

Chapter VI

Variation in social capital

This chapter deals with existing social capital variation among the households and communities. Farming communities in Western Nepal are both homophilus and heterophilus hamlets scattered over diverse geographical niches developing variety of local social systems. The variation in social capital endowment as a whole and in its specific constituents among caste categories, landholding size and income groups are analyzed to understand the distribution of social capital..

6.1 Variation in social capital endowment at household level

Social capital endowment varies among the household in communities. The range of social capital index at household level is lowest 0.37 to highest 0.88 (Table 5.1). This shows there is large variation in social capital endowment at household level within and outside the communities. It is difficult to define the exact determinants of social capital to explain the existing variation in social capital endowment in this study. The social capital creation is long term interactive process among many cultural, social, economic, political and geographical factors. The determinants of structural social capital can be defined for the households but it is difficult to define the determinants of cognitive social capital.

6.1.1 Social capital and caste categories

The caste system based on Hindu ideology is the fundamental basis of social stratification in study area. It is found that it has bearing on social capital endowment at household level.

The *Chettri* has highest level of social capital endowment (0.75) followed by ethnic tribes (0.73), *Baisaya* (0.71) *Bhramin* (0.70), and lowest one for *Sudra* (0.64) (Table 6.1). The *Chettri* is the ruling caste category in traditional feudal society and have still stronghold in social and political arena of community life. *Sudra* is the lowest and socially excluded caste category in traditional Hindu society is poor in many social, economic, political aspects and also found lowest in social capital endowment (Table 6.1). The *Sudra* caste category has poor network (0.53) due to many socio cultural reasons but they are equal in collective action and cooperation. In communities the networks are based on family clans and kinship, *Sudra* is minority caste with scattered family clans, which might be one reason for poor network status for them. The kinship networks are important source of social capital and these are distributed horizontally within the caste category, as the caste system does not allow kinship across the caste categories. Mostly kinship ties are established due to marriage customs and inter caste marriage is socially prohibited which restricts kinship interaction among the caste categories. The minority caste has poor bonding, bridging and linking networks except in exceptional cases.

Table 6.1 Social capital and dimensional indices for different caste category

Caste category	Index of social capital dimensions						Social capital index
	Networks	Trust	collective actions and cooperation	Social norms	Reciprocity	Proactivity	
Bhramin	0.69	0.65	0.79	0.73	0.67	0.62	0.70
Chettri	0.72	0.75	0.85	0.77	0.67	0.63	0.75
Baisaya	0.65	0.72	0.78	0.72	0.68	0.63	0.71
Sudra	0.53	0.64	0.78	0.64	0.60	0.61	0.64
Ethnic group	0.69	0.67	0.84	0.78	0.70	0.68	0.73
Average	0.66	0.69	0.80	0.73	0.68	0.63	0.71

Source: Field survey, 2005

Note: Measurement is in 0-1 scale

Looking at the three types of networks *Sudra* is the poorest both in bonding (0.69) and bridging (0.51) networks but similar in linking (0.74) to other caste categories. Bonding networks are strong in all caste categories but ethnic groups have

stronger bonding than others (Table 6.2). Here government agencies are supporting equally to all caste category with special focus on social excluded caste so all are nearly equal in linking networks in the study sites.

Both thick and thin trust is higher for *Chettri* and ethnic groups. *Sudra* is poorest in both thick and thin trust endowment among caste categories which has increased the vulnerability of this caste category (Table 6.2).

Table 6.2 Caste category and level of different type of networks and trust

Caste category	Networks			Trust	
	Bridging	Bonding	Linking	Thin	Thick
Bhramin	0.71	0.81	0.77	0.57	0.64
Chettri	0.81	0.79	0.76	0.64	0.81
Baisaya	0.71	0.81	0.70	0.62	0.75
Sudra	0.51	0.69	0.74	0.55	0.50
Ethnic group	0.71	0.82	0.75	0.63	0.79
Average	0.71	0.80	0.74	0.61	0.71

