

## Community Social Capital in Malaysia and its Relationship with Demographic Factors

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**Abstract:** To improve life quality and to facilitate the society development process, social capital can be a vital concept in identifying resources in the social network. This study discusses a study done in Malaysia on community social capital. Specifically, the purpose is to identify the between social capital dimensions and three demographic factors: age, monthly income, number of households and the relationship within the dimensions itself. Six social capital dimensions were identified namely participation in community activities, proactivity in the social context, neighbourhood connections, multi-racial tolerance, a sense of trust and protection and life values. Based on a focus group discussion and past studies, 36 items were developed to measure the six dimensions of social capital. A total of 293 respondents were selected based on simple random sampling in six different districts in Malaysia. Result found that age only correlated significantly with the multi-racial tolerance dimension. Monthly income and the number of households did not have any significant relationship with any social capital dimensions. However, significant associations were found within the dimensions itself. In general, demographic factors do not necessarily affect community social capital but the dimensions within the social capital truly play important role in determining and facilitating society development process.

**Key words:** Community, social capital, demographic, affect, capital

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### INTRODUCTION

International bodies such as the World Bank, The Organisation for Economic Co-operation and Development (OECD) and the European Union and also the policy makers in most of the developed countries such as the United States, Britain, Canada and Australia have endorsed the importance of the social capital as among the policy 'tools' that have great potential in assisting policy implementation. This concept that begun to emerge and grab the attention of the researchers around the 1960s, has been used a great deal by the governments from various countries to help gather data and conclude on issues regarding public policies and development. The greatest potential of social capital is placed on its capability to identify the existing resources in the social network that can be used to enhance life quality and to smooth the process of development. In general, social capital refers to the resources found within individuals and the community characterized by altruistic values (generated and used on the basis of cooperation and mutual benefit), easy and cost-effective to be produced and has the potential to make ease a wide range of

dealings. The OECD interprets social capital as networks together with shared norms, values and understandings that facilitate co-operation within or among groups. Social capital can be the asset of individuals and this is defined as characteristics of a group or a social network that every member can access and use it for his or her own benefit (Yang, 2007). There are four types of characteristics identified as basic; specific; general and; structure. Meanwhile, the five terms commonly found to measure social capital include; participation in the organisation; social networking; trust; civic participation and the perception of the local area.

The work done by the World Value Survey has developed and tested the instrument of Faith in Unvalidated Sources of Information (FUSI). The study which employed factor analysis found that there were eight dimensions comprised in the social capital factor. They are; institutional trust; civic participation; mutuality and reciprocity; horizontal relationships; hierarchy; social control; civic republicanism and; political participation.

**Past studies:** Social capital is a set of regulations or certain informal norms shared among members of the group

which will allow them to cooperate with one another (Fukuyama, 1995). The sharing of values and norms does not necessarily produce social capital as the norms that create this social capital must contain characteristics such as telling the truth, fulfilling one's responsibilities and collaborating with one another.

In addition, social capital is very important in constructing and creating new relationships with other people, developing a sense of belonging and togetherness, collecting as many as possible work experiences and obtaining support and reference from others (Fukuyama, 1995). However, it was found that intensive participation in an organization cannot help the formation of the social capital. This is because it depends on the characteristic relationship among the members, especially those who determine if there is indeed any benefit or not from such a relationship and if there is any, what would the benefits be. It is known that one is not capable of finding new friends if there happens to be too many political elements embroiled in an organization or the organization does not encourage its members to do something independently. Therefore, to reap the desired benefit, members of the organization need to build relationships with certain people in the organization for which they work.

Social capital contains a social relationship network characterized by the norms of trust and reciprocity, where the affiliation of these two is said to be able to defend the civil society and enable the public to act based on common interest (Lochner *et al.*, 1999). It also refers to the quality of the social relationship between individuals influencing their capability to identify and resolve issues at hand.

