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## Social capital theory introduction

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### Overview

- Understanding the concept of social capital
- Examples of social capital
- Why has the concept become popular
- The value of the concept
- Outcomes of social capital
- Sources of social capital
- Introduction to conceptual approaches
- Objections to the term

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### Getting started with social capital

- **Puzzling, cumbersome, and intriguing**
  - Implies that social relationships are valuable and important
  - Not a new or novel idea
  - Is often overlooked and undervalued
- **Highlights social and cultural processes**
  - Corrective to neoclassical economic theorising
  - Permeated our organisations, politics, media, education, and many other areas of modern life
- **Spark widespread interest**
  - Popularity speaks to the perceived need and usefulness of the concept

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### Getting started with social capital

- **Different disciplines, levels of analysis, and different contexts**
  - Different meanings and approaches
  - Can be confusing
  - Reading literature requires understanding of different conceptual approaches
  - Miss-matched approaches
- **Difficult to measure**
  - Ongoing challenge
  - Many different approaches
  - Poor scholarship

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### Understanding the concept

- **'Social'** implies that it relates to interactions between people
  - Micro-level - social relationships and social interaction and exchange
  - Macro-level - imply the nature of social organisation
- **'Capital'** may have metaphoric or literal meaning
  - Implies social capital is productive, beneficial, and valuable
  - Involves a potential, ability, capacity, or power
  - Can "invest" in it with reasonable expectations of return
- Therefore, social capital involves a potential/ability/capacity, or to being social in ways that are productive, beneficial, or valuable

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### What is social capital?



- Social capital exists:
  - between people
  - in groups and organisations
  - in communities and society
- All levels are relevant:
  - Macro level provides the context for social meaning
  - Groups and society are comprised of individuals and their relationships

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## Examples of social capital

- Get a good job or find a new supplier
- Old saying: "it's not what you know, it's who you know"
- Return a lost wallet
- Give someone directions
- Get a recommendation for a reliable mechanic
- Find out about a business opportunity
- Get expert advice from a friend
- Buy or sell an item without a contract
- Work together to achieve a common goal
- People who volunteer for community benefit
- Have a friendly person to listen to your problems
- Call the police when someone breaks in next door

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## Why has social capital become popular

1. Intriguing, interesting, facilitates new investigations and new discussions
2. Intuitively understood and recognised as essential for virtually every aspect of human endeavour
3. There is a need to communicate, address, prioritise, or solve something that was not possible before
4. There is a need to counteract the dominance of asocial thinking and the priority given to individualism, competition, and more tangible factors

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## What is the value of the concept?

- Social capital communicates something that is often overlooked or undervalued from conventional analysis and reporting
  - Part of a trend in recent decades to communicate non-economic value as 'capital' such as Natural capital, Human capital, Intellectual capital, etc
  - Other attempts include social impact, social value, social investment, and social return on investment (SROI)
- It provides a way of understanding and improving practice
  - Being more aware of its importance influences behaviour
  - Identify and implement simple ways to improve
  - Identify and avoid things that may damage

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## Outcomes of social capital (1 of 3)

- **Information flows**
  - The sharing of information, advice, guidance, insights, and ideas. Includes skills and competencies such as showing someone how to do something or how something works.
- **Reduced transaction costs**
  - The costs of interaction and exchange can include the need for contracts or agreements, communication to establish terms, the search for information before transacting, and monitoring and enforcement of transaction agreements.
- **Innovation and creativity**
  - Innovation tends to occur when people from different groups or backgrounds collaborate and share information. The introduction of different ideas and perspectives can result in creative solutions and innovation.

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## Outcomes of social capital (2 of 3)

- **Problem solving and conflict resolution**
  - Conflict, problems, and differences can be resolved through communication and a greater understanding of others' situation and perspective. Where social capital is present, networks, trust, belonging, goodwill etc can provide mechanisms for conflict resolution.
- **Cooperation and collective action**
  - Action taken together by a group of people whose goal is to enhance their condition and achieve a common objective.
- **Giving, sharing, helping**
  - The giving, sharing, or helping of others who are in need or would benefit from assistance. This is often called reciprocity. Examples can include loaning equipment, assisting with tasks, and giving goods and services. This is similar to social support and can include goods and acts of service including non-material support such as someone to talk to.
- **Social introductions**
  - Making introductions to other people who may be able to help, such as making social recommendations or referrals. For example, a friend of a friend. This tends to transfer reputation and goodwill to others and provide access to valuable social contacts.

