

## The role of social capital in the sustainability of community-based waste management: a literature review from a capitalistic management perspective

Fikri Aswan<sup>1</sup>, Gusriati<sup>2</sup>, Yovhandra Ockta<sup>3</sup>

<sup>1</sup>Universitas Islam Indonesia, Indonesia

<sup>2</sup>Universitas Ekasakti, Indonesia

<sup>3</sup>Universitas Teuku Umar, Indonesia

Email: [25935013@students.uii.ac.id](mailto:25935013@students.uii.ac.id); [gusriatimsi@gmail.com](mailto:gusriatimsi@gmail.com); [yovhandraockta@utu.ac.id](mailto:yovhandraockta@utu.ac.id)

### ABSTRAK

Penelitian ini bertujuan untuk mengkaji peran *kapital sosial* dalam keberlanjutan pengelolaan sampah berbasis komunitas melalui *Bank Sampah* dengan menggunakan perspektif *capitalistic management* sebagai kerangka analisis. Penelitian menggunakan metode *systematic literature review* dengan menganalisis 47 referensi dari *Google Scholar*, *Scopus*, *DOAJ*, dan jurnal nasional terakreditasi yang diterbitkan pada periode 2015–2025. Hasil kajian menunjukkan bahwa dimensi utama *kapital sosial*, yaitu kepercayaan, norma timbal balik, dan jaringan kolaboratif, memiliki kontribusi penting dalam menjaga partisipasi masyarakat, memperkuat stabilitas kelembagaan, serta memperluas akses terhadap sumber daya eksternal. Dalam perspektif *capitalistic management*, *kapital sosial* dipahami sebagai aset produktif yang bernilai strategis karena mampu meningkatkan efisiensi kelembagaan, mengurangi biaya transaksi, dan menciptakan keunggulan kompetitif yang berkelanjutan. Selain itu, *kapital sosial* juga berfungsi sebagai mekanisme korektif terhadap kegagalan pasar dalam pengelolaan sampah sebagai *negative externality*. Penelitian ini memberikan kontribusi teoretis dengan menghubungkan teori *kapital sosial*, ekonomi kelembagaan, dan *Resource-Based View* dalam konteks organisasi berbasis komunitas.

**Kata Kunci:** bank sampah; pengelolaan sampah berbasis komunitas; keberlanjutan kelembagaan; kegagalan pasar; pandangan berbasis sumber daya

### ABSTRACT

*This study aims to analyze the influence of social capital and selling price on business profits through customer satisfaction as a mediating variable, focusing on Generation Z consumers in the context of micro-retail businesses. The study used a quantitative approach with the Partial Least Squares Structural Equation Modeling (PLS-SEM) method on 100 respondents. The results showed that selling price and service quality have a positive and significant effect on customer satisfaction, with selling price having a more dominant influence. Furthermore, customer satisfaction was shown to have a strong and significant influence on business profits. However, the direct effect of selling price and service quality on business profits was not significant. Mediation analysis showed that customer satisfaction fully mediates the relationship between selling price and service quality on business profits. These findings confirm that customer satisfaction is a key mechanism linking marketing strategy to financial performance. This study contributes to broadening the understanding of the role of mediation in the context of micro-businesses and provides practical implications for business actors in increasing profitability through strategies oriented towards customer satisfaction.*

**Keyword:** waste banks; community-based waste management; institutional sustainability; market failure; resource-based view

### Corresponding Author:

Fikri Aswan,  
Universitas Islam Indonesia,  
Jalan Kaliurang Km. 14,5, Sleman, Yogyakarta 55584, Indonesia  
Email: [25935013@students.uii.ac.id](mailto:25935013@students.uii.ac.id)



## 1. INTRODUCTION

The waste problem has become one of the most serious environmental challenges in Indonesia. Population growth, urbanization, changes in consumption patterns, and weak waste-sorting practices at the source have caused the volume of waste to increase continuously from year to year. In this context, both the government and communities have developed various approaches to waste management, one of which is community-based waste management through the Waste Bank system. Waste Banks are essentially community-based institutions that manage inorganic waste through a system of collecting, sorting, and selling recyclable materials with economic value. Through this mechanism, communities are not only encouraged to maintain environmental cleanliness but also gain economic benefits from waste management activities (Budiyarto et al., 2025).

