

Poverty Reduction Intervention and Social Capital: A Study in Rural Oromia State, Ethiopia

¹Riyad Dawud Adem & ²Killari Visweswara Rao (PhD)

¹Research Scholar, Department of Social Work, Andhra University, Visakhapatnam, Andhra Pradesh (India)

²Professor, Department of Social Work, Andhra University, Visakhapatnam, Andhra Pradesh (India)

ARTICLE DETAILS

Article History

Published Online: 10 February 2019

Keywords

Household, Intervention, Participation, Social capital, Social inclusion, Trust.

*Corresponding Author

Email: zeynicho[at]yahoo.com

ABSTRACT

Social capital is an undeniable relatively cheapest asset that contribute much for development and poverty reduction of developing nations. Studies revealed good social capital leads to better performance. Nevertheless, few studies either dealt about if the interventions programs positively or negatively interrelated with social capital. This paper discusses about significant relationship between NGOs rural poverty program implementation and level of social capital among community members. The study is a comparative mixed type research applying quantitative household survey and qualitative key informant interview. Both types of informant were chosen by multi-stage stratified random sampling from six villages in Oromia regional state in Ethiopia. The sample consists 202 control group and 378-participant group. The participant group members were selected from three broad NGO poverty reduction programs. The quantitative data were analyzed using SPSS for descriptive and regression, while qualitative by thematic analysis. The result shows that the intervention programs effected social capital both positively and negatively. The household social capital size, mutual assistance, voluntary community activity participation, and social inclusion were positively impacted, but trust was negatively affected. Therefore, program implementers should be cautious not to deteriorate trust that is believed to be key for the success and sustainability of neighborhood based development programs.

1. Introduction

Social capital has long history in social sciences though it gets attention in 1990s when scholars such as Coleman (1990), and Putnam (1993, 1995). Before them Bourdieu (1980) touched the issue when conceptualizing capital in relation to class and identified three dimensions: economic, cultural and social capital. As the result Bourdieu and Wacquant defines social capital as “the sum of the resources, actual or virtual, that accrue to an individual or group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu and Wacquant, 1986:119). Later, Coleman came with new definition through function as variety of entities with two common elements: social structure and facilitate certain actions of actors within the structure (Coleman, 1988). In 1990s the concept of social capital was becoming clearer which refers to networks, norms, and trust that enable participants to act together to pursue shared objectives (Putnam, 1995). It was also defined as bonds between actors (Hakansson and Snehota, 1995); shared representations and systems of meaning between parties (Nahapiet and Ghoshal, 1998); and social networks that enable people to carry out collective actions (Narayan, 2002).

Poverty reduction is undoubtedly a shared objective as Coleman (1995) pointed out, among world community, and in between development agent and the poor. Social capital, thus, increases the community’s productivity and creates local economic prosperity (Putnam, 1993; and Fukuyama, 1995) in ways that promote business networking; shared equipment and services; joint ventures; faster information flows and more

agile transaction (Wilson, 1995). Due to these strong recommendation “social capital has attracted policymakers, and has soon become a policy tool, both to reduce poverty in low income countries and to improve the quality of life in rich countries” (Cecchi, Molinas & Sabatini, 2009).

Global bodies like World Bank and efforts has been applied through voluntary organizations also accepted the concept and its benefits. The first of its kind, World Bank developed Social Capital Initiative (SCI) in 1996 and Local Level Institutions Study (LLIS) in 1998. (ibid) Therefore, development actors like donors, states, and NGOs were requested to “create social capital that increases the voice and economic opportunities of the poor” (World Bank, 2000:129-130). This leads NGOs to give attention to the component of social capital for effective interventions.

