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Social capital and sustainable development: Theories and concepts

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Shajahan Bhuiyan and Hans-Dieter Evers

Social Capital and Sustainable Development:
Theories and Concepts
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1. Introduction

The proliferation of research on social capital following the seminal work of Robert Putnam (1993) has produced an impressive body of results confirming the importance of social capital in many different domains of development. Putnam himself documented a striking connection between membership in organisations and government quality (Glaeser, 2001:34). The ‘rediscovery’ of social capital has seemingly provided a missing – perhaps powerful – explanatory notion to understand development processes better and to strengthen related policies, programmes and projects. The potential contribution of social capital, or in simple terms civic engagement and social connectedness, to development appears to be immense, as corroborated by rapidly growing empirical knowledge (Pantoja, 2000:1). In this connection Putnam (1998:v) notes, “[m]uch hard evidence has accumulated that civic engagement and social connectedness are practical preconditions for better schools, safer streets, faster economic growth, more effective government, and even healthier and longer lives.” In the same vein, empirical evidence shows that social capital represents a propensity for mutually beneficial collective action, which in turn derives from the quality of relationships among people within a particular group or community. Communities with high level of social capital produce superior outcomes in joint actions, it is claimed; and communities with low social capital can be assisted to build up stocks of this resource, so that their performance will also improve over time. Economic development, community peace, and democratic participation can be promoted in this manner, simply by investing in the stocks of social capital (Krishna, 2002:ix; Bhuiyan, 2004).

However, several scholars (e.g. Fine, 1999; 2001; Harriss, 2002) opined that the triumphal tone encompassing the notion of social capital must be dealt with cautiously and carefully, and the concept investigated rigorously (Pantoja, 2000). Bebbington (2004) and Bebbington et al. (2004) observed that in recent years several efforts have been made to ‘deconstruct the modes of discursive power’ that are found within discussions of social capital generally and of social capital and development in particular, especially at the World Bank. These authors argued that social capital has no independent conceptual basis. It is a result rather than a cause of institutional performance. They thus charge that any effects it might have cannot be verified independently (Krishna, 2002:14). Relatively less hostile critics contend that the thesis of social capital is valuable but seriously incomplete. Social capital does have some conceptual validity and its explanatory value is partial. Rather than being the principal cause explaining results in the economy and the polity, social capital is but one of many independent variables (Krishna, ibid.).

There has been particular interest from policy makers who see social capital as a tool for environmentally, socially, culturally, and economically sustainable development. Operationally social capital and sustainable development are closely interlinked. Serageldin and Grootaert
(2000:40) note that social capital is best studied in the context of the contribution it makes to sustainable development.

The purpose of this paper is to contribute to the ‘battlefield of knowledge’ by analysing important theoretical avenues of social capital and its relations to sustainable development. This paper is divided into five sections. The second section introduces the historical development of the concept of social capital. In third section, we not only take care of the definitional issues of the concept of social capital but also collate and review its relation with other forms of capital. Critical issues of measuring social capital are also highlighted here. Section four provides theoretical notion of sustainable development and examines its link with social capital. Section five succinctly concludes the paper.

2. History of the notion of social capital

Social capital has been a well-loved addition to the social science vocabulary, with more than 500,000 “hits” on the Google search engine (Kadushin, 2004:77). Since the middle of the 1990s, the concept of social capital has provoked growing interest, rivalling even globalisation in popularity (Schuurman, 2003:991). The Social Sciences Citation Index data set (1992-2003) shows the dramatic rise of publication of journal articles on social capital (see Figure 1).

![Journal Articles on Social Capital 1992-2003](image)

Source: Social Science Citation Index

Despite the fact that social capital has been given a number of different definitions, Fukuyama (2001:7) clarifies that many of them refer to manifestations of social capital rather than to social capital itself. Nevertheless, the concept social capital refers to the internal social and cultural coherence of society, the norms and values that govern interactions among people and the institutions in which they are embedded. Social capital is the glue that holds societies together and without which there cannot be any economic growth or human well-being. Without social capital, society at large will collapse, and today’s world presents some telling example (Serageldin, 1998:i).
The term social capital has found its way into economic analysis only recently, although various elements of the concept have been present under different names for a long time. Reviewing the concept from a historical perspective, some authors trace the root of the concept of social capital back to the Aristotelian age where man's behaviour was considered as a vital force to pursue common interests. Since then a growing number of sociologists, political scientists, economists, and organisational theorists have invoked the concept of social capital in their search for answers to the broadening range of questions confronting their own fields.