Source: Field survey, 2005

Among the five caste categories *Baisaya* and *Chettiri* participate more in collective action and cooperation. The index value for different caste categories ranges from 0.77 to 0.85, which shows narrow difference among caste categories (Table 6.1). The reciprocity index for different caste category ranges from 0.60 for *Sudra* and highest 0.70 for ethnic tribes which shows the ethnic tribes reciprocate higher in comparison to other four caste categories. All the caste categories are very similar in proactivity level except ethnic tribes. The ethnic tribes are better (0.68) in proactivity in comparison to other caste by this reason collective action and cooperation is higher in ethnic tribes. The endowment of General ethical norms is better for *Chettri* and ethnic tribes in comparison to other caste categories.

Trust is important measure of existing social capital endowment of the household, *Chettri* and Ethnic caste category trust more in government officials and *Sudra* and *Baisaya* trust more to businessman in comparison to others. Ethnic tribes in the communities (Figure 6.1) least trust the leaders. This inclination of trust toward

the different of people is result of networks and other interactions but exact reasons behind such variation are difficult to isolate here.

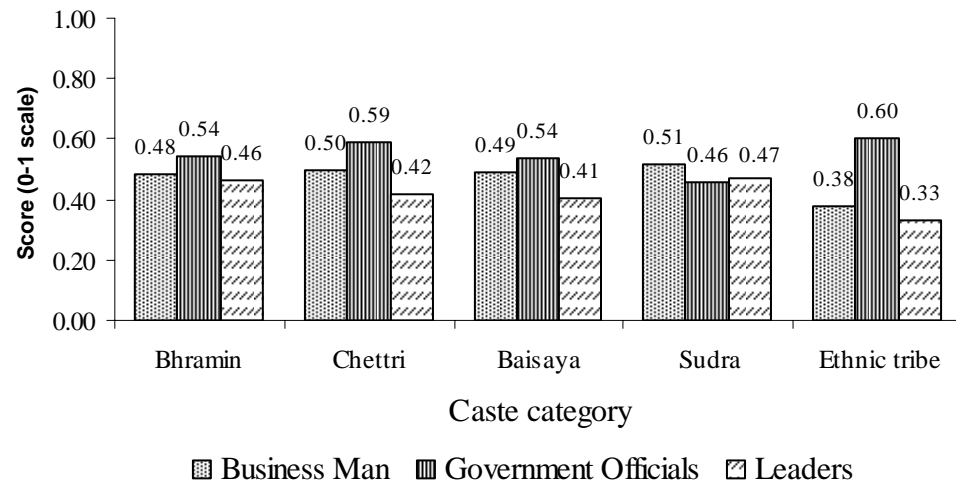


Figure 6.1 Caste category and level of trust to different category of people

Source: Field survey, 2005

6.1.2 The social capital and socioeconomic characteristics of the households

The social capital endowment varies with socioeconomic characteristics of the households in communities. The constructed index of social capital has positive (0.28) and significant correlation (0.01 level) with literacy rate of the household, which shows that education is the one important determinant of social capital (Table 6.3). Land is fundamental resource and indicator of social status in farming communities. Land holding size has positive significant correlation (0.22) with social capital index at household level. The social capital index shows positive and significant correlation with annual income and off farm employment (Table 6.3). Looking at the trend social capital endowment at household level increases with increased land holding size but after more than 1.5 ha land-holding size the social capital endowment slightly declines.

Table 6.3 Social capital index and its correlation with socio economic characteristics of the household

Socioeconomic characteristics	Correlation with social capital index
Literacy rate of the household	.282(**)
Land holding size ha	.228(**)
Total annual income from farming	.301(**)
Persons in off farm employment	.176(*)
Total annual income (NRS)	.365(**)
Total off farm income	.205(**)

** Significant at the 0.01 level (2-tailed), * Significant at the 0.05 level (2-tailed)

Source: Field survey, 2005

The social capital endowment among different income category shows social capital endowment increase with increased income of the household but after certain increment it levels off and decrease after (Figure 6.2). This shows the tendency that richest households would have lesser social capital endowment in comparison to middle class households in the community.

