PROCEEDINGS OF THE INTERNATIONAL CONFERENCE FOR INSTITUTE OF ADMINISTRATION (ICIA 2025)

AHMADU BELLO UNIVERSITY ZARIA - NIGERIA

Website: *https://icia.org.ng* **ISBN:** *978-978-695-265-9* ***Volume I, 2025***

HARNESSING SOCIAL CAPITAL FOR BUSINESS GROWTH AND SUSTAINABLE DEVELOPMENT IN NIGERIA: PATHWAYS, CHALLENGES AND POLICY IMPLICATIONS

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ABSTRACT

This paper presents a structured narrative literature review on harnessing social capital for business growth and sustainable development in Nigeria, with emphasis on key pathways, contextual challenges, and policy implications. Narrative reviews, relevant literature were systematically identified, screened, and synthesised from major academic databases, including Scopus, Web of Science, Google Scholar, JSTOR, Science Direct, ResearchGate and Springer Link. The thematic synthesis highlights how social capital facilitates access to resources, knowledge sharing, innovation, market expansion, partnerships, community-driven development, and diaspora engagement. The review also identified critical challenges such as weak bridging and linking social capital, low institutional trust, informality, digital exclusion, political instability, gender inequality, and limited access to finance. The paper further discussed policy strategies for leveraging social capital through institutional strengthening, inclusive development frameworks, digital infrastructure expansion, and diaspora investment incentives. The study concluded that while social capital remains a vital yet underutilised asset in Nigeria, deliberate and inclusive policy interventions are required to translate it into sustained business growth and long-term development outcomes. The paper recommended among others that for fostering inclusiveness and sustainability of business growth, governments and non-governmental organizations should adopt the social capital approach, as it will yield better results for improved quality of life.

Keywords: *Social Capital, Business Growth, Sustainable Development, Policy Implications*

Introduction

The immense value of social capital lies in its significant impact on business growth and sustainable development, ultimately contributing to the prosperity of a nation's people (OECD, 2021). Social capital plays a vital role in stimulating business growth and the well-being of locals and is an essential

component in promoting sustainable development (Daskalopoulou, 2020; Zmyslony *et al.,* 2020). Sustainable development recognises that business growth could be both inclusive and environmentally sound to reduce poverty and build shared prosperity for today's population and to continue to meet the needs of future generations (Okoro *et al.,* 2020). Sustainable development means achieving a better quality of life for present and future generations. It involves using resources at a rate that allows natural systems to replenish, thereby influencing organisational decision-making and business values (John-Adegbesan & Wonah, 2021). It is efficient with resources and carefully planned to deliver both immediate and long-term benefits for people, the planet, and prosperity.

Social capital could contribute to harmonious growth of the wealth of a nation. Bearing the government's commitment to its objectives in mind, policies, and mechanisms for achieving sustainable development stakeholders such as government, citizens, environment, investors and all the entities in Nigeria will have to come together to attain sustainable economy and make it a reality (Ogbo *et al.,* 2017). Sustainable development is a vector of desirable social objectives such that an increase in real income per capita, an improvement in health and nutrition, educational achievement, access to resources, a fairer distribution of income and increase in basic freedom (Ejumudo 2015). Azubuike and Ebere (2019) defined sustainable development as the utilization of resources to meet the economic, social and environmental needs of human, such that the interest of the present and future generation is served. Sustainable development entails development that can be progressive (Oguchi, 2018). Owing to the importance of sustainable development in a nation, business growth could be emphasized through the use of social capital.

