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The Role of Social Capital in Institutional transition



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Overview

01

Research Background

02

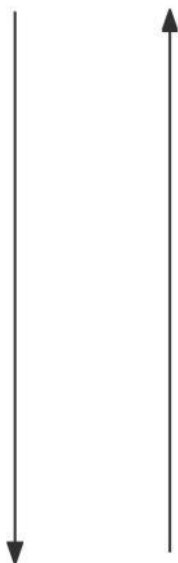
Why Social Capital

03

“Good Social Capital”
“Bad Social Capital”



Social
structures



Individual
practices

Modification

[
New Deal;
Green Finance;
Deregulation of market
]

Substitution

[
Schumpeterian technological
substitution;
Industrial upgrading
]

Green growth paradigm
Regulationism perspective

Conversion

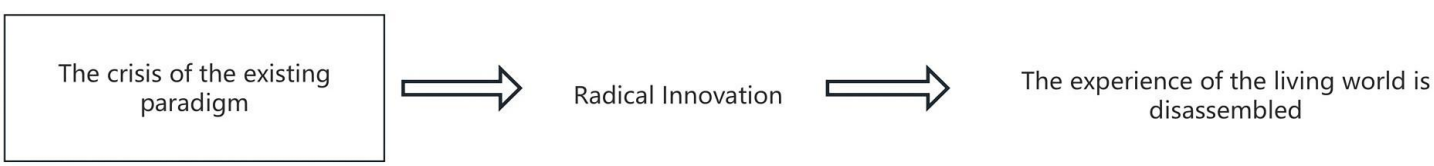
[
New institutional Systems;
Reshaping global relations
]

Prefiguration

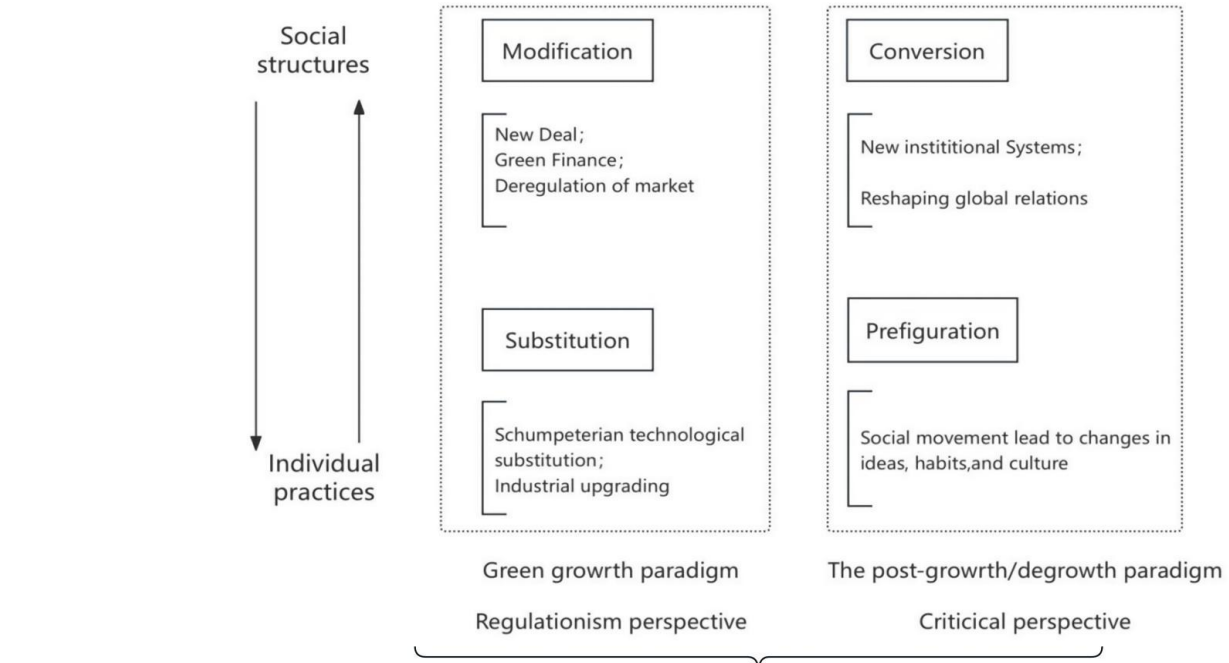
[
Social movement lead to changes in
ideas, habits, and culture
]

