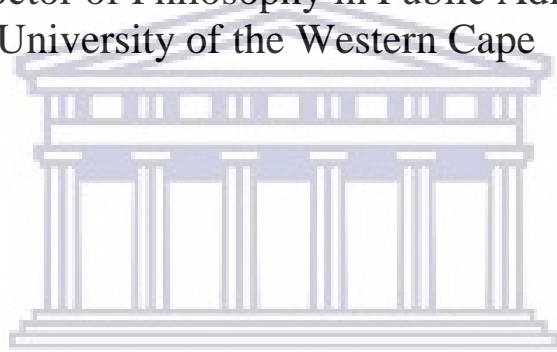


An Assessment of Social Capital in Rural Ethiopia: The Case of Aresi and Menze

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A Dissertation Submitted in the fulfillment of the Requirements for the
Degree of Doctor of Philosophy in Public Administration
University of the Western Cape



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Co-Supervisor: Dr. Meron Okbandrias

June 2021

DECLARATION

I, Fikrewold Yeneneh Tamirat, hereby declare that **An Assessment of Social Capital in Rural Ethiopia: The Case of Aresi and Menze** is my own work and has not been submitted for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged by complete references.

Fikrewold Yeneneh Tamirat



Date: June 2021



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The word of God says that “I know that You can do all things, And that no purpose of Yours can be thwarted.” With the help of GOD my study come to an end. Therefore, first and foremost, I would like to thank GOD for girded me with strength to done with my study successfully. Thank you GOD!!!

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Abstract

This dissertation explored the degree and distribution of social capital forms-social networks, volunteer associations, generalized trust, particularized trust and norms of reciprocity in rural Ethiopia. It aims to contribute to the academic understanding of social capital formation in Africa. Whereas the extent of literature focused on uncovering difference in the distribution of social capital at macro, meso and micro levels, this dissertation instead unpacks how political and economic conditions in rural Ethiopia shape the extent of the different forms of social capital at different levels.

Aresi and Menze are selected for the case-study based on their representation of rural Ethiopia's ecological, language, and ethnicity, historical and religious diversity. A household survey (n = 735) was conducted to uncover the distribution of social capital forms at the individual, regional and aggregate levels. Eight focus group discussions and ten key informant interviews were conducted to unpack why the different forms of social capital unfold the way they do. The qualitative interviews were also used for validating the result of the household survey by uncovering how institutional and structural factors reconstituted and redefined at the local level and translated into social capital formation.

The empirical result revealed that social networks and norms of reciprocity are the most important social capital aspects in the study areas. At the same time, trust relations and formal networks (volunteer organizations) are the least important aspects of social capital. However, over time, community-organization has become an alternative venue where community members relate and support each other. Thus, network-based and community-based social capital are the principal social capital forms in the study areas. This result is largely inconsistent with the previous studies that have been conducted in developed and democratic countries which have asserted generalized trust and impersonal civic organizations as the major forms of social capital, rather than localized and interpersonal forms of social capital. The fact that different forms of social capital are present in different contexts with different levels of importance shows that forms of social capital do not necessarily articulate together. Moreover, the variation in the relative importance of social capital forms shows that the production of social capital is shaped by the prevailing political and

economic conditions. Thus, this dissertation makes the case that it is necessary to distinguish among the different forms of social capital both in theory and practice.

Key Words

Social capital, social networks, formal networks, generalized trust, particularized trust, and norms of reciprocity



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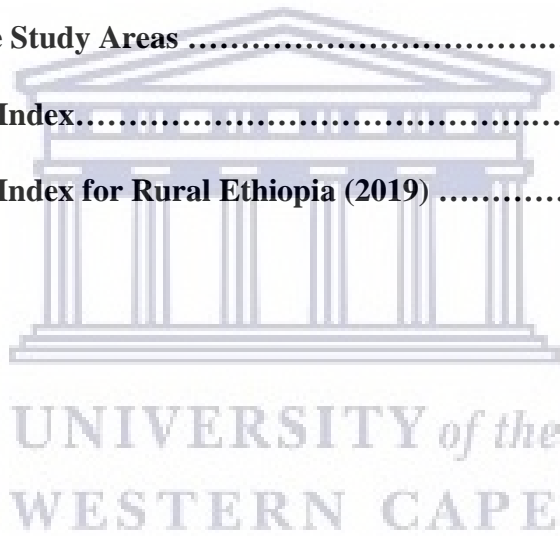
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Acronyms

