



# SOCIAL CAPITAL

## Lecture 1

### The Concept and Role of Social Capital

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# Introduction

In this chapter, you are going to understand about the definition, the concept, and the role of social capital.



# Keywords

## Definition

It shows how people define the word "social capital"

## Concept

The concept of social capital from the point of view of experts

## Role

It shows the role of social capital in society



## Q & A



In your opinion, what business is currently developing?



Then, which business is attractive to you? Why?



If you open the business, what do you need to prepare?



# Mostly answer are...



## Capital

<https://raih-stars.blogspot.com/2015/02/10-nilai-mata-uang-terendah-di-dunia.html>



## Labor

<https://ptpn10.co.id/blog/strategi-perencanaan-sumber-daya-manusia-yang-efektif-dalam-mengakselerasi-kinerja-ptpn-x-bagian-i>



## Raw material

<https://www.pngall.com/herb-png>

# Types of Capital

01

**Human capital**

Eg. knowledge  
and skill

02

**Natural capital**

Eg. nature and  
environment

03

**Financial capital**

Eg. equipment  
and money

04

**Social capital**

Eg. connection



**In this chapter, we will focus on social capital.**





In your mind,  
what is social  
capital?

Some people say that social capital is a relationship that exists between two people and allows them to work together.

# Robert D. Putnam

Connections between individuals or social networks of mutual trust.



## Concept of Social Capital

James Coleman (1990), defines social capital as a **variant of an entity**, consisting of several social structures **that facilitate the actions of the actors** that create a variety of social obligations, **create a climate of mutual trust, carry information channels and establish norms and social sanctions for its members.**

The World Bank (1999), defines social capital as something that refers to the institutional dimension, **the relationships that are created and the norms that shape the quality and quantity of social relations in society.**

## **Concept of Social Capital**

Burt (1992), defines social capital as **the ability of people to associate (establish relationships) with each other** and then become a **very important** force not only for economic life but also **for every other aspect of social existence.**

Fukuyama (1995), defines social capital as **a set of informal values/norms that are shared among members of a group that allows cooperation between them.**

## Concept of Social Capital

Cox (1995), defines social capital as **a series of processes of human relations** that are **supported by networks, norms, and social trust** that enable efficient and effective coordination and cooperation for **mutual benefits and virtues.**

Partha and Ismail (1999), define social capital **as the relationships that are created** and the norms that shape the quality and quantity of social relations in society in a broad spectrum, namely **as a social glue that maintains the unity of group members together.**

## Concept of Social Capital

Solow (1999), defines social capital as **a set of values or norms** embodied in behavior that can encourage the ability and capability **to work together and coordinate** to make a major contribution to the sustainability of activities.

Cohen and Prusak (2001), define social capital **as any relationship** that occurs and is **bound by a trust, mutual understanding, and shared values** that bind group members to make the possibility of joint action possible.

## Concept of Social Capital

Hasbullah (2006), defines social capital as everything related to **cooperation in society or nation** to achieve a better life capacity, **supported by values and norms** which become its main elements such as mutual trust (trust), reciprocity -reverse, collective rules in a society or nation and the like.