Concept of Social capital

Social capital is the fourth pillar of sustainable development (Raja, 2014). Social capital refers to the trust, civic norm and networks that enable collective action and improve market performance by

reducing transaction costs (Rasak, 2019). Social capital is usually associated with shared norms, values and understandings that facilitate cooperation within or among groups (Alemu & Tola, 2020). It refers to "the sum of resources, actual or potential, that are linked to durable and consistent institutionalized relationships (Boonnual *et al.,* 2023). Also, Tsounis and Xanthopoulou (2024) defined social capital as the structure and quality of social relationships, from which individuals, social groups and the society may benefit. Social capital, defined as the linkages of relationships among people who live and work in a particular society, enabling that society to function effectively, plays a crucial role in driving business growth and sustainable development in Nigeria. Social capital plays a crucial role in Nigeria's economic landscape, and leveraging it effectively can lead to long-term sustainable development. It has emerged as a critical resource for business development and sustainable economic growth. In Nigeria, a country with complex ethnic, religious, and social dynamics social capital presents both opportunities and challenges. Social capital is a valuable asset that can be integrated into the equation of economic growth as it play a pivotal role in economic development (Zmyslony *et al.,* 2020). Leveraging on social capital can strategically foster entrepreneurship, community development, and sustainability.

Social capital is not only utilized for personal and community benefits but is also vital for macroeconomic dimensions. This is because it supports the potential to promote job creation and support small and medium scale enterprises. Hence, those with high social capital can achieve business growth and sustainability faster than those without it (Engbers & Rubin, 2018). This results from mutual familiarity and mutual recognition, or being a member of a group that allows members to benefit from the social capital that belongs to that community as a whole. The origins of social capital arise from social, economic, and cultural structures that create different powers and statuses for individuals (Saukani & Ismail, 2019). The benefits of social connections in diverse communities and

the relevance of social networks for developing resources and skills stem from prominent social networks with shared values, mutual responsibilities, and relationships built on trust and reciprocity. As social capital also encompasses the idea that social obligations are the foundation of sustainable living. Hence, social capital is crucial as a basis for assessing positive changes both individually and collectively (Kizos *et al.,* 2018). Sustainable development aimed at the creation of sustainable improvements in the quality of life. It is also centred on natural resource management which has become inevitable because of the conflicts between the short-term need to alleviate poverty and the long-term objectives for environmental sustainability in the Third World, pressures placed on natural resources to meet people's demands, in fact, presents a dilemma for policy makers concerned with sustainable development (Ejumudo 2015). Social resources are important for ensuring the economic growth and sustainability of the development process. Social capital includes networks together with shared norms, values and understanding that facilitate co-operation within or among groups. Social capital formation and effects could be analysed at different levels: micro-level (interpersonal trust and informal relations between individuals), and macro-level (regional, national, international networks and institutions).

Pathways for Harnessing Social Capital for Business Growth and Sustainable Development in Nigeria

Social capital primarily stems from trust, social structures, and community participation (Boonnual *et al.,* 2023). An increase in trust and cooperation within a community can lead to enhanced economic collaboration, which is crucial for sustainable prosperity. Also, social capital influences the creation of understanding, equality, and a supportive society through training, education, and information sharing. In terms of community enterprises, social capital can foster the community's problem-solving capabilities, achievement of community goals, and sustainability of both the community enterprises and the entire community (OECD, 2021). Sustainable development aimed to meet the needs of the

present without compromising the ability of future generations to meet their own needs (Okoro *et al.,* 2020). Community enterprises possess social capital, consisting of social foundations, trust, and the creation of closely related networks which could contribute to the strengthening of community enterprises (Nongnuch, 2020). Components of social capital also serve as productive resources that can stimulate economic growth and citizens' welfare (Daskalopoulou & Karakitsiou, 2020). Pathways for harnessing social capital for business growth and sustainable development in Nigeria could include:

Enhanced Access to Resources: Social networks facilitate access to vital resources such as finance, information, and markets. Social capital accelerates and facilitates the formation and development of local network structures, ultimately leading towards development (Shen *et al.,* 2019). For instance, entrepreneurs can leverage personal connections to secure informal loans, find new customers, and gain insights into market trends. This is particularly relevant for Small and Medium Enterprises (SMEs) in Nigeria, where access to formal credit can be challenging.