Moreover, it is stated that neighbourhood connections are integral to the creation of a prosperous society (Hussain *et al.*, 2011). It can also be regarded as a determining factor for the wellbeing of a society. This is because through it, cooperation and unity can be formed. The study outcome has shown that family relationships are not sufficient to warrant prosperity, when in fact good neighbourhood connections have been perceived as a determining factor for the residents' wellbeing.

Several studies have focused on the relationship between people in the same community and the measurement of social capital (Alesina and Ferrara, 1999; Tabellini, 2008; Mobius *et al.*, 2009). Data observation done demonstrates that there is a negative relationship. The model employs an assumption that the relationship among the same individuals happen at a quicker rate as compared to different individuals. Such a condition shows that when individuals are in the same community with the same race and level of income, the

levels of utility, cooperation, participation and trust are low. A study on residents in a planned housing area in Bandar Baru Bangi, Malaysia found that they interacted with their closest neighbours, neighbours on the same road and those on the other roads at least twice a week (Rostam and Ismail, 1997). The study finding established that the type of settlement, its ownership and other socio-economic variables have a significant relationship with the pattern of social interaction of the residents. Therefore, the unity, cooperation and harmony of the society can be formed through interactions between members of the society. In addition, it is also stated that there were several factors that influence the quality of the neighbourhood, among which include physical environment factors such as safety, health, comfort and natural beauty; economic factors such as job opportunities and other opportunities that can be seized to enhance the quality of life and social factors such as the level of facilities provided, the crime rate and the societal harmony. The social interaction in the neighbourhood area is also influenced by the tenure factor in an area and the home ownership factor. Households that stay in an area for a long time particularly those already owning the house tend to interact more actively in association or even religious activities. Nonetheless, it is a different story for households who only recently move in and rent the house, as they see it that they are staying there temporarily and that they feel that they do not have any real interest there with no social obligations to fulfill. Therefore, it is further assumed that they do not have to be so concerned or even get involved in the matters that pertaining to their neighbours or people living around them.

This study discusses the relationship between social capital dimensions and demographic factors namely age, monthly income, number of households and the relationship within the dimensions itself.

## **MATERIALS AND METHODS**

**Sample and location:** The sample of the study comprises of the heads of households from six main areas in the northern part of the Malaysian Peninsula. These areas are located in six districts namely Kota Setar, Kuala Muda, Kubang Pasu, Pendang, Sikand Padang Terap. The determination of the population area is based on the calculation of the combination of areas that covers both the town community and the rural community. Every district involves samples from the urban and the rural areas combined. As many as 600 questionnaires were distributed with 100 questionnaires for every district. The

**Table 1: Samples by district**

District	Total sample
Kota Setar	70
Kuala Muda	49
Pendang	46
Kubang Pasu	70
Padang Terap	34
Sik	24
Total	293

random sampling technique was adopted in the questionnaires distribution for every district. A total of 293 surveys have successfully been gathered. It comprised of 48.8% from the total number of questionnaires distributed. The fraction of the sample by district can be seen in Table 1.

**Instruments and data analysis:** The collection of data is carried out using survey forms containing seven sections comprising of demographic information, participation in the community activities, proactivity in the social context, neighbourhood connections, multi-racial tolerance, sense of trust and protection and, life values. The social capital dimensions are based on previous studies Krishna, 2002). A focus group discussion has been done to identify if these dimensions can be adopted on social capital studies in Malaysia. In every community selected, several informants are selected purposively to be interviewed. The informants chosen are those who have a certain influence (community gatekeepers) such as heads of the village, local leaders and those occupying and involved in community activities or even those working in the areas voluntarily.