In practice, Waste Banks are often viewed as a form of social innovation that connects environmental goals, economic value, and community empowerment. However, many Waste Banks face various challenges in maintaining their sustainability. Several studies have identified problems such as low community participation, dependence on a small number of core managers, weak institutional income, limited market access, and a high number of inactive Waste Bank units (Latanna et al., 2023; Mulasari et al., 2024). These conditions indicate that the sustainability of Waste Banks cannot be explained solely by the availability of infrastructure, technology, or economic incentives.

In this context, social capital becomes an important concept to examine. In various studies, social capital is understood as a resource that emerges from social relationships, trust, norms, and networks within a community (Bourdieu, 1986; Coleman, 1988; Putnam, 2000). In the context of community-based waste management, the presence of trust between residents and managers, a culture of mutual cooperation, and collaborative networks with external stakeholders can significantly influence program sustainability. Social capital not only functions as a social element that strengthens community cohesion but can also be understood as a productive asset. From a capitalistic management perspective, social capital can be accumulated, managed, and converted into institutional benefits in the form of operational efficiency, increased community participation, and expanded market access and partnerships (Bourdieu, 1986).

This article employs a capitalistic management perspective as an analytical framework to understand social capital not merely as a cultural value or social cohesion, but as a productive asset that can be accumulated, managed, and converted into institutional advantages. This perspective draws upon traditions in institutional economics and organizational theory that view all forms of capital—including social capital—as resources with instrumental value in improving efficiency, reducing transaction costs, and strengthening organizational capacity (North, 1990; Bourdieu, 1986; Fukuyama, 1995).

Within this framework, the term *capitalistic* does not refer to a free-market ideology but rather to a managerial orientation that considers every organizational resource—including social relations—as variables that can be strategically optimized to achieve sustainable institutional goals. Waste Banks, therefore, should not be viewed merely as socio-environmental programs but as organizations that actively manage various forms of capital, including social capital embedded in community trust, reciprocity norms, and collaborative networks among multiple actors. The ability to strategically manage social capital is what distinguishes Waste Banks that survive in the long term from those that cease operations midway.

Based on this background, this article aims to examine the role of social capital in supporting the sustainability of community-based waste management, particularly Waste Banks, and to analyze how this concept can be understood from the perspective of capitalistic management.

## 2. RESEARCH METHOD

This study employs a *systematic literature review* approach with a descriptive–analytical design. This approach was selected because the main objective of the article is to map, synthesize, and interpret existing findings in the literature in order to construct a coherent theoretical argument regarding the role of social capital in the sustainability of community-based waste management (Snyder, 2019).

The literature search was conducted through four major databases: *Google Scholar*, *Scopus*, *DOAJ (Directory of Open Access Journals)*, and the national accredited journal portal through *Sinta*. The search keywords included *social capital*, *waste bank*, *Bank Sampah*, *community-based waste management*, *trust*, *reciprocity*, *social network*, *institutional sustainability*, as well as combinations of these keywords. The search was limited to publications from 2015 to 2025 to ensure the relevance and timeliness of the literature used. However, several classical theoretical works that serve as conceptual foundations—such as Bourdieu (1986), Coleman (1988), Putnam (1993), and North (1990)—were also included due to their irreplaceable contributions to the study of social capital.

The inclusion criteria comprised articles discussing social capital within the context of waste management, community-based initiatives, or community-based institutions; studies conducted in Indonesia or those with contextual relevance to community waste management in developing countries; and publications in

indexed scientific journals or verifiable academic books. Meanwhile, the exclusion criteria included articles that had not undergone a *peer-review* process, publications not relevant to the topics of social capital, institutional sustainability, or waste management, and sources whose full texts were not accessible.

From the initial search process, more than 120 potentially relevant titles were identified. After screening based on the inclusion and exclusion criteria through title and abstract review, 47 references were selected as the primary sources used in this article. The analysis was conducted using a thematic approach, organizing the literature into three main themes representing the dimensions of social capital: trust, reciprocity norms, and collaborative networks, along with their implications for the sustainability of Waste Banks from a *capitalistic management* perspective.

