state has resulted in high levels of civic participation. Meanwhile, Harriss (2001) is critical of those who have appropriated the
social capital concept as part of a neo-liberal agenda seeking a reduction in the role of the state. He points out how social capital can be employed to justify a view that,

... expects those people who are most marginalised/excluded to ‘pull themselves up by their own bootstraps’ in a way that is extremely convenient for those who stand to benefit most from public expenditure cuts. (Harriss, 2001)

From this perspective, the social capital prescriptive agenda is about telling communities and individuals to build up their networks so they can look after themselves – in the face of globalisation, relative powerlessness and institutional/government abrogation of responsibility.

It is thus important to remember that there is a strong political agenda behind much of the theory and the practice of social capital. In Australia, for example, leading politicians have proclaimed the virtues of promoting social capital as part of a neo-liberal agenda: a speech made by the Australian Treasurer of the day, Peter Costello (2003), illustrates this. This is in the face of the effects of neo-liberal government policies that appear to have actually diminished social capital in Australia, particularly in rural areas (Alston, 2002). Economic rationalist public policy during the 1990s saw a dramatic reduction in the services provided by public and private sector organisations in both urban and rural areas. This involved, among other things, amalgamations of local government and school districts, closure of bank and post office branches. Under the guise of consolidation and cost-cutting, these economic policies have had far-reaching and uncosted effects on social capital. Each of these separate economic-based policies further reduced the capacities for resident involvement in social, political and administrative affairs. In this regard, public policy reduced the social capital of regions. However, it follows that public policy can contribute to its rebuilding, something which tourism development can, as we will show, play an important role.

It is our position that the use of the concepts of SPCC in regional tourism development needs to have a broader agenda than pointing the finger at communities and telling them to take responsibility. There is also a need for corporations and government to accept the need to contribute to building social capital, and to do so equitably across gender, age, ethnicity and socio-economic level. It is easy to disenfranchise the powerless but if tourism development is to be sustainable, it must ensure its development efforts accept corporate civic responsibility while contributing to building social capital across the entire region.

It is not our intention to give support here to any particular political model. Our point here is simply that a social capital approach requires input at both a community and state level, what Woolcock and Narayan (2000) refer to as a ‘synergy’ approach. This is consistent with the approach being taken by more moderate European thinkers and organisations. For example, the National Economic and Social Forum of Ireland (2003) talks of the importance of the state in providing an ‘enabling environment’ for the development of social capital in local communities. As we shall explain next, when it comes to fostering social capital as part of regional tourism development, government support is essential, due
largely to the way that different levels of government function as key agencies in the formation and maintenance of regional tourism systems.

**Regional Tourism Systems and SPCC**

The intervention of various levels of government in tourism marketing and management at a regional level and the preponderance of small businesses engaged in regional tourism activity has helped to create regional tourism systems in Australia, as elsewhere. These systems are relatively open and may exist at different geographical scales, with organisations likely to participate in more than one system. Regional systems may be based on: Local Government areas; State Tourism Organisation identified Tourism Regions; combinations of Local Government areas; and regions defined by collaborations of enterprises (Kelly, 2002). They are also likely to be sectoral systems, identifiable by their desire to produce goods and services for specific markets (e.g., visitors). Regional tourism systems include both organisations (physical entities such as enterprises and individuals) and institutions (the ‘rules of the game’ under which organisations interact) (Edquist, 1997).

The environments for regional tourism systems include the broader communities in which they operate. Tourism systems include interaction between visitors and elements of the host community. This may involve other industrial sectors or systems that provide services to visitors either in the role of tourism businesses (for example, when a newsagent sells souvenirs to visitors) or in their own industrial roles (for example, when sales representatives visit a farm or factory). Residents of communities, along with enterprises, form part of the regional tourism systems environment. This is generally truer of systems that primarily produce services (tourism, health etc.) as opposed to those that primarily produce goods. Regional tourism systems are also affected by economic conditions in generating transit and destination regions, availability of facilitating services and all the other environmental circumstances that act on economic systems generally (Leiper, 1995).