The post-growth/degrowth paradigm
Critical perspective

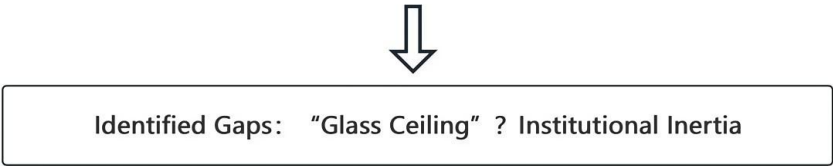




- Climate crisis
Ecological crisis
Economics crisis
- New energy technologies & supporting industries to replace fossil fuels
- New "common sense" spreads



Socio-political processes: Building a new framework for social institutions

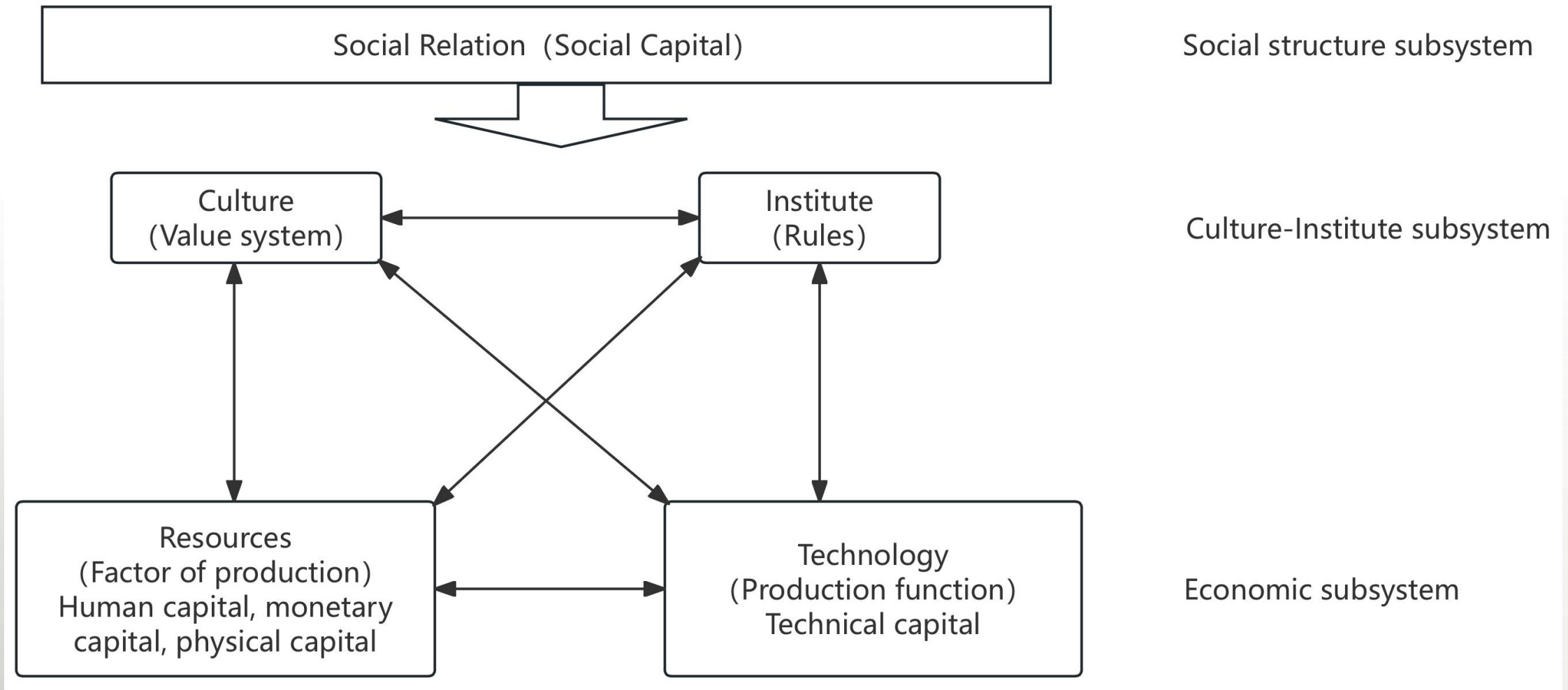


- What is it exactly?
- What is the mechanism?
- Social capital as a third option