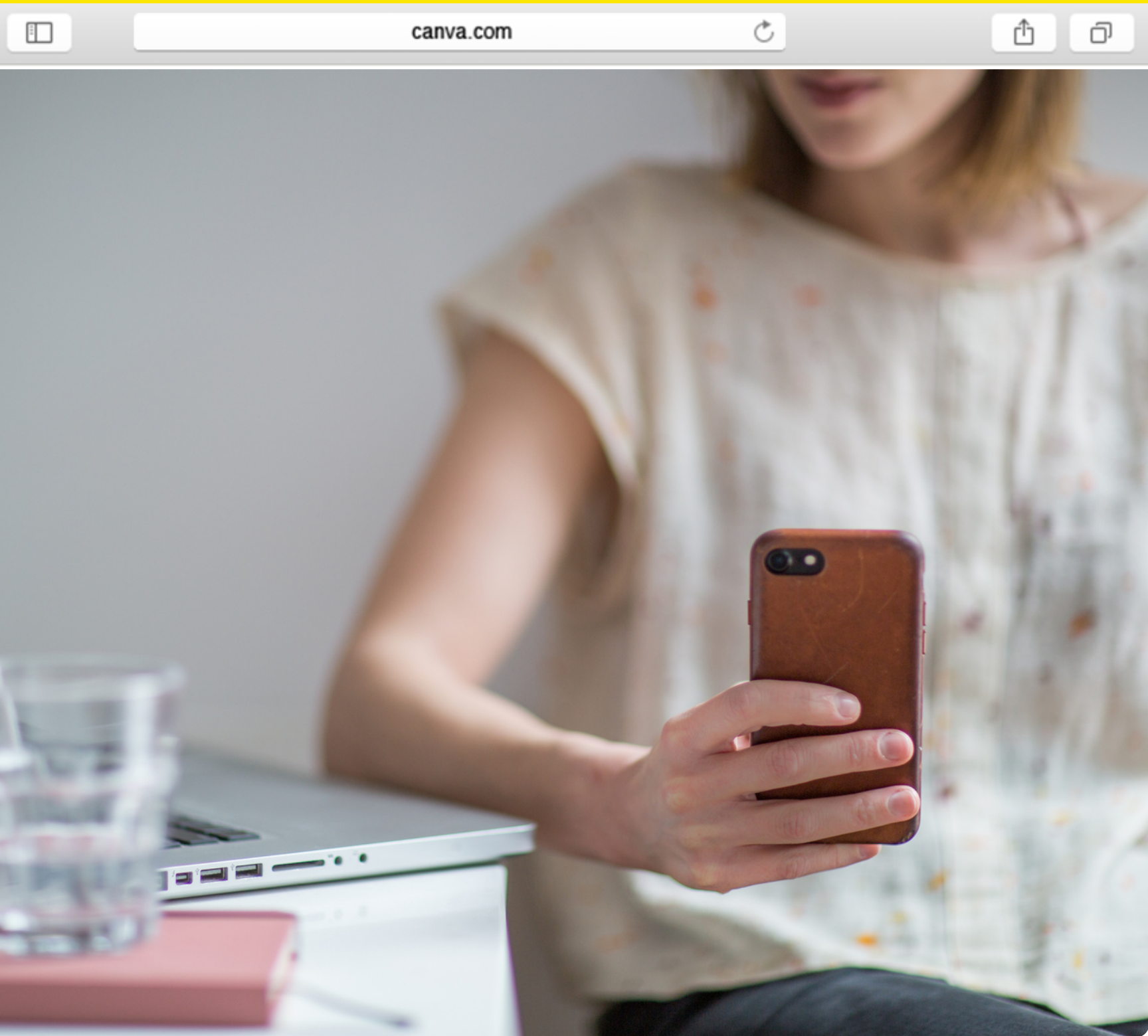
**So, it can be concluded that the definition of social capital is the ability of individuals, groups or communities or companies to work together which is supported by beliefs, norms and values as well as networks to achieve common goals.**

A close-up, shallow depth-of-field photograph of a person's hands resting on a wooden desk. The person is wearing a brown, ribbed sweater. In the background, a white ceramic mug with a wooden stirrer is visible, along with a wooden mannequin. A silver laptop is partially visible in the foreground, slightly out of focus. A bright yellow rounded rectangle is overlaid on the center of the image, containing the text "Let's see the video...".

Let's see the video...







**What you can  
learn from that  
video?**



Right!  
From the video,  
we can see what  
is the role of  
social capital.

