# Chapter 6
# Sustainability in the Age of Networking and Virtual Social Capital:
## Neoteric Approach

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## ABSTRACT

*A constructive outcome of interpersonal connection is referred to as social capital. In recent years, the development paradigm has transformed from a virtually sole focus on physical capital to a people-focused approach targeting sustainable growth that accentuates the social elements of development, particularly human and social capital. The perspective on social capital emphasizes the importance of individual and community ties and the broader social and political context in which social structures and norms develop. It underscores the significance of institutional relationships, government support, and collaboration among various sectors for encouraging economic and social development. This chapter infers on a few current hot topics, focusing on how online social capital influences development and exploring if there are economic benefits to building social capital.*

## INTRODUCTION

*Robert Putnam, one of the pioneers in the use of the term "social capital", has defined it thus: "Whereas physical capital refers to physical objects and human capital refers to the properties of individuals, social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. In that sense social capital is closely related to what some have called "civic virtue". The difference is that "social capital" calls attention to the fact that civic virtue is most powerful when embedded in a sense network of reciprocal social relations. A society of many virtuous but isolated individuals is not necessarily rich in social capital." – Putnam 2000*

## WHAT IS SOCIAL CAPITAL?

The ability of someone to do excellent and have a long-lasting effect on how businesses operate is known as Social Capital. The beneficial result could be measurable or intangible and consist of favors, pertinent knowledge, innovative models, and upcoming prospects. Social Capital is not something an individual owns; rather, it is the possibility of coupling connections in social networks and bonding with people online or offline. It can be used to understand how interpersonal connections and networks, both inside and outside of an organization, could contribute to the success of that company. It can also indicate the interpersonal interactions that foster employee respect and trust, which improves business success. Social Capital entails a concept that prioritizes impact at the community scale over financial gain.

Building social Capital involves giving back to society and creating value. For instance, as they conduct their regular business, an increasing number of Indian corporations are now concentrating on making a difference at the community level and strengthening vulnerable communities. Microsoft is seen as a company that considerably contributes to social Capital by making a difference globally through the Bill and Melinda Gates Foundation. Social Capital helps us create value, accomplish tasks, reach our objectives, and carry out our missions. India is ranked 103rd overall on the Prosperity Index among 167 countries. India has climbed the rankings table by five spots since 2011. In the pillar rankings, India fares best in governance and enterprise conditions, while it performs the worst in the natural environment according to Legatum Prosperity Index 2023. Social Capital has had the biggest improvement since a decade ago. According to the Global Sustainable Competitive Index (GSCI) 2022 report, Nepal, Buthan, Bolivia, Suriname, and others have much better GSCI rankings than their GDP would otherwise indicate. Northern European (Scandinavian) nations lead the Social Capital Index ranking because of social cohesion and economic progress.

The Intellectual Capital Index, the foundation of innovation, is dominated by Asian countries (South Korea, China, and Japan). However, natural capital restrictions and increasing resource use could threaten to establish prolonged prosperity. The United States is ranked 30th, with especially low scores in the utilization of resources and social Capital, representing the country's contemporary issues.

## ORIGIN OF THE CONCEPT OF SOCIAL CAPITAL

The concept of social capital originated from the field of sociology and was further developed by political scientists and economists. While there were earlier discussions of related ideas, the term "social capital" gained prominence through the work of several scholars, with Robert Putnam being one of the key figures in popularizing the concept.

**The early roots**: The concept of social capital has its roots in the works of sociologists, including *Emile Durkheim*, who emphasized the importance of social cohesion and collective consciousness in societies. Durkheim's ideas laid the groundwork for understanding the significance of social relationships and networks in social life. James S. Coleman: In the 1980s, sociologist *James S. Coleman* made notable contributions to the development of the concept. He introduced the idea of social capital as a resource embedded in social structures and networks that facilitates social interactions and cooperation.

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