
Role of Social Capital on Development

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Opinion Paper

Abstract: *Social capital is a modern concept is introduced in economical and social studying modern societies. The plan of this approach in most arguments relating to economical development is marker of social structures and relation ships among people (social capital on developing variables in all dimensions. To tally social capital is based on cultural and social factors and recognizing it as one capital either in massive management of organizations and institutions can contribute new understanding from social economical systems and managers in better guide. The purpose of study is instruction of concepts and subjects of social capital and practical role in development and its types. This study implies that social capital in inter organizations, intra organizations can be effective procedure for economical, social and cultural development. Nowadays social capital plays more important role than physical and human capital and networks of collective relationships are solidarity between humans and organizations. In absence of social capital, other capitals lose its effectiveness and without social capital, running paths of development and difficult and uneven cultural and economical evolution. In this study, it is implied by concept of social capital and then aspects of economical profits and general social capital and how making, maintaining and annihilating social capital, after that explaining the role of government for making social capital and finally presenting one model as practical factors of public sector organizations for producing social capital.*

Key words: Social Capital, Development, Cultural Evolution.

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1. Introduction

Discussion social capital, before 1976, is introduced in an article by honey fan 1 from West Virginia University. But, according to its importance in social researches until 1960 by Jean Jacob it is applied for civil planning and ignored in 1970s, then this theory is entered to economics by lour social capital is one concept among sociology, economics and psychology and other social extents. (Ranani, 2006). Nowadays other capital called social capital joining human financial and economical capital is been exploiting. This concept implies to links communications among members of one network as valuable source and causes to realize purposes of members creating norms and reciprocal trust social capital has an origin and is introduced as successful and acceptable lever social capital is sociological suitable bed for exploiting of physical and human capital and one way for achieving to success. Managers and persons who can make social capital in organization, they even the way of business and organizational success. On the other hand, social capital denotes personal life and makes life easier and more pleasurable.

2. The Concept of Social Capital Defined

Social capital like other social capital concepts has several concepts have several concepts that every one is considered as one complement for other. And is human potential for being together and specific group of norms and values that causes to increase solidarity and social trust and simplify group's activity and make networks. Social capital is including several subjects like intensity, quality of communications and interactions among people and groups, sense of commitment and bilateral trust against common norms and values and is a sense of dependency and

solidarity and important base of social cohesion (Kraken, Jonson, 1998).

This concept is a device for evaluating performances of social organizations and level of success and attempt and popularity of social institutions or groups and councils. Social capital has been considered by sociologists like Pear Borodino, Jims Colman and Robert Putnam. It is a practical and social subject and so on like comprehensive theory in different extents; one of them is social damage. Now complicate concept of social damages causer to develop strategy for facing and knowing and completing available, by relying modern findings we can extent recognition. Social capital as multi dimensions has psychological and sociological factors, also there are considerable ability and for assigning and explaining complexities of flowing social damages. Accession of social damages causes to introduce negative social reasons and finales.

On the other hands, social behaviors have weak effects for generating social capital, so destruction of relations is as expense of social capital and downfall and depression. If factors of social capital have been considered carefully and have been codified in one frame, they are able to affect on recognition and analysis of social damages and present suitable strategies for preventing. This study try to evaluate main factors of concept's social capital including attachment, thrust, collective identify, commitment and other approaches like empowerment, reintegrative shame and its effects and its effects over geographical area of Jahrom, Fars. In this analysis, we focus on retail level of social capital, that is, inter personal relations, communicative networks, norms and informal values. Based on social capital, different subjects like intensity and quality interpersonal relationships and groups, sense of commitment, bilateral trust and collective identity are considered as a sense of dependence and solidarity and show collective base of society (Kraken and Jonson, 1998).

By focusing on conceptual factors of social capital in retail level like trust, attachment and collective identity and consideration of ideas like Restorative Justice theory by Boris white (2001) and concepts of reiterative shame and dispersive shame and also authorities approach for

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considering and more explaining social damages. Social capital is collection of available norms society's in social system cause to prompt collaborative level of members and lowering expense of interactions and communications (Fokoyama, 1999).