Knowledge Sharing and Innovation: Strong social ties foster environments of trust and reciprocity, encouraging the exchange of knowledge, ideas, and best practices. This can lead to improved business strategies, product development, and overall innovation within companies and across sectors. In addition, Ghoshal (2020) maintained that with the aid of social capital formations, individuals can access trade capital without any form of stringent condition as opposed to banks.

Improved Marketing and Customer Acquisition: Social media marketing, for example, allows SMEs to leverage social capital to promote their businesses, gather customer feedback, and expand their customer base. Word-of-mouth referrals, often driven by social connections, remain a powerful marketing tool.

Facilitating Partnerships and Collaborations: Social capital enables the formation of strategic alliances and collaborations between businesses, leading to economies of scale, shared expertise, and expanded market reach. This is especially crucial for developing larger, more impactful projects. Bourdy (2023) asserted that all resource-perspectives that are pooled within the confinement of individual that were secured through close-knitted relationship. Even during economic downturns or unforeseen challenges, social capital can act as a buffer as businesses with strong social networks can rely on mutual support, shared resources, and collective problem-solving to navigate difficulties and build resilience.

Entrepreneurial Networks and Cooperative Societies: Social capital enables access to informal networks that provide entrepreneurs with credit, market information, and emotional support (Ozor & Nwankwo, 2008). In Nigeria, cooperative societies and ethnic-based associations (town unions, age grades) offer platforms for business growth, especially in rural and underserved areas.

Trust and Reciprocity in Informal Markets: Nigerian markets thrive on informal mechanisms of trust and reputation. These mechanisms reduce transaction costs and promote long-term relationships among business partners (Akinrinade, 2012). High social trust results in villagers' increased participation in plan implementation, social activities, and economic investment in villages increasing the mean of sustainable rural development (Sabet & Khaksar, 2020). Allowing innovation processes needs committee and dedicated brokers that offer bridging social capital and exemplify competence trust to build participants' trust (King *et al.,* 2019). Social capital utilizes close-knitted relationships in building trust and confidence that could be relied upon in generating the needed trade credit facility for micro businesses development (John, 2022). Such trust-based relationships are particularly important in areas with limited formal financial infrastructure.

Community-Driven Development Projects: Social capital can drive community-based resource management and participatory development, which align with sustainable development goals (SDGs). Initiatives like community self-help projects, facilitated by NGOs and local associations, have shown success in improving infrastructure and livelihoods (Ayo & Fagbohun, 2020). Social participation in the process of sustainable development is capable of adapting a model that allows local communities and villagers to participate in various levels of development in the decision-making process, including benefit-sharing and determining the type and scale of sustainable development in their area of residence (Zafar & Hashmi, 2022).

***Diaspora Networks and Remittances*:** Nigerian diasporas contribute significant remittances and intellectual capital. These transnational ties can be harnessed for local entrepreneurship, knowledge transfer, and development partnerships (Oruh *et al.,* 2021). Social capital can contribute to a more cohesive and empowered community. This can translate into a more stable and supportive environment for businesses to operate, and foster collective action for local development initiatives.

Challenges in Leveraging Social Capital for Business Growth and Sustainable Development in Nigeria

The prevalence of social capital have gained wider acceptance as business owners are exploring the opportunity of social capital to finance their businesses (Cantner & Stuetzer, 2022). As a developing economy, Nigeria faces several structural and institutional challenges in its development stride and efforts to improve the quality of life of its citizens, this is because, its full potential remains constrained by various challenges, necessitating well-thought-out policy interventions. These challenges include:

Weak Bridging and Linking Social Capital*:* While bonding social capital (ties among similar people) might be strong in Nigeria, bridging (connections between heterogeneous groups) and linking (vertical relationships with institutions of power) social capital often remain weak. This limits the ability of individuals and businesses to access diverse resources and influence policy.