### 3. RESULTS AND DISCUSSION

#### A. *Conceptual Framework*

This article employs a conceptual framework that connects the three dimensions of social capital with the sustainability of community-based waste management from a *capitalistic management* perspective. This framework is built upon three interrelated propositions. The first proposition is that trust functions as the operational foundation of institutional sustainability. Trust among community members, managers, and external partners reduces transaction costs, accelerates information exchange, and decreases the need for formal monitoring mechanisms (North, 1990; Fukuyama, 1995; Coleman, 1988). In the context of Waste Banks, trust determines whether residents are willing to participate consistently and whether external partners are willing to establish long-term collaboration. The second proposition is that reciprocity norms function as a mechanism for sustaining participation. These norms maintain community involvement beyond short-term economic incentives because collective action is understood as a social investment that will generate shared benefits in the long run (Putnam, 1993; Ostrom, 1990). From a managerial perspective, reciprocity norms operate as an informal social contract that stabilizes members' behavior without requiring high enforcement costs.

The third proposition is that collaborative networks function as a mechanism for expanding resources and institutional resilience. Broad and diverse networks involving government agencies, business actors, civil society organizations, and material *offtakers* enable Waste Banks to access resources unavailable within the community itself, strengthen their bargaining position, and enhance resilience to external shocks such as fluctuations in material prices or the termination of assistance programs (Burt, 1992; Woolcock, 2001; Granovetter, 1973). These three dimensions do not operate independently; rather, they reinforce one another. High levels of trust facilitate the development of reciprocity norms, while strong reciprocity norms encourage community members to expand collaborative networks. Conversely, active networks strengthen trust through repeated and successful collaboration.

From a *capitalistic management* perspective, the interaction among these three dimensions can be understood through the *Resource-Based View (RBV)* developed by Barney (1991). *RBV* argues that sustainable competitive advantage can only be generated by resources that meet four criteria: valuable, rare, inimitable, and non-substitutable (*VRIN*). Social capital embedded within Waste Bank communities fulfills all four criteria simultaneously. It is valuable because it reduces transaction costs and increases participation. It is rare because not all communities possess the same level of trust and network capacity. It is difficult to imitate because it is formed through a long history of social interaction and cannot be instantly replicated through intervention programs. It is non-substitutable because no other mechanism can fully replace the coordination and motivational functions performed by strong social relations. Thus, social capital is not merely a complementary organizational resource, but a source of sustainable competitive advantage for Waste Banks as community-based organizations (Barney, 1991; Bourdieu, 1986; Adler & Kwon, 2002).

#### B. *Social Capital in Theoretical Perspective*

Social capital is a concept that has been widely discussed and developed in the social sciences, particularly in development studies, institutional economics, and community studies. Fundamentally, the concept explains how social relationships, trust, and inter-individual networks can become valuable resources for both individuals and groups. In the development of modern social theory, social capital is understood as a form of non-material capital capable of influencing the effectiveness of collective action, organizational performance, and the success of community-based development initiatives (Adler & Kwon, 2002; Woolcock & Narayan, 2000).

Theoretically, the concept of social capital has been strongly influenced by classical social thinkers. Bourdieu (1986) views social capital as the set of actual or potential resources arising from the network of relationships possessed by an individual or group. In this view, social relations are not merely interpersonal but also strategic, as they provide access to various forms of resources. Meanwhile, Coleman (1988) emphasizes the function of social capital in facilitating collective action through norms, trust, and social obligations that develop within a community. Putnam (2000) further developed this idea by stressing that social

capital arises from trust, norms, and social networks that enable society to cooperate effectively in achieving shared goals.

Contemporary studies show that social capital can also be viewed through multiple dimensions. Nahapiet and Ghoshal (1998) divide social capital into three major dimensions: the structural dimension (*network ties*), the relational dimension (trust and norms), and the cognitive dimension (shared values and understandings). In addition, Woolcock (2001) introduced the concepts of *bonding*, *bridging*, and *linking social capital*, which explain that social networks are not only formed within the same community but can also connect communities to other groups and to institutions with greater authority, such as government and the private sector. This perspective is important because it shows that social capital plays a role in expanding community access to economic opportunities, information, and institutional support. From these perspectives, it can be understood that social capital is not merely a matter of interpersonal closeness, but also concerns the capacity of communities to build productive cooperation. In the context of community-based waste management, social capital appears in the form of mutual trust between residents and managers, the willingness of community members to participate in collective activities, and networks with government institutions, recycling businesses, and other supporting actors.

