

- Innovation capital includes intellectual property such as patents, trademarks and copyrights, and intangible assets.
- **Intellectual properties** are protected commercial rights such as patents, trade secrets, copyrights and trademarks. Intangible assets are all of the other talents and theory by which run an organization.

Structural capital is one of the three primary components of intellectual capital, and consists of the supportive infrastructure, processes, and databases of the organization that enable human capital to function. Structural capital is owned by an organization and remains with an organization even when people leave. It includes: capabilities, routines, methods, procedures and methodologies embedded in organization. Structural capital is the supportive non-physical infrastructure that enables human capital to function.

**Relational capital**, consisting of such elements as **customer relationships**, **supplier relationships**, **trademarks and trade names** (which have value only by virtue of customer relationships) **licenses**, **and franchises**. The notion that customer capital is separate from human and structural capital indicates its central importance to an organization's worth. The value of the relationships a business maintains with its customers and suppliers is also referred as goodwill, but often poorly booked in corporate accounts, because of accounting rules.

## Social Capital Theory – your ability to develop human relationships

Woolcock (2001) defined social capital as the stocks of social trust, norms and networks that people access to solve joint problems. Interrelationships and connectivity between humans are central to the formation of social capital, hence why it is often described as the glue that holds society together (Murphy, 200 source 4). In recent years, driven by fears over fragmentation of communities and a generalized decline in civic engagement (Foley et al., 2011) social capital has moved up the political agenda in democratic societies. It is, however, a complicated and contested concept with differing interpretations of its meaning and usefulness (Quinn, 2013).

Coleman (1998) defines social capital by its functions and views it as a resource that can be drawn upon collectively. Its presence encourages certain actions, which facilitate the accomplishment of mutually beneficial ends. Moreover," social capital in the family and community play a crucial role in creating human capital (defined as individual skills and abilities in the next generation). Like Coleman, Bourdieu (1985) presents a sociological view of social capital, but he views it primarily as a resource for individuals. He defined social capital as 'the aggregate of the actual or potential resources, which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition' (Bourdieu, 1985 p248).

Like Coleman (1998), Putnam (1995) underlines the collective dimensions of social capital, defining it as 'features of social organization such as networks, norms and social trust that facilitate co-ordination and cooperation for mutual benefit'. Putnam (1993) argued that the quality of life in societies and their economic sustainability was directly attributable to the features of social organization. He suggested that the hallmarks of a successful society depended upon core attributes of human relationships, the presence or absence of trust, the expectation of reciprocity and the existence of networks. A basic premise underpinning the work of these three theorists, and indeed social capital theory in general, is that investment in social relations is expected to yield a whole series of returns in the marketplace and beyond.

## Bonding and Bridging Capital – internal & external relationships

A distinction between bonding (exclusive) and bridging (inclusive) forms of social capital is widely made in the literature. Putnam {1993}) explains that bonding social capital is inward looking and characterized by strong ties that reinforce exclusive identities, promote homogeneity and create strong in-group loyalty; whereas bridging social capital is outward looking, involves weaker ties and promotes links between diverse individuals and groups. Putnam suggests that many groups simultaneously bond across some social dimensions and bridge across others. In general, the dominant sense is that social capital is a force for good. However, Leonard (2004) has problematized the fact that policy-makers, seeing how social capital can potentially be converted into other forms of capital, often consider it as a quick-fix solution to complex, long-term structural problems. Indeed, viewing social capital as a 'quick-fix' and a panacea for all social ills is a noted criticism levelled at social capital theorists. Putnam's work in particular has been criticized for romanticizing 'the world we have lost' and ignoring the downside of community life.

Overtime, the growing social capital literature has developed a more critical lens, which acknowledge the inadequacies of the basic framework without abandoning the concept altogether (Muir 20 source 10). For example, in their critique of Putnam's work, Portes and Landolt (1996) discuss how in, some cases, social capital can constrain individuals' actions and choices. This is because **while social capital can promote access to resources, it can equally deny or limit such access**.