



Social Capital and the New Paradigm Thinking*

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Abstract

This article is based on a presentation the author gave in Kazakhstan late last year. The article seeks to clarify the empirical foundations of human capital and then seeks to explore and clarify the role of human capital in the context of the social process. The effort here is to clarify the empirical and normative boundaries of social capital. Of the most important outcomes of social capital are the values important to human needs and social coexistence. The author draws upon the work of former President of the Academy, Harold Lasswell, and Fellow of the Academy, Myres S. McDougal, and their social process model, which clarifies the critical value/institutional categories that are found in all social processes. These values still require a clearer delineation of their intrinsic value for both political economy and universal well-being of humanity.

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Two of the most important ideas that animate the new paradigm thinking are (1) the salience of human capital, and (2) the salience of social capital. A focus on human capital is an emphasis that stresses the importance, indeed the centrality of the human person in improving the human prospect. In the World Academy, we owe an intellectual and professional debt to Professor Alberto Zucconi, whose professional life as a psychologist has stressed the importance of a person-centered approach to the practice of psychology. The person-centered emphasis has provided important guidance for an evolving social and economic theory, with a person-centered emphasis. The importance of the person-centered emphasis is that it stresses the importance of individual/human capital in the new paradigm thinking. The individual human being, it may be observed, is a social unit immersed in energy, and this energy is an element or resource that is inherent in human capacity. This resource of energy may be unleashed by the individual if the capacity is developed and opportunity freedoms associated with human rights are provided to the individual. The outcomes generated by unleashing human-centered energy include the stimulation of curiosity, initiative, innovation,

* Presented at the conference “A New Paradigm of Sustainable Human Development: G-Global – A New Form of Global Dialogue” at Almaty, Kazakhstan on November 5-7, 2014

and creative orientation. The release of human energy in this sense is a powerful repository of human capital.

We now turn to social capital. Here, the observer must shift the focal lens of observation from individual to social capital. What are the consequences of this shift of focus? Here, we will observe that human capital involves human beings in a socially interactive role. This means that the energies of individual human capital are engaged in complex interactive relationships between the self and non-self others in the social universe. The outcomes of human social capital in this interactive universe of human relations would be the aggregate

value of social capital outputs in social process. This focus requires a wider and more realistic sense of the values generated by human beings in the social process and correspondingly, a wider lens that accounts for value accounting.

The focus of observation on social capital adds complexity to the observer's focus of attention. The description of social process is complex, the analysis of energy and value interaction is also complex and therefore the process of explaining both the value inputs and outputs and how to measure them are correspondingly challenging. Without social interaction in the social process, there would be no foundation for social capital. Additionally, the central component of social process is the individual human being, who individually, or in association with other human beings, pursues values and generates values through institutions based on resources. The outcomes of the social process of interaction therefore results in the accretion of social capital. To make this more explicit, without a social process of social interaction, where human beings pursue and generate values through institutions based on resources there would be no institutions, such as markets or money central to economic thinking. These institutions would not exist.

Better understanding of the place of social capital as an outcome of the global social process requires a vantage point that is sufficiently comprehensive and particular in the identification of the individual social participant in the global Earth-Space community. Former Fellows of the World Academy pioneered a usable model of social process that could be developed with sufficient flexibility, in both macro and micro-detail. The general model, which is applicable to any social process and at any level of abstraction, is described as follows: Individual social participants, acting alone or in association with others, pursue values/needs through institutions based on resources. This formulation was a major conceptual breakthrough in describing social process, both globally and cross-culturally. This model may be delineated with appropriate levels of specificity or abstraction when the observer asks a series of questions designed to explain the social process as it actually is. This series of questions begins with inquiring about who the participators are, the perspectives of the participators in the sense of their claims to identity, claims to value needs, and claims related to cultural expectations. The inquiry then proceeds with the identification of the basis of power that the participator may deploy and the inquiry continues with regard to the situations in which the interaction, using basis of power, actually occurs. These situations could be organized or unorganized, geographic or temporal, institutionalized or weakly institutionalized, or the situation may

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be characterized as one involving a crisis. In these situations, the participator will assay the strategic options available, such as strategies of persuasion or strategies of coercion. In general, strategies may include diplomatic and communications assets, economic assets used as indulgences or threats, the assets of propaganda and communication, and the prospect of military or related coercive strategies.