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## Outcomes of social capital (3 of 3)

- **Prosocial actions**
  - When people act more in community interest and less in self-interest. Includes reduced fraud, theft, exploitation, and generally less crime and violence. Or actions that improve environmental quality, public amenity, or other community benefits.
- **Resilience**
  - When people are able to work together and help each other in times of need to deal with and overcome problems.
- **Personal psychological wellbeing and happiness**
  - When people feel supported, valued, important, respected, connected, belonging, identity, etc
- **Nature and frequency of various actions with various consequences**
  - Social capital can influence people to act in other ways not listed above, such as actions that improve their own health or that builds a skill or ability.

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### Where does it come from?

The sources of social capital include anything that shapes our social environment and our beliefs and values. For example:

- History and culture
- Economic inequalities and social class
- Social structures and hierarchy
- Legal and law enforcement systems
- Economic and political systems
- Labour market trends
- The strength and characteristics of civil society
- The built environment including transport and urban design
- Residential mobility
- Television and digital technologies
- The family
- Education
- Religion and religious organisation

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### Different conceptual approaches

Woolcock & Narayan (2000)	Lee (2017)	Phillips (2016)	Fulkerson & Thompson (2008)
<ul style="list-style-type: none"> <li>• Communitarian</li> <li>• Networks</li> <li>• Institutional</li> <li>• Synergy</li> </ul>	<ul style="list-style-type: none"> <li>• Communitarian</li> <li>• Networks</li> <li>• Institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructural or structuralist</li> <li>• Culturalist</li> </ul>	<ul style="list-style-type: none"> <li>• Normative</li> <li>• Resource</li> </ul>

Attempts to categorise the conceptual approaches to social capital

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### What is social capital?

Connectedness	Sociability	Resources
Networks and social structures	Norms, trust, goodwill, etc.	Wealth, power, influence Information, material resources, money, etc.

Some authors regard social capital as the 'wires' (or social structure), while others regard it as the 'electricity' (or resources), and others regard it as the 'conductivity' (or the environment that enables or facilitates the flow of benefits)

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### What is social capital?

Relationships	Relationship qualities	Social organisation
Networks	Trust Norms Goodwill	Norms eg trustworthiness and reciprocity Identity and belonging Shared understandings
Structural dimension	Relational dimension	Cognitive dimension

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### A complicated theory

The complexity of definitional and conceptual approaches to social capital tend to come from the different interests, backgrounds, and requirements of the people utilising the concept.

Level of interest	Perspective of benefit	Methodological requirements	Theory of human experience
<ul style="list-style-type: none"> <li>• Individual</li> <li>• Group (internally)</li> <li>• Group (externally)</li> <li>• Community or society</li> </ul>	<ul style="list-style-type: none"> <li>• The individual</li> <li>• The collective</li> <li>• Both individual and collective</li> </ul>	<ul style="list-style-type: none"> <li>• Quantifiable</li> <li>• Qualifiable</li> <li>• Observable</li> <li>• Modellable</li> </ul>	<ul style="list-style-type: none"> <li>• Self interested</li> <li>• Socially situated</li> <li>• Instinctive</li> <li>• Normatively defined</li> </ul>

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### Subject areas for social capital publication

- Management
- Sociology
- Economics
- Business
- Public Environmental Occupational Health
- Education Educational Research
- Environmental Studies
- Social Sciences Interdisciplinary
- Environmental Sciences
- Geography
- Regional Urban Planning
- Political Science
- Development Studies
- Information Science Library Science
- Urban Studies
- Computer Science Information Systems
- Social Sciences Biomedical
- Psychology Multidisciplinary
- Social Work
- Public Administration
- Communication
- Green Sustainable Science Technology
- Hospitality Leisure Sport Tourism
- Social Issues
- Psychiatry
- Health Policy Services
- Demography
- Psychology Applied
- Operations Research Management Science

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## Objections to the term

- The word 'capital' carries ideological baggage
- The word 'social' is incredibly broad
- The term presupposes positive outcomes for a concept that can also have negative outcomes
- Some scholars claim social capital is impossible to quantify, which, for some economists, is an "inalienable prerequisite for scientificity", making it entirely unsuitable (Tittenbrun 2017)
- Its theoretical and conceptual weaknesses tend to produce less than quality scholarly inquiry

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## Summary - Introduction

- Social capital is complicated and intriguing
- Becoming incredibly popular and widely applied
- Social capital has the potential to improve understanding and improve practice
- Social capital is an umbrella concept, linked to numerous outcomes and stemming from various sources
- There are various conceptual approaches, making the literature complicated
- Despite its popularity, there are problems with the concept

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