Studies have been carried out on the interrelationship of social capital and NGOs’ intervention (Degefa, 2009; Cecchi, Molinas & Sabatini, 2009; Dzanja, et al 2015). However, in one direction these studies attempt to empirically measure and ignore its multi-dimensionality (Stone, 2001); on the other hand they lack if the intervention programs affect the social capital. Furthermore, in Ethiopian context there are few studies (Degefa, 2009; Ruben & Heras, 2012), although there are over 3000 NGOs intervening in development and poverty reduction in the country. This paper, therefore, investigate the impact of Non-Governmental Organizations’ poverty reduction intervention on social capital of rural community. Specifically it aimed to:

- Examine impact of intervention on mutual assistance among rural residents;
- Asses difference in level of trust between program participant and non-participant control groups;
- Investigate if voluntary community participation was related to interventions;
- Investigate the relationship between social inclusion and intervention program implementation;
- Recommend possible solution to enhance the effectiveness of similar programs.

2. Research Method and Methodology

This study is a comparative mixed research based on household survey and key informant interview. The quantitative household survey question was prepared and distributed among 202 non-participant control group and 378 NGOs' beneficiaries in three districts or six villages from Oromia regional state which were sampled by multistage stratified random sampling technique, and 12 key informant interviewees were also randomly chosen. Oromia is the largest state in Ethiopia, and consists half of a hundred million population of the country. Ethiopia is the sub-Saharan Africa country listed under one of the ten countries consisting over 70 percent of extremely poor people in the world (World Bank, 2015). The population under study were poor agriculturalists and agro-pastoralists. They were either aided by or eligible for the aid of three broad NGO intervention programs. Such as Graduating out of Social Assistance and into Long-Term Food Security (GRAD) was launched in December 2011 funded by USAID and implemented by the consortia of NGOs under CARE, Coordinated Recovery to Community Resilience in Borena (CR2B), and Resilience building program in Ethiopia (RESET) fund by European Union and implemented by eight consortium of thirty NGOs in five regional states including Oromia.

Both the quantitative survey and qualitative data was collected from July 2017 to March 2018 and analyzed using SPSS V-21. The descriptive statistics and regression analysis were major statistical outputs used to investigate impact of interventions by comparing the responses of program beneficiaries and control groups. For qualitative data thematic analysis was taken as better way of analysis.

3. Results

Demographic Characteristics

The total of 589 questionnaire were distributed 98 percent (580) questionnaire were returned from 331 (57.1%) Male and

249 (42.9%) Female respondents. Among the female respondents 125 (21.6%) of total population were household heads while the other were spouses. Regarding the age, 34.5% were between ages 18 and 25 years, while 39% were between ages of 41 and 60; and 24.5% were between 31 and 40. On the other hand, the vast majority 74.1% of the respondents had monogamous marriage life while only 6.9% were polygamous. 9.8% divorced and 9.1% of widow were also part of sample population participated in the quantitative structured interview. Overall, 378 respondents were taken as experiment group whereas 202 respondents were control group. The NGOs' participants were taken from three broad programs: 123 from RESET, 227 from GRAD, and 128 from CR2B.

Descriptive Statistics

The descriptive statistics shows that majority (68.52%) of intervention beneficiaries involve in five and more social groups while only few (28.71%) of control groups involve in such level. Concerning mutual assistance among community members the vast majority (84.66%) of the beneficiaries either definitely or probably sure about mutual assistance among their community members in bad times, but few (10%) of the control group respondents respond there could probably be and none definitely be sure mutual assistance among community members apart from family members. In contrast to other variables, lack of trust is heightened among program beneficiaries. Accordingly, when the vast majority (84.63%) of non-beneficiary control group either disagree or strongly disagree the statement about lack of trust, the only some (59.26%) did the same the remaining (40.74%) of beneficiaries either hesitate or lack trust on their counter community member. Incredibly, all respondents (100%) from beneficiary group admit that they all voluntarily participate in activities that benefits others or whole community, but only few (11.39%) of control group feel that, and the remaining majority (88.61%) of control group resist that they don't do it. Finally, on the question of assessing existence social exclusion, the majority (61.11%) of program beneficiaries deny there is neither small nor great level of social exclusion nor some (30.69%) of program beneficiaries admitted there is small amount of exclusion based on any kind of social group. However, this happened in different mood in the control group because more than half (51.98%) of the respondent admitted either small or great amount of social exclusion happen in their community. Table 1 below demonstrates the detail descriptive statistics.