Social capital within organisations has long been studied under the label “informal organisation”. This lineage can be traced back to the Hawthorn studies, which mapped cliques among workers and showed their influence on work norms and performance. The lineage of social capital between organisations goes back to Marshall’s (1919) discussion of industrial districts. To trace the history of the notion of social capital back before its explicit invocation would therefore largely be to recapitulate the history of organisational research (Adler and Kwon, 1999).

Marshall and Hicks employed the term social capital for a different purpose as early as 1890 to distinguish between temporary and permanent stocks of physical capital (Woolcock, 1998). Hanifan also used the term in 1916, described social capital in terms of “…goodwill, fellowship, mutual sympathy and social intercourse among a group of individuals and families who make up a social unit, the rural community… accumulation of social capital, which may immediately satisfy ones social needs and which may bear a social potentiality sufficient to the substantial improvement of living conditions in the whole society” (Hanifan, 1916:130).

According to Jacobs (1965), the term social capital initially appeared in community studies, highlighting the central importance for the survival and functioning of city neighbourhoods of the networks of strong, crosscutting personal relationships developed over time that provide the basis for trust, cooperation, and collective action in such communities.

Over the years, social scientists have mentioned different terms during their research that coincide with concept of social capital, i.e. through Granovetter's (1973) “weak ties” and Boissevain's (1974), “friends of friends”— network through which members can gain privileged access to information and to opportunities. Finally, as Bourdieu has suggested, significant social capital in the form of social status or reputation can be derived from membership in specific networks, particularly those in which such membership is relatively restricted (Bourdieu, 1986; Burt 1992).

The historical review of the notion of social capital reveals that several factors rolled on to shape the meaning of the concept of social capital to its present state and some of them are: individuals, organisations, community, social structure as well as society as a whole. Most recent research has applied the concept of social capital to a broader range of social phenomena that includes relations inside and outside the family, relations within and beyond the firm.

3. Social capital

Despite its current popularity, the concept of social capital does not embody any idea really new to sociologists and political scientists. The term social capital simply recaptures an insight present since the very beginning of the disciplines though the concept still continues to evolve while there is no single agreed upon definition. In such context, some definitions offered by the prominent scholars and development agencies, are presented in Box 1.
Focusing on the above definitions of social capital, it reveals that Putnam takes a somewhat different approach from his antecedents. Bourdieu, for example, sees social capital as a benefit that accrues primarily to individuals as a result of their participation in a set of social relationships. Bourdieu was concerned with demonstrating how class distinctions or status are constructed, created and reproduced by the inter-connections between different spheres of economic, political and cultural life. He was dissatisfied with a human capital explanation in the sociology of education and considered how different types of capital, cultural, educational, and social are converted into one another, and the attachment of such capitals to individuals and socio-economic groupings (Bourdieu, 1986). Coleman, on the other hand, attempted to treat the concept of social capital as similar to human and physical capital, and was narrowing the more qualitative conceptualisation of Bourdieu. The distinctive features of Coleman’s approach are as follows (Wilde, 2000:18):

(i) A concentration on the structural aspects of social formations that generate social capital, although some of the characteristics of Coleman’s approach are defined by attitudinal contents, e.g. trust, expectations, obligations, and authority;

(ii) Attention to social networks and organisations, strong and weak ties, and an emphasis on embeddedness (retained from Granovetter, 1973); and

(iii) A zero-sum relationship between state-sponsored activities and social capital: government involvement leads to atrophy of the informal networks of social capital (Coleman, 1990).

Putnam sees social capital as a property of communities, cities, and even nations. Johnston and Percy-Smith (2003:324) observe that Putnam equates social capital, in practice, with the level of associational involvement and participation that exists within a community.

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**Box 1: Some definitions of social capital**

“Social capital refers to features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions” (Putnam, 1993:167).

“The totality of actual or potential resources related to the possession of a lasting network of more or less institutionalised direct or indirect social relations” (Bourdieu, 1981 cited in Schuurman, 2003:994).

