



BOOK REVIEW

Hans Westlund, *Social Capital in the Knowledge Economy*, Springer Verlag, 2006

by Daniela-Luminita Constantin, Academy of Economic Studies of Bucharest

In the last decades the concept of social capital has been offered an increasing importance, being generally addressed as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups” (O.E.C.D., 2001, p.41). It has been employed in economics, organisational behaviour, political science, sociology, etc. that has pointed out its multi-dimensional and multi-disciplinary nature. Some authors (e.g. Putnam, 1993; 2000) consider that social capital exists only in civil society, whereas other authors support the idea that this concept should be interpreted literally, so as to include social networks, relations, values, norms, etc. within business life and public sector as well. In the latter group, the Swedish scientist Hans Westlund has had a major contribution to underlying this broader, more comprehensive view on social capital. His book entitled *Social Capital in the Knowledge Economy* published by Springer Verlag in 2006 is largely acknowledged as a landmark in this respect, bringing together solid theoretical considerations and many empirical research studies results.

Hans Westlund, professor in regional planning at the Royal Institute of Technology in Stockholm, and professor in entrepreneurship at Jönköping International Business School, Sweden, is an outstanding representative of the international regional science community, being a prolific author of books, articles and papers presented at important scientific meetings as well as a dedicated researcher who has expanded the limits of the investigated phenomena far beyond the boundaries of his own country. The book *Social Capital in the Knowledge Economy* is a perfect example in this respect: the empirical research conducted in order to explore the multiple aspects entailed by social capital in the knowledge economy focuses not only on Sweden, but also on Japan and

U.S./California, where the author spent fruitful research stages in top universities and research institutes.

The major contribution of this book to the study of social capital is based on two fundamental theses, which represent its starting point, namely:

- “1. Social capital is a phenomenon that is found in all parts of society, in all types of organizations and thus in the private and public as well as civil sectors of society.
 2. Social capital should be analyzed as a concept of economics, i.e. as a form of capital”
- (p.4).

The second thesis is relating to the idea that this concept concentrates on the economic aspects of networks and, as social networks are considered a form of social capital, investment is brought into the centre of analysis.

The novelty of this book also consists in the new perspective from which social capital is addressed, namely that of the knowledge economy, the author suggestively arguing that “a different economy needs a different social capital” (p.9).

Accordingly, the book contains 14 chapters that start with a thoroughgoing analysis of social capital as an economic concept, go further to the particular aspects entailed by this approach (social capital as a spatial externality, social capital of the enterprise, social capital and entrepreneurship, social capital and innovation) and bring about comparative case studies in Sweden, Japan and U.S./California focusing in labour markets, institutions for growth, innovation and renewal, civil society, and knowledge-intensive industries, all of them from the perspective of social capital.

All chapters are very rich in new concepts, theories, ideas, representing a first-class contribution to the development of the literature devoted to social capital. Even though such a review cannot summarise the whole variety of conclusions of this book, we do hope that the short selection presented below will attract a lot of interest among the potential readers.

- Besides social capital in civil society, enterprise-related social capital also exists.
- New theories are required for the production systems of the knowledge economy and social capital can be a contribution in this respect.
- A series of similarities and dissimilarities can be identified between social capital and other capital forms in terms of productivity, vintages, accumulation and maintenance, rights of possession vs. public goods, complexity and levels of aggregation.
- Apart from the traditional reasons for firms to cluster, the spatial externalities pertaining to social capital gain a bigger and bigger importance nowadays: “the growing industries of the knowledge economy have a need to develop a more complex social capital compared with established, traditional industries” (p.50).
- in comparison with social capital in civil society, enterprise-related social capital comprises social networks which the enterprise has built up and may use according to its own interests. Enterprises with strong customer and supplier networks can use them to win the competition with firms which may have newer and more productive physical and human capital.
- New cluster approaches, like the innovation systems or the triple helix approach point out the interactions between at least two, but often all three, of the key actors in the innovation process: firms, public sector bodies and universities.
- Whereas most actors of the economy act according to their own needs, government is the only actor that must take the “public interest” into consideration. Thus, governmental policies play a central role in “the forming and reforming of regions’ social capital” (p.101).
- When the norms and relations for the knowledge economy’s labour market are defined, the historical-cultural factors should be carefully considered. This is a lesson that can be learnt from the successful industrial economies, which acted in accordance with their national historical and cultural traditions and, thus, created a social capital for the labour market “with sufficient homogeneity and tolerance to avoid devastating large-scale conflicts” (p. 116).
- Growth and innovation in the knowledge economy require a new policy for innovation systems, which should be directed towards actors other than those playing the central role

in many regions at present: new values, norms and networks expressing the current developmental processes are replacing the old, industrial ones.

- Even if the interplay between civil society and business life does exist, based on a series of similar basic norms and values, there are also fundamental differences, explained by the different principles which offer identity to each sphere.

The whole book is written in a very exciting style, which invites the reader to reflect on the new ideas expressed and to raise questions for further investigation. It is a very helpful book not only for experienced academics and researchers but also for post-graduate and PhD students willing to explore new horizons in today's scientific research. I congratulate Hans Westlund for this outstanding accomplishment and thank him as well as Springer Verlag for the opportunity to stimulate the interest in such a special book among the Romanian colleagues as well as colleagues from abroad who will access the current issue of our journal.

References

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