Executive Summary

Overview

Information and communications technology (ICT) impacts on the communities in which we live and the way individuals, business, government and civil society interact and develop. Simultaneously, all sectors have shown increased interest in the concept of social capital and the role it can play in building stronger communities, increasing economic productivity and contributing to rural and regional rejuvenation. As the use and impact of ICT increases, so does the prospect that ICT can play a role in shaping the nature of community development and contributing to the building of social capital.

The Information Economy Division within the Department of Communications, Information Technology and the Arts (DCITA) prepared this paper together with the companion paper on the role of ICT in the nonprofit sector and a set of case studies to illustrate the scope and nature of some social and community impacts of ICT.

The papers are intended to stimulate public discussion and provide a basis for consultation. Interested parties are invited to provide comments and submissions on the issues raised in these papers. DCITA anticipates using the results of this consultation to inform future activities and policy directions.

Community and social capital

The idea of building social capital contains within it the implication that the process takes place within a community of some description. This raises some issues.

Firstly, what is 'community' and how do we define it?

Secondly, the notion of building social capital implies a gradual or developmental process.

In considering these matters, this paper explores the concept of community to develop the proposition that communities exist both within and outside of geographic boundaries and that the development of social capital within these communities is dependent on several core elements.

Communities are dynamic and their development is affected by the wider social and political and economic environment. The increasing impact of ICT means that communities are likely to be shaped by it and in turn they will influence the uptake and application of ICT. There is great variation in the needs and demands of communities and the role of ICT in meeting these.

ICT is changing the way that individuals within communities interact, expanding the concept of community to those groups that are not bounded by geography, i.e. so-called virtual communities.

Exploration of the concept of community leads to a framework that incorporates both the geographic and the virtual. Geographic communities are much easier to identify than those in the virtual realm and include

communities located at the local, regional, state and national level. Virtual communities are communities of practice/purpose, circumstance and interest. This paper considers the factors that affect the development and sustainability of both concepts.

The elements of social capital

Rather than debate the merits of social capital or its varying definitions, this paper accepts the substantial work already done by other government agencies and aims instead to identify some key concepts by examining the range of definitions. In terms of a working definition, this paper adopts the Organisation for Economic Co-operation and Development (OECD) definition as endorsed in the earlier discussion papers on social capital from the Productivity Commission and the Australian Bureau of Statistics (ABS). Therefore social capital is defined as 'networks together with shared norms, values and understandings that facilitate cooperation within and among groups.'

Two of the norms pivotal to social capital are trust and reciprocity. The concepts are inherently linked, with reciprocity an underlying element of trust. Together they underpin our daily interactions and facilitate business, government and social exchanges. While online interaction raises issues in relation to trust it does not negate the presence or fostering of it. Particular challenges include malicious threats (worms, viruses, spam), authentication (or identification), verification and identity and privacy issues.

Social networks, which define our communications in all aspects of daily life, are the second group of concepts associated with social capital investigated in this paper. The central argument around the changing nature of social networks as a result of the impact of technology is that, with the highly portable and 'always on' nature of ICT, social networks are increasingly based around individuals rather than groups or place.

Three types of social capital are identified in social networks.

Bonding capital refers to relationships within homogenous groups that strengthen bonds and provide individuals with support and a sense of common identity.

Bridging capital refers to ties between groups that provide access to a diverse range of resources and facilitate cooperation.

Linking capital relates to the networks developed between individuals and groups at different levels of power, status and wealth that provide access to new and increased resources across different social strata.

The typical debate around the impact of ICT frames the Internet in terms of diminishing, supplementing or transforming the social capital of individuals and communities. This paper argues that ICT supplements and to some extent transforms social capital, rather than diminishes it. The availability, capacity, reliability and effective use of bandwidth connectivity—together with attention to issues of online trust and confidence—will determine the quality and frequency of online interactions.

While this paper acknowledges the importance of ICT acceptance, skills development and training, these issues are complex and beyond its scope. Instead, they are treated as underlying factors in the broader use and dissemination of ICT in all areas.

ICT, community and social capital case studies

A series of case studies explore the key issues raised in this paper to assess the impact of ICT on social capital. These are presented within the conceptual framework of geographically based and ICT enabled (or 'wired') communities and online virtual communities of practice/purpose, circumstance and interest. The case studies show how wired communities contribute to increased bonding capital and where ICT acts as an added resource for strengthening community ties. The issues of trust and reciprocity are less problematic as the community is circumscribed by face-to-face interactions that reinforce the virtual.

Online access centres are essential resources for the wired community. They provide, to varying degrees, social and learning support and a sense of community. Most centres offer a conduit to online communities for individuals seeking access rather than operate as interactive forums linking communities or community members. Centres that link to regional hubs appear to provide greater opportunities to build the bridging and linking capital that can stimulate economic growth and activity.

In the exclusively virtual realm, communities of practice/purpose consist of groups that share their knowledge and experience online around a core issue and with a central goal. They usually have a professional focus, are bounded in nature, have formal and informal rules governing interaction and generally have a facilitator. The virtual communities studied for this paper demonstrate a high level of bonding, bridging and potential linking social capital. Trust levels are high due to the factors of reputation, membership, professional ethics, rules and leadership. Such virtual communities allow individuals to overcome the barriers of limited time, distance, accessibility and cost to achieve a common goal with other professionals.

Online communities of circumstance involve individuals who find they share a common position, circumstance or life experience rather than a profession. They can provide members with increased opportunity—regardless of time, location, distance or stigma—to share experiences with others who have faced similar challenges. Issues of trust are central in this type of community. Login membership, facilitation, monitoring and organisational reputation all contribute to community identity.

Virtual communities of interest, where individuals come together around a common recreational interest or hobby, are more informal than other kinds. However, while the bonding around the common interest is evident, identifying the bridging social capital in such organisations is less easy. Boundaries within these groups are less distinct, people tend to come and go more easily and trust appears more problematic but less important.

Key findings from the case studies

Some general findings emerge from study of the use of ICT for social capital and community building.

The first is that ICT supplements and to a lesser extent transforms social capital. Many individuals and organisations use ICT to extend their services and reach. Increased communication capabilities reinforce existing relationships and form and extend new ones.

ICT has a use in the development of community engagement and building social capital. Communities are at different stages of this process and do not always recognise the vast potential of ICT. When it is recognised, barriers may exist in the form of financial support, leadership, professional facilitation, technological development and support and vision.

Trust is central to the development of social capital in both the face-to-face and virtual realm. Trust in online communication can be enhanced by personal reputation, boundary setting, organisational reputation, ongoing interaction, formal and informal rules and leadership.

The sustainability of communities has both economic and social elements. They often lack the resources to continue operations, extend reach and service and to develop increased social capital. Virtual communities backed by the resources of larger organisations are able to draw on these to provide the necessary supportive environment, while others largely rely on volunteer participation. However, reliance on volunteers raises issues of sustaining effort, skill and knowledge levels along with the risk of changing priorities and focus. Funding to sustain many virtual communities is not generally available or accessible.

Conclusions

There is vast potential to use ICT to build social capital and contribute to community development and formation. However, the case studies in this paper indicate that it is largely untapped and unrecognised in many areas. For ICT use to move beyond bonding—to harness its power for bridging and linking to resources that enhance economic and social development—it needs more attention to the type of social capital being developed. The issues of trust and sustainability are central to this development.

This paper raises a range of issues and questions that require further investigation. It is hoped that community members, practitioners, organisations and government agencies will take some time to consider the observations raised throughout the paper and any others related to their own view and experiences.

To participate in the consultation please refer to page 57 for details.