Lack of Trust and Reciprocity**:** Despite the presence of social networks, a lack of widespread trust, often stemming from corruption and a history of unfulfilled promises, can hinder the effective utilization of social capital. When trust is low, individuals are less likely to share information, resources, or take risks in collaborations. The ethnic and religious polarization limits trust between groups, thereby hindering collective action and inclusive economic development (Okafor, 2010). Consolidating relationships that is built on trust, confidence and reciprocity can heighten the generation of credit facility among the people (Cantner & Stuetzer, 2022).

Informality and Lack of Formalization**:** Many social capital networks operate informally, making them less predictable, scalable, and difficult to leverage for larger-scale business initiatives or formal credit access. These existing social networks can sometimes reinforce existing inequalities, limiting access to opportunities for marginalized groups who may lack the right connections. Marginalized groups may also lack access to influential networks, limiting their economic participation.

Limited Digital Inclusion: Although social media offers a pathway for social capital, significant portions of the Nigerian population still lack reliable access to digital tools and literacy, hindering their participation in online networks.

Political Instability and Corruption: A volatile political landscape and endemic corruption erode trust and predictability, making it difficult for social capital to flourish and translate into sustainable business growth. Also, Corruption and weak institutions can hinder the effectiveness of social

networks. This is because, social capital cannot thrive in the absence of strong formal institutions. Corruption, lack of transparency, and political patronage networks often distort the use of social capital for private rather than communal gain (Olowu, 2019).

Gender and Social Exclusion: Women and marginalized groups often face barriers in accessing influential networks. This limits the equitable distribution of the benefits of social capital and poses challenges to inclusive development (Isiugo-Abanihe *et al.,* 2020).

Limited Access to Financial Resources: One of the greatest challenges of sustainable development in Nigeria has been that of evolving and effectively implementing policies and programmes that will free the vast majority of Nigerians from limited access to financial resources. Many Nigerian businesses still struggle with funding despite the emphasis on strong social connections

Policy in Leveraging Social Capital for Business Growth and Sustainable Development in Nigeria

Developing policies that are expected to enhance business growth and sustainable development in Nigeria is an enormous task because of the exigency of accommodating long-and-short-term goals for sustainability and the political conditions which border on issues of ownership and the participation of stakeholders commonly with conflicting interests in the policy-making process (Ejumudo 2015). In Nigeria, the need for a pragmatic, action-based multi-dimensional approach to be integrated and functional policies that will enhance rather than constrain sustainable development is even more compelling. Hence, to effectively harness social capital for business growth and sustainable development in Nigeria, policymakers should consider the following:

Support for associations and cooperatives: Encourage the formation and strengthening of diverse business associations, trade groups, and cooperatives that cut across different sectors and social strata.

They should also implement reforms that enhance the transparency, accountability, and effectiveness of government institutions, business associations, trade groups, and cooperatives thereby fostering public trust. Vigorous enforcement of anti-corruption laws and policies is crucial to reduce illicit practices that erode trust and discourage legitimate collaboration. They should also promote ethical business practices by encouraging and rewarding businesses that demonstrate ethical conduct and corporate social responsibility, thereby building a culture of integrity.

Public-private dialogue platforms: Create formal and informal platforms for regular engagement between businesses, community leaders, and government officials to foster trust and facilitate collective problem-solving and knowledge sharing.

Mentorship and networking programmes*:* Implement programmes that connect aspiring entrepreneurs and small business owners with experienced mentors and established networks, particularly across different regions and industries. Institutional support for social enterprises through the formulation of policies that support cooperatives, microfinance institutions, and social enterprises can formalize and scale the impact of social capital in business growth.

Digital Infrastructure Development: they should invest in expanding access to affordable internet and digital literacy programs, enabling wider participation in online social and business networks. Support online business platforms through encouraging the development and adoption of digital platforms that connect businesses, facilitate transactions, and enable knowledge sharing.

Inclusive Development Strategies**:** Targeted interventions for marginalized groups through designing policies that specifically support and empower women, youth, and other marginalized groups to build their social networks and access business opportunities. They can also be involved in community-led

development initiatives that empower local communities to take ownership of their development processes, leveraging their existing social structures for sustainable projects.