CB-SEM	Covariance Based Structural Equation Modeling
CSOs	Civil Society Organizations
ERHS	Ethiopian Rural Household Survey
FGD	Focus Group Discussion
GoF	Goodness of fit
HDI	Human Development Index
MGA	Multi Group Analysis
NBE	National Bank of Ethiopia
PLS	Partial Least Square
PLS-SEM	Partial Least Square- Structural Equation Modeling
ROSCA	Rotating Savings and Credit Association
SASCAT	Social Capital Assessment Tool
TSOs	Third Sector Organizations
SEM	Structural Equation Modeling
UNDP	United Nations Development Program
UNOCHA	United Nations Office for Coordination of Humanitarian Affairs



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CHAPTER ONE

Introduction: Unpacking Meanings Understandings and Significance of Social Capital

1.1. Background

Trust relations, community solidarity, and social networks along with the associated outcomes, are treated in a single analytical framework under the rubric of social capital. The idea of social capital asserts that social relationships through trust relations or social networks have benefits beyond the immediate dyadic relationship. Its central focus is the benefits of social cohesion. Understanding different levels and forms of social cohesion is also integral to the concept and analytical framings of social capital (Portes, 1998; Portes, 2000).

The concept of social capital was first introduced by Lyda Judson Hanifan (1916) in 1916 in reference to social cohesion among neighborhoods that facilitates the local support for rural schools in West Virginia. Hanifan defined that social capital is the “goodwill, fellowship, mutual sympathy and social intercourse among a group of individuals and families who make up a social unit” (Hanifan, 1916: 130).

The notion that involvement and participation in a group has a benefit to individuals as well as to the community as a whole is not something new in social science discourse. It traces its intellectual background as far back as to Durkheim's emphasis on group life as an antidote to anomie and self-destruction and Marx's distinction between an atomized class-in-itself and a mobilized and effective class-for-itself (Portes, 1998). Durkheim's study of suicide, in particular, has a major bearing on the importance of social relationships to society. He has related suicide with a level of disconnectedness (detachment) to a community. He stated that the prevalence of suicide is high among those with a high individualistic lifestyle, and low among those with strong social integration and group life (Durkheim, 1984).

Yet, the focus of academia on the concept of social capital has proliferated only after the 1990s (Ostrom and Ahn, 2003; Poder, 2011). It became a fashionable concept that has attained significance in the social sciences, economics and public policy in the past three decades (Bhandari and Yasunobu, 2009; Furstenberg and Kaplan, 2004; Furstenberg, 2005; Ostrom, 2000; Ostrom and Ahn, 2003; Poder, 2011). According to Fine (2004), in the post-cold war period, there is no other concept that has gained so much attention in the social science discourse as globalization and social capital does. From 1980 to 1990, roughly estimated, there were only twenty papers published on social capital (Freitag, 2003). Currently (2020), a search of the phrase “social capital” on google generates about 2, 150 000 000 hits.

As long as social relations and concurrent beneficial consequences are concerned, rural areas have been the focus of attention among academia. Specifically, a burgeoning number of scholarly works indicate that cooperative behaviors and mutuality are the defining features of the social relation of the peasantry in the least-developed countries (Fafchamps, 1992; Posner, 1980; Scott, 1977). However, in the extant of literature, the social structure that underlies solidarity and mutuality among the peasantry is underspecified. It means, to this date, little is known about the relative importance of social trust, community solidarity, and social networks in the peasant mode of social existence. Does the solidarity among the peasantry stem from a feeling of sympathy? Or does it come from an extended web of norm and social control in the community that forces individual members to cooperate with each other? Or does the solidarity is an outcome of the close-knit and extra-familial network that attributes the settlement pattern of the peasantry? This puzzle remains under-researched. In this vein, this study aims to explore how the concept and analytical framings of social capital help to explain social dynamics in rural Ethiopia.

