
Sustaining Livelihoods in Southern Africa

Issue: 5 March 2002

Theme: Social capital and sustainable livelihoods

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Editor's notes

This month's theme is social capital, one of the least understood types of people's assets, but which plays a critical role in the resilience of the poor. The partner for this edition is South Africa's Human Sciences Research Council (HSRC), who are leading on a pilot study that Khanya is participating in, that looks at how social capital could be used to promote sustainable livelihoods, with emphasis on youth.

Some background to sustainable livelihoods – the assets context

At the heart of the livelihoods approach lies an analysis of different six types of assets upon which individuals draw to build their livelihoods. These are:

1. **Natural Capital:** the natural resources stocks from which resources flows useful for livelihoods are derived (e.g. land, water, wildlife, biodiversity, and environmental resources).
2. **Social Capital:** the social resources (networks, membership of groups, relationships of trust, access to wider institutions of society) upon which people draw in pursuit of livelihoods.
3. **Human Capital:** the skills, knowledge, ability to labour and good health important to the ability to pursue different livelihood strategies.
4. **Physical Capital:** the basic infrastructure (transport, shelter, water, energy and communications) and the production equipment and means which enable people to pursue their livelihoods.
5. **Financial Capital:** financial resources which are available to people (whether savings, suppliers of credit or regular remittances or pensions) and which provide them with different livelihood options.

Some people would also add cultural or political capital. Cultural capital can be defined as the cultural resources (heritage, customs, traditions) upon which people draw in pursuit of livelihoods.

What is social capital?

Putnam (1992:167) defines social capital as those features of social organisation, such as trust, norms, and networks, that can improve the efficiency of society by facilitating co-ordinated actions.

Fukuyama (1995:10) refers to the ability of people to work together for common purposes in groups and organisations.

So why is social capital important to sustainable livelihoods

In the debate on sustainable livelihoods, there has been a relative consensus on the roles played by natural, physical and human capital in growth and development, but there has been little consensus on the social factors. Furthermore, a conceptual framework to explain how economic actors interact and organise themselves to generate growth and development was missing. This missing ingredient was supplied by the concept of social capital.

To illustrate, the concept of human capital starts from the premise that capital today is embodied less in land, factories, tools, and machines but increasingly, in people’s capabilities, their knowledge and skills. In addition to skills and knowledge, an important asset is people’s ability to associate with each other, which is critical not only to economic life but to virtually every other aspect of social existence as well. The ability to associate depends in turn on the degree to which communities share norms and values and are able to subordinate individual interests to those of larger groups. Out of such shared values comes trust, and trust has large and measurable economic values.

Social capital has important implications for development theory, policy and practice on the micro, meso and macro levels. On a conceptual level social capital provides us with a basis for analysing, understanding and building social relations. It also allows us to understand why social relations are resources for development.

Table 1 below, illustrates the relevance of social capital to the SLA principles.

Table 1. Examples of relevance of social capital to SL principles

Principle	Example of relevance of social capital/networks
People-focused and responsive	Local structures often know quickly the situation of households and can respond to needs, eg help for families in need, assistance with ploughing. Sometimes the people-focus can be exclusionary, eg with caste or racial discrimination.
Participatory	Traditional structures can be participatory (eg groups of elders select chief) or exclusive (eg caste structures restricting benefits to particular groups) Credit unions can benefit all members
Strengths-based	Often local groups set up based on particular strengths or interests of particular households, eg gardening groups
Holistic	Local structures know families in depth, and can respond to their needs, eg extended family, church groups. Some can focus only on one aspect, eg interest groups.
Partnership	Complex partnerships actually support people’s lives at local level, their work colleagues, church and family groups etc.
Dynamic	People’s memberships of networks can change with age, status (eg when married, or when have children), changing interest. Some networks are relatively permanent (caste, religious or ethnic), others change rapidly (changing workgroups, interest groups growing and dying).

