

ABSTRACT

This research has been conducted to figure out the impact of social capital on business development in cattle market of Lahore. As social capital is not something physical and cannot be calculated directly, its determinants are taken from the literature i.e. Trust, Social network, Social inclusion and collective action. These variables were taken as Latent variables for which observed variables were made and through a Questionnaire data has been collected from 210 respondents of cattle market of Lahore. Price was also incorporated as control variable. Respondents were selected through convenience sampling from the family of non-probability sampling. Structural equation modeling technique was deployed on the collected data. Results showed that all the determinants of social capital have positive relationship with the business development of the traders of CML whereas price have negative and significant relation with the dependent variable. Trust, social network, collective action and price were significant with their p-value less the 0.05 but z-score for trust, collective action and price showed their significance. Value of R-squared is 0.487 that tells that approximately 49% variation in the business development are explained by social capital and prices.