The questions used in the survey are formulated and adapted from past studies namely the works of researchers in New South Wales, Australia and in India Krishna (2002). Based on the study done, eight dimensions for the social capital have been identified and they are participation in the local community, proactivity in the social context, feeling of trust and protection, neighbourhood connections, family and friends connections, tolerance of diversity, life values and work connections. Meanwhile, based on a study done in India (Krishna, 2002), six dimensions of the social capital have been identified, namely membership in labor-sharing groups, dealing with crop disease, dealing with natural disasters, trust, solidarity and reciprocity. Thus, this study has used several components that have been consistent with the aforementioned works according to the suitability of the study done on societies in Malaysia. The components are participation in community activities, proactivity in the social context, neighbourhood connections, multi-racial tolerance, a sense of trust and protection and, life values. There are 36 items in this

survey and they are divided into participation in the community activities (5 items), proactivity in the social context (7 items), neighbourhood connections (7 items), multi-racial tolerance (7 items), a sense of trust and protection (5 items) and life values (5 items). The scale used in this study is based on the 7-point Likert scale starting from scale 1 = strongly disagree to scale 7 = strongly agree. All items were generated after performing factor analysis and the structural equation modeling processes. The internal reliability of the items (Cronbach alpha) for the six dimensions were 0.88 (participation in the community activities), 0.88 (proactivity in the social context), 0.90 (neighbourhood connections), 0.91 (multi-racial tolerance), 0.91 (a sense of trust and protection) and 0.86 (life values) respectively. For the purpose of this study, data was analysed using Pearson Correlations through the Statistical Packages of the Social Sciences (SPSS).

## RESULTS AND DISCUSSION

**Age and social capital dimensions:** The analysis outcome shows that only the dimension of multi-racial tolerance has a significant negative relationship with the age of respondents ( $r = -0.163$ ,  $p < 0.01$ ). It signifies that the younger the age of the respondents, the better will be in terms of multi-racial tolerance. Meanwhile, the dimension of participation with the community activities, proactivity in the social context, neighbourhood connections, a sense of trust and protection and life values have a positive but insignificant relationship with the age of the respondents as highlighted in Table 2.

The younger generation tends to have higher tolerance of the diversity of races compared to the older generation. One justification may lie with the fact that the younger people are more exposed to the environment that necessitates them to interact with the society of multiple races. The younger generations are also conceivably less judgmental towards people of different cultural backgrounds due to the fact that they were less exposed to and to some extent oblivious to the ethnic turmoil of the past. In fact this inter-generation chasm that exists in the context of historical awareness amongst the young has proved to be a worrying trend in Malaysia today.

**Monthly income and the social capital dimensions:** Correlational analysis between the level of the monthly income and the social capital dimensions finds that there is no significant relationship between the dimensions and the monthly income (Table 3). The amount of income does

Table 2: Age and social capital dimensions

Parameters	Participation in the community activities	Proactivity in the social context	Neighbourhood connections	Multi-racial tolerance	A sense of trust and protection	Life values
Age	0.026	0.093	0.085	-0.163**	0.099	0.111

\*\*p<0.01

Table 3: Monthly income and social capital dimensions

Income	Participation in the community activities	Proactivity in the social context	Neighbourhood connections	Multi-racial tolerance	A sense of trust and protection	Life values
Monthly income	0.041	0.001	-0.018	-0.006	-0.007	0.036

Table 4: Number of households social capital dimensions

Particulars	Participation community activities	Proactivity in the social context	Neighbour-hood connections	Multi-racial tolerance	A sense of in the trust and protection	Life values
No. of house-holds	0.054	0.015	0.034	0.049	-0.076	-0.077

Table 5: Correlations among the social capital dimensions

Particulars	Participation in the Community activities	Proactivity in the social context	Neighbour-hood connections	Multi-racial tolerance	A sense of trust and protection	Life values
Participation in the community activities		0.723**	0.747**	0.484**	0.576**	0.627**
Proactivity in the social context	0.723**		0.700**	0.427**	0.563**	0.639**
Neighbourhood connections	0.747**	0.700**		0.535**	0.761**	0.767**
Multi-racial tolerance	0.484**	0.427**	0.535**		0.466**	0.452**
Sense of trust and protection	0.576**	0.563**	0.761**	0.466**		0.806**
Life values	0.627**	0.639**	0.767**	0.452**	0.806**	

\*\*p<0.01

not actually matters in terms of contributing to social aspects in a community. This could be associated with the fact that social capital, by definition is not equitable with monetary values. This proves to be an admission to the fact that to create social capital all that is needed is willingness to invest personal resources which do not necessarily involve money or physical assets. People from all walks of life can contribute to the community without costing them much in terms of money or other tangible possessions.