Why Social Capital

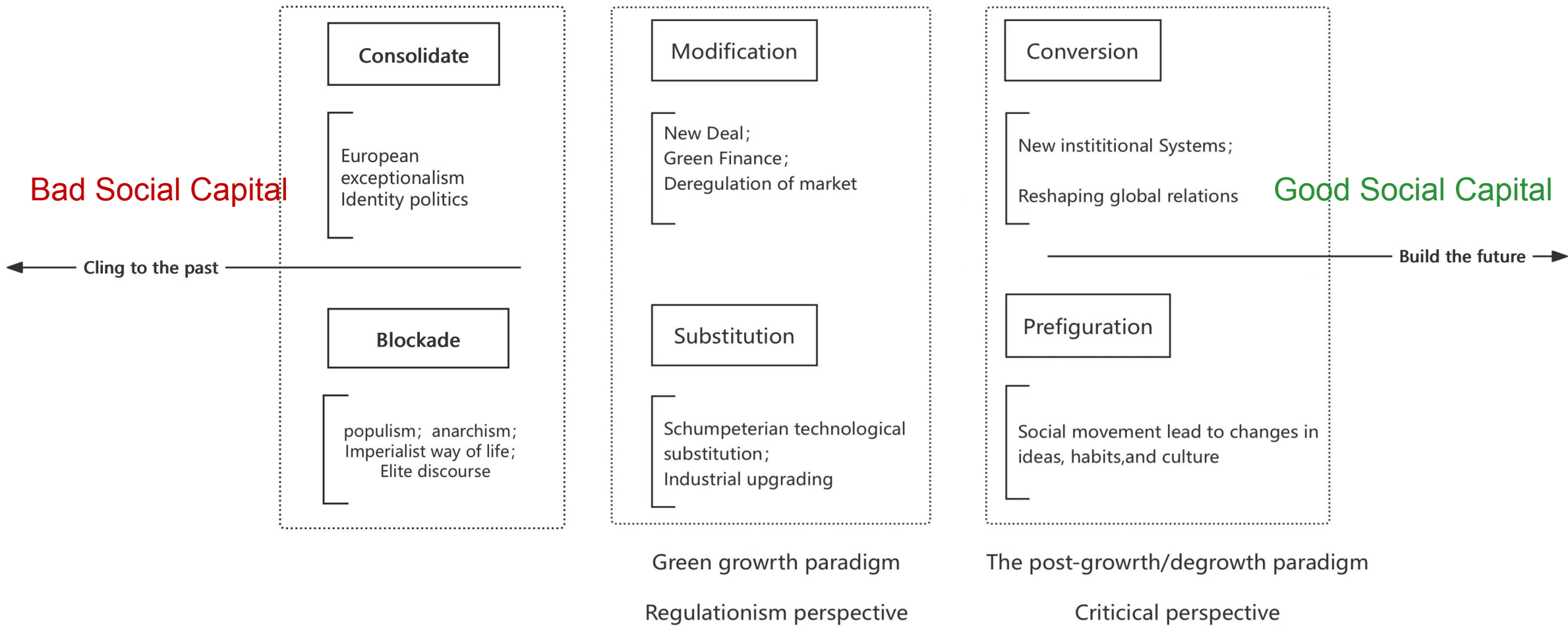
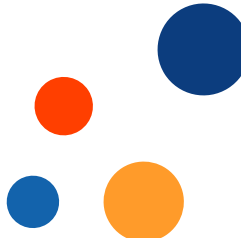
- From a macro perspective, with the advent of the information age dominated by knowledge and intelligence, the main contradiction in society has shifted from the relationship between humans and nature to interpersonal relationships. As a profound reflection and reconsideration of the industrialized society, the concept of social capital, which regards social networks and interpersonal relationships as "soft power", has been incorporated into the analytical framework and has received widespread attention from scholars as an important resource for promoting social development.
- The process of institutional transformation requires a "corridor of change" with the lowest cost and the greatest benefit. Essentially, it does not want to head towards a bloody and violent revolution or an authoritarian regime, nor does it want the spread of anarchic sentiments among the people. It is best to gradually transition along the established structure of social production. (For example, dual-track politics)
- However, the current transformation might be a transition of the "dual-track lifestyle".
- Therefore, from a pragmatic perspective, institutional transformation needs to find a "reservoir" to release the pressure of the transition.
- In other words, it is necessary to find an actor that can flexibly transition the action logics of expectations, goals, lifestyles, value judgments, investment behaviors, political behaviors, etc. The key points to be met are: "autonomy of grassroots groups", "small groups", and "the revival of civil society".