The approach to rural and regional tourism development can and has too often been via a simplistic notion of ‘market it and see what happens’. However, the wider interests of Macbeth (1996, 1997a) in tourism as a vehicle for community development has suggested a community based approach. While Lewis (1998) decries the tendency of rural leaders to not understand the tourism system, we see this problem being partially overcome through harnessing local initiatives. As Lewis asserts, ‘Tourism [development] is an opportunity that residents can create from within the community; it does not have to rely on out-of-state businesses or companies’ (Lewis, 1998: 101). This paper is premised on the assumption that a rural community is unlikely to progress very far in creating a viable and sustainable tourism industry without significant SPCC. When Lewis says ‘there are too many rural communities attempting to develop tourism that do not have the necessary means to carry out the process’, we agree and posit the need to understand not only economic capacity but also SPCC as a foundation for innovation in tourism community development. This accords with what has been generally referred to as a ‘systems of innovation’ approach to regional development.
The concept of ‘systems of innovation’ has come to prominence in the economic literature, and to a lesser extent the regional development literature, since the early 1990s. These systems are simply groups of organisations and institutional arrangements that work together to facilitate the development of new initiatives. Such innovation depends implicitly on the social capital of the regional area as well as the complex relationships between individuals and organisations inherent in such a process (Bartholomew, 1997; Cooke et al., 1997; Freeman, 1995).

Systems of innovation have most commonly been studied in terms of the technological and research and development (R&D) processes facilitated by the organisational and institutional structures of nations or firms. More recently, the concept of systems of innovation has been applied to sectors of economic activity and regional centres of activity (most notably Silicon Valley in the United States) (Malmberg & Maskell, 1997). The study of systems of innovation is concerned with the structures that enable innovation, as well as the diffusion of innovative ideas. The commonly accepted requirements for systems to be innovative (Carlsson & Stankiewicz, 1991) are:

- economic capacity (the ability to fund initiatives);
- critical mass (the capacity to take advantage of economies of scale);
- clusters and networks (to facilitate communication);
- entrepreneurship (the drive to innovate);
- ability to access government (the links between public and private sectors).

In light of current research into SPCC, this classical model needs to be revised. As Putnam (2000) argues in his book-length treatment of social capital in late 20th century America, social capital is a crucial ingredient found in innovative and productive relationships. While clusters and networks in the list above can be related to social capital, the emphasis in a social capital approach is on the use of networks for cooperation, not merely communication. The ability to access government in the list above certainly accords with political capital. However, there is no place in the framework for cultural capital, which needs to be incorporated as a sixth point. Furthermore, in order for the model to be useful for an understanding of regional tourism development, it needs to include an understanding of the role of the wider community and its complex of resources, the role of volunteers and their organisations in many local tourism activities (i.e. civic participation), and the recognised relationships between tourism consumers and residents of the producing regions (i.e. host-visitor dynamics). SPCC, as we will see, has relevance to each of these dimensions. In this respect, we agree with Tamaschke (2003) that social capital is not a substitute for other regional development resources, but complements them.

It is useful to remember that the reality for most regional areas is that economic and social development is problematic. Moreover, regional areas in Australia, as elsewhere, tend towards small pockets of population where even minor incremental changes can lead to significant improvements in the state of social and economic capital. As we shall suggest, the converse is also true for social capital; that is, small improvements in social capital can have important incremental impacts on development potential. In this respect, we agree with
McGovern (1993, 2002) that the process of developing is as important as the development itself.

But all this begs further questions for regional communities. In planning for (further) tourism development, the people of communities have to be aware of what ‘tourists want’ and whether the regional community even wants to provide that sort of travel experience. Because regions are diverse entities, made up of a diverse group of ‘communities’, and because our region of study could be more than one political unit or area (or less), we have to be aware that the various perspectives on tourism will be important in any future tourism development. Collectively, the citizens and organisations of a region could hold any or all of a variety of positions in relation to current tourism development or further growth, ranging from full support to antagonism. Recognising this is an important aspect of a healthy democracy, but it is also important to account for in planning and development.