**Number of households and the social capital dimensions:** Table 4 shows the correlation between the number of households and the social capital dimensions. The outcome of the analysis also suggests that there is no significant relationship between the number of households and the dimensions of the social capital. This reflects non-influence of social contributions based on the number of dependents or households. Unlike, other forms of capital, especially the tangible ones, social capital can benefit people exponentially without extra cost to one's livelihood. Household demographics may affect one's decision to participate in community affairs if there are additional costs to be bear in relation to its composition. Hence it is possible that regardless of the number of dependents one has in the household, the decision to invest in community or common good remains the same.

**Relationship within social capital dimensions:** Table 5 points to the correlation between every dimension of the social capital. Based on the table, the analysis of

correlation between the participation in the community activities with other dimensions of social capital demonstrates a significant positive relationship namely proactivity in the social context ( $r = 0.723$ ,  $p < 0.01$ ), neighbourhood connections ( $r = 0.747$ ,  $p < 0.01$ ), multi-racial tolerance ( $r = 0.484$ ,  $p < 0.01$ ), a sense of trust and protection ( $r = 0.576$ ,  $p < 0.01$ ) and life values ( $r = 0.627$ ,  $p < 0.01$ ). In terms of the correlation between proactivity in the social context with other dimensions of the social capital, the outcome shows that there is a significant positive relationship namely neighbourhood connections ( $r = 0.700$ ,  $p < 0.01$ ), multi-racial tolerance ( $r = 0.427$ ,  $p < 0.01$ ), a sense of trust and protection ( $r = 0.563$ ,  $p < 0.01$ ) and life values ( $r = 0.639$ ,  $p < 0.01$ ). Next, neighbourhood connections also points to a significant positive relationship with the dimension of multi-racial ( $r = 0.535$ ,  $p < 0.01$ ), a sense of trust and protection ( $r = 0.761$ ,  $p < 0.01$ ) and life values ( $r = 0.767$ ,  $p < 0.01$ ).

The analysis also establishes the fact that the multi-racial tolerance dimension has a significant positive relationship with sense of trust and safety ( $r = 0.466$ ,  $p < 0.01$ ) and life values ( $r = 0.452$ ,  $p < 0.01$ ). In the meantime, the dimension of a sense of trust and protection also has the same form of relationship (positive significant) with the dimension of life values ( $r = 0.806$ ,  $p < 0.01$ ). Based on the above results, all dimensions of the social capital were related positively with one another. This is a positive indicator showing that all dimensions studied indeed have a close association with each other. With an

increase in the participation in the community activities, proactivity in the social context is easier to come by and this will cause the neighbourhood connections to become better. As the outcome shows, the tolerance of the diverse races will be able to be maintained and it will create a sense of trust and protection among the local residents. Thus, better life values will be able to be attained by the local community. An overall positive relationship also seems to indicate that Malaysian community, as exemplified by the specific context of this study is a fertile ground for community social capital to develop. Malaysians in general are known for their tolerance and sense of harmony, despite of the fact that the social fabric comprises of starkly multi-racial and multi-ethnic composition. Yet, due to the relatively limited scope of this study, such an overwhelming conclusion must be taken with caution. A more comprehensive study would yield better result and more definitive conclusion.

### CONCLUSION

The dynamics of social capital elements should not be taken lightly. Results have showed that each social capital dimensions played a significant role in relations to other dimensions. Society development process may be enhanced and rejuvenated if community works together to achieve similar prospects for the benefits of every member in the community. Demographic factors are non-significant barrier in determining the success of harmonious and prosperous society except for multi-racial tolerance where younger generation seems to tolerate well with society. Nevertheless, it is not a hindrance for a successful quality of life in a community.

### ACKNOWLEDGEMENTS

The researchers wish to thank the Ministry of Higher Education Malaysia for funding this study under the Fundamental Research Grant Scheme (FRGS).

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