The final two guides to inquiry are the consideration of the outcomes of the social process of interaction. This would involve the production and allocation of values, which we may conveniently term “social capital.” The outcomes would indicate what values are produced and how they are in fact shaped and shared in the community. Finally, the outcomes relating to the shaping and the sharing of values in the form of social capital will have effects on the longer-term distributions and accretions of values in the community. In short, the optimal production and distribution of values would appear to represent a desired and defensible production and distribution of social capital in society. On the other hand, if the effects represent significant value deprivations for large sectors of the community, this would mean that social capital is narrowly produced and narrowly enjoyed at the expense of other members of the community.

It is now important that we identify the fundamental values in social process that constitute the domain of social capital:

1. **Power.** The most important expression of power as decision is the understanding of the institution within which it expresses itself. For example, globally, power is significantly decentralized. This means an economic paradigm of global salience runs into the problem of the degree of lack of institutionalization of power. It is probably true that the most power-deprived are the least well off in global society. The new theory must be able to map global power and to appreciate its capacity to be mobilized for rational developmental objectives.
2. **Wealth.** In general, this refers to the aggregate volume and composition of what a society produces. It may refer to income in the community and also to the notion of an aggregate resource base. In general, when wealth is developed, the outcome is an increase in the volume and composition of products without depleting the resource base. $(P+I) \div R$
3. **Enlightenment.** What we mean by enlightenment is the prescription and application of education in social and economic development. The nature of enlightenment as a social capital is evident when education in a society leads to development. A society with an increased education-knowledge base uses enlightenment to extend development through informed decision-making. Decision-makers would make decisions based on informed enlightenment.
4. **Well-being.** Well-being including health refers to the state or condition of a society and its members. The well-being of a society is directly proportional to the level of “life expectancy” and indirectly proportional to the expectancy of disease occurrence in that society. The optimum level of well-being, however, is dependent on other values in that society.

5. **Skill.** Skill is the ability to perform tasks (especially employment or professional tasks), as a function of human capital development. The skill value is for the benefit of society. Skill development is a consequence of an increase in the strength of the “skill pool” in a society where skills are directed towards development. Skill is a critical component of individual and social capital.
6. **Affection.** Affection is a form of positive sentiment and underlines the loyalty of individuals and associations to the group. Being a basic value, it has tremendous social capital. The increase in scope of positive sentiments in a society increases developmental achievements and goals.
7. **Respect.** Showing regard for other individuals within a society is crucial to development. A lack of respect gives rise to discrimination, which in turn becomes a direct cause of retarded development.
8. **Rectitude.** Rectitude drives moral behavior in society. When rectitude of individuals within a society matches its development goals, there emerges what we call rectitude development.
9. **Aesthetics.** Aesthetics is rooted in human creativity and in human creative capacity. A culture of strong aesthetics will inspire economic development objectives.

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The foundations of this taxonomy of values are partly owed to distinguished anthropologists, such as Malinowski, who stressed the importance of identifying human needs in social process. Although he emerged with a limited identification of human needs, the publication of the Universal Declaration of Human Rights permitted the needs/values to be more clearly identified and it can be shown that the nine values identified above are the values upon which the rights in the Universal Declaration are expressed.

The values indicated above may be sought for their own sake and we can identify these as scope values. In short, the social participant seeks wealth, power, or respect etc. In order to pursue a scope value, a social participant must have access to some base of power. All the values identified above may serve as bases of power for the social participant. In short, power may be sought for its own sake, but power could be used as a base to acquire any of the other eight values. For example, power may be used as a base to acquire wealth or respect, etc. Wealth may be sought for its own sake or it may be used as a base to acquire power, respect, affection, etc...

Below is a table that identifies the values and institutions, as well as situations and outcomes, which in general are related to the values performing the function of social capital in society. The urgent task is the development of studies, which may in detail provide indicators of value that in each context may provide some method by which the true value in terms

of social process may be assigned to the production and distribution of these fundamental values in the society. This does give us a true measure of the real capital generated in society in comprehensive terms.

Values	Institutions	Situations	Outcomes
Power	Governance-Political Parties	Arena	Decision
Enlightenment	Universities- WAAS	Forum	Knowledge
Wealth	Corporations	Market	Transaction
Well-Being	Hospitals, Clinics	Habitat	Vitality
Skill	Labor Unions, Professional Organization	Shop	Performance
Affection	Micro-social Units (Family) Macro-social Units (Loyalty)	Circle	Cordiality, Positive Sentiment, Patriotism
Respect	Social Class	Stage	Prestige
Rectitude	Churches, Temples	Court	Rightness
Aesthetics	Museums, Monuments, Culture	Creative Orientation	Symbols of Cultural Beauty and Aspiration

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