Table 1: Comparative descriptive statistics of impact of intervention on social capital.

			Non-participant control Vs Participant	
			Control Group	Participant Group
Number of Social groups HH participate in	4	Count	144	119
		%	71.29%	31.48%
	5	Count	43	234
		%	21.29%	61.90%
	6	Count	15	25
		%	7.42%	6.62%
Level of group members' assistance	Probably not	Count	74	0
		%	36.63%	0.0%
	Unsure	Count	106	58
		%		

	Probably	%	52.47%	15.34%
		Count	22	226
	Definitely	%	10%	59.79%
		Count	0	94
Lack of Trust	Agree	Count	13	59
		%	6.44%	15.61%
	Neither agree nor disagree	Count	14	95
		%	6.93%	25.13%
	Disagree	Count	80	105
		%	39.60%	27.78%
	Strongly disagree	Count	95	119
		%	47.03%	31.48%
Community Voluntary participation of HH members	No	Count	179	0
		%	88.61%	0.00%
	Yes	Count	23	378
		%	11.39%	100.00%
Level of Social Exclusion	To great Extent	Count	66	31
		%	32.67%	8.20%
	Neither Great nor Small Extent	Count	97	231
		%	48.02%	61.11%
	To Small Extent	Count	39	116
		%	19.31%	30.69%
Total	Count (N)	202	378	
	%	100.00%	100.00%	

Regression Analysis

The data from regression analysis also evidenced that there is significant relationship between program participation and valuing the number of social group involvement at 0.01 significant level and R² value of 0.09. Thus, the effect level of being member of beneficiary on number of social group is 9%. Three out of five sub-programs were also positive significantly related to number of social group except the health care and disaster risk management and environmental protection. Likewise, mutual assistance among group members is positively correlated with being participating in NGOs' intervention program with an effect level of 51%; the sub-program correlation analysis also evidenced that every sub-program do have positive relationship with mutual assistance among members of community. Contrary to the first two, the third variable or trust within community is negative correlated with participation in an intervention program. That means non-participant control group members trust each other more than

beneficiaries do. The sub-program also tells that except capacity building and health care programs others negatively correlated with trust at 0.01 and 0.05 significance level. The biggest Pearson correlation and biggest effect on intervention program was identified voluntary participation for the benefit of community on community development activities. This has positive correlation at 0.01 level with an impact level of 83.5%. The sub-programs are correlated in similar way with different effect level with this variable. The final variable, social exclusion, do have also positive significant relationship with participation of intervention program with an effect level of 26.2%. However, at sub-program level agricultural productivity sub-program and disaster risk management sub-program do not have significant relationship with it while health care sub-program correlated at 0.05 level, and Income generation sub-program and capacity building sub-program correlated at 0.01 level of significance. Table 2 below tells the summary of regression analysis.

Table 2: Summary of Correlation and Regression Analysis of Impact of NGOs Intervention on Social Capital [N=580]

Variables		Are you participating in any of NGOs rural poverty reduction intervention program? [0=No; 1=Yes]				
		Unstandardized B	R	R ²	Pearson Correlation	Sig. (2-tailed)
1	Household Social capital size	.390	.304	.092	.304**	.000
2	Trend of assisting each other within community members (Cognitive social capital)	1.353	.714	.510	.714**	.000
3	Lack of trust among community members (Relational social capital)	-.521	.242	.059	-.242**	.000
4	Level of voluntary participation for community benefit (Cognitive social capital)	.886	.914	.835	.914**	.000
5	Level of social exclusion among community members (Relational social capital)	.359	.262	.069	.262**	.000

Qualitative Analysis

The qualitative data were analyzed thematically into three major categories. The first is household social capital size. Key informant interviewees from control group witness that these days they are losing their close friends and social groups due to poverty. One of the informant said,

"Ten years ago I had money close friends whom I share sorrow and happiness. Now I cannot visit them and they cannot too due to shortage of money for gift or home invitation. I cannot attend even Gada meeting for I am always rushing to feed my family..." (Code, 37)