1.1.1. What is Social Capital? Three Analytical Framings

Although the concept of social capital has become very popular, there is no agreement on its meaning. To this date, there is no single and universally binding definition of social capital within the literature (Ostrom and Ahn, 2001; Portes, 1998; Rupasingha, Goetz, and Freshwater, 2006). As the above instances indicate, the concept of social capital is vast that put seemingly diverse

factors into a single analytical framework. It covers a range of issues from the interpersonal network and community cohesion to generalized trust at the macro level. For this reason, the concept is prone to different interpretations and has been criticized for being ambiguous (Ostrom and Ahn, 2001).

What constitutes social capital remains far from conclusive across academic disciplines (Ostrom and Ahn, 2001; Portes, 1998). Whether social capital is an attribute of individuals or collectives is also controversial (Portes, 1998; Portes, 2000). There are various conceptualizations and analytical approaches to social capital. However, contemporary scholarly works rely on social capital as conceptualized respectively by Pierre Bourdieu, James S. Coleman, and Robert Putnam. These three scholars denote the major contending approaches to social capital (Breuskin, 2012; Ostrom and Ahn, 2003; Portes, 1998; Ramos-Pinto, 2004; Villalonga-Olives, and Kawachi, 2015).

French sociologist Pierre Bourdieu develops the first approach. He defines social capital as "...the aggregate of the actual or potential resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (Bourdieu, 1986: 248). Individuals create and maintain social networks (personal connections) through continuous interaction and use them as an instrument to acquire their interests (Bourdieu, 1986). Thus, in this view, social capital has to do with individuals' access to resources through their network position. Individuals' network with friends, colleagues, and community members enable them to gain resources (such as information, advice, financial support, for example) possessed by the later ones by virtue of their intimacy or social connectedness (Burt, 1992; Bourdieu, 1986; Durlauf, and Fafchamps, 2004; Portes, 1998).

Therefore, this approach conceptualizes social capital as the size of individuals' social networks and the different forms of support available from these networks. To put it in another way, as per this approach, the density of the social network that an individual has through the connection with friends, family, neighbors and colleagues- as well as resources available in such networks is what

counts for social capital (Burt, 1992; Bourdieu, 1986; Durlauf, and Fafchamps, 2004; Portes, 1998).

James Coleman developed the second approach to social capital. According to Coleman (1990: 302), "... social capital is defined by its functions, it is not a single entity, but a variety of different entities having two characteristics in common: they all consist of some aspect of a social structure, and they facilitate certain actions of individuals who are within the structure." For Coleman, social capital is not merely an individual level of social connectedness; rather, it is an attribute of a social structure such as an organization, residential community, or workplace (Villalonga-Olives, and Kawachi, 2015). This includes the extent of solidarity, trust, and norms of reciprocity within given collectives (communities, workplace groups, and similar collectives). Such attributes that possessed collectively enable actors within the structure to achieve individual goals. It means community or group level cohesiveness yields benefits to individuals (Coleman, 1990). For example, in a community where there is tight control, older people can walk on the street at night without fear. In this case, community solidarity serves the best interest of individuals in terms of granting personal safety (Coleman, 1988b).

The third approach is put forward by Robert Putnam (1993), who defines social capital as "features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions" (Putnam, 1993: 167). Thus, in this perspective, social capital is a three-dimensional concept that involves the density of associational life, trust relations, and norms of reciprocity. The idea is that the habits of cooperation and sense of solidarity instill in the civic associations have spillover effects into the state to enhance coordinated collective action to the efficiency of the society. It means the mutual recognition and acknowledgment that comes out of individuals' participation in the web of civic and social association enable them to transcend over collective action dilemma (social dilemma for cooperation) and make them to easily collaborate to drive state policies (decisions) for collective benefits (Putnam, 1993). This conceptualization sees social capital as a feature of a society such as a generalized trust level and extent of civic engagement in society. Such attributes enable societies to overcome the coordination problem and

enhance the efficiency of societies in terms of improving the quality of government, etc. As a result, the benefits that come out of such attributes are realized collectively.