“The component of human capital that allows members of a given society to trust one another and co-operate in the formation of new groups and associations” (Coleman, 1988).

“The ability of people to work together for common purposes in groups and organizations” (Fukuyama, 1995:10).


“...the institutions, relationships, and norms that shape the quality and quantity of a society’s social interaction” (World Bank, available at: http://www.worldbank.org/poverty/scapital).

“Networks together with shared norms, values, and understanding that facilitate co-operation within or among groups” (OECD, 2001).
and makes the distinction between ‘bonding’ social capital — links to people ‘like me’ and ‘bridging’ social capital — links to people ‘unlike me’. In other words, the former tends “to reinforce exclusive identities and homogenous groups,” whereas the latter is “outward looking and encompasses people across diverse social cleavages” (Smith and Kulynych, 2002:159). Putnam (2000:24) clarifies that these two kinds of social capital are not interchangeable and emphasises there is no necessary relationship between a given level of either bonding or bridging social capital and the level of the other. Table 1 summarises some key characteristics of the concept of social capital developed by Bourdieu, Coleman and Putnam:

Table 1: The concept of social capital developed by Bourdieu, Coleman, and Putnam

<table>
<thead>
<tr>
<th>Issue</th>
<th>Bourdieu</th>
<th>Coleman</th>
<th>Putnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Characteristics</td>
<td>‘Social obligations’ or ‘connections’.</td>
<td>Productive, ‘actors get things done better reducing transaction cost.</td>
<td>Social capital is productive, self-reinforcing and cumulative.</td>
</tr>
<tr>
<td></td>
<td>It is accumulated, transmitted, reproduced and reinforced in material and symbolic exchanges.</td>
<td>Affected by the closure of social networks in which all actors interact. It is also self-reinforcing (resources of one relation can be appropriated for use in a second).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Economic, cultural, and social capitals are distinguished by their convertibility. Social capital always functions as ‘symbolic capital’.</td>
<td>Productive, ‘actors get things done better reducing transaction cost.</td>
<td>Social capital is productive, self-reinforcing and cumulative.</td>
</tr>
<tr>
<td>Context-sensitive and oriented to history.</td>
<td>Context specific: social capital is defined by its function.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Not a public good. Groups and individuals jockey for more favourable ‘position’, i.e. social interest view.</td>
<td>Much of social capital is a public good (except social relations that concentrate effective power so that social capital may be created for all members of a group concerned).</td>
<td>Public good</td>
<td></td>
</tr>
</tbody>
</table>

Source: Abridged from Wilde, 2000:16.

Adler and Kwon (2002:19-20) classify the afore-mentioned definitions of social capital (Box 1 supra) into three broad types depending on whether they focus primarily on the relations an actor maintains with other actors, or on the structure of relations within an organisation, or allow for both viewpoints. The first group (e.g. Bourdieu) focuses primarily on social capital as a resource facilitating action by a focal actor, a resource that inheres in the social network tying that focal actor to other actors and the actions of individuals and groups can be greatly facilitated by their membership in social network (see Table 1 supra). In contrast to this view, another group (e.g. Coleman, Putnam, Fukuyama) focus on social capital as a characteristic of the structure of the internal linkages that constitute collective actors (groups, organisations, communities, regions, nations, etc.) as distinct from individual actors that can give these actors cohesiveness and its associated benefits. In other words, this group included structural (e.g. roles, rules, networks) and cognitive elements (e.g. values, norms, attitudes, beliefs, civic culture)
in their definitions and analysis (Uphoff, 2000). According to the third group definition, a collective actor such as a firm is influenced both by its external linkages to other firms and institutions and by the fabric of its internal linkages: its capacity for effective action is typically a function of both (e.g. Woolcock, OECD).

3.1 Social capital and other forms of capital

At this point it is useful to assess the status of social capital as a form of capital. Arrow (2000:4) opines that the term “capital” implies three aspects: (a) extension in time; (b) deliberate sacrifice in the present for future benefit; and (c) alienability. The last is not true, as Arrow argues, for human capital and not even entirely true for physical investment. The aspect defined as (a) above may hold in part; building a reputation or a trust relation. But these are not like physical investment; a little trust has not much use. But is especially (b) that fails. The essence of social networks is that they are built up for reasons other than their economic value to the participants. Indeed, that is what gives them their value is monitoring. Thus he (Arrow) did not find any consensus for adding something called “social capital,” to other forms of capital.