***Education and Awareness*:** Integrating social capital in entrepreneurship education enlightening learners on the importance of social capital development and networking into entrepreneurship training programs and academic curricula. Campaigns could also be conducted to raise awareness about the value of social capital and its role in fostering economic growth and community well-being. Entrepreneurial education can be an avenue to shape the mind set of young people, and also provide them with the requisite knowledge necessary for self-development in entrepreneurial endeavours as they might engage in small and medium size enterprises.

***Incentivizing Diaspora Investment*:** Government policies should provide tax incentives, investment guarantees, and partnership platforms to attract diaspora contributions in business and development initiatives.

Social Inclusion Policies: Enacting and enforcing policies that enhance access to resources and networks for women, youth, and marginalized communities is essential to ensure equitable growth. As issues related to pool of constructive ideas, perspectives and working dexterity are shared within their social connectivity frameworks and utilization (Hill, 2019).

Methodology

This study adopted a structured narrative literature review approach to synthesise existing theoretical, empirical, and policy-oriented studies on the role of social capital in business growth and sustainable development in Nigeria. A narrative review was considered appropriate given the conceptual nature of social capital, the interdisciplinary scope of the subject (economics, sociology, entrepreneurship, and development studies), and the study's objective of integrating diverse perspectives rather than

statistically aggregating effect sizes. The review was guided by principles of transparency, comprehensiveness, and methodological rigour to minimise selection bias and enhance reproducibility. A systematic search of relevant literature was conducted using multiple reputable academic databases to ensure broad coverage. The databases consulted included Scopus, Web of Science, Google Scholar, JSTOR, Science Direct, Research gate and Springer Link. These databases were selected due to their extensive indexing of peer-reviewed journals, policy reports, and scholarly books relevant to social capital, entrepreneurship, and sustainable development. The search employed a combination of keywords. Core search terms included: "*social capital" AND "business growth", "social capital" AND "sustainable development", "entrepreneurship" AND "social networks", "social capital" AND "Nigeria", "community networks" AND "economic development"*. The inclusion criteria of the search were peer-reviewed journal articles, scholarly books, and credible institutional reports, literature focusing on social capital, entrepreneurship, business growth, sustainable development, or related constructs and empirical and conceptual studies with relevance to Nigeria. The exclusion criteria included non-scholarly sources such as blog posts, opinion pieces, and unpublished manuscripts, publications not available in English.

The study selection process followed a three-stage screening procedure. First, titles and abstracts were reviewed to assess relevance to the research focus. Second, full texts of potentially eligible studies were examined to ensure alignment with the review objectives and inclusion criteria. Third, duplicate studies were removed. Data were extracted manually from the selected studies, focusing on key themes such as definitions and dimensions of social capital, pathways linking social capital to business growth, contextual challenges, and policy implications. The synthesis was organised around four analytical dimensions: conceptual foundations of social capital, pathways through which social capital supports business growth and sustainable development, structural and contextual challenges limiting

effective utilisation of social capital in Nigeria and policy and institutional strategies for leveraging social capital.

Integrating Social Capital, Business Growth, and Sustainability

Social capital could be a catalyst for business growth and sustainable development. The reviewed literature showed a strong consensus that social capital manifested through trust, networks, and norms reduces transaction costs, facilitates information flows, and enhances cooperation (Daskalopoulou, 2020). A major analytical contribution emerging from the literature is the differentiated role of **bonding, bridging, and linking social capital**. Studies focusing on Nigerian SMEs and informal markets consistently show that bonding social capital enhances survival and resilience by providing access to informal credit, labour, and trust-based exchanges (John, 2022; Waheed et al., 2021). However, comparative evidence suggested that business scalability and long-term sustainability are more strongly associated with bridging and linking social capital, which connect entrepreneurs to diverse networks, institutions, and policy actors (Engbers & Rubin, 2018; King et al., 2019). The literature thus reveals a structural imbalance in Nigeria, strong bonding social capital coexists with weak bridging and linking capital which constrains innovation diffusion, formalisation, and access to high-value markets.