Of course, embedded in these positions are values and what people hold to be valuable in their community. This can lead to different agendas within the same geopolitical area; there will be different ‘communities’ within the community. This will range from different levels of government (local, state, federal) to differential access to power: the empowered and the disempowered. None of this is news to those involved in community development but it is important because these differences need to be accounted for, need to be embraced by the planning and development process. There is also an underlying assumption in this paper that sustainable tourism development is more likely if, on the one hand, an inclusive planning procedure is used and, on the other, there is sufficient social capital upon which to build further tourism development. This approach requires a particular research paradigm and fieldwork methodology, resembling what is generally referred to in the literature as Participatory Rural Appraisal (PRA). Communities that have a strong sense of identity and value their own ‘culture’, heritage and lifestyle are in a good position to design a tourism ‘product’ that will fit their own sense of community value and be attractive to potential tourists (Macbeth, 1997b). These issues are also noted by Sustainable Tourism Services (2002) when they discuss community values (pp. xiv) and the characteristics shared by rural and remote towns (pp. iii). This leads us to consider the specific ways in which SPCC can contribute to regional tourism development and, at the same time, benefit from such development.

The Concepts

Social capital – reciprocity and engagement

This now almost ubiquitous term has become popular throughout Western discourse. As a term, it can be seen as replacing the formerly common term social fabric (Bullen & Onyx, 1999). Its popularity stems in part from the fact that our market and economics dominated culture can relate to the word capital. But its use has also arisen from it becoming disturbingly clear to many people in society that economic growth (i.e. economic capital) has not in and of itself led to a ‘better’ society. This has led theorists to search for other ways of understanding contemporary society in order to provide balance to the current economic ideology. Authors such as Robert Putnam (1995a, 1995b, 2000) have developed
detailed treatises on the role of social capital in civic society and produced a raft of data to suggest that social capital is important in the functioning of civic society, in economic development and not only the health of individuals but of whole communities.

Stone and Hughes preface their extensive discussion of measuring and conceptualising social capital by suggesting the concept,

...can be understood as networks of social relations which are characterized by norms of trust and reciprocity and which lead to outcomes of mutual benefit. The essence of social capital is quality of social relations. (Stone & Hughes, 2002)

Prakash and Selle elaborate a meaning that suits our objectives in tourism development well:

Social capital . . . is generally understood to mean the social structures and networks necessary for effective collective action, the supposed normative contents of these structures (for instance trustworthiness and reciprocity), as well as, frequently, the outcome or benefits of collective action achieved through such social structures. (Prakash & Selle, 2001)

Putnam expresses it slightly differently as the ‘features of social organisations such as networks, norms and social trust that facilitate coordination and cooperation for mutual benefit’ (Putnam, 1995a: 66). What is consistently stated throughout the literature (that accepts the validity of the concept) is that, as Putnam says, a wide range of research in the social sciences and health provision has found ‘that successful outcomes are more likely in civically engaged communities’ (Putnam, 1995a: 65). In the context of our interest with tourism’s contribution to regional well-being, social capital is clearly an important concept.

The World Bank Group refers to social capital as the ‘institutions, relationships and norms that shape the quality and quantity of a society’s interactions’ (2001). The World Bank website goes on to reaffirm what is contained in every discussion of social capital: social cohesion goes with increasing interactions and is critical for societies. Putnam (1995a, 2000) talks about these interactions as reciprocity. In our specifically regional tourism development context we would assert that for regions/communities to prosper economically and for development (of tourism) to be sustainable there is a need both for social capital and for tourism to contribute to that social capital.

Social capital is not like economic capital; it is not owned by anyone, it does not belong to anyone (Bourdieu, 1986: 256). Although Putnam implies that individuals can possess social capital, this is because Putnam regards social capital as a civic virtue – a conflation that has been criticised by a number of theorists (e.g. Edwards & Foley, 1998; Greeley, 1997). The majority of analysts accept that social capital is an attribute of ‘networks’ rather than ‘norms and values’ that an individual can possess. As Coleman (1988) points out, social capital is a relational construct, such that if one leaves the social relationship, they cannot take social capital with them (in contrast to, say, human and economic capital). In this respect, social capital probably can’t be controlled by anyone either. While planning decisions and legal changes can enhance or undermine social capital, they can’t control it. While personal decisions about family, friends and place of
residence can enhance or undermine social capital, no individual controls it. It is non-material; it cannot be held in your hand or captured on your camera. It may be, after all, simply a metaphor that encapsulates a particular perspective on social relations.