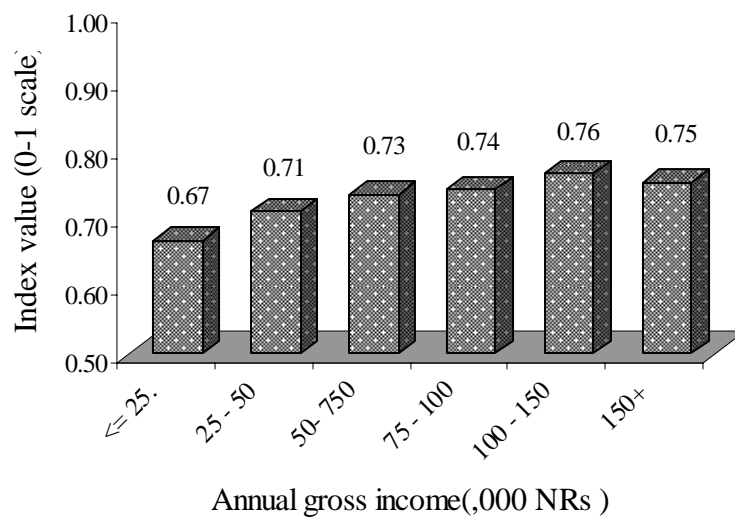


Figure 6.2 Gross annual household income category and social capital endowment

Source: Field survey, 2005

6.1.2.1 Network

The network index increases with land holding size up to certain level and decline after, which indicates large land holders in the communities have poor neighborhood networks to some extent (Table 6.4). This trend of network index shows the middle level income households in communities have better network status in comparison to poor and higher income level households (Table 6.5). Looking at three types of networks, the large landholders have lower level of bonding in comparison to middle size landholders. Bonding is lower for small landholders than middle size holders (Figure 6.3).

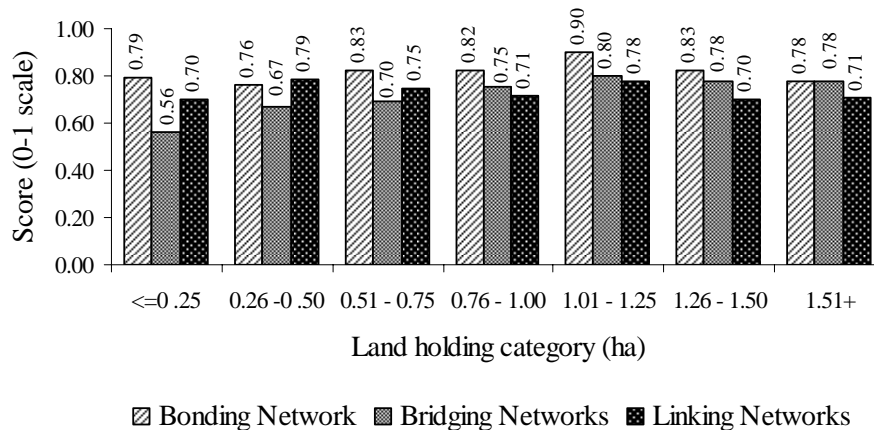


Figure 6.3 Land holding category and status of networks

Source: Field survey, 2005

6.1.2.2 Trust

The household with land holding size less than 0.1 ha have trust index of 0.63 and it increases with increased landholding size but after 2 ha there is slight decline in trust endowment (Table 6.4). Large landholders are less trusted in the communities. Trust index shows positive and significant correlation with literacy rate (0.16) and land holding size (0.18) of the household (Appendix 6.1). The trust level increases

with increased annual gross income of the household but decline slightly after certain level of income but overall trend is increasing (Table 6.5).

6.1.2.3 Collective action and cooperation

There is no clear trend in collective action and cooperation with respect to land holding size. The small landholders participate more in collective action and carry more cooperative behavior (0.87) (Table 6.4).