Adler and Kwon (2002:21-22), on the other hand, point out both similarities and differences between social capital and other forms of capital. Regarding similarities, at first, it is argued that like all other forms of capital, social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence (Putnam, 1993:167). It means that social capital is a [social] resource into which other resources can be invested with the expectation of future, albeit uncertain returns. Through investment in building their network of external relations, both individual and collective actors can augment their social capital and thereby gain access to information, power, and identity; and by investing in the development of their internal relations, collective actors can strengthen their collective identity and augment their capacity for collective action.

Second, like other forms of capital, as mentioned, social capital is both “appropriable” (Coleman, 1988) and “convertible” (Bourdieu, 1986). Like physical capital, which can be used for different purposes (albeit not necessarily equally efficiently), social capital is appropriable in the sense that an actor’s network of, say, friendship ties can be used for other purposes, such as information or advice. Moreover social capital can be converted to other kinds of capital: the advantages conferred by one’s position in a social network can be converted to economic or other advantages.

Third, like other forms of capital, social capital can be a substitute or a complement to other resources. Actors, both individual and collective, can compensate for lack of financial or human capital by superior “connections.” Social capital can more commonly be complementary to other forms of capital. For example, social capital may improve the efficiency of economic capital by reducing transaction costs. The similar view echoes in the following statement of Anthony Giddens:

“Social capital refers to trust and networks that individuals can draw on for social support, just as financial capital can be drawn upon to be used for investment. Like financial capital, social capital can be expanded — invested and reinvested” (Giddens, 2000:78).

Fourth, like clean air and safe streets but unlike many other forms of capital, social capital is a “collective good” in that it is not the private property of those who benefit from it
(Coleman, 1998). More specifically the use of social capital is non-rivalries- it does not diminish (rather increase) with use but (unlike pure public goods) its use is excludable-others can be excluded from a given network of relations.

Several differences have been identified between social capital and other forms of capital from theoretical standpoint. One critical difference between human and social capital is that one individual alone, for example in the form of education, can invest in human capital. Social capital, on the other hand, can only be acquired by two or more people and requires a form of cooperation between them (Grootaert, 1998). We regard this as a crucial aspect in the definition of social capital. Portes (1998:155) observes that whereas economic capital is in people's bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationship. Scholars emphasise that no individual has exclusive rights to social capital and the strength [capital] of social capital is located in the relations between actors and not within the actor themselves (Coleman, 1988; Burt, 1992). Furthermore, when discussing other forms of capital, costs and benefits are crucial factors. There is a growing body of empirical work on the benefits of social capital (e.g. Krishna, 2002; Isham and Kähkönen, 1999; Cummings et al. 2003) but few data on the cost side exists. This has partly to do with the difficulties of measuring social capital. Rationally, investments in social capital require a comparison between costs and benefits analysis.

The foregoing discussion makes it clear that the concept of social capital cannot be easily defined and the question is the degree to which the concept can be made operational for the purpose of analysis. There is a lack of clarity in the research on the sources of social capital. However, analysing the definitions of social capital presented in Box 1, one can identify several sources of social capital such as: trust, networks, sharing information, norms, social interaction, network ties, shared values and beliefs, and civic engagement.

### 3.2 Measuring social capital

Different measures of social capital have consequently been developed as analysts have scaled social capital in different cultural settings. Putnam (2000) uses a composite indicator containing measures of: the intensity of involvement in community and organisational life; public engagement (e.g. voting); volunteering; informal socialising (e.g. visiting friends); and reported levels of inter-personal trust. In our study on urban Bangladesh, we have built on Putnam's indicators and measured the social capital of community-based organisations (Bhuiyan, 2005, forthcoming). Our index consists of the following variables: the frequency of involvement in community life, public engagement (e.g. civic community activities, voting), volunteering, informal socialising (e.g. visiting friends, neighbours); and expressed level of inter-personal trust.