As the above discussion illustrates, the three approaches are distinct from each other in many ways. This makes defining and conceptualization of social capital in a coherent way quite tricky. However, to avoid conflicting definitions and different forms of conceptualizations, usually, a distinction is made between the network and attitudinal approaches: these respectively focus on networks and civic attitudes (Stolle and Hooghe, 2005). The two approaches are commonly referred to as structural social capital and cognitive social capital, respectively (Grootaer and Thierry van Bastelaer, 2002; Hjollund and Svendsen, 2000; Stolle and Lewis, 2002; Stolle and Marc, 2003).

“Structural social capital refers to relatively objective and externally observable social structures, such as networks, associations, and institutions, and the rules and procedures they embody” (Christiaan and Thierry, 2002: 3). Membership in various kinds of associations (volunteer organizations) and person networking with friends, relatives, and colleagues constitute structural social capital. For analytical purposes, a distinction is made between formal and informal networks within the structural social capital (Guillen, Coromina, and Saris, 2011, Paxton, 1999). Informal networks, which are commonly referred to as social networks, are contacts among friends, family, neighbors, and colleagues. On the other hand, formal networks have to do with organizational participation and entail contacts within voluntary associations as well as contacts between citizens and civil servants. Thus, formal networks involve participating in a different voluntary associations such as civic associations (including trade unions), charity organizations, community organizations and political parties, etc (Kaasa and Parts, 2008; Paxton, 1999).

On the other hand, cognitive social capital is a subjective tie that connects individuals. This involves reciprocal and trusting relations and feelings of positive emotions among individuals or a group of individuals. In connection with this, cognitive social capital is categorized between trust and norm of reciprocity (Christiaan and Thierry, 2002; Paxton, 1999; Putnam 1993). Trust,

commonly understood as social trust, is a belief about the behavior of others. It is a conviction (or the lack of it) about the goodness or rationality of others. In general, trust refers to believing that people are benevolent and kind. The degree of belief about the kindness of others varies from person to person and from society to society (Uslaner, 2002). Norms of reciprocity generally refer to the giving of benefits to others in return for the benefits received (Molm, 2010). It is about a mutual exchange of support and help among individuals in a group (Coleman, 1988a).

In general, the above discussion points out that social capital is a multifaceted concept. Broadly, social capital has structural and cognitive aspects. The structural and cognitive social capital, in turn, includes various subcomponents. These are formal networks, informal networks, trust, and norms of reciprocity. To avoid confusion, these subcomponents are hereafter referred to as forms of social capital.

1.1.2. The Functions of Social Capital

Social capital as a generic concept is valued in that it refers to social, economic and politically beneficial consequences of social cohesion either individually or collectively. While approaches differ on the unit of analysis, the possible desirable outcomes of high social capital within communities are less in dispute. In this respect, there are two major approaches relating to the function of social capital. These are the individualistic approach and the collectivist approach (Jordan, and Munasib, 2006; Portes, 2000; Villalonga-Olives and Kawachi, 2015).

In the first approach, social capital is viewed as an individual resource that is available and accessed by individuals through their personal connection and membership to a group (community). The function of social capital to individuals is usually acclaimed in connection to social networks. Generally, social networks generate two broad benefits: social support (survival) and social leverage (social mobility) (Briggs, 1998). To begin with the social leverage, individual ties with friends, colleagues, neighbors and family members can be leveraged to access different opportunities that lead to upward social mobility. This includes accessing professional

opportunities through personal ties, getting financial support and investment tips from extra-familial network to startup a new business, and accessing information about new technologies from colleagues and friends (Bourdieu, 1986; Briggs, 1998; Portes, and Sensenbrenner, 1993). Moreover, social networks are important sources of social support, which is defined as a “...provision of psychological and material resources intended to benefit an individual’s ability to cope with stress” (Cohen, 2004). People usually rely on the help from members in their social network (family members, friends and community members) to cope with everyday life situations. In this respect, social networks provide two distinct types of benefits. These are emotional, informational, and instrumental or practical support (Cohen and Wills, 1985, and Lakey and Cohen, 2000).

