

BENEFITS OF SOCIAL CAPITAL, SOCIAL ECONOMY IN COMMUNITY DEVELOPMENT: A REVIEW ARTICLE

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Abstract

Social Capital has just become the flavor of the month. There is a lot of disagreement about what the term entails, which necessitates guesswork and estimating of the build. Advertisers in the wellness industry, for example, are being tested to see whether they can re-design their campaigns around this contested idea. Although social capital does not yet exist, it is created by those aspects of social connections that individual scholars or analysts choose to consider in its name. Philosophy is in charge of deciding these relationships. To those who adhere to a neoliberal, market-driven mindset, social capital is a means of reaching the limit of monetary progress, as well as a means of accelerating the privatization or reduction of public agencies. Local area enhancement is one of many state interventions used to mitigate market inequity.

Keywords: Social Capital, Neoliberal, Wellness Industry, Economy

INTRODUCTION

The network of relationships among individuals can exchange their thoughts, feelings, and emotions through their strong relationships, and who live together to work for the success of society to function effectively." Social capital, on the other hand, is made up of some basic resources within communities that are formed by the presence of important levels of trust, shared norms of behavior, shared commitment and belonging, both formal and informal social networks, and effective information routes. So social capital exists between individuals and organizations, and it will continue to increase if the connections between them are strong (Kay, 2006). It can be found in the following forms: Stock Funds Resources The value of social capital.

Any community's economics and community play an important part in its development. Community development can also help a community's social, environmental, and economic concerns drive local economic development (Lukkarinen, 2005). Community and economic development can assist a local economy function better for those it doesn't serve well, or it can aid people dealing with community issues like confronting local unemployment or effectively improving energy. It will assist your community in both strategically and practically growing their local economic future (Stolarick, Denstedt, Donald, and Spencer, 2010).

According to Lukkariner (2005), Community social capital is a type of social capital that consists of the informal content of institutions dedicated to the common welfare. Because it symbolizes the productive benefits of sociability, social capital is significant. This is because social capital refers to the shared values, conventions, trust, and sense of belonging that allows people to interact. Community social capital is a type of social capital that consists of the informal content of institutions dedicated to the common welfare. Even some of the paradigm's founding authors have reservations regarding the viability of developing social capital in organizations where it does not already exist. Community development has become increasingly dependent on social capital. Unfortunately, the extent of its research, especially in

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terms of policy, produces more smoke than light. The groundwork for a more inclusive approach to social capital research is laid forth in this essay, which is based on an interdisciplinary methodology. We examine how to move toward a more interdisciplinary framework by reviewing social capital and its usage as a development tool. Rather of considering communal capitals piecemeal, ecologists regard the community as a system governed by the "rule of the minimum," in which limiting elements constrain. Economic development is simply the creation of wealth, which leads to a variety of communal advantages. Economic growth is the process of generating wealth, with secondary benefits to the community. Any town's economic development is in charge of planning, devising, and implementing economic development initiatives, as well as serving as a link between the public and private sectors and the community. They also provide municipal, business, and public sector information on community needs. The formation of communities is critical because both economic and commercial development suffer tremendously without community development.

The function of social capital is defined. 'Social capital is not a single business or firm; it is the aggregate of the resources of various communities.' The properties of social institutions such as networks make up social capital (Everett, n.d.). Social networks are intentionally established with the goal of connecting social companies and overcoming gaps between them. These were active cooperatives or community entrepreneurial development organizations. There are certain limitations as well. Social capital cannot be built just through the social economy and community development. Other types of capital, such as financial, human, environmental, and cultural capital, are also used in conjunction. Supporting groups like social businesses and volunteer organizations can aid in the development of a more dynamic social economy, Social capital in the community. Small businesses and local shops are the three segments of local society (PVT), local government offices and community councils (public), community and voluntary organizations (3rd party). All of their efforts provide services that benefit everyone's development.

A great balance between each community is required for a strong link among societies. New people are not allowed to join the network. As a result, social capital has both negative and good effects (Cattell, 2001), and it should not be overlooked. It has always been present and is still being utilized now, but tactics should be developed to improve its impact. Several academics have lately joined the discussion on social capital and how it might be used—or even abused—in the health, community development, and regeneration sectors. According to Fine and Green (2000), social capital will be reduced to a subset of economics at the expense of a genuine political economy because "the influence of economics across social sciences is going to increase" and "the concept of social capital may be an explicit channel for this influence." Others, including Baron, Field, and Schuller (2000), believe the idea of social capital "will enable a new set of questions to be raised concerning the nature of economic production, its ties to diverse types of human sociality, and the consequence of these for different social groupings.