Some critics (e.g. Norris, 2000) have questioned Putnam's mixing of associational and trust measures on the grounds that they are in fact quite distinct dimensions of social capital, with associational membership more important for tolerance and other indicators of social cohesion, and trust more important for economic outcomes (PIU, 2002:14).

On the other hand, several researchers (e.g. van Deth, 2003) use a simple measure of social capital e.g. whether people think other people can, in general, be trusted. Levels of reported social trust vary dramatically across communities, regions, and even countries. For example, during the 1990s, around 30 percent of people in Britain said that most people could
be trusted. In Scandinavian countries, the figure was around 60 percent, while in Brazil it was 3 percent (PIU, 2002:14).

In his work, Krishna (2002) provides details on several empirical studies where social capital has been measured as an independent variable. Of them, a few are summarised in Table 2 to provide a general understanding how social capital has been measured and used in these studies.

**Table 2: Measures of social capital**

<table>
<thead>
<tr>
<th>Study and Locations</th>
<th>Measurement Concept</th>
<th>Data Sources</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narayan and Pritchett (1999)</td>
<td><strong>Networks-based</strong> Multiplicative Index (number of memberships; but also heterogeneity and satisfaction level).</td>
<td>Household surveys (n = 1,370)</td>
<td>Household income</td>
</tr>
<tr>
<td>Tanzania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grootaert (1998)</td>
<td><strong>Networks-based</strong> Multiplicative Index (number of memberships; as well as heterogeneity and range of activities).</td>
<td>Household surveys (n = 1,200), community leaders, official sources.</td>
<td>Per capita household expenditure.</td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Krishna and Uphoff (1999)</td>
<td><strong>Networks plus norms.</strong></td>
<td>Household surveys (n = 2,400), focus groups, official sources.</td>
<td>Village development performance</td>
</tr>
<tr>
<td>India</td>
<td></td>
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</tbody>
</table>


The overview provides for each main data collection method used in this field of research (e.g. survey, official statistics, observation); the indicators used for various components (e.g. networks, trust, civic engagement, norms and values) of social capital. van Deth (2003:84) opines, as one can see from Table 2, that the selection of survey or polling methods dominates the field. For some aspects like norms and values, as van Deth observe, this situation is self-evident and a lot of useful information can be collected with sophisticated polling and interview techniques. For connections and networks, it is usually difficult to observe actual relationships. Instead of developing other approaches focusing on the structural aspects of social capital (e.g. roles, rules, networks), many researchers seem to follow the old recommendation that asking people is always an easy substitute for one's own lack of ideas.

There are still many new avenues that could be explored in social capital research. The idea that knowledge has replaced capital and labour as the major factors of production (Evers,
2003) could be used to define knowledge as social and cultural capital. The production of new knowledge is, after all, based on networks of scientists as ‘communities of practice’. Research institutions with an abundance of social capital will be most successful in knowledge creation.

Another interesting aspect is the link between social capital and sustainable development. The following section succinctly describes the concept of sustainable development and then examines the link.

4. Sustainable development and social capital

The conceptualisation of “sustainable development“ has received considerable attention from development theorists and practitioners alike because it provides a meeting ground for the seemingly disparate notions of development and environmental conservation. This is, in particular true from the perspective of developing countries, where trade-offs between the above often generate policy and theoretical debate (Chopra, 2001). However, while the concept of sustainable development provides a convenient paradigm for policy discussion, regarding it as a theoretical approach to an alternative development model raises a variety of issues.

The first formal definition describes sustainable development as: “[meeting] the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland Commission, 1987:43). Almost in the same vein, from a social capital perspective, Serageldin (1996:3) sees sustainability as: “...[is] to leave future generations as many opportunities as we ourselves have had, if not more.” Sustainability as opportunity thus means that future generations must be provided with as much or more capital per capita than the current generation. The United Nations Conference on Environment and Development (the Rio Conference, 1992) also emphasised to promote environmentally sound and sustainable development in all countries through involvement of local organisations.

Estes (1993:3) lists a number of advantages contributed to the emergence of the concept sustainable development in the development arena and these are: (a) provide a new vision for national and international development; (b) unify the disparate elements that make up the development community; (c) ease the unbearable pressure on the planet’s fragile ecosystems in rich and poor countries alike; (d) lead to the formulation of new solutions to the recurrent socio-economic needs of the world’s least developing countries; (e) foster significantly improved relationships between the governmental, business and voluntary sectors; and (f) provide greater assurance that contemporary approaches to development would not deprive future generations of the resources needed for their development.