A single mother of two children who live by letting the farmland for other person also commented,

"Do you know how important social capital to me? I cannot even think living in this community without it. But due to my economic problems I exempted funeral of many community members and people perceived me negatively. I am losing even my neighbors..." (Code, 63)

The intervention group members, in contrary, express their feeling of joy for having new groups and accustomed to new people after joining the program. A respondent told,

"This small source had been source of conflict with residents of this village before the launching of intervention program. Now the project form water community within the community, and made us close friends..." (Code, 346)

Other key informants also gave gratitude for irrigation committee, saving and loan association, business cooperation as additional social groups.

The second theme was relational social capital consisting both trust and social inclusion. In this regard, a key informant beneficiary group said,

"In old times, our elders told us not to trust people on issue of wife and country, but now we must add money on the list that people never be trusted. I never trust others on income generating activities." (Code, 239)

The other respondent from same group exclaimed, *"Trust is backbone of our society, but you cannot fully trust people on business issues"* (Code, 378)

From control group point of view, an informant commented,

"If I feel sick can my relative come to visit me before my neighbour? Surely, not. Thus, if I cannot trust my neighbour how can we both live in adjacent" (Code, 88)

The cognitive social capital, participation and mutual assistance for the benefit of others or whole community, were also reflected by the respondents of both groups. The control group members exclaimed that they do not have organization of such type that working together for the benefit of community,

and their participation is limited to rituals. A respondent from this group told,

"We help each other if someone has wedding or some other rituals. We contribute money, cattle or materials, and participate in the activity of celebrating together. Apart from that we work together when local village administrators ordered us work on environmental protection like planting trees and controlling erosion." (Code, 186)

The intervention group participants also gave similar response and added some works that they work on facilitated by NGOs like small irrigation facilities.

4. Discussion

Social capital is a relatively costless asset that can be built in the process of development activities unlike other assets (Portes, 1998). As one of the respondent mentioned *"A single wood never lit fire"* to indicate importance of social capital, and the study tried to investigate the effect of intervention program on key social capital assets because *"creat[ing] social capital increases the voice and economic opportunities of the poor"* (World Bank, 2000:129-130).

The study revealed that there is positive relationship between intervention program and size of social capital. Participation in groups is a commonly used indicator of social capital (Putnam, 1995). The more the household participate in the intervention program the better the size of social capital it has. Similar to the work of Dzanjah et al (2015), rural community do have strong bonding social capital although the degree differs due to opportunities. Most key informants use the proverb *"If you eat alone, you will die alone"* to indicate how important are sharing and mutual help. The NGOs poverty reduction program added opportunities for rural household to assist each other in development works and work for the benefit of community. The intervention program similar to what Granovetter (1985) better influences the cognitive social capital claimed as *'over socialization'* which emphasized that human action is dependent on human existence as social beings.

Contrary to the above findings, the intervention program is negatively correlated with trust among members of the community. This has risk for the effectiveness of the poverty reduction program because as Putnam (1993) argued *"successful collaboration in one endeavor builds connections and trust – social assets that facilitate future collaboration in other unrelated tasks (Putnam, 1993:4). Therefore, this should be handled cautiously for the future development of community not to collapse after phasing out of NGOs' program. The hope lies on the positive relationship between social inclusion and intervention program because "building individual and community capacity through neighborhood enterprise can help to address non-material forms of poverty by reducing social isolation, and increasing cohesion" (Crisp et al 2016:21). An identified result of neighborhood enterprise in this study is village saving and loan association whose impact is beyond accessing financial support and saving.*

5. Conclusion

In the study of relationship between intervention program and social capital both positive and negative significant correlation were found. Household social capital size and cognitive social capital – mutual assistance and voluntary community service participation are positively impacted by intervention programs such as agricultural productivity assistance, income generating activities and credit service, health care, capacity building training, and disaster risk activities. However, part of relational social capital – trust –

negatively affected by the intervention program among rural community though other relational social capita – social inclusion related positively. The evidence from qualitative data were also not much differ from the quantitative ones. Therefore, NGOs implementing poverty reduction programs need to be cautious about social capital because norms of reciprocity and trust shared within groups create an environment of cooperative behaviour to help achieve and maintain goals (Fukuyama 2001).