Table 6.4 Land holding size and dimensions of social capital

Land holding category (ha)	Social capital index	Social capital dimensional indices					
		Networks	Trust	Collective actions	Social norms	Reciprocity	Proactivity
<= 0.10	0.63	0.47	0.63	0.87	0.58	0.62	0.59
0.11 - 0.25	0.65	0.58	0.61	0.73	0.70	0.64	0.62
0.26 - 0.50	0.70	0.66	0.69	0.79	0.72	0.67	0.60
0.51 - 1.00	0.72	0.70	0.70	0.80	0.73	0.68	0.64
1.01 - 1.50	0.73	0.70	0.71	0.86	0.75	0.67	0.69
1.51 - 2.00	0.73	0.64	0.75	0.81	0.73	0.69	0.67
2.01+	0.73	0.68	0.72	0.82	0.78	0.72	0.63
Average	0.71	0.66	0.69	0.80	0.73	0.68	0.63

Source: Field survey, 2005

The participation in collective action and cooperative behavior is one of the livelihood strategies of small landholders in the community to cope with risk and hardship. Middle class landholders are found poor in collective action and cooperation in comparison to small and large holders (Table 6.4). The index of collective action and cooperation has significant positive correlation with household literacy rate (0.23) and gross annual income (0.36) (Appendix 6.1). This shows educated and relatively prosperous families participate more in collective actions in the communities (Table 6.5).

6.1.2.4 Reciprocity

The index of reciprocity among the different land holding categories differs slightly from 0.61 to 0.72 and there is increasing trends in the index of reciprocity with increased land holding size (Table 6.4.). The index of reciprocity shows positive significant correlation with household literacy rate (0.20), gross annual household income (0.23), and land holding size (0.19) (Appendix 6.1). Increased income of household has positive role in reciprocity of the household but distinctly higher income reduces the level of reciprocity for the household (Table 6.5).

6.1.2.5 Proactivity

The index of proactivity increases with increased landholding size but when land landholding exceeds more than 1.5 ha it is found declining (Table 6.4). Land is indicator of wealth and wealthy people in the community are less proactive in activities regarding common goodness. Similar trend is found with increased annual income of the households (Table 6.5). While looking at the correlation proactivity index shows significant positive correlation (0.16) with annual gross household income.

Table 6.5 Annual gross household income of the household and dimensions of social capital

Annual gross income (,000NRs)	Social capital index	Index of social capital dimensions					
		Networks	Trust	Collective actions and cooperation	Social norms	Reciprocity	Proactivity
<= 25	0.67	0.60	0.67	0.74	0.69	0.64	0.60
25 -50	0.71	0.65	0.69	0.84	0.71	0.68	0.65
50 - 75	0.73	0.72	0.72	0.82	0.75	0.69	0.68
75 - 100	0.74	0.68	0.71	0.85	0.78	0.72	0.65
100 - 150	0.76	0.75	0.73	0.86	0.79	0.74	0.65
150+	0.75	0.80	0.71	0.91	0.74	0.69	0.64
Average	0.71	0.66	0.69	0.80	0.73	0.68	0.63

Source: Field survey, 2005

6.1.2.6 Social norms

The index of social norms increases with landholding size among the farm families in the communities. The annual household gross income has significant positive correlation (0.20) with index of social norms. While looking the trend index of social norms increase with increased gross household income but after certain level of income the index value declines like some other dimensions of social capital. It indicates poor households and rich households have lower endowment of General ethical norms in comparison to the average households in the communities (Table 6.4, 6.5).

6.2 Social capital variation among the sites

Among twenty sites selected for the study lowest social capital is found in Dipayal (0.63) and highest in Pratappur (0.81) (Figure 6.4).