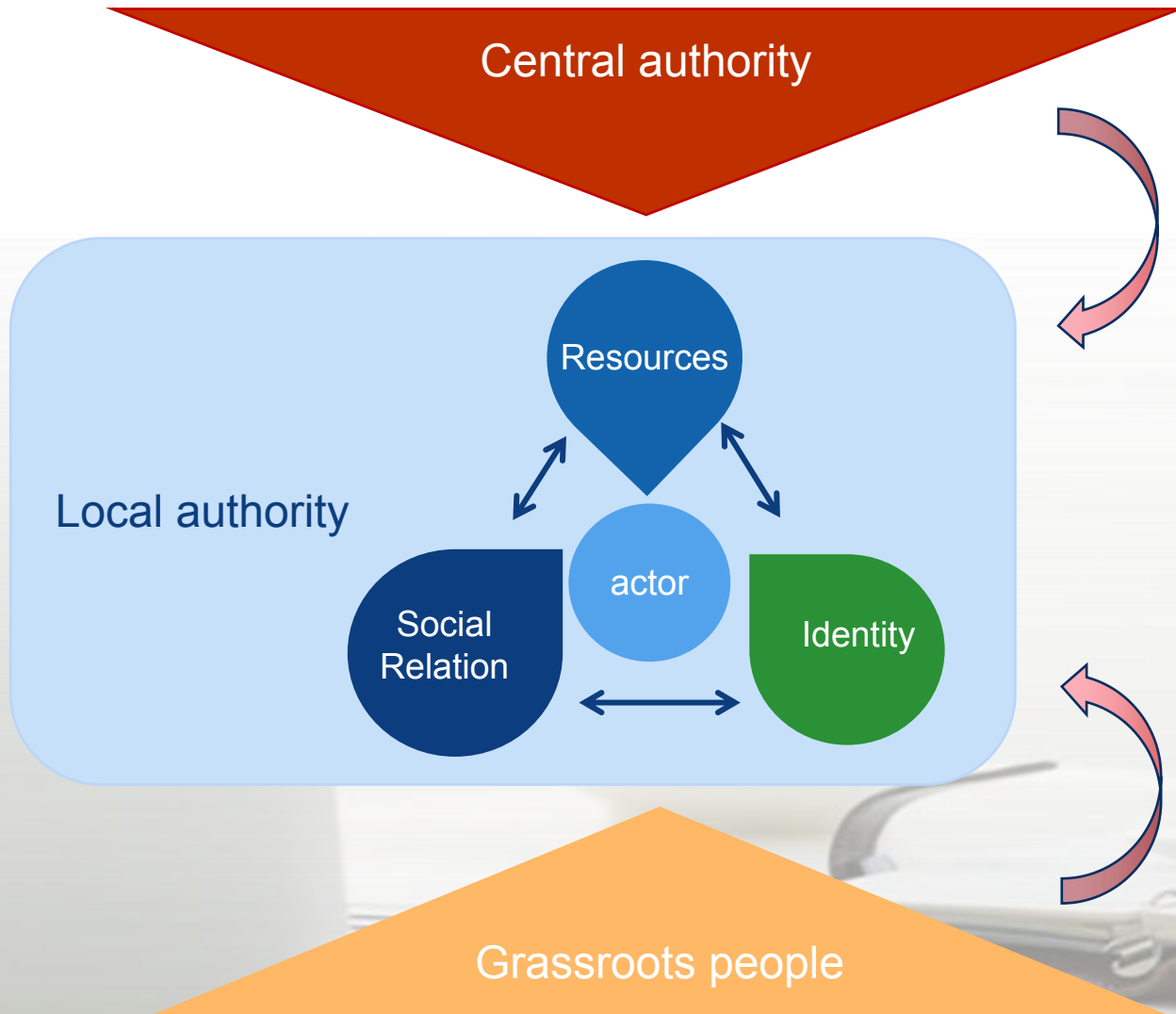
- the concept of social capital is derived from the concept of capital.
- It is the result of conceptual transplantation and extension by social scientists in the process of explaining social progress and economic growth and development. Based on the general understanding of "capital", mainstream economics give a general definition of social capital from the point of view of resource theory. The definition contains three progressive propositions:
 - (1) Social capital is **a useful resource**;
 - (2) Social capital is **the resource from the social relationship network**;
 - (3) Social capital is the social resources that individuals, groups and societies can obtain from social network relationships **to help achieve behavioral goals**.
- In the above definition, the so-called social resources are the **resources that exist and can be ingested in the social network relations**, and social capital is the social resources that are **mobilized from the social network relations**.