From the perspective of *capitalistic management*, social capital can be positioned as an asset with strategic utility rather than merely a complement to social cohesion. It does not always take the form of money or tangible goods, but it can generate measurable organizational benefits. North (1990) explains that institutions—including informal norms and social networks—shape the incentive structure that determines the behavior of economic actors. In the context of Waste Banks, this means that the quality of social capital within a community directly shapes the incentives of both managers and residents to participate, comply with rules, and invest in collective activities. Communities with strong social capital create an institutional environment conducive to efficiency and compliance without requiring costly formal enforcement mechanisms.

Fukuyama (1995) deepens this argument by distinguishing between low-trust communities and high-trust communities. In low-trust communities, organizations tend to require rigid hierarchies, layered administrative control, and high verification costs. In contrast, in high-trust communities, organizations can operate with leaner structures, faster decision-making processes, and more efficient coordination. For Waste Banks, the implication is highly practical: units operating within high-trust communities possess a structural advantage that cannot easily be replicated through technical intervention or capital assistance alone.

### **C. Waste Banks as a Form of Community-Based Waste Management**

Waste Banks initially developed as a form of community-based waste management, a model of waste management that positions residents not merely as waste generators but as the main actors in the processes of sorting, collecting, and reducing household waste. In Waste Banks, the success of waste management is determined not only by technical infrastructure but also by community participation, local leadership, and patterns of interaction among actors. Early studies on community-based Waste Bank models in Indonesia emphasized that Waste Banks can function effectively when there is voluntary participation, harmonious social relations, and local organizations capable of simultaneously connecting economic, social, and environmental goals (Indrianti, 2016). This means that, from the beginning, Waste Banks were not designed merely as places to deposit recyclable waste, but also as mechanisms for social education and community empowerment.

Over time, Waste Banks have come to be understood not only as part of the *3R* approach (*reduce, reuse, recycle*), but also as components of the *circular economy*. Waste is viewed as a resource that should be returned to the economic cycle through sorting, reuse, recycling, and reduced dependence on final disposal (Fatimah et al., 2020). Studies on sustainable waste management systems in Indonesia show that modern approaches require integration across technical, social, economic, environmental, and institutional dimensions. In this sense, Waste Banks can be understood as local nodes within a circular system, connecting households, managers, collectors, recycling industries, and government institutions in a chain of resource management.

From the perspective of *capitalistic management*, the position of Waste Banks within this system cannot be fully understood without considering the context of *market failure* underlying their emergence. Waste is essentially a *negative externality*, in which the social and environmental costs generated by consumption are not internalized by ordinary market mechanisms (Fatimah et al., 2020). When markets fail to automatically correct these negative externalities, alternative mechanisms are required to fill the gap. It is here that social capital plays a role that goes beyond its conventional social function: it becomes a mechanism for correcting *market failure*. Trust encourages residents to sort waste even when price incentives are insufficient. Reciprocity norms sustain consistent waste management behavior even when individual benefits are not immediately apparent. Collaborative networks connect Waste Banks with market actors capable of assigning economic value to materials that the general market often regards as worthless. In this framework, social capital is not merely a productive asset in the conventional managerial sense, but also a social infrastructure that enables Waste Banks to operate viably in spaces where market pricing mechanisms do not function optimally. This understanding has important policy implications: strengthening community social capital simultaneously

strengthens society's capacity to correct *market failure* from below, without depending entirely on government regulation or external subsidies.