Social Capital and Institutional Quality: A Conditional Relationship

A critical interconnection emerging from the synthesis is the reciprocal relationship between social capital and institutional quality. While some studies implicitly assume that social capital can compensate for weak institutions (Cantner & Stuetzer, 2022), others argue that social capital cannot thrive or translate into sustainable outcomes without credible, transparent, and accountable institutions (Olowu, 2019). This tension reflects a broader theoretical debate on whether social capital is a **cause** or **consequence** of institutional effectiveness. Evidence from Nigeria revealed that corruption,

political instability, and lack of transparency erode generalised trust, thereby weakening the productive dimensions of social capital (Ejumudo, 2015; Olowu, 2019). This finding challenges overly optimistic narratives and underscores the need for a more critical understanding of social capital as a socially embedded and politically mediated resource. Gender-focused studies reveal that women and marginalised groups often face structural barriers to accessing influential networks, limiting their ability to leverage social capital for entrepreneurial advancement (Isiugo-Abanihe et al., 2020). This exclusion weakens the inclusive growth potential of social capital and undermines its contribution to sustainable development. The synthesis therefore suggestted that social capital can reproduce existing power asymmetries unless deliberately shaped by inclusive policies. This aligns with broader sustainability literature, which emphasises that economic growth without social inclusion is inherently unsustainable (Azubuike & Ebere, 2019). While, studies acknowledge the growing role of social media and transnational ties in facilitating entrepreneurship and remittance-driven investment (Oruh et al., 2021), there is limited critical analysis of how digital exclusion and unequal access to technology may reproduce new forms of inequality. Thus, digital social capital appears as a double-edged sword expanding opportunities for some while marginalising others.

The critical synthesis demonstrated that social capital operates as a **conditional resource**, whose effectiveness depends on institutional quality, inclusiveness, and the balance among its different forms. The literature converges on its importance but diverges on its outcomes, reflecting differences in governance, social structure, and policy environments. This review advances the literature by integrating these fragmented insights and positioning social capital not as a universal remedy, but as a dynamic social resource requiring deliberate institutional and policy alignment. It consistently demonstrated that social capital contributes to business growth and sustainable development not merely because networks exist, but because **networks embed economic action within trust-based**

social structures. Trust lowers uncertainty, reduces transaction costs, and substitutes for weak contract enforcement mechanisms conditions particularly salient in Nigeria's institutional environment (Putnam, 1995; Waheed et al., 2021). This explains why entrepreneurs embedded in strong social networks are better positioned to access information, credit, and markets compared to isolated actors. Social capital facilitates business growth by functioning as an **informal governance mechanism**. Norms of reciprocity and reputation constrain opportunistic behaviour, thereby enabling trade, credit extension, and partnerships in contexts where formal legal safeguards are unreliable. This mechanism explains why access to trade capital without stringent conditions is prevalent in informal markets: lenders and suppliers rely on social ties and reputational sanctions rather than collateral or formal documentation (Ghoshal, 2020; John, 2022). However, this mechanism also explains why such arrangements remain small-scale and risk-averse, limiting long-term expansion.

The findings of this review demonstrate that social capital plays a pivotal yet conditional role in shaping business growth and sustainable development in Nigeria. While strong bonding social capital facilitates business survival through trust-based exchanges, informal credit, and community support, it simultaneously constrains scalability and innovation due to its limited reach beyond homogenous networks. This finding directly informs the need for **policies that deliberately strengthen bridging and linking social capital**, rather than merely reinforcing existing community ties. For instance, the evidence that SMEs rely heavily on informal credit accessed through social networks suggests that **financial inclusion policies must move beyond expanding formal credit supply** to recognising and integrating informal financial practices. Policy instruments such as cooperative-based lending frameworks, social enterprise finance, and community-backed credit guarantees can leverage existing trust while gradually formalising access to finance. This approach directly addresses the observed constraint that trust-based financing remains small-scale and exclusionary.