Ways in which an understanding of social capital can impact on better development practice

This section looks at how social capital could be conceptualised at the different levels of analysis. Table 1 outlines some practical examples.

At the **micro** level, the emphasis is on the individual’s ability to mobilise resources through local network institutions, e.g. community based organisations, extended families and social organisations (see Table 2 below). Of huge importance is the need to facilitate access of networks by the marginalised. A key challenge is to identify local social networks/institutions, understand them and their relationship to the poor, and where appropriate see how to build and strengthen them.

Table 2. Examples of social networks

Level	Family	CBOs/NGOs	Religious structures	Traditional/ethnic structures	Political parties
Micro (household/community level)	Nuclear/extended family Caste and class structures	Credit union Cooperative Gardening club Creche group Association of traditional healers	Groups associated with specific place of worship (church, synagogiue, mosque, temple) Priests	Village headman Local elders	Local branches
Meso (level of intermediary organisations such as local government)	Extended family Clan structure (eg all people belonging to mushroom clan) Caste and class structures	Chamber of commerce District structures of trade union Local development trust District coop. union district farmers union	Diocese	Local chief and structures such as traditional courts	District branches
Macro (policy level, ususally national and international)	Extended family Caste and class structures Clan structure which crosses tribes Old boy network around people going to same university	National NGO structures National coop unions National farmers organisations National chamber of business	National church structures National structures for Jews, Moslems etc SA Council of Churches	House of Chiefs	National parties

At the **meso** level we can look at the ways that resources flow through the networks at or from a higher level as the consequence of a particular structure, eg a district level trade union or higher level traditional structure. The interaction with service providers, and the extent to which social networks influence the type and ways of service delivery is important.

At the **macro** level, the focus is on the external influences (brought about by systems of political economy, greater cultural or normative systems) on the nature of social ties in a network, on the structure of the network, on the dynamics of network construction, change and devolution. How are activities and agendas of local network institutions such as CBOs, NGOs, trade unions shaped by, and in turn shape, government policies. For example, the evolution of a trade union to an opposition, even to a ruling, party status as a result of economic or political policies pursued by a specific government.

Although a lot have been said about the positive contribution of social capital, it could also be used to disadvantage the poor. Table 3 below, provides examples how social capital could be used to advantage or disadvantage the poor.

Table 3. Examples of use of social networks to advantage or disadvantage poor people

Level	To advantage	To disadvantage
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Micro (household/ community level)	Use of credit union to access loans Sharing food across families in cases of hardship Orphans being cared for by relatives/neighbours Church groups supporting members Workparties sharing work of ploughing	Caste/racial structures forcing particular groups to live in certain places or restricting access to resources such as land Jealousy - where people succeeding can be ostracised from community structures Church groups inciting hostility to members of other faiths
Meso (level of intermediary organisations such as local government)	People joining ruling political party to get preferential access to benefits such as jobs Local development trusts accessing funding from outside	People seen as hostile to ruling party being excluded from benefits or threatened Secret societies (such as Broederbond, Freemasons) influencing allocation of resources
Macro (policy level, usually national and international)	NGOs lobbying for rights of minority/poor groups Trade union structures lobbying for benefits for members	Caste/class/racial/religious alliances excluding others from power Non-members may not benefit Secret societies (such as Broederbond, Freemasons) influencing power and policy

Key Social Capital documents/articles

Social Capital: The Missing Link? By Christiana Grootaert. The World Bank: Social Development Family Environmentally and Socially Sustainable Development Network. (1998). The paper is on of the Social Capital Initiative Working Paper's series. It provides a brief background of the origins and definitions of social capital. The paper also looks at the role that could be played by donor agencies in creating or stimulating the creation of social capital including the use of local-level social capital to deliver projects, investment in social capital, promoting research and learning, etc.