Trust and solidarity at the community level can also bring benefits that go to individuals. To put it in another way, prevalence of trust and strong norms of reciprocity at community level facilitate cooperation that benefit individual members personally. As mentioned above, for example, tight social control and solidarity in a community provides personal safety for individual members (Coleman, 1990). A community with a strong internal solidarity help the needy members to cope with stressful situation by collecting contribution from the remaining members is another example on how community level cohesiveness has a beneficial consequences at the individual level (Paxton, 1999).

The second approach views social capital as a collective attribute that facilitates cooperation for mutual benefit. In the economic sector, trust and trustworthiness enable economic actors to cooperate easily and to overcome traditional public policy problems such as the free-rider syndrome and political opportunism. This facilitates economic transactions without a formal institutional arrangement that reduces transaction costs and promotes economic efficiency. This, in turn, promotes economic development at the national, sub-national and community level. For example, in a cross-country survey it is revealed that one standard deviation increase in trust levels increases economic growth by more than one-half of the standard deviation (Knack and Keefer, 1997). In the social realm, the role of social capital has been appreciated in connection to social harmony. The underlying explanation is that trust relation enhances social solidarity which is

pivotal in harmonizing relations in society (Sandefur and Laumann, 1998). In the political sector, the existence of high social trust is essential to suppress opportunistic behaviors and facilitates collective actions that help to solve major political problems including democracy, corruption and political accountability. For example, the result from a cross-country survey showed that an increase in one standard deviation in trust levels increases judicial efficiency with 0.7 standard deviation and reduce corruption with 0.3 standard deviation (LaPorta and et al., 1997).

1.1.3. The Significance of Studying Social Capital in Societies

Irrespective of approaches, proponents of the concept argue, in a nutshell, that social capital has a lot of beneficial consequences, akin to other, more tangible, forms of capital (Jordan, and Munasib, 2006; Lin, 2000). It is one of the drivers of many desirable social and economic outcomes such as democratic governance, economic growth, and social harmony, amongst others. From conflict resolution to crime prevention (Akçomak and Ter Weel, 2012; Buonanno, Montolio, and Vanin, 2009; and Lederman, Loayza, and Menendez, 2002), from facilitating cooperation among common pool resource users to enhancing government performance and consolidating democracy, the role of social capital has been pronounced (Knack, 2002; Ostrom, 2000; Putnam 1993).

The political significance, according to social capital analysis is that enhancing social capital is emerged as an innovative approach to improve the quality of government. Among the policy-making community, from the World Bank to the city hall, the creation of social capital has been pronounced (Boix and Daniel, 1996).

In light of the purported benefits of social capital, devising a policy framework for the creation and development of social capital is quite important. However, social capital is context-specific. First of all, the nature of forms of social capital is contextually variable. For instance, voluntary organizations (formal networks) and social networks takes different forms in different national and local contexts (De Silva and et al., 2007). Moreover, the production of social capital is shaped by the political culture and economic foundations. It means, the level and distribution of social capital

consistently vary with socio-economic and political conditions (Das, 2004; LiPuma, and Koelble, 2009).

If social capital is contextually variable, it means there is no one size fits all policy on the creation and development of social capital. Therefore, the empirical applicability of social capital consistently varies with socio-economic and political conditions. In this regard, to tailor policies in a way that best suit the social context, there is a need for context-specific qualification and measurement in the first place.

1.1.4. The Value of Analyzing Social Capital in Rural Ethiopia

It has long been recognized that the role of social capital in achieving desirable socio-economic and political outcomes via augmenting the state and the market is crucial. This is particularly true for developing countries where the issue of development is of paramount importance, but state and market institutions are weak and fragile (Ostrom and Ahn, 2003).