Define Social Capital

- (1) **Potential capability (asset)** : Social capital is a form of capital, which is considered by some scholars as an "intangible" asset;
- (2) **Structural embeddedness**: Social capital is a social resource existing in social network relations, which is expressed by some scholars as "resources embedded in social structure". The use of his abilities/values needs to rely on social networks.
- (3) **Goal orientation**: social capital provides facilitation for actors to achieve their own goals. Actors can flexibly integrate their use of social capital according to specific goals. Because the actors themselves are nested in the multi-level social relationship structure, they have multiple identities. Therefore, actors in different identity fields can flexibly mobilize the appropriate social capital.
- Social capital is a **"means of promotion", a "constraint", and a "component"**.

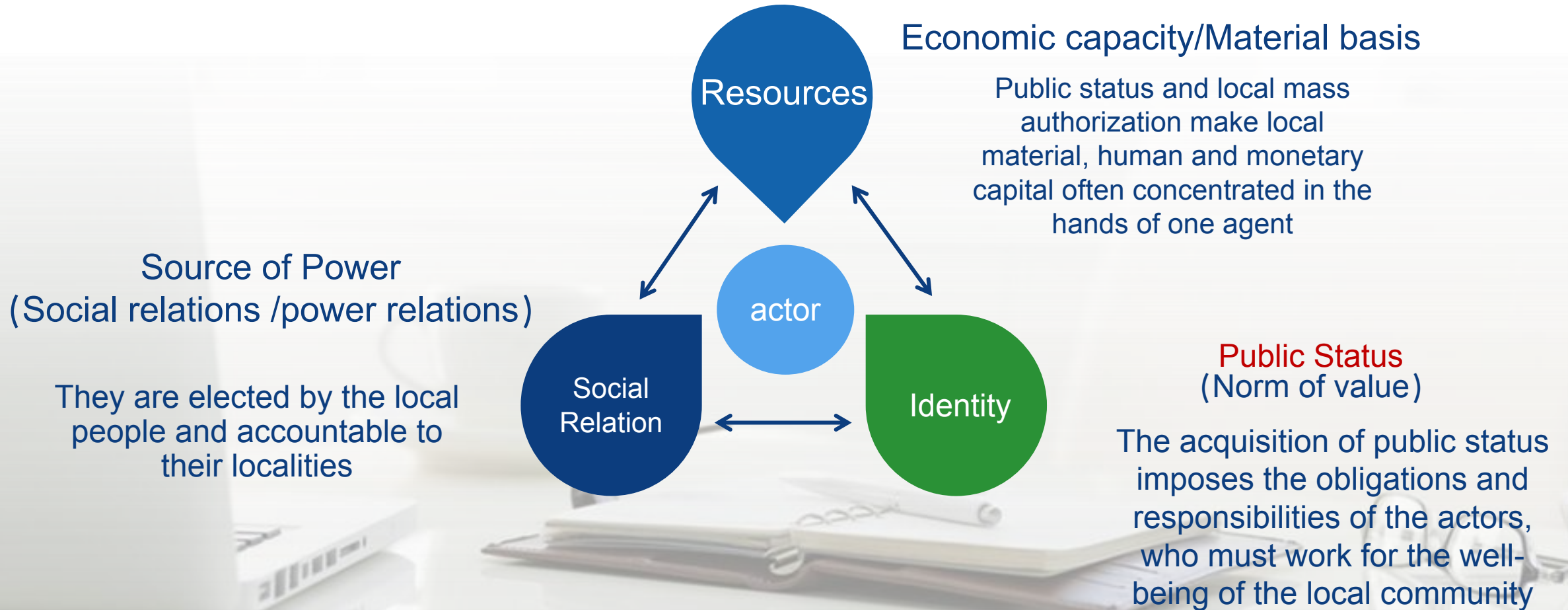


Local authority as social capital

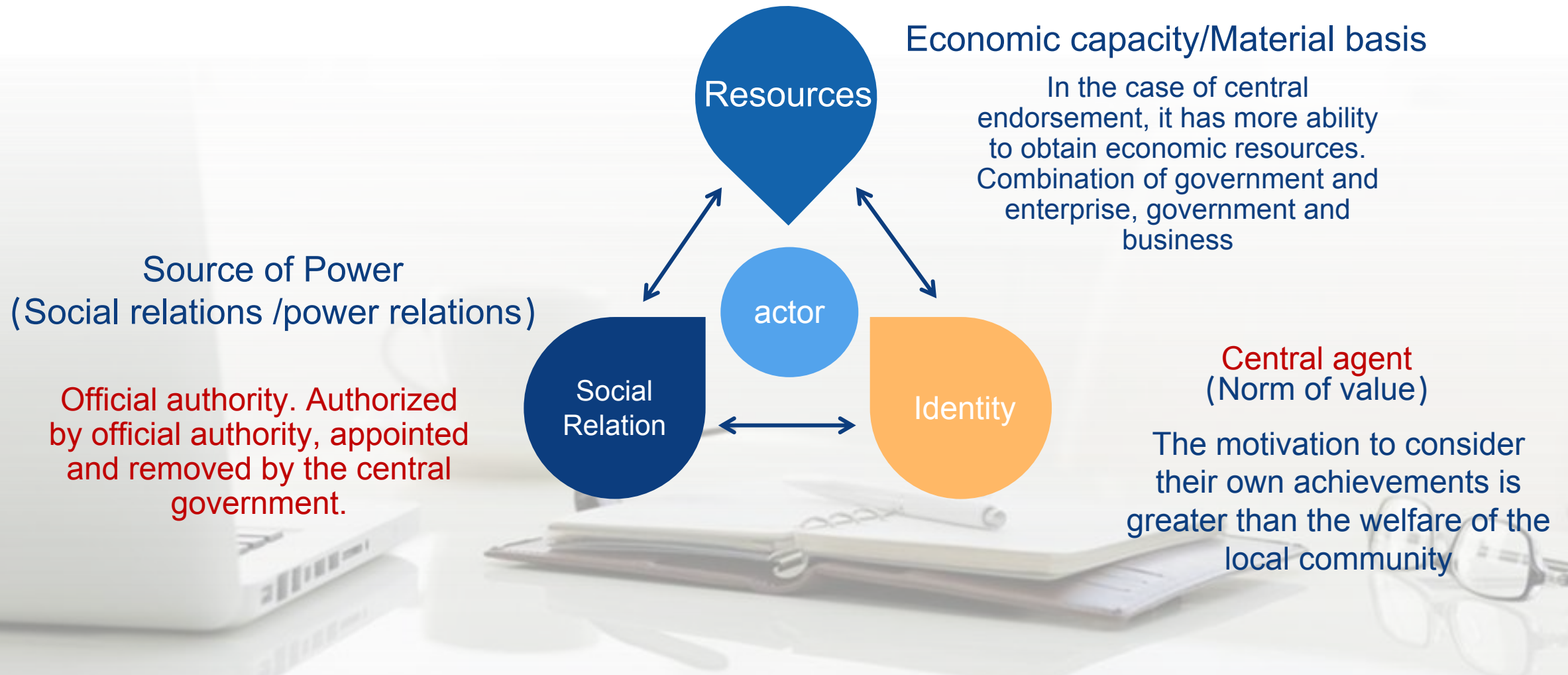


- A new ontology: large-scale institutional change is seen as an endogenous factor of local units, a product of local realities, rather than a mechanical response to "national priorities," the will of the central government. Each local unit, due to the different modes of social capital operation of local elites (actors), leads to the development differences between regions.