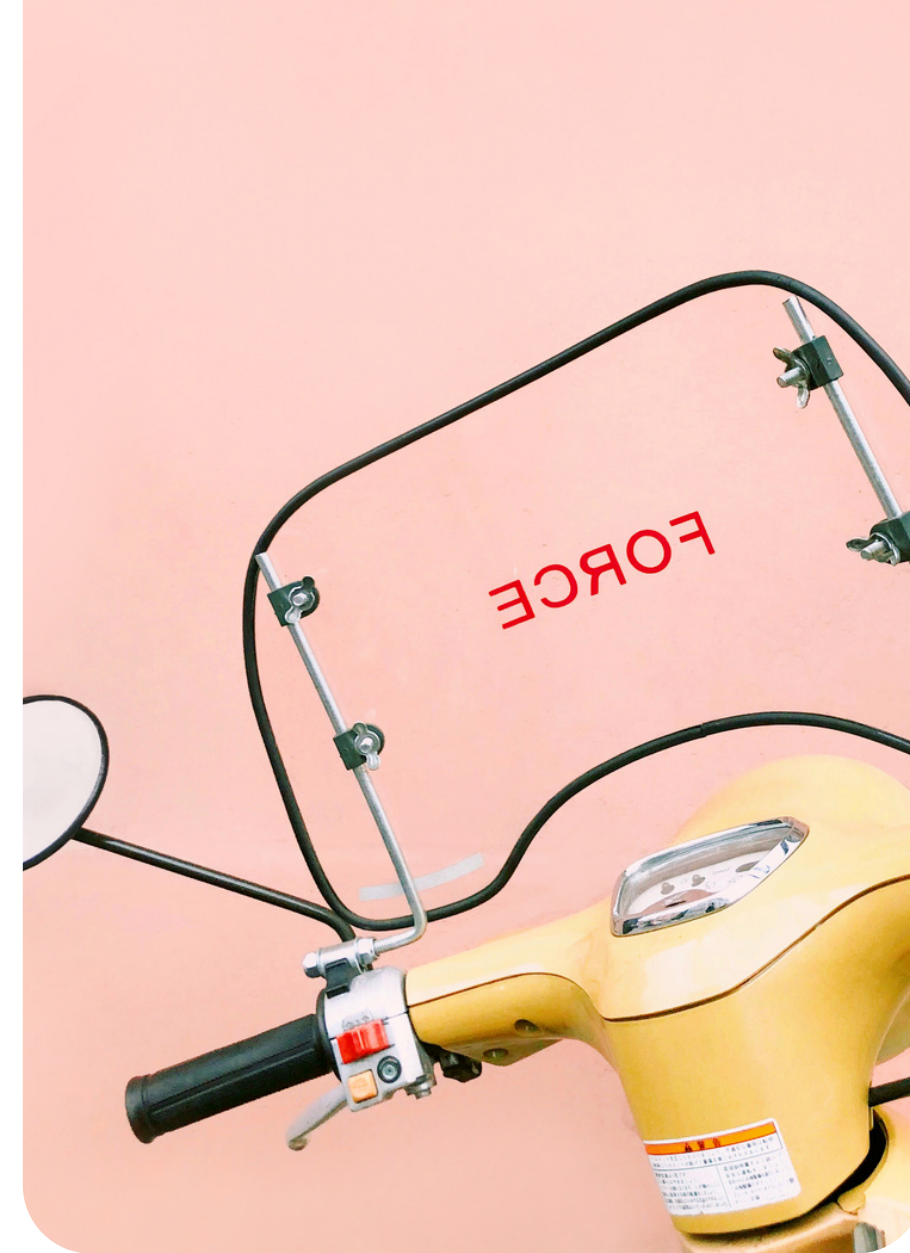
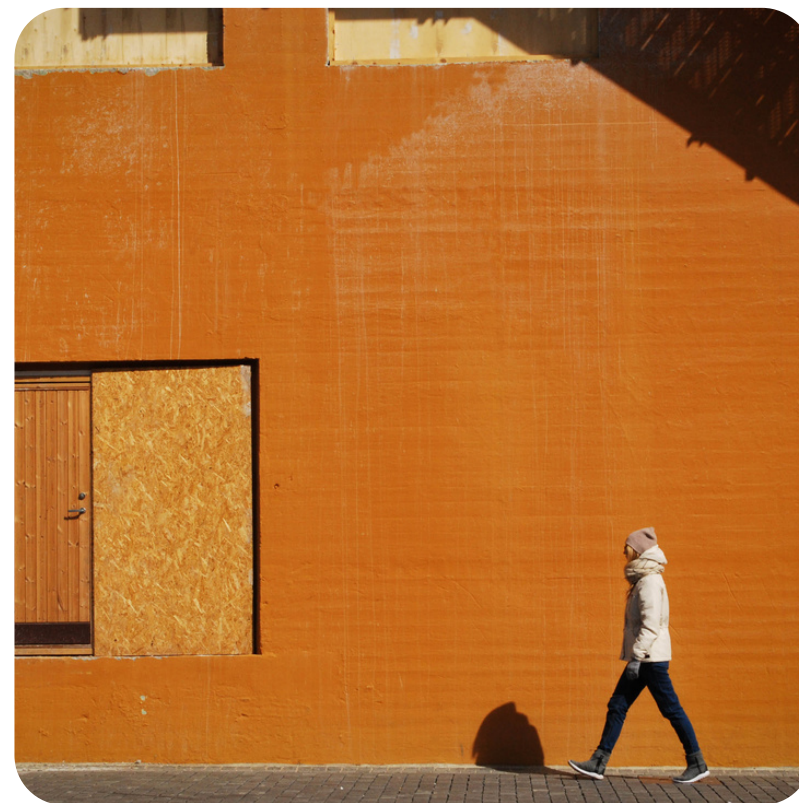




Can you list the relationships you currently have?

On the next chapter, we'll learn about...

Typology of social capital, the source of it, and the factors that influence it.



# References:

Usman, Sunyoto. 2018. Modal Sosial. Yogyakarta: Pustaka Pelajar. Page: 1-30.

Field, John. 2010. Modal Sosial. Bantul: Kreasi Wacana. Page: 21-46.

Video 1:

<https://www.youtube.com/watch?v=tTvbf1WVYFE&t=64s>

Video 2:

<https://www.youtube.com/watch?v=sts9upOA9EU&t=4s>



Do you have any question?

Do not hesitate to contact me  
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**Thank you :)**