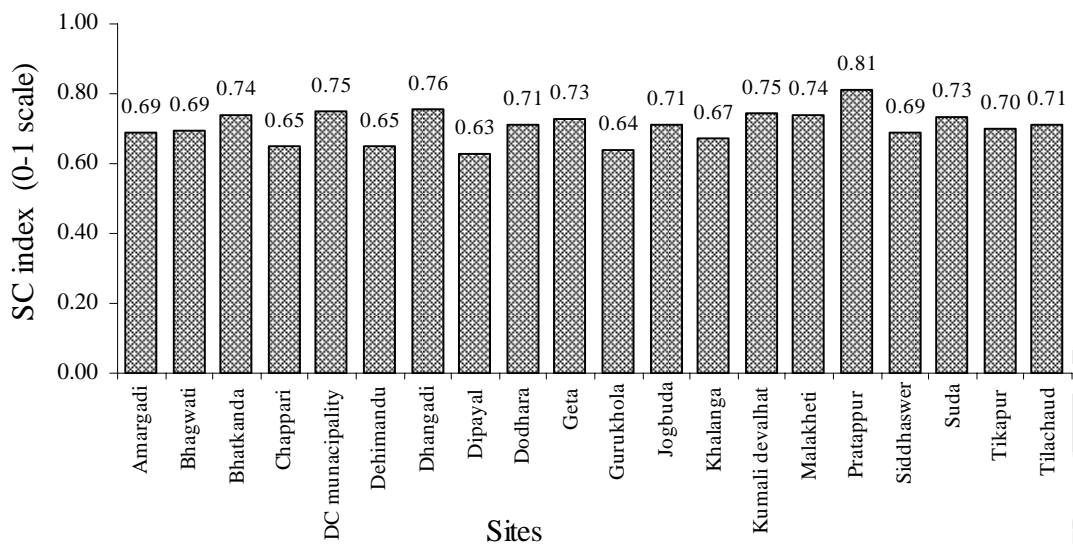


Figure 6.4 Variation in social capital in different study sites

Source: Field survey, 2005

In overall variation in social capital endowment is not significant but some communities are poor in some dimensions of social capital (Table 5.3). Among six dimensions networks, collective action and reciprocity showed significant auto

correlation and indicate that these dimensions are complementary to each other. Reciprocity is significantly correlated with proactivity (Appendix 7.1).

The selected twenty sites differ in their network status, trust level, collective action and cooperation, reciprocity and proactivity. The level of networks varies from 0.54 (Gurukhola) to 0.90 (Pratappur) which shows that some sites are poor in their network status. Among the twenty sites four sites Gurukhola (0.54), Dipayal (0.58), Dehimandu (0.59) and Amargadi (0.57) are poor in networks and Malakheti (0.74), Bhatkanda (0.74), Dhangadi (0.72) and Pratappur (0.90) are in better condition. The value of bonding networks is highest for Dhangadi site (0.93) and lowest for Gurukhola site. In case of bridging networks best site is Pratappur (0.90) and poorest are Chapari (0.58), Tikapur (0.58) and Dipayal (0.58). The highest value for linking networks is for Dhangadi (0.88) and lowest for Dehimandu (0.53) (Table 5.3, Appendix 6.3).

The trust level is found poor in Dipayal (0.60), Gurukhola (0.60) and Dodhara (0.61) and better in Tilachaud (0.80), Dasrath Chand Municipality (0.79) and Dhangadi (0.78). The thick trust is highest in Dhangadi (0.88) and lowest in Dipayal (0.47). The thin trust level is lowest at Gurukhola (0.53) and highest Dasrath Chand Municipality (0.75).

Dhangadi (0.87), Malakheti (0.89) and Pratappur (0.97) are rich in collective action and cooperation but Dipayal (0.70) and Gurukhola (0.72) are poorest in this dimension of social capital. The general cooperation level is higher in Pratappur (1) and lowest in Bhatkanda (0.75).

Chapari (0.51) and Dehimandu (0.61) are lowest and Suda (0.70) and Tikapur (0.70) highest in reciprocity. All the sites are poor to some extent for proactivity. Comparatively Jogbuda (0.76), Bhatkanda (0.73) and Pratappur (0.70) are better in proactivity level. The level of leadership proactivity is highest for Jogbuda (0.60) and lowest (0.33) for Dehimandu and Paratappur. The civic proactivity is better in Bhatkanda (0.68) and poor for Dipayal (0.38).

The status of social norms is poor in Siddhaswor (0.69), Dehimadu (0.61) and Dipayal (0.63) in comparison to Geta (0.85) and Dasrath Chand Municipality (0.84) (Table 5.3).