However, as a distinct perspective, social capital can circulate as a discourse held in common by members of a community. In this way, it can operate as something of a ‘community spirit’ that translates into the concrete practices of people, just as any belief can alter the manner in which people interact. Consequently, social capital can manifest in concrete ways, such as in the smiles of locals, or be understood through the population retention rates recorded in ABS statistics or community satisfaction surveys carried out by local councils. While the various ways in which social capital can be measured is contested and constitutes a field of study in itself – and one that will not be examined in any depth in this paper – it is possible to treat social capital as both a qualitative and quantitative variable.

So, social capital is about networks, about relationships and about reciprocity. We all have networks of family, in-laws, friends, workmates, politicians, business owners, Shire presidents, footy coaches, publicans and so on that not only provide us with information but with a sense of belonging, of connectedness. These networks are part of social capital, and are both the glue that holds people together and the lubrication that assists our ‘business’. The way in which social capital holds people together can be classified into different types of network structures, which we shall examine briefly.

Generalised network-ties consist of association or group membership affiliations together with non-close friends or other ties to distant contacts that operate in different circles. Patulny (2003) employs the term ‘generalised network’ in his study of social capital and education. On the other hand, close-tie networks are relationships with family and close friends. It is generalised network-ties that are central to social capital in the wider development context that is of interest in this paper. The Australian Bureau of Statistics (2003) considers networks of this type as the key to understanding the effects of social capital. These effects ‘include increased social and civic participation, voluntary work, a sense of belonging and an increased capacity of the community to achieve goals’ (Australian Bureau of Statistics, 2003). In regional areas, generalised networks can span vast distances, but they still operate through mutual support relationships and general neighbourliness. It is the generalised network ties that develop as multi-lateral relationships into a diverse range of networks and reciprocity, upon which much community development will be built. In contrast, close, binding ties may tend to restrict the range of potentially productive associations between diverse individuals and groups (Szreter, 1998). Close-tie social capital in particular can be used to create dysfunctional exclusivity that may be manifest in racism, elitism or ghettoisation of a community, for example. Further, it can make the group or community inward looking and resistant to visitors or other outsiders and make it harder for that group to develop reciprocal ties with others.

While generalised network ties are outward looking and inclusive, close-tie networks are inward looking and exclusive. Consequently, social capital that is characteristic of generalised network ties is often referred to as bridging ties. Family and close friends, on the other hand, develop bonding social capital.

This is not to say, however, that certain types of social capital are intrinsically
good or bad. Social capital is like any other form of capital and can be used benevolently or malevolently. For example, some close-tie relationships might work to exclude others but some of it affords members a base of trust and confidence from which to engage the wider community and thereby develop bridging social capital.

The small personalised networks in regional communities have traditionally been seen as closed and bonded in some respects, which is obviously problematic in terms of regional tourism development, where an open orientation to outside investors and, most particularly visitors, is important. However, the realisation by regional communities that tourism can be beneficial to their livelihood has, in many cases, led them to extend their ‘small-town’ hospitality to tourists from far-flung countries with little difficulty. In this respect, networks should not be seen as being too inflexible – they can often change their shape and orientation as the need arises. Indeed, local community networks are capable of extending both horizontally and vertically.

Horizontal associations are those that occur within the family, if that is our level of analysis, or within a community or region, if that is our level of analysis. They are crucial to identity and belonging. Similar to close-tie and bonding relationships, they can be inward looking and parochial but their strength is that such social networks make it easier to get the job done, to be productive. As anyone involved in an organisation with high turnover (or ‘downsizing’) knows, the loss of ‘corporate memory’ can severely reduce productivity because the networks are interrupted. Likewise, a new manager might through choice or ignorance overlook this social capital and thereby undermine the efficiency of those networks. Conversely, this new manager might set out to break the horizontal associations in order to alter the direction of the organisation. But it might be anticipated that this will simply lead to reduced production, at least in the short-term. A community with strong horizontal associations will have the social capital needed to work together in creating new opportunities, such as tourism development.

Vertical associations, on the other hand, are those between organisations, regions and countries that are essentially a bridging process. Importantly, vertical or bridging associations also cross the social and cultural divides of class, ethnicity, gender and education, for example. We might hypothesise that a community with strong vertical associations is likely to be more open to tourists and tourism development as an economic strategy.