In addition, Waste Banks represent a form of *hybrid organization* or even *social enterprise*, combining several orientations at once: a social orientation in the form of education and behavioral change, an economic orientation in the form of incentives, savings, and the sale value of waste, and an environmental orientation in the form of waste reduction and improved recycling practices (Miftahorrozi et al., 2022). A study published in the *Journal of Social Entrepreneurship* shows that many Waste Banks in Indonesia stand at the intersection of social movements and community enterprises (Rasmini et al., 2025). Their success cannot be measured solely by the volume of waste collected, but also by institutional strength, managerial capacity, budgetary support, and the ability to build stable partnerships.

Waste Banks are one of the innovations in community-based waste management that have developed extensively in Indonesia. Through this system, communities are encouraged to sort waste at home, deposit recyclable materials, and receive compensation in the form of savings or certain payments (Budiyarto et al., 2025). This model demonstrates that waste is no longer viewed merely as refuse, but also as an economic resource that can be collectively managed. However, the success of Waste Banks does not depend solely on the existence of storage facilities or recording systems. Several studies show that many Waste Banks face sustainability problems when community participation weakens, management becomes ineffective, facilities are limited, or relationships with government institutions and external partners are poorly managed (Mulasari et al., 2024). A study conducted in Makassar even found that although Waste Banks were positioned as instruments of community-based waste management, the number of actively operating units was far lower than the total number of units that had been formally established (Latanna et al., 2023). This confirms that the central problem of Waste Banks lies not only in program design, but also in governance and institutional resilience. To achieve sustainability, Waste Banks require a strong social foundation (Rasmini et al., 2025; Miftahorrozi et al., 2022).

#### **D. The Role of Trust in the Sustainability of Community Waste Management**

One of the central elements of social capital is trust. In community-based institutions such as Waste Banks, trust plays an important role in sustaining participation and member loyalty. Trust enables the formation of stable social relations between residents, managers, and institutions, thereby encouraging continuous community involvement in waste sorting, depositing, and management activities. When communities perceive Waste Bank managers as honest, transparent, and consistent, participation tends to be maintained over the long term. Conversely, declining levels of trust are often followed by weakening community engagement, as doubts emerge regarding managerial integrity and the benefits of the program.

From the perspective of social capital, trust is understood not only as a quality of interpersonal relationships but also as a social resource that enables coordination and collective action to take place more effectively. Coleman positions trust as an important element in the social structure that facilitates cooperation among members of society, while Putnam emphasizes its role as a prerequisite for civic participation and the sustainability of collective practices within communities (Coleman, 1988; Putnam, 1993). Nevertheless, empirical studies examining how trust affects the sustainability of member participation in community-based waste management institutions, particularly Waste Banks, remain relatively limited.

Several studies indicate that social capital contributes significantly to the success of Waste Bank management. Haryanti et al. (2023), for example, found that elements of social capital such as trust, social norms, and community networks significantly influence the effectiveness of Waste Bank management systems in Yogyakarta. This finding confirms that program success is determined not only by the technical aspects of waste management but also by the quality of social relationships developed within the community. In this context, the presence of collective norms and strong social networks can strengthen community commitment to sustained participation in waste management practices. Other studies also show that collaboration in community-based waste management is difficult to build without sufficient levels of trust among the actors involved, including residents, Waste Bank managers, government institutions, and external partners (Ardianto et al., 2025).

Trust has also been shown to influence individuals' willingness to participate in sustainable waste management practices. Cao et al. (2022) demonstrate that interpersonal trust has a positive effect on people's intention to sort household waste. This suggests that waste management behavior is shaped not only by environmental knowledge or economic incentives, but also by the quality of social relations within the community. In Waste Banks, trust functions as a social mechanism that facilitates coordination, information exchange, and cooperation among the various actors involved in community-based waste management systems.

In addition to influencing individual behavior and community social dynamics, trust also has important implications from the perspective of institutional and organizational economics. Trust can be

understood as a mechanism that helps reduce transaction costs in a social system. When the level of trust in a community is relatively high, the need for formal supervision, excessive administrative control, and complex enforcement mechanisms becomes smaller (Putnam, 1993; Coleman, 1988). Information can also circulate more quickly through informal social networks among residents, making coordination and decision-making processes more efficient (Putnam, 1993). Thus, trust functions not only as a social value in community life, but also as an institutional resource that improves organizational efficiency (Fukuyama, 1995; North, 1990) and strengthens the sustainability of community-based programs such as Waste Banks (Ardianto et al., 2025; Haryanti et al., 2023).