Theoretical Perspectives on Social Capital. By: Thomas Brown Ford. (2001). The greatest challenge to scholars of social capital has been to construct a theoretical explication of social capital that can be extrapolated and builds on conceptualisations which have worked. Brown elaborates on the conceptualisation of social capital at micro, meso and macro levels of analysis, incorporating and integrating the best existing theory (with specific reference to embedded ego, structural and embedded structure perspectives). The publication can be obtained from: www.jhunix.hcf.jhu.edu/~tombrown/Econsoc/soccap.

Protecting and Strengthening Social Capital in order to Produce Desirable Developmental Outcomes. By: David Hume. Institute for Development Policy and Management. (Department for International Development) (1999). The paper reviews the theme of 'protecting and strengthening social capital in order to produce desirable developmental outcomes'. It presents a set of criteria that can be used to assess whether the theme is informing DFID projects. Following this the theme is explored empirically through an analysis of projects objectives, indicators, programme approaches, programme content and assessment procedures. The paper is available from www.livelihoods.org.uk or www.dfid.gov.uk.

Unresolved Mysteries: The Tocquille Files III. (The Downside of Social Capital). By Alejandro Portes and Patricia Landolt. Print Features. Vol. 7, Issue 26. May-June 1996. Liberals and conservatives alike now celebrate social capital as the key to success in a myriad of domestic issues - from public education, aging, and mental health, to the battle against inner-city crime and the rejuvenation of small towns. The authors look at both the positive and negative consequences of social capital.

SL activities/programmes

1. Khanya and the HSRC are conducting a pilot study that looks at the concept of social capital in the context of sustainable livelihoods in South Africa, with particular emphasis on Youth. For further details contact Tsiliso Tamasane, tsiliso@khanya-mrc.co.za or Gerard Hagg, ghagg@hsrc.ac.za.
2. The University of Natal is including SLs in their postgraduate teaching. For further details contact Sid Lockett on lockett@iafrica.com.
3. Khanya are conducting a socio-economic survey of the Marakele National Park using the SLA.
4. As part of the Community-based Planning Project (highlighted in earlier editions), in May 2002 Khanya will be taking a delegation of government officials and NGO representatives from SA, Ghana, Zimbabwe and Uganda on a tour to Bolivia to study Bolivia's system of community participation in planning. Note: many additional resources have been added to the community-based planning page on the Khanya website at www.khanya-mrc.co.za.

Useful Internet resources on Social Capital

1. Social Capital Development Co-operation: www.social_capital.com
2. Fine Articles: www.finearticles.com
3. United Nations Development Programme: www.undp.org/sl
4. World Bank: <http://publications.worldbank.org/ecommerce/catalog/product>
5. Livelihoods Connect: www.livelihood.org/info/info_keydocuments
6. Department for International Development: www.dfid.gov.uk/pubs/files/sdd

Other News

David Cooper, Ian Goldman and Moscow Marumo have written a paper entitled: 'Goodbye To Projects? The Institutional Impacts Of A Livelihood Approach On Development Interventions'. The paper is from an action-research project that looks at the implications of using a sustainable livelihoods approach for development interventions and is available at www.khanya-mrc.co.za. The research is being conducted in South Africa, Tanzania and Uganda. For further details contact: Moscow (Joe) Marumo on moscow@khanya-mrc.co.za.

Future topics

We welcome feedback, ideas and contributions for upcoming topics. The topic for March will be on local economic development and for April on Community-based Natural Resource Management (in partnership with PLAAS).

About the HSRC

The HSRC's mission is to facilitate problem solving and enhance decision making through research excellence in the human sciences. The HSRC pursues its mission by conducting research in the following main areas: economic and social analysis, education and training and democracy and governance. For further detail contact: Gerard Hagg at ghagg@hsrc.ac.za

Sustaining Livelihoods in Southern Africa is an initiative of Khanya-managing rural change, PLAAS of the University of the Western CAPE, and CARE. The editor is Tsiliso Tamasane and he can be contacted at tsiliso@khanya-mrc.co.za, tel 082 499 5497.

Previous newsletters are available at the Khanya website, www.khanya-mrc.co.za. We welcome contributions, of events, relevant documents, comments etc.