References

1. Alem, Y. and Martinsson, P. (2010). "Subjective Well-being and its Determinants in Rural Ethiopia." *Social Science and Medicine*, 58:1671 – 1688.
2. Bourdieu, P. (1980). 'Le capital social', *Actes de la Recherche en Sciences Sociales*, 31: 2–3.
3. Bourdieu, P. and Wacquant, L. (1986). *An Invitation to reflexive sociology*. Polity Press, Cambridge.
4. Cecchi C., Molinas L, Sabatini F (2009). Social Capital and Poverty Reduction Strategies: The Case of Rural India. In: BASILE E; MUKHOPADHYAY I; EDITORS. *Changing Identity of Rural India: A Socio-historic Analysis*. p. 65-95, NEW DELHI, LONDON, NEW YORK: Anthem Press
5. Coleman, J. S. (1988). "Social Capital in the Creation of Human Capital." *The American Journal of Sociology*, 94: 95 – 120.
6. Coleman, J.S. (1990), *Foundations of Social Theory*, Cambridge MA: Harvard University Press.
7. Crisp, R., McCarthy, L., Parr, S. and Pearson, S. (2016). Community-led approaches to reducing poverty in neighbourhoods: A review of evidence and practice. Centre for Regional Economic and Social Research. Retrieved on 10th May 2018 <https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk>
8. Degefa, T. (2009). An Assessment of the Role of Local Institutions and Social Capital in Household Food Security: A Case Study at Two Rural Communities in Oromia Zone, Amhara Region. In S. Ege, H. Aspen, B. Teferra & S. Bekele (Ed.), *Proceedings of the 16th International Conference of Ethiopian Studies*.
9. Dzanja, J., Christie, M., Fazey, I. and Hyde, T. (2015). The Role of Social Capital in Rural Household Food Security: The Case Study of Dowa and Lilongwe Districts in Central Malawi. *Journal of Agricultural Science*; 7(12): 165-76
10. Fukuyama, F. (1995). *Trust: The Social Virtues and the Creation of Prosperity*. New York: Free Press.
11. Granovetter, M. (1985). "Economic Action and Social Structure: The Problem of Embeddedness." *The American Journal of Sociology*, 91(3): 481 -510.
12. Hakansson, H. and Snehota, I. (1995). *Developing relationships in business networks*, London: Routledge.
13. Nahapiet, J. and Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage, *Academy of Management Review*, 23(2): 242-266.
14. Narayan, D. & Woolcock, M. (2000). Social Capital: Implications for Development Theory, Research, and Policy. *The World Bank Research Observer*, 15(2): 225-249.
15. Narayan, D. (2002). *Empowerment and Poverty Reduction: A Sourcebook*. The World Bank, Washington.
16. Portes, A. (1998). Social Capital: Its origins and applications in modern sociology. *Annual Review .Sociology*. 24: 1-24.
17. Putnam, R. (1995). Bowling Alone: America's Declining Social Capital. *J. Democracy*, 6: 65-65.
18. Putnam, R. (1993). "The Prosperous Community: Social Capital and Public Life." *The American Prospect*. Retrieved on 21 March 2018. <http://www.philia.ca/files/pdf/ProsperousCommunity.pdf>
19. Ruben, R. and Heras, J. (2012) Social Capital, Governance and Performance of Ethiopian Coffee Cooperatives. *Annals of Public and Cooperative Economics*, 83(4): 463-484
20. Wilson, F. (1995). *Lessons from the Project for Statistics on Living Standards and Development: the South African story*.
21. World Bank. (2000). *World Development report 2000/2001*. New York: Oxford University.
22. World Bank. (2015). *Ending Poverty and Sharing Prosperity*. A joint publication of the World Bank Group and the International Monetary Fund