



SOCIAL CAPITAL IN ASIA: An Exploratory Study

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Social capital, “roughly understood to be the features of the structure of social relations that facilitate action” according to the chief expert of this research, has been found to make a critical difference in the economic and social development of nations. In 2003, the APO started a basic research project to understand the role of social capital in Asia and to investigate the importance of social capital for productivity improvement. The intention in the first phase of this research was to examine the concept of social capital as it applies in Asia, define its framework, attempt to measure it, and study its linkages with productivity and economic growth.

Chief Expert/National Expert Heon Deok Yoon, Department of Entrepreneurship and Small Business, Soongsil University, Seoul, Republic of Korea; Ji-Ren Lee, Department and Graduate Institute of International Business, College of Management, National Taiwan University, Taipei, Republic of China; R.C. Monga, Consultant, New Delhi, India; Yoji Inaba, College of Law, Nihon University, Tokyo, Japan; and Wee-Liang Tan, Lee Kong Chian School of Business, Singapore Management University, Singapore, examined social capital and productivity in their investigations of the dimensions and sources of social capital, its benefits and costs, and its impact on productivity.

The team of experts learned that: 1) social capital has proven impacts on productivity improvement; 2) the impact of social capital on productivity improvement is only “speculative,” although there was a consensus that a high level of social capital would be linked to high productivity; 3) income, education level, firm size, and stage of growth affect the level of social capital; and 4) different stages of economic and social development result in different levels of social capital. Adverse effects of social capital were also found. For example, strong group bonds can exclude outsiders, and strong group norms and sanctions may also stifle individual expression and initiative.

This publication also includes a special report titled “Social Capital in Firms, Alliances, and Clusters: Why It Is Important for Productivity and Competitiveness; and How to Build It” by Emily Sims, Specialist, Enterprise Development, International Labour Office.

The contents of this publication should provide useful information on the role of social capital in Asia to readers working in diverse fields. This volume is a compilation of the reports from the first phase of the basic research project, and findings are preliminary as the project is continuing in 2006 in its second phase. The publication is available in both hard copy and e-edition on the APO’s Web site (www.apo-tokyo.org).

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