Even with all of this theoretical, conceptual, and empirical research, there are still areas where we don't fully understand how communities and economies emerge. Akçomak (2009) contends that we have failed to learn in a truly multidisciplinary way since social capital has "become all things to all people, and consequently nothing to anybody," as highlighted by Woolcock (2001). Similar to community development, social capital is not just the purview of any one academic field, hence in order to advance, we require an interdisciplinary strategy. These theoretical, conceptual, and empirical researches must be used by the practitioner to assist direct practice and policy at the community level. Research needs to be extrapolated to tools that communities may create to meet individual needs and objectives, such as how social capital can be used as a policy instrument.

Systems thinking have recently been reintroduced to community development by academics (Shaffer, Deller, and Marcouiller, 2004, 2006). Emery and Flora (2006) present a Community Capitals framework that emphasizes the need to handle capitals individually while evaluating the system as a whole to improve community viability. Community Capitals are comprised of financial, social, human, natural, physical, cultural, and political resources. The numerous Community Capitals are needed as inputs if one views a community's activities as an economic production function, with a viable community as the outcome. This portrays capital as a system in which a community's capacity to flourish is constrained by weaknesses in particular subsets of capital.

Social capital is divided into subsets, much as other capitals. Bonding is the term for relationships among largely homogenous groups that have common objectives (Putnam, 2000). Bridge connections bring together people who are in some manner different (Szreter and Woolcock, 2004). Connecting is the process of people establishing connections with organizations that have the authority to grant access to employment and resources (Woolcock, 2001). Much of the current research in community economic development explores the relative importance of each of these various forms of social capital to community well-being, as described in Halstead and Deller (2015). Is, for instance, a community with poor bridging social capital but high bonding social capital better or worse off than a comparable community with weak bonding social capital but stronger bridging social capital?

Attempting to allay Akçomak's worry about the absence of cross-disciplinary social capital fertilization inhaling the potential for social scientists to share methods and theoretical underpinnings that may be incorporated into less discipline-centric approaches, Halstead and Deller (2015) asked researchers to collaborate in an interdisciplinary viewpoint. Is it possible to create a "check-list" for employing social capital as a tool for community development? Indeed, advancing with marginal improvements is what Shaffer et al. (2004, 2006) referred to as a "incremental" (vs. radical) strategy when it comes to affecting development through social capital. For the majority of communities, little incremental improvements with a short-term horizon that can result in fundamental changes to the community are often doable.

Akçomak (2009) made the claim that "collaboration between disciplines is not as rich as it is supposed to be (or ought to be)" and that "social capital of social capital researchers is low between disciplines." He convincingly demonstrates this by demonstrating how academics from other fields seldom ever mention work from other areas. In contrast to sociologists and political scientists, economists read the works of other economists. There seems to be substantial internal bonding capital but poor external bridge capital between fields. As academics studying community development, we do not follow our own advice.

According to certain interpretations of "new urbanism," elements that encourage walk ability, resident engagement, network building, third spaces, and other antecedents can boost social capital traits like norms and trust. Leyden (2003) contrasted the social capital of single-use projects to that of mixed-use communities and discovered that being able to walk to more locations boosted social capital because it provided more possibilities for social contact. "This collection of evidence implies that the way a neighborhood is developed may have a significant influence on the social capital of the individuals who live there," wrote Frumkin, Frank, and Jackson (2004). Du Toi, Ester, Evie, and Neville (2007) found the built environment had no impact on social capital; however Wood et al. (2008) found it might either help or hinder social capital. Walk ability, public spaces, and mixed use are related with improvements in social capital. Hanibuchi et al. (2012) showed that neighborhood walk ability was not associated with social capital in a study of older people in Japan. Nevertheless, other researchers have indicated that walk ability strengthens social networks (Lee and Tan, 2019; Rogers, Halstead, Gardner, and Carlson, 2011).

Local company owners indubitably contribute to the growth and vitality of the community, and they are just as impacted by societal norms and values as other locals (Austin, 1998). Businesses in the neighborhood that are close to one another in space make networks and information flows easier. This proximity effect relates to Porter's (2003) assertion that groups of connected businesses (clusters) tend to be more inventive but that clusters are not always formed by mere physical closeness (Stam, Arzlanian, and Elfring, 2014). Networks connecting businesses, and more importantly, the people who work there, help with flexibility, decision-making, entrepreneurship, innovation, and profitability, demonstrating Granovetter's (1973, 1985) concept of "embeddedness"—economic action in a broader social context beyond immediate payoff (Uzzi, 1999). The Korean rotating credit associations of Los Angeles, where business organizations employ collective funds to get around financial obstacles for immigrant enterprises, are an example of network activity without immediate payoffs (Light, Kwuon, and Zhong, 1990). Yet, culture, particularly trust and social capital, adapts more slowly than how rapidly businesses alter their production, making it challenging to evaluate social capital as a tool for policy (Francois and Zabochnik, 2005).