Social capital, notably trust relation and norms of reciprocity, depress opportunistic behaviors and reduce information asymmetry and enhance the total efficiency of society in development endeavors. To this end, social capital is depicted as the “missing link” in the development intervention (Grootaert, 2001). As a result, major development organization around the globe such as the World Bank has taken up the issue into their development agenda (Fine 2008). For instance, by understanding the importance of social capital, the World Bank has developed a “social capital implementation framework” to guide governments on building and strengthening social capital (World Bank, 2011).

As mentioned above, social capital is context-specific. It has different forms and manifestations across different national contexts (LimPuma and Koelble, 2009). However, the focus of much of the literatures on social capital has been countries in the West and in the former Eastern bloc (LimPuma and Koelble, 2009; Tapscott, 2005). Interestingly enough, empirical studies on the

evidence of social capital in least-developed countries uncovers that social capital in this group of countries does not cohere to the way it operates in the rest part of the world (Widner and Alexander, 1998). Thus, the extent of literatures on social capital lack strong empirical applicability to the treatment of social capital in non-Western context (Fine, 2003; LimPuma and Koelble, 2009; Tapscott, 2005; Widner and Alexander, 1998).

Cognizant of this fact, this study aims to make a comprehensive assessment of the state of social capital stock in rural Ethiopia based on selected case study areas. The study focused on the rural part of Ethiopia. Rural Ethiopia is home to about 75 million people that is about 80% of the Ethiopia's total population size (National Bank of Ethiopia, 2020). Since rural areas hosts the bulk of least-developed countries' population and about three-fourth of their poor, lessons drawn from rural Ethiopia will have a wider implication to probe shifts in the practice and analysis of social capital in least developed countries context.

1.2. Statement of the Problem

Social capital has a variety of beneficial outcomes at the micro and macro level. In less-developed countries in particular, it has been claimed that social capital has many benefits for development. As a result, the creation and development of social capital have become one of the key development tools, notably among international development agents, including the World Bank (Fine, 2008; World Bank, 2011). However, the very conceptualization of social capital and the stated relation between social capital and development outcomes have been criticized from an ontological and methodological perspective. Different scholars asserted that the degree of social capital and level of development does not necessarily articulate together so that one cannot always be the instrument for the other (Das, 2004; Fine, 2003; Fine, 2008). The production of social capital is embedded in a given socio-economic and political context. In other words, social capital is an outcome of circumscribing contextual and composite factors (LimPuma and Koelble, 2009; Tapscott, 2005; Widner and Alexander, 1998). For that reason, social capital cannot be set as an engine for development as if its production is independent of development conditions (Das, 2004). In this respect, assessing patterns in the level and distribution of social capital in the least-

developed countries becomes an empirical imperative to understand the link between social capital and development and guide policy interventions accordingly.

In Ethiopia, which is one of the least developed countries in the globe, the level and distribution of social capital stock remain uncovered to date. Specifically, in the rural context, which accounts for about 80% of the country's population, only very few studies that examine specific aspects of social capital have been undertaken. This includes the importance of social capital in mitigating natural disasters (Mintewab et al, 2013; Di Falco and Bulte, 2009; and Di Falco and Bulte, 2013); the role of social capital in natural resource conservation (Mintewab et al, 2013), social capital and diffusion of agricultural technologies and improving farm productivity (Daniel, Gerber and Matz, 2016), limits of the market transaction and social capital (Eleni, 2001); and social capital and gender empowerment (Nega, 2009). Besides, the contribution of social capital in the economic and social wellbeing of rural and urban households (Dodd, 2012; Enideg, 2013) has been also researched.