In terms of a ‘systems of innovation’ approach then, we can recognise that certain forms of social capital are more conducive to orientating regional communities to the challenges faced by tourism development. As with other theorists, Szreter asserts that groups are able to ‘pursue their shared goals more effectively [with high social capital] than would otherwise be possible’ (Szreter, 1998). Because it is about relationships, as discussed above, it is also about the ability to communicate and to trust other members of the respective networks. It is this trust and ability to communicate that contributes to groups, communities and regions getting more done, getting somewhere (to use the vernacular). However, given the outline above of the way networks and social capital might work, not all trusting, communicative social networks are going to facilitate the wider community social capital of interest to tourism development. For example,
strong, horizontal, bonding networks may work against wider social capital development and undermine trust and confidence.

The way in which we build bridges between the diverse interests and organisations will influence the strength of our social capital and of the eventual success of our sustainable tourism development objectives. Any ‘measuring’ of social capital will have to account for this issue. Social capital develops against a background of personal and public infrastructure while at the same time contributing to the development of that background. As such, corporations and governments have a key role to play in fostering an enabling environment for the development of social capital. The degree to which local communities are able to persuade wider corporate and political bodies to work for them (and to maintain influence over them if and when they do work for them) brings us to the subject of political capital.

**Political capital – control and engagement**

Political capital like social capital is a stock of attitudinal resources. But it is a distinct entity made up of the attitudes of trust in government, political efficacy, and interest in politics. Like social capital it both facilitates political action and is reinforced by it. (Harwood & Lay, 2001)

Harwood and Lay offer a rather narrow definition of political capital here, which excludes the economic dimension important to a system of innovation approach to regional tourism development. We can identify, in fact, two ways to approach the issue of political capital. The first is in terms of how much a group or a community is in control over the resources that grant them real influence over regional decision-making. The second is in terms of the influence communities have over the formal political apparatus (as elite theory seeks to examine). Beginning with the first approach, we may note that there are different types of resources that give communities ‘power’. Citing James Coleman (1990), Szreter (1998) asserts that our market-oriented economy relies on four types of capital: bio-physical (or environmental), financial, human and social capital. Each of these resources constitutes a means of power. Natural resources are power. Money is power. In our information age, knowledge is power. Social capital is, as we have been suggesting, also power. The ‘political’, then, is about the use and control of these resources as a function of power.

It is vital for a sustainable regional tourism industry that local communities exercise a considerable amount of control over regional resources. A political capital approach needs to ascertain how much control a community already exercises over its various forms of ‘capital’ (in terms of its tourism readiness), and ensure that development initiatives preserve or increase that level of control. One important matter in this respect is the problem of differential access to resources due to such factors as education, network positions, location and support services. While the issue of equality in terms of finances and other forms of capital is always going to be a controversial matter in a market economy, we should at least be aiming for the benefits accrued from tourism development to be shared around as much as possible. This will be a difficult ‘pill to swallow’ for those who enhance and value their power by restricting access to resources. However, sustainable development embraces the notion of inter- and intra-
generational equity and in this context that means that if we are to embrace that concept, we have to cater to the variety of interests that make up the so-called 'community'. This can be difficult to do fairly and effectively and will often alienate certain power brokers who wish to control tourism development themselves for their own ends. But we don’t assume that it is our brief to automatically serve those in power, as they may not have the best answers for the wider population and their community(s). That is the nature of the ethic underlying sustainable development and sustainable tourism.

Strong social capital is not only a vital element in communities exercising control over local resources, but also for preventing vested interests from dominating in regional decision making. Horizontal associations that are characterised by cooperation and trust are the key to community empowerment, as this involves the engagement of all sub-groups within the community decision-making process. At one extreme, engagement is virtually non-existent for those people who neither take part in their ‘local’ area nor pay attention to what is going on. This might occur for some who work elsewhere and do not make time for their locale or its people. At the other extreme, some people become involved heavily with community groups, as an elected representative or as an activist on local issues.

Another important element in local communities gaining control of resources is the influence they exercise over the formal decision-making process concerning their region – that is, the vertical associations that link communities to wider regional authorities. This takes us from the informal political and the need to enhance networks and participation in those networks to political participation itself – that is, engagement with the formal political system. Formal involvement is about voting, compulsory in Australia at state and federal levels but voluntary at the local government level. Voter turnout in local government elections requires an extra commitment because of its voluntary nature, and we agree with Putnam and others that this commitment tells us something about the social capital of the region.