Similarly variation is found in level of trust in traditional and extended trust radius (Figure 6.5, Appendix 6.2). Sites like Khalanga, Dipayal, Dasrath Chand Municipality, and Suda have poor level of trust to traders in comparison to Geta, Amargadi and Pratappur sites. The variation in level of trust to leaders, traders and government officials has many implications. When people do not trust in leadership it is difficult to generate collective action. The lower trust level to traders cannot produce good marketing links, which has negative effect on development of marketing system for agricultural products (Appendix 6.2).

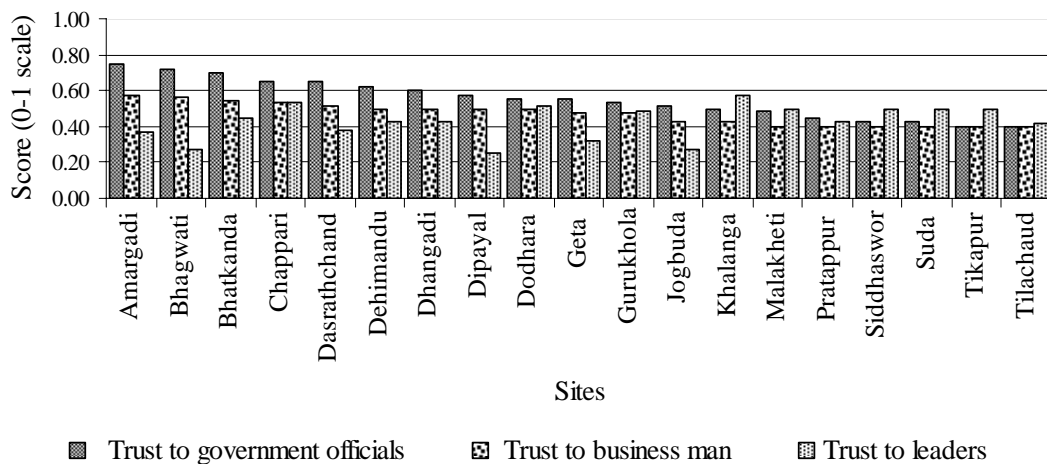


Figure 6.5 Trust level to three stakeholders in different communities

Source: Field survey, 2005

The variation in social capital expressions in above mentioned dimensions do not show any clear trends regarding market vicinity, transportation, communication facilities and other infrastructure related variables. The social capital index has significant positive (0.655) correlation with average annual household income in the site (Table 6.6). These shows prosperous communities have better social capital than poor communities.

The other characteristic of the site like economically active population, literacy rate, market and road access and average land holding size does not show significant correlation with the community level social capital index. This has made it difficult to find the exact determinants for such variation. Generally, the overall social capital and its constituents depend on community composition, income distribution, socio political history and access to common property resources and livelihood framework. The structural and cognitive type of social capital is accumulated through long term interactive processes but small events in the community can create and undermine social capital even within short period of time. The process of social capital decline is faster than accumulation for example a theft event in community may erode level of thin trust sharply within a short time but its creation takes long time.

Table 6.6 Correlation between social capital index and socio economic characteristics of the site