Most of these studies have focused on assessing the consequence of social capital on specific socio-economic outcomes that range from natural resource management to gender empowerment, and from facilitating market transactions to the diffusion of technologies. In doing so they have made a contribution towards the understanding of the role of social capital in the rural part of the country. However, none of these studies has attempted to assess and measure the level of social capital stock in the rural Ethiopia. Furthermore, the social and geographical distributions of the forms of social capital are not addressed by previous studies. Therefore, the extent and distribution of formal networks (volunteer organizations), informal or social networks, generalized trust, particularized trust, norms of reciprocity in the rural Ethiopia is remain unknown. It would appear there is a need for a rigorous measure of social capital in the rural part of the country to guide both policymakers and researchers for further investigation.

1.3. Theoretical Framework

Two major propositions constitute the theoretical framework of the study. First, social capital is not a single bundle item that can be analyzed either in additive scale or in a cause and effect relationship. First, social trust, norms of reciprocity, social networks and associational life are differently correlated with different outcomes (Guillen, Coromina, and Saris, 2011; Knack and Keefer, 1997). For instance, while trust and formal networks are found to positively correlate with the quality of government, but not informal networks (Knack, 2002). Second, the different forms of social capital are weakly correlated (Freitag, 2003; Guillen, Coromina, and Saris, 2011). Third, forms of social capital are also fetched from different sources. Thus, each of the social capital forms represent a distinct feature of society, and for this reason, they demand a separate analysis (Bjørnskov, 2006; Guillen, Coromina, and Saris, 2011; Halman and Luijkx, 2006; Knack, 2002). Therefore, in social capital assessment what matters is the relative importance of each form of social capital in a society.

Second, the level and distribution of social capital in a society is mainly shaped by structural and institutional factors. Of course, forms of social capital are variably distributed across macro, meso and micro levels. At the micro level, the level of forms of social capital vary along the degree of democracy, affluence, income inequality, and social diversity of a country. High level of income and democracy, and lower level income inequality and social diversity positively correlated with generalized trust (Bjørnskov, 2007; Freitag, 2003; Paxton, 2002; Rothstein and Stolle, 2008; Saravia, 2016; Uslaner, 2002; Uslaner, 2003). Within a country, the levels and distribution of forms of social capital also vary according to regional and local levels of income and social diversity. Regions and communities with higher level of affluence and lower level of social diversity features a relatively high level of generalized trust and formal networks, and relatively lower level of informal networks and particularized trust (Alexander, 2007; Borozan, and Funaric, 2016; Freitag, 2003; Neutens and et al., 2013; Subramanian, Lochner, and Kawachi, 2003). At the micro level, forms of social capital vary along age, gender, income, family size, religion, education, and marital status (Glaeser, Laibson, and Sacerdote, 2002; Kaasa and Parts, 2008; Lee,

Jeong, and Chae, 2011; Nieminen and et al., 2008; Rupasingha, Goetz, and Freshwater, 2006; van Beuningen, and Schmeets, 2013; Van Oorschot, Arts, and Gelissen, 2006).

However, the extent to which macro, meso, and micro factors affect social capital generation varies greatly. Individual-level factors do not affect social capital generation beyond regional and local, and macro factors (Kaasa, and Parts, 2008). At the same time, regional and local factors do not influence social capital generation beyond and above macro factors (Neutens and et al., 2013; Subramanian, Lochner, and Kawachi, 2003). Therefore, the level and distribution of forms of social capital in a country are overwhelmingly determined by national level contexts. In this respect, along macro-structural and institutional differences, the distribution of social capital varies by group of countries. In democratic and developed countries', as a result of high level of affluence and democratic governance, generalized trust and formal networks are the primary forms of social capital. At the same time, informal networks and particularized trust are less prevalent in this group of countries. On the other hand, in least-developed countries that are characterized by low income and democracy deficit, generalized trust and formal networks are relatively low. Interpersonal trust substitutes formal networks and generalized trust. Hence, in this group of countries, informal networks and community-level solidarity are the primary forms of social capital.