But engagement does not, in itself, provide a reliable measure of political capital. It is one thing to make your voice heard and another for those in authority to listen. The system of representational democracy in Australia and other formal democratic countries still places limits on the extent to which everyday citizens can exert influence over the political apparatus. Instead, it is through the partnerships that are being increasingly established between different levels of government and local communities that local interests are being more actively incorporated into the formal political apparatus. We hold that it is important that such partnerships continue to be forged and in terms that are mutual rather than asymmetrical with regional communities. Such a recommendation is in accord with the synergy approach that we feel is necessary for approaching SPCC – that is, communities and government working together.

Why is political capital important for tourism? At the very least, political capital, as with social capital, is important to facilitate the community’s ‘interaction’ with the political process that is essential to tourism planning and development. A community with very low political capital is unlikely to have the will to make a significant input into the decision, let alone the design, of a new tourism development strategy or infrastructure. This means that the long-term
sustainability of tourism in the region, and perhaps even of the region itself, will be cast into doubt.

**Cultural capital – diversity and engagement**

Another important aspect – and one often neglected by economic models and development theorists – is the cultural dimension. We have separately identified the concept of cultural capital for a number of reasons. First, because of the nature of tourism and its almost constant use of the cultural as part of its many products, it needs to be separately flagged. Second, following Jeannotte’s (2002) analysis, cultural engagement (capital) may itself contribute to social capital formation.

MacLeod defines Bourdieu’s concept of cultural capital as ‘the general cultural background, knowledge, disposition, and skills that are passed from one generation to the next’ (Bourdieu, 1986). We are fully aware of the complex ways in which the word ‘culture’ is used in anthropology, cultural studies, history and sociology, but at this point have no need to engage with the detail of those debates. Ours is a limited definition: part of social capital is the cultural interactions and variety available to a community. At the very least cultural capital includes symbols, material artefacts, ideas and ideology, and hence includes what Bourdieu (1986) separately refers to as ‘symbolic capital’. Further, cultural capital is defined as the resources that can be drawn on by people and includes both cultural activities and artefacts. Thus cultural capital involves a range of aspects including ideologies, performing and spectating, architectural and historic heritage, forms of artistic enterprise, and cultural products such as CDs, books and art works. Also included in this definition are forms of sport and religion. Culture is an important resource. It represents the accumulated capital of generations of skilled, creative, and innovative people and is made up of the historical record of our societies; it can be a source of inspiration for creativity and innovation.

Most people would agree that there is inherent value in our cultural activities, whether they are art, sport, festivals or recreational pursuits. What each of us values varies but our individual list may include art generally, music, a beautiful painting, an attractive and functional building, a funny play or an interesting book. Or, our list might include sport, mountain climbing, bird watching, meditation or prayer. Access to these resources and the value placed on forms of cultural expression vary greatly from place to place. Culture improves the richness of life and the nature of a community’s cultural capital is a major contributor to its identity and sense of place. Mendis (1998, cited in Jeannotte, 2003: 39) asserts that ‘cultural capital may determine the quality of social capital’ (Jeannotte’s italics). In fact, Jeannotte goes further in citing research to show how engaging people in community arts activities is a popular and effective community development process; that is, engaging in cultural (capital) activities strengthens social capital, something that tourism planners need to take into account.

In enhancing social capital, cultural capital strengthens the bonds between people. Putnam (2000), in the US, found that the number of choirs in a community was a good indication of their level of social capital. The example of choirs is likely to be country specific, and some other indicators would be more useful in countries other than America. An extreme example is that under the political/
cultural control of the Taliban, singing in Afghanistan was not, to say the least, a good measure. Rich cultural capital leads to skill development that can be used in employment, and can provide a strong basis for tourism in a community. It can attract visitors by providing a focus for tourism. For example, heritage tourism and indigenous tourism are directly made possible by a region’s cultural capital.

While cultural capital can form the basis for tourism, tourism in turn can enhance and enrich the cultural capital of the community, which is, of course, one of the objectives of tourism development in many situations, especially when tourism development is being initiated by government agencies with a broad brief. A community ‘gathering’ to share a cultural event will contribute to the development of its social capital. In fact, there are a large number of ways that tourism can enhance cultural capital. These include: encouraging interaction between people from different cultures and intercultural exchange; encouraging pride in one’s own culture; encouraging the preservation of culture and cultural artefacts, encouraging traditional skill development and forms of expression; and improving a community’s sense of identity.