#### **E. Reciprocity Norms and the Culture of Mutual Cooperation**

In the practice of Waste Banks, community involvement is often not driven entirely by economic incentives. Many residents continue to sort household waste, share information about recyclable material types and prices, or assist in operational activities even when the financial benefits they receive are relatively limited. Such involvement indicates that participation in community-based waste management is often supported by social motivations that extend beyond individual interests.

This phenomenon can be understood through the concept of reciprocity norms in social capital. These norms refer to the tendency of community members to contribute to collective activities with the expectation that such contributions will receive similar support from others at a different time. The presence of reciprocity norms in social capital enables collective cooperation to remain relatively stable without always depending on formal rules or material incentives (Putnam, 1993). This creates a social condition in which individuals are willing to act for the common good because of the expectation of sustained social relations within the community.

In Waste Bank activities, such norms are reflected in simple but important daily practices that support program continuity. Residents act not only as waste depositors, but also as information disseminators, environmental mobilizers, and institutional supporters. Ari et al. (2024) show that reciprocity in communities develops through mutual trust, mutual respect, and social networks that keep community members connected in collective action. Such social exchange strengthens residents' motivation to remain involved because individual contributions are understood as part of a broader collective effort.

These reciprocity norms are closely related to the culture of *gotong royong*, which has long been an integral part of social life in Indonesia. In community-based waste management, the spirit of mutual cooperation is reflected in voluntary task-sharing, community involvement in neighborhood clean-up activities, and the willingness to maintain program sustainability even when available resources are often limited. Mulasari et al. (2024) show that community-driven waste management tends to be more effective when residents are involved as the main actors rather than merely as beneficiaries of the program. Similar findings are presented by Syamsiyah et al. (2025), who emphasize that community participation is a key factor in the success of local environmental initiatives.

Reciprocity norms and mutual cooperation practices do not merely reflect cultural values; they also function as social resources that support institutional sustainability. Latanna et al. (2023) show that the success of community-based waste reduction programs is strongly influenced by the quality of collaboration between communities and various stakeholders. Conversely, weak coordination and low levels of community involvement often become major barriers to waste management at the local level.

#### **F. Collaborative Networks and Access to Resources**

Waste Banks rarely grow solely because of the internal strength of the community. Many active units survive precisely because they maintain relationships with actors outside the community, such as local government, business actors, civil society organizations, and recyclable material *offtakers*. These relationships form social networks, namely connections that enable communities to access resources unavailable within their own environment. In practice, the difference between Waste Banks that grow and those that stagnate at an early stage is often closely related to the quality of these networks.

Budiyarto et al. (2025) show that the successful implementation of Waste Banks in various regions of Indonesia is strongly influenced by the surrounding institutional support system. This finding demonstrates that program sustainability cannot be understood solely from the level of community participation within the neighborhood itself. Relationships with local government, access to recycling markets, and the involvement of supporting organizations often determine whether a unit can survive in the long term.

The importance of networks becomes even clearer when waste management is viewed from the perspective of the *circular economy*. Rahman (2025) emphasizes that the transition toward a *circular economy* depends not only on technology or policy, but also on the ability of various social actors to work together. For Waste Banks, collaborative networks open access to information on material prices, technical knowledge regarding waste processing, and opportunities for partnerships with business sectors or government programs. Without such connections, many Waste Bank units would struggle to expand their activities beyond a small-scale community setting.

Another often overlooked issue is the vulnerability that arises when networks are too narrow. Some Waste Banks depend on a single material buyer or a single source of assistance. When material prices decline or support programs end, operational activities are disrupted. Such situations show that networks are not merely an additional factor that facilitates institutional activities, but rather a determinant of institutional resilience (Putnam, 1993; Coleman, 1988). Therefore, social networks should be viewed as one of the most strategic forms of social capital for the development of Waste Banks (Woolcock, 2001; Adler & Kwon, 2002). Broad networks provide institutions with opportunities to strengthen their bargaining position, develop innovations in waste management, and access sources of support previously unavailable at the community level (Burt, 1992; Granovetter, 1973). For many Waste Banks in Indonesia, the ability to build and maintain relationships with multiple actors often determines whether the program remains active or experiences institutional stagnation (Budiyarto et al., 2025; Rasmini et al., 2025).

