

## **SOCIAL CAPITAL NETWORK AND CAPABILITIES AS INSTRUMENTS OF THE POOR HOUSEHOLD REDUCTION STRATEGY: CASE STUDY OF NORTH BALI PROVINCE INDONESIA**

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### **ABSTRACT**

The social capital bonding and bridging have been rationale for poverty alleviation and will be strengthen by government policy. Moreover, human capability is another relevant issues that will be connected as the important aspect to promote poverty household reduction in Indonesia. We develop model integration of social capital bonding and bridging jointly with human capabilities of poverty household as the powerful in reducing poverty household. We find a positive significant difference in the social capital bonding as a powerful network in local family ties as the same results can be found in human capabilities as instrument to influence satisfaction well-being of poor household. We note that social capital bonding was significantly as mediator of government policy indirectly impact to satisfaction well-being of poor household. To be expanded, government policy was failed to prove as instrument for poverty reduction directly. This empirically suggested that the role of government policy will be more effectively to strengthen local family ties as social capital network and for the same direction policy, government must be done human capacity building to empowering poor household to overcome their instability income resources and job opportunities.

**Keyword:** Social capital, and human capabilities strategy for poverty alleviation.