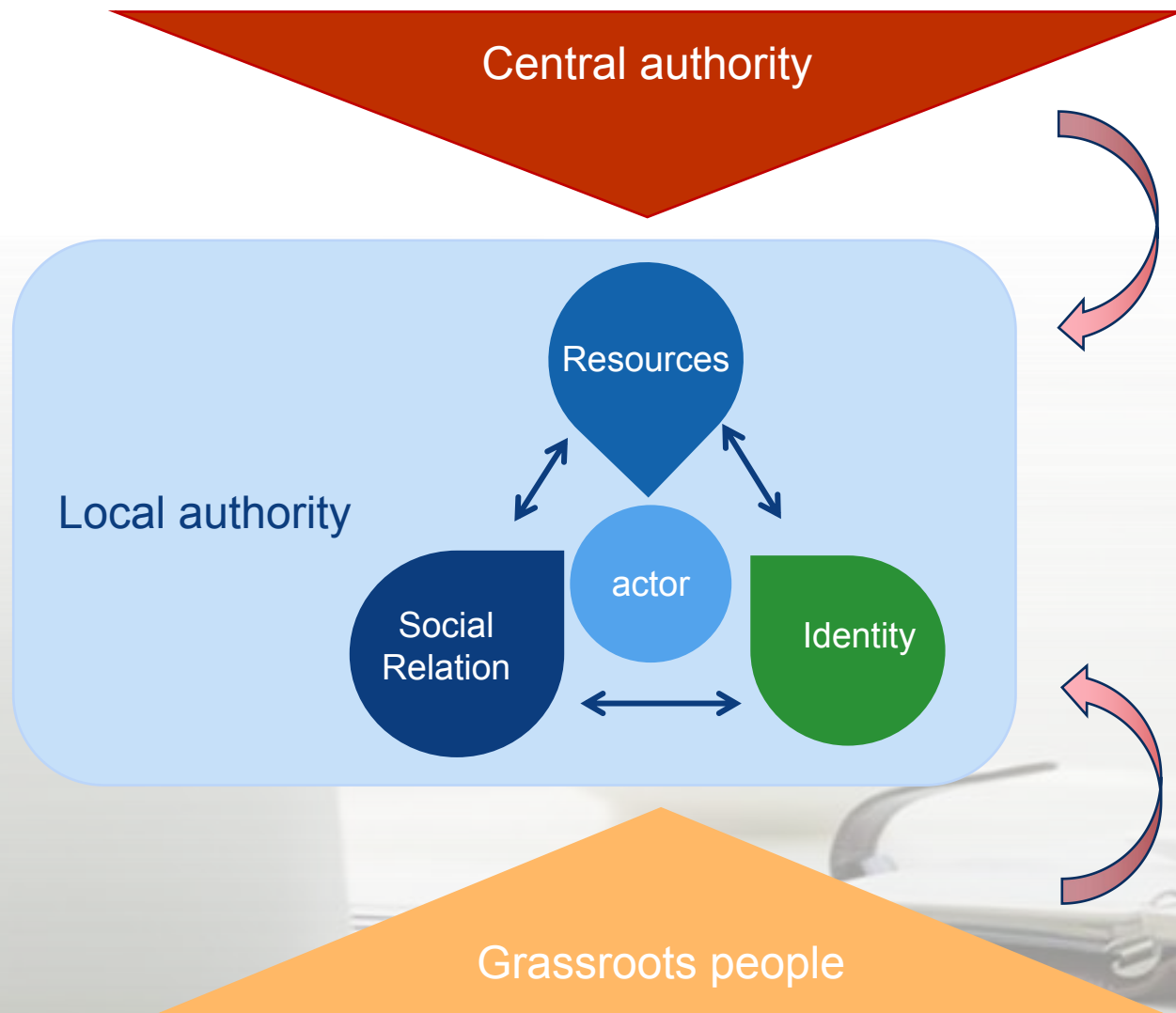
Local authority as social capital



Officialdom authorized entry into local politics



Local authority as social capital



- "Local elites are **not 'profit-maximizing' single actors**, but simply responding to incentives created by the central government".
- In the perspective of the local elite as an actor, compared with the central government, he has **multiple concerns**
- As Hrust puts it: "The nature and behaviour of the central government is important, but the main action is at the sub-national level."
- The reservoir for releasing the pressure of institutional change and the painful place of power transfer are solved in the game domain of the informal links of **"local institutions, local constraints, and local politics"**.

Thank You

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