Cultural capital, then, represents the ideology and praxis of a community and/or its members. Manifestations of culture in material form are popular tourism products while non-material forms of culture, such as ideology, are important in contributing to the nature of a location/destination/product that helps to make a place somewhere that visitors come to enjoy. Tourism both uses and helps create culture and cultures.

Why is SPCC Important?

From this overview of the different dimensions of SPCC, it can be seen that regional tourism development has much to gain from a strong SPCC foundation in local communities. In fact, SPCC and tourism have a symbiotic relationship. They rely on each other and contribute to each other and, potentially then, tourism can contribute to regional development much more broadly than simple economic contributions. In fact, of course, some tourism events may result in considerable economic leakage while still contributing to SPCC, if for no other reason than an NGO might form to oppose that aspect of tourism (Putnam (2000: 289) develops a scenario that illustrates this process). In this respect, we need to distinguish between the benefits that SPCC can bring to tourism development, and the benefits that tourism development can bring to SPCC.

Among the benefits that SPCC can bring to tourism development is the way that an increase in SPCC can improve a community’s sense of well-being. In turn, this sense of well-being, among other things, increases the receptiveness to tourism and, thus, the returns to a community. In more specific terms, SPCC can facilitate the flow of information through a community. As well as passing information on, it helps with processing it, assessing risks and opportunities and situations, individuals and agencies, which are all necessary for effective tourism development. From an economics point of view, social capital is the set of relationships that minimises the transaction costs of operating in the market. Put simply, information flows through reciprocal relationships and thus facilitates the transactions that are the basis of a market economy. Social networks can increase productivity by reducing the costs of doing business. Social capital facil-
itates coordination and cooperation allowing people to resolve collective problems more easily. SPCC embodies past success at collaboration, which can serve as a template for future collaboration on other kinds of problems.

SPCC also fosters the development of traits that are beneficial to tourism. With exceptions, people who have active and trusting connections to others – whether family members, friends, or fellow club members – ideally develop or maintain character traits that are good for the rest of society, such as tolerance, empathy, and less cynicism. Generalised network-tie social capital can decrease xenophobia through bridging and opening of communication channels. Such traits can improve a community’s tolerance of and participation in tourist activity.

SPCC also contributes to a better environment conducive to tourism. In high social-capital areas public spaces are cleaner, people are friendlier, and the streets are safer. Traditional neighbourhood ‘risk factors’ such as high poverty and residential mobility are not as significant as most people assume. Places have higher crime rates in large part because people do not participate in community organisations, do not supervise younger people and are not linked through networks of friends. A clean, friendly, safe environment will be attractive to visitors (as well as to residents).

Finally, SPCC can facilitate the generation of cultural activities that attract visitors. In taking pride in local traditions and heritage, communities foster a sense of ‘character’ or ‘ambience’ in their region that appeals to tourists and facilitates return visits. In rural regions, SPCC can add to what some theorists refer to as ‘countryside capital’ – that is, the unique environmental, economic, cultural and social characteristics of regional communities that make them attractive as ‘countryside’ destinations (Slee, 2003).

One of the dangers in approaching SPCC as a resource for tourism development, however, is that we run the risk of commodifying social relationships and local culture. This may be one of the unfortunate side-effects of reducing the ‘life-blood’ of communities to a form of ‘capital’. As a means of counteracting this effect, it is important to consider the ways in which industries such as tourism can contribute to SPCC as a worthwhile resource in itself. Indeed, underlying the philosophy of sustainable development and, we would argue, sustainable tourism, is the need for any development strategy to contribute to what we have previously termed ‘sustainable community’ (Macbeth, 1997b). This means tourism development that is expected to contribute to community development should be planned in such a way that it does so for the region or community in which it hopes to ‘reside’.