One of useful concepts for determining social capitals is "network of trust". Network of trust is one group of people who use info, norms and comparative values in their interactions based on reciprocal trust. So the trust has main role for simplifying can be made among individuals and groups and different organizations. Useful concept is radius of trust. All groups have certain value of radius of trust that is level of exploding collaboration's circle and reciprocal trust of members. We can conclude that whatever one social group has higher of trust, they have more social capital, If social group has positive externalism against other. Radius of trust of group is higher that internal level one. Glen Lori, an economist like Ivan Light as a sociologist use the term of social capital in 1970s for describing the problem of economical development of inland. In 1980s, this term is accepted by Jims Colman, a sociologist in more widespread meaning and Robert Putnam, a political scientist was second person who discuss powerful discussion about social capital and civic society either Italy or United Stated. (Fokoyama, 2000: 10)

Social capital is one modern concept and doesn't have long-term history. Application of the concept follow in thesis's and university article, particularly sociology, economics, politics instruction and increased by studies of some sociologists like Jims Colman, Robert Putman and Franchise Fokoyama. (Wall, 1998: 256). Also using social capital concept according to globalization and weakening of role of public governments as practical and execute solution in local societies for problems of development, politicians and responsible of social policy. (Warner, 1999: 126)

Current definition of social capital in main process of American sinology, particularly in approach of functionalism is bilateral relations and interactions and networks among human groups and trust level among special group as consequent of commitments and continuous norms with social structures. In construct, European sinology uses this

concept for studying how stimulus of social networks can enforce social hierarchy and different powers. However, common points of those approaches about effecting of social capital cause to increase some features like education, social stimulus, economical growth, political priority and finally development (Wall, 1998: 308)

Social capital is defined by its application. It is not unit object, but it is different things have two common features: they are one aspect of social structure social capital is like other capital one productive and achieving to goal will be possible by it. Social capital is not changeable like physical and human capital. But it is changeable with certain activities. Certain form of social capital that is valuable for simplifying certain activities maybe useless or even pernicious. Social capital is not placed either people or physical devices of producing (Fokoyama, 1999: 5).

Also global bank considers Social capital as an event resulting from effects of Social institutions, human relations and norms over quality and quantity of social interactions. There is not Social capital as physical capitals, rather it is resulting from social and group norms and interactions and on the other hand, its increment causes to decrease level of social expense of organizations (Global Bank, 1999). The term of capital denotes that human or economical capital for conducting society and practical capital has productive entity that is we can make value and do, achieving our purpose, finishing our duties in the life and contributing to the world we live. When we can say social capital is productive, it is that no one is successful without it even alive.

Comparison social capital with human and physical capital: perhaps important progression in economics of education in 30 years ago is one thought that the concept of physical capital can be substantiate as devices and other productive resources and expand human capital. Also physical capital grades devices producing, human capital is made by changing persons for giving skills and abilities and enabling by new methods. (Colman, 1998: 402)

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3. Historical Aspect of Social Capital

Seemingly, discussion of social capital is firstly introduced by Hong Fan from West Virginia University in America before 1916. Nevertheless, its importance in social researchers are planned by Jin Jacob until 1961, it is not serious shape. If we want to divide applications, purposes and definitions on social group and survey its history by past ideas of scientists. We can start detection from “capital” book by Karl Marx. He introduces solidarity based on necessity and obligation in his book. That is critical and negative conditions prompt people to use collective and potential energy and abilities, resources to patronage each other and use of potential of group. Other approach is detectable in ideas of George Zima, whereas he spoke about the concept of trade. The basis of this approach is based on one point that persons expect to show help and compensation. Other interprets this concept against magnificence. Third approach that has deep affects and relatively pervasive started from Emil Durkheim’s to Talco Pearson’s period.

These persons attend to the plan of value that means commitments based on values and social norms. Among effective mental processes, we should mention Marx Weber. The concepts Weber introduced are relating to trust, that is, preparation of people for accepting social context and relation and trust to other and other should present trust together. Accordingly, we know that there are different and effective fields for stemming this concept. Most important enterprises of governments for enforcing social capital including: persuasion and enforcement civic institutions, enforcement and enrichment of general education, security of citizens for voluntary presence in social institutions, prevention of charge different social, economical, cultural sections and assignment of relating humanity institution for attracting their contributions plates enforcing social institutions and networks of trust between different people. (Fokoyama, 1999: 5).

4. Social Capital’s Theories

Weak Relations' Theories: First theory for making concept of social capital is weak relations' theories. According to it, if intensity and solidity of relations are higher among members of network, the value of social capital is lower and reversely if intensity and solidity are lower, it is a sign of social capital.

Theory of Structural Fraction: According to this, if one has not relation with his/her counterpart within social networks or at least has slight relation, they have extreme interest (Sybarite, 2001)

Theory of Social Resources: This theory is divided by studies of Lin and Kaptur in 1981 and shows that available relations in the network without existing resources inside are not useful. Based on that, just these resources van be as one main capital (Lin, 1981).