Conclusion

Harnessing social capital can be a powerful driver for business growth and sustainable development in Nigeria. Achieving sustainability in Nigeria is to establish an economy that is viable, environmentally sound, investment friendly and socially responsible. Sustainable developmental goals that have dominated discussion among policy makers, economic analysts in order to enhance poverty alleviation, youth empowerment, entrepreneurship development, self-reliance and effective leadership, which are perceived as key strategies for actualising sustainable development in Nigeria (Azubuike & Ebere, 2019). As the term social capital indicates the resources that are available from and through personal and business networks. These personal and business networks generate resources, such as business opportunities, information, financial capital, ideas, leads, emotional support, trust, cooperation, and even goodwill (Waheed *et al.,* 2021). However, institutional weaknesses and socio-political fragmentation often undermine its effectiveness. Social capital is a vital, albeit underutilised, asset for Nigeria's development. By fostering trust, collaboration, and community-driven initiatives, social capital can drive inclusive business growth and sustainability. However, to fully leverage its potential, Nigeria must address the challenges of institutional fragility, fragmentation, and inequality through deliberate and inclusive policy frameworks.

The persistent reliance on social capital as a substitute for weak institutions underscores a critical policy implication: **social capital cannot compensate indefinitely for governance failure**. Findings indicating low institutional trust and widespread informality highlight the necessity of strengthening regulatory transparency, contract enforcement, and anti-corruption mechanisms. Policies aimed at improving institutional credibility such as simplified business registration, transparent procurement systems, and inclusive public–private dialogue platforms are essential to transform social capital from

a coping mechanism into a developmental asset. This linkage is particularly important in Nigeria, where political instability and corruption distort the use of social networks toward rent-seeking rather than productive collaboration. Strengthening institutions therefore amplifies the positive effects of social capital, enabling it to support sustainable rather than merely adaptive economic behaviour.

The finding revealed that digital platforms and diaspora networks represent emerging pathways for bridging and linking social capital, yet their benefits are uneven due to digital exclusion. This directly supports **policies that expand digital infrastructure and literacy**, particularly in rural and underserved communities. Investment in affordable broadband, digital entrepreneurship hubs, and online business platforms can broaden network reach, enhance market access, and reduce the exclusionary tendencies of traditional social networks. The findings challenge linear models that posit a direct and universally positive relationship between social capital and sustainable development. Instead, the Nigerian evidence supports a **conditional and relational theory of social capital**, where outcomes depend on institutional quality, network diversity, and power relations. This contributes to social capital theory by integrating institutional and political economy perspectives, highlighting that social capital can both enable and constrain development.

The findings also reinforce the need to conceptualise social capital as a **dynamic system** rather than a static asset. For entrepreneurs, development agencies, and NGOs, the findings underscore the importance of **strategic network building**. Reliance on bonding ties alone may ensure survival but not growth. Practitioners should therefore prioritise participation in cross-sector networks, mentorship programmes, and digital platforms that expand bridging and linking connections. Development interventions should focus on strengthening organisational capacity to engage with formal institutions and diverse markets. The findings suggest that **effective policy must move from harnessing social capital as a standalone resource to embedding it within inclusive institutional frameworks**.

Policies that align social capital with governance reforms, financial inclusion strategies, and digital transformation are more likely to yield sustainable business growth and long-term development in Nigeria.

The study concluded with recommendations that for fostering inclusiveness and sustainability of business growth, governments and non-governmental organizations should adopt the social capital approach, as it will yield better results for improved quality of life of the community dwellers. Bonding level of social capital should be emphasised as it can help in consensus building of the community. Non-governmental organizations with a plan of capacity building, to focus on networking social ties of the people should be involved in leveraging social capital for sustainable development. Youths in educational institutions should be involved in different activities for team building and teamwork so that they can be prepared for future roles.

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