What are some of the mechanisms that should be kept in mind in establishing a planning and development process that is conducive to SPCC? One is that the type of tourism development, including its ownership, purchasing and staffing policies, should contribute to the economic well-being of the region. In the context of this paper this is because economic well-being not only contributes to SPCC but also forms a ‘platform’ upon which it can be enhanced. Tourism should assume it is part of ‘community development’ and employ community development specialists to facilitate that objective. Of course, in some cases the relevant government body will have to exert some moral and regulatory persuasive activity on developers, or be part of the development initiative. In this respect, there needs to be effective participatory and open local government with an active
partnership between government, business, NGOs and other stakeholders and the residents to promote local political capital. Following from this, the planning and development process should meaningfully involve stakeholders, including residents, and should do so in ways that contribute to developing networks and reciprocity. Social capital development requires equality of participation and thus authorities can foster its development by adopting strategies that enhance equality of inclusion rather than social exclusion. The development process needs to encourage debate – real debate – between stakeholder groups.

Developers should also expect to contribute to social capital through providing funds, expertise and facilities for local cultural activities. Promotion of these activities should not be limited to only those useful for tourism. The cultural vitality of the region needs to be supported across the board, with residents encouraged to explore their own cultural interests.

Human and natural capital should also not be forgotten from the equation, for they are not only important resources in themselves, but contribute to SPCC. Activities should be undertaken which target the development of essential human capital, including educational and communication skills. No region will function effectively with a high proportion of disadvantaged persons, whether it be through illness, nutrition, low educational participation rates or gender and ethnic marginalisation. With respect to natural capital, tourism development can contribute to useful public spaces, including parks, waterways, beaches and other environmental features. There should be an attempt to mobilise local services and suppliers while going ‘green’ with organic and other recycling, solar design, waste water use, etc., including encouraging relevant supportive infrastructure. Inclusive designs should be adopted for the built environment and control of natural protected areas. There should be no approval of ghetto style real estate developments and close scrutiny paid to proposals for resort developments and other major infrastructure, partly because of their penchant for being exclusive and for adverse effects on other real estate values.

This is by no means an exhaustive outline either in terms of specific suggestions or key features of SPCC in the context of regional tourism development. Each situation will provide unique challenges and opportunities for the development process to not only build on existing SPCC but to also contribute to the growth of SPCC in the long term.

Conclusion – A Framework for Regional Tourism Innovation

Regional development has become an increasingly important imperative in both developed and underdeveloped countries. The Australian experience is of declining and aging populations, reductions in services and infrastructure and marginalised economic structures. Tourism has been touted as the ‘saviour’ of many regional and rural areas and in some cases it will be the key to begin rebuilding the area. However, for most regional areas tourism is simply one of many development strategies that must be evaluated both for potential success and also for their potential to contribute to social, cultural and political capital. The aim of this paper has been to outline how the key concepts of SPCC can be used to understand the readiness for development and the potential for tourism to contribute to building stronger, sustainable regional communities.
This paper has argued the need to consider SPCC from two perspectives in order to conceptualise the ways in which communities can more effectively harness tourism for regional development purposes. It has considered ways in which SPCC can be understood as an important resource within a ‘system of innovation’ approach, where SPCC is seen to contribute to the efficiency and efficacy of the regional tourism system. At the same time, it has argued that tourism development can foster SPCC as an important community resource in itself – part of a triple bottom line approach to sustainable tourism development. While there are dangers that these two ways of approaching social capital are incompatible (for example, if tourism development results in the exploitation of social capital for development purposes), the use of a sustainable framework has been put forward as the key to ensuring that local community needs are (at least) minimally looked after. Ideally, the incorporation of SPCC within a ‘triple-bottom-line’ approach to tourism development should not only result in the needs of the tourism system and the needs of the community being balanced, but effectively becoming one-and-the-same set of needs. In other words, what is good for the community will be, in the main, good for tourism, and vice versa.

It has been argued that both the community and the government have an important role to play in the creation and management of SPCC in the tourism system. This ‘synergy’ approach to SPCC takes into account the importance of the government as a key actor in the management of regional economies and the overarching political authority. It seeks to avoid the naive view current among some social capital theorists that regional communities can and should be left to their own devices to manage their regional affairs. While the authors of this paper are not opposed to self-determination as an ideal per se, they do hold reservations when such ideas are expressed in the context of a neo-liberal agenda that has so far promised little insurance against the vicissitudes of the market economy. SPCC is concerned with the vitality of local communities, and the advantage of understanding SPCC in the context of regional tourism is that it may help planners contribute to the well being of communities, and, at the same time, ensure the needs of regional tourism are met simultaneously.

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