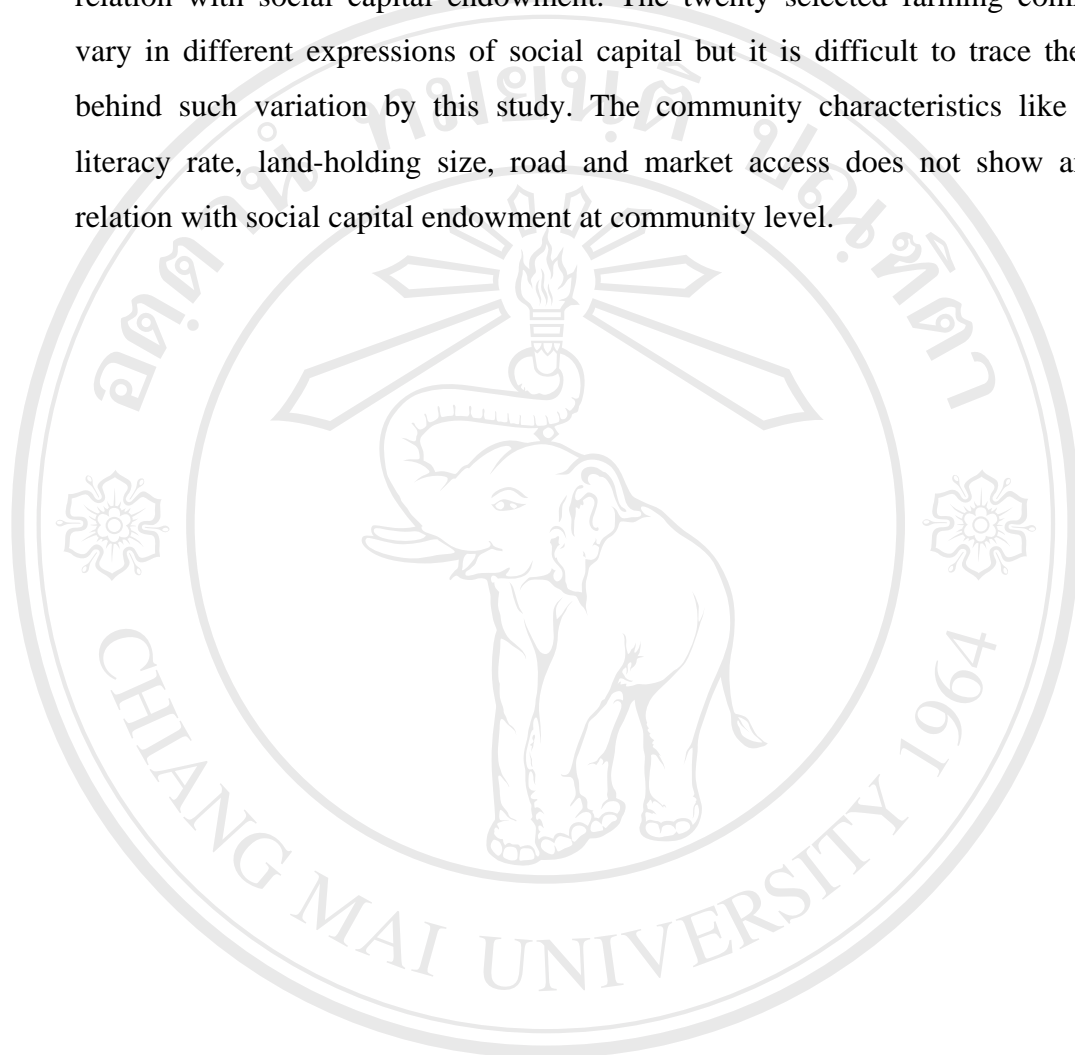
Socio economic characteristics of the community	Social capital index at community level
Economically active population	-0.413
Total literacy rate	-0.165
Literacy rate for male	-0.353
Literacy rate female	0.079
Access to road	-0.313
Market access	0.370
Average land holding size ha	0.306
Average annual income/household	0.655(**)

** Significant at the 0.01 level (2-tailed), * Significant at the 0.05 level (2-tailed).

6.3 Summary

There is a variation in social capital endowment among the farm households in the communities. The five caste categories mentioned in the study differ in their social capital endowment and socially excluded and vulnerable caste category *Sudra* is found poor in social capital endowment. Thus historically some caste categories are rich in social capital than others but the difference is not significant. In many cases, the cognitive factors inherited by particular family or caste clan have important

bearing in social capital endowment in the communities. Socioeconomic characteristics like land-holding size, annual income and literacy rate have positive relation with social capital endowment. The twenty selected farming communities vary in different expressions of social capital but it is difficult to trace the factors behind such variation by this study. The community characteristics like average literacy rate, land-holding size, road and market access does not show any clear relation with social capital endowment at community level.



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