#### **G. Implications for the Sustainability of Community-Based Waste Management**

The findings from the three dimensions of social capital discussed in this review collectively show that the sustainability of Waste Banks cannot be understood merely as a technical or economic issue. Trust, reciprocity norms, and collaborative networks function as a mutually reinforcing system: trust creates space for norms to grow, norms encourage the expansion of networks, and active networks, in turn, strengthen trust through successful collaborative experiences. When one dimension weakens, the other two are also affected, making institutional sustainability more vulnerable.

Ultimately, the sustainability of Waste Banks depends on the intersection between social capacity within the community and external relationships capable of supporting institutional activities (Rasmini et al., 2025; Miftahorrozi et al., 2022). Findings from various empirical studies reinforce this argument. Research on community-based waste reduction programs in Makassar shows that such initiatives easily encounter obstacles when coordination among actors is weak and policy support is insufficiently consistent (Latanna et al., 2023). In contrast, *action research* conducted in Yogyakarta presents a different picture. Programs functioned more effectively when residents were not merely positioned as beneficiaries, but actively involved in shaping everyday waste management practices (Mulasari et al., 2024). A broader perspective is provided by Budiyarto et al. (2025), who show that the implementation of Waste Banks in various regions is strongly influenced by the institutional conditions supporting their operations. What ultimately matters is the community's ability to sustain collective commitment while simultaneously building relationships with actors outside the community.

Programs aimed at strengthening Waste Banks will not be sufficient if they focus only on infrastructure provision, management training, or financial assistance. Such interventions are certainly necessary, but they do not automatically produce sustainability when social relations at the community level are fragile and institutional partnerships remain underdeveloped. Research on partnerships in *circular economy*-based waste management in Indonesia shows that collaboration involving government, communities, and other sectors can expand service coverage while also increasing the economic benefits of waste management activities (Prabawati et al., 2023). In practice, many Waste Banks survive precisely because they possess active relational networks and high levels of trust within the community. Conversely, programs that depend too heavily on external support often cease once that support ends (Budiyarto et al., 2025; Rasmini et al., 2025).

#### **4. CONCLUSION**

This *literature review* produces several key findings that are relevant to the development of both theory and practice in community-based waste management in Indonesia. First, the literature shows that social capital comprising trust, reciprocity norms, and collaborative networks plays a significant role in maintaining community participation, stabilizing institutions, and expanding access to resources that are not available within the community itself. Second, from a *capitalistic management* perspective, these three dimensions of social capital do not merely function as social values, but also as productive assets that can be accumulated and optimized to improve institutional efficiency and program sustainability.

The theoretical contribution of this article lies in its attempt to bridge two intellectual traditions that have rarely been explicitly connected, namely social capital theory as developed by Bourdieu, Coleman, and Putnam on the one hand, and the *capitalistic management* perspective rooted in institutional economics as represented by North and Fukuyama on the other. The integration of these perspectives produces a richer analytical framework for understanding why some Waste Banks are able to survive over the long term while others experience stagnation, even though both may have relatively similar facilities and program support.

From a practical perspective, the findings of this review imply that programs aimed at strengthening Waste Banks will not be effective if they focus solely on the provision of physical infrastructure or technical training. More strategic interventions should be directed toward strengthening trust between community members and managers through transparent governance, fostering collective norms through active community

engagement, and expanding collaborative networks with local governments, the private sector, and civil society organizations. Local governments and supporting institutions need to view social capital not as a condition that emerges naturally, but as an asset that can be deliberately developed through well-targeted policies and programs.

However, this review has several limitations that need to be acknowledged. As a *literature review*, the findings are conceptual and synthetic in nature, and therefore cannot fully capture the variation of field conditions across different regions of Indonesia. Further empirical research is highly necessary, particularly comparative studies that quantitatively measure the contribution of each dimension of social capital to Waste Bank sustainability indicators, as well as in-depth qualitative studies that explore how social capital is developed in communities with diverse social and economic contexts.

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