Table 1: Different Definitions of Social Capital Based on Purpose and Level of Analysis

Level of analysis	Purpose	Definition of social capital	Axes/main researchers
People competing together	Reaching to economical capital	They are resources that are evaluating public benefits	Colman
People in family and social	Reaching to human	They are aspects of social structure that its members use them	Birdie

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groups	resources	as resource for achieving purpose	
Political governments in national level	Reaching to democracy and economical development	They are trust, norms and networks as simplifiers contribution of members for reaching to common benefits	Putnam

Constitutive factors of social capital: factors of constituting social capital are divided by 4 sections:

- 1- Institutional factors: institution means rule, custom, tradition, habit and an organization are effective for social and political life of people and make purposeful system for solving needs of organizing society, like government cause to approve rules and finally forming social capital.
- 2- Automatic factors: norms are automatically created interactions of members in society instead of rule and other formal institutions, and they are not resulted by intentional chooses.
- 3- External factors: the meanings of these factors are norms originated from one place than same society. They are used like religion, faith, ideology, culture or common historical experiences. Natural factors in this section are including two factors: family relations and national and racial solidarity.

5. Management of Social Capital and Its Role on Development's Dimensions

One of deconstructive problem of social capital is separating managers from employees and organization (like hierocracy of structure) managers use different ways for making developing of social capital in the organization where some are relating to society (massive level) and other are relating to intra organization (retail level) and following:

- 1- **Commitment to Morality:** the manager who use moral rules in their performances and organizational decisions, by many problems for defining and determining and simply it is not a moral principle that is accepted by public.
- 2- **Thinkers Introduced Management of Single Social Capital Through Different Concepts:** Dobell mentioned three groups of moral criteria: responsibility against government, individual responsibility, foresight and benevolence. Attending to those factors totally give more ability to moral deciding. There are four resources for codifying moral principles: public, administrative, geographical and individual interest. By using those, we can codify moral principles of society for organization in four mentioned points and activity can be ensured by them and social capital can be developed and in total achieving dimensions of development is easier. Two senses of responsibility means organization and society have proactive interactions and don't tend to have organizational benefits when citizens ensure that management of organization is responsible and replier to society, she/he finds positive ideas make social capital.
- 3- **Unification with Society:** one of problem cause to destroy social capital, separating managers from society is main factor for being different "them". In these situations, manager see themselves different and sense divorce from themselves, clients, for making social capital managers should know sense of type of unity and citizens and neighbors are not "them", but they are member of managers and dependence and contiguous to use. If they damage we will be damage.

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6. Relations of Social Capital of Development

Trusting: one of main enterprise in this filed is attempt of groups' and organizations' leader for trusting among members of them and different groups. Trust can be formal by making relations and continuous communications. Human's trust to each other after proper and gradual recognition. It is important for different sections in intra-inter organization. Unfortunately, in many organizations, the type of organizational communications is in the way that people and organizational unit don't get proper and real recognition and naturally don't prepare necessary field for making trust's network (Rahmanpour, 2003)

7. Focus on Education

Making and using of **Social capital** need to change behavior and manner of thought. Comprehensive education programs are proper patterns for persons who learn, observe, discover and execute. So one of main managers' tasks for making social capital is stable opportunity for program for all surfaces providing and importing employees (Coppell, 2002: 2)

Career evolution: one of main purposes of career evolution, making and enforcing human and social capital. Career evolution give one opportunity for knowing tasks and activities with each other and as a result the mental of collective trust (origin of social capital) extend and cause to divide and simplify employees' knowledge and experience. (Bailer, 203: 235)

Role of social capital for developing: one of advantages of social capital is making unity among members. Stable norms and believes cause to make strong social network including protocols and customs and rules that are substitutions of formal controls. In the relation of Ochi (1980) it is argued that tribal organizations with common strong norms of slight exposure of supervision and have high commitment as social capital. (Adler, 1999)

In addition to advantages above, applying social capital in the organizational level have advantages like making career organization and flexible teams, renderers and work for improving management of performance, platting developing nonmaterial capitals in organization and increasing commitment of members and employees against public interest (Lin and Born, 1999). Whatever storing of social capital is high in organization need to codifying rules, making administrative institutions and supervision are low managers can recognize date and level of social capital in organization through indexes and factors, that is these factors are high and social capital will be low (Lin and Born, 1999).

8. Conclusion

If social capital is considered as relation and so networks that can be discussed about trust and contribution among existing people, whatever finds pre important is role of civic social institutions of social capital. If we visit each other like on civic organization, responsibility finds in us confidence and is able to trust and contribute.

For getting confidence, it is necessary to visit each other and stable communication. Also we cannot

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find some things collectively. Level of social capital is a sign of trust of people in every group or society. Also acceptable level of social capital causes to social interaction as critical events for solving problems of social capital as most basic source of solving problem and criterion of available process. So recognition of effective factors in enforcing or weakening of social capital is important.

Totally, we can say that networks of trust more than lowering of management of expense cause to find more time and capital for doing main activities and transferring knowledge of members of group and suitable flow for learning and knowing between them and it can be effective for lowering management expenses and social and organizational development.

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