Scholars opined that the introduction of physical and human capital through development interventions requires promotion of social capital if development projects are to be effective and institutionally sustainable (Buckland, 1998:243). Existing patterns and levels of social capital, it is argued, are likely insufficient to meet new demands resulting from the accumulation of new economic capital. If development is to take place that is equitable, balanced, and sustainable, then social networks and constructive normative behaviour must be extended. To elaborate the point, the example of Grameen Bank is illustrated here.

The Grameen Bank, an organisation providing credit to the rural poor in Bangladesh, has introduced an effective system of ensuring constructive normative behaviour among credit

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recipients. The effectiveness has generally been attributed to the peer monitoring system or social collateral. This scheme creates social pressure on the borrower, lending to high repayment rates, which is nearly 99% (Zamena, 2003). These high repayment rates thereby establish new normative behaviour that builds trust between borrowers. Social capital is accumulated along with the accumulation of financial and physical capital associated with bank credit (Buckland, 1998:244). The mechanism has attracted considerable attention within and outside of Bangladesh because the beneficiaries, the rural poor were previously largely excluded from the formal banking system, and partly because non-repayment of formal credit had become a normative behaviour. It is, however, evidenced that Bank’s tiny credit has contributed to improve life of millions of rural poor.

Narayan and Pritchett (1999) also provide an illustration of the link between social capital and sustainable development. Using household survey results from rural Tanzania, Narayan and Pritchett find that their social capital index is associated with higher reported levels of parental participation in schools, and higher level of school quality. Villages with more social capital were also more likely to have undertaken community road building activities, and to have adopted more modern agricultural practices. In the same vein, Bhuiyan (2004) concludes from his study that the urban communities of Bangladesh with a high level of social capital are better able to organise their own system of solid waste disposal.

On the basis of their study in Central Java, Indonesia, Isham and Kähkönen (1999) conclude that the access to community-based water projects for safe drinking water is higher in the villages where a high level of social capital in terms of household participation in service designs exists.

The above discussion indicates a causal link between social capital and sustainable development. Empirical evidence suggests that the activities which foster social capital (e.g. face-to-face communication, reciprocity, civic engagements) necessarily improves the quality of inter-personal relationships create cooperation rather than conflict. Thus, they must reflect community norms, have a mandate from the interest of community, use a form of organisation that is appropriate, and enable the community’s expectations and obligations to be met (Killerby, 2001). From the perspective of policy makers, as Killerby suggests, this means a commitment to community development principles, including the active involvement of communities in defining issues and problems, and in designing and implementing decisions. This approach facilitates the transfer of skills between people, develops self-reliance in the community, builds organisational capacity and networks, ensures local ownership of projects and decisions, and utilises local resources to solve local problems (Chopra, 2001; Kilby, 2002; Killerby, 2001).

5. Conclusion

The paper has attempted to highlight the issues and theories behind the concept of social capital. In its simplest form, the idea of social capital is useful as it recognises the importance of social interactions, which govern day-to-day lives, and improve socio-political and economic outcomes and sustainable development. The paper also points out the link between social capital and sustainable development from both a conceptual and an empirical perspective.

Among social scientists, economists, and political practitioners alike, social capital is a concept en vogue. As Narayan and Pritchett (1999:872) comment, ‘Social capital, while not all things to all people, is many things to many people.’ Just as alchemists pursued the secrets of
turning base metal into gold, academics, policy makers and politicians have allegedly unpacked the mysteries of effective communities and collectivities (Johnston and Percy-Smith, 2003:332).

Our description portrays that the popularity of the concept is partly caused by its open and usually rather undefined character and the ease with which its meaning can be stretched. In spite of prevailing conceptual confusions and methodological weaknesses, growing empirical evidence suggests that social capital contributes significantly to sustainable development. Therefore, to reap more benefit of it, we have tried to work towards a consensus on controversial definitional issues and to develop a methodology which is capable of evaluating the utility and explanatory power of social capital without resort to proxy data.
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