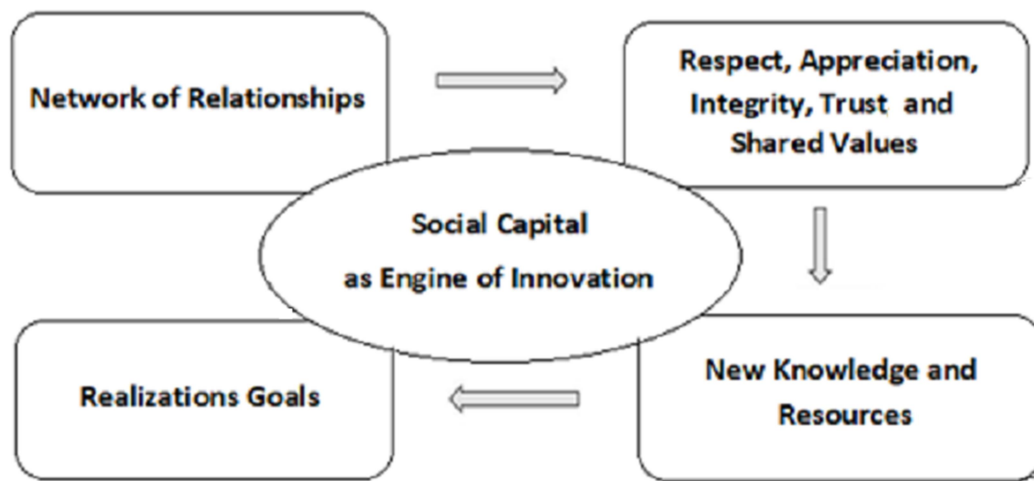


Figure 1: Social Capital as engine of innovation

CONCLUSION

If we are not careful, social capital measurement can become self-fulfilling." Because even the wording of a question can have a big impact on the response, it's important to make sure that social capital evaluation doesn't become self-fulfilling – that is, that we don't get exactly what we want without questioning the means. This can lead to a wide range of responses, creating noise in the data and making finding patterns with statistical certainty more challenging. It may even cause inaccuracies. Because social capital is a novel concept, it is multidimensional and imprecise, and there is little 'hard evidence' on it (Azizmohammadlou and Mahdavi, 2013). Much early research had to depend on rudimentary proxies for social capital and/or was relatively experimental. As a result, the results must be regarded with caution; they are usually suggestive' rather than definite. The effect will be changes in the structure of social capital, not necessarily a "positive" or "negative" shift in social capital. An increase in bridge ties, for example, is associated with increased sentiments of belonging. Positive or negative symptoms are possible. Studies of social capital have primarily been undertaken at the micro level in underdeveloped nations or in the United States, as mentioned below

The researches that have included other developed countries are mostly cross-national studies that look at the relationship between a single measure, such as generalized trust, and growth. This comparison could capture multiple characteristics of political culture (shared norms and values) and corruption (institutional quality), implying varying degrees of social capital (Rothstein and Stolle, 2008).

As a result, variations in institutional development and economic performance can be predicted. However, in order to do so, we must first design a method of measurement and a proper questionnaire, which is the goal of this project. Although micro-oriented research tend to dominate the literature, the studies were chosen to represent a few of the many diverse approaches to measuring social capital and to demonstrate the differences and/or similarities between studies of various levels of society (Svendsen and Hjøllund, n.d.). Because of the generally microeconomic emphasis (Group, 2001) and the fact that they were primarily conducted in poor countries where less data is easily available, the majority of the examined research used data from household surveys (individual interviews).

Development is critical for every community. Communities will develop more quickly as the social and economic sectors develop because if a community is financially stable, it can effectively assist its members. It should be able to comprehend community needs and wants and try to come up with answers, as well as consider many options for community development and progress. Similarly, when a society is socially stable, it will be able to understand and solve problems in the group, because a community is a group of people who come together to take collective action to solve a common problem, it is quite easy for a community to grow. The community should also provide everyone with equal possibilities and opportunities to work socially and economically.

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