1.4. Methodological Approaches to Unpacking Degrees of Social Capital

Due to the purported benefits of social capital, and to understand it with social contexts, proponents of the concept deem it necessary to design and implement policies that guide its creation and implementation (World Bank, 2011). For this purpose, there needs to be a comprehensive assessment that gives a clear picture of the nature and extent of social capital in a given context. Yet, the methodological approach and measurement design are continuous, as well as its very construction in ontological terms (Grootaert and Van Bastelar, 2002; Grootaert, 2004).

As presented above, social capital is a very extensive concept and covers a wide range of areas within society. Along with that, it has different conceptual approaches. Specifically, there are

three distinct approaches in the definition and conceptualization of social capital developed by Bourdieu (1986), Coleman (1990) Robert Putnam (1993). Each of these approaches dictates different methods to the study, design, and measurement of social capital (Grootaert and Van Bastelar, 2002).

Bourdieu's approach emphasizes the centrality of social networks in the social capital assessment. Whereas, according to Coleman's and Putnam's' approach social capital amounts to trust relations, trustworthy behaviors and perceived norms of reciprocity. These contending approaches also deviate in connection to the level of analysis that they employ. For Bourdieu, social capital is a resource possessed by individuals through their network ties and for that it resides on each individual. So, it strictly applies an individual level of analysis. On the other hand, for Coleman (1990) social capital is a value held at the community level. Coleman, therefore, claimed that the measurement of social capital should rest on an assessment of the extent of norms of reciprocity and group solidarity at a community level. Still, for Putnam (1993), social capital is presented as a feature of a larger group. Accordingly, social capital is supposed to be measured by the level of trust, trustworthiness, and norms of reciprocity at a society or country level.

For analytical simplification, the concept of social capital is dichotomized into structural and cognitive social capital (Grootaert and Thierry van Bastelaer, 2002; Hjollund and Svendsen, 2000; Krishna and Uphoff, 1999; Stolle & Marc, 2003). This framing is quite fundamental to understand the roles, functions and measurement designs of social capital (Grootaert and Van Bastelar, 2002; Grootaert, 2004; Narayan, and Cassidy, 2001; Uphoff, 2000). The approach is also valuable as it encompasses the different facets of social capital and comprehensively represents major themes of the contending approaches.

In the light of the above assertions, social capital inventories incorporates both the structural and cognitive elements of social capital. In this regard, the common measurements tools that are used to assess social capital includes associational membership (volunteer organizations membership) including membership in civil society organizations and community groups, informal networks

with family members, relatives, friends, neighbors, and colleagues, interpersonal and generalized trust, and perceived norms of reciprocity and trustworthiness (Grootaert and Van Bastelar, 2002; Narayan, and Cassidy, 2001). Then the distribution of each form of social capital across socioeconomic and demographic units, and geographical geographic units is set for examination.

In this vein, in developing countries, the Social Capital Assessment Tool (SCAT) which is developed by the World Bank is the most commonly used measurement tool. This instrument contains a detailed breakdown of the structural and cognitive social capital (Grootaert and Van Bastelar, 2002). In this regard, this instrument is so extensive that many studies use the short and adapted form of the instrument (Harpham, 2008).

Using an inventory that combines both components of social capital such as SCAT, one can devise different methods for the assessment depending on the level of analysis which is taken up for investigation. Commonly, a survey method is employed to measure social capital using the integrated inventory. Individuals' responses aggregated and reported as a collective-level social capital at meso and macro level. This method enables to picture the extent of social capital at the macro level and its distribution across socio-economic groups and geographic units (Harpham, 2008). However, survey methods are not sufficient enough to unpack the degree of social capital in a society. Since, social capital is context specific, a household survey must be augmented with qualitative studies to unfold the extent and nature of social capital in a given context (Jones and Woolcock, 2007).

Accordingly, this study uses mixed method to assess the level and distribution of social capital in rural Ethiopia. Through household survey, it unpacks the distribution of formal networks, informal networks, generalized trust, particularized trust, and norms of reciprocity across socioeconomic and demographic groups, geographic units as well as the aggregate level of distribution. It employs qualitative techniques (focus group discussion and key informant interview) to triangulate and validates results from quantitative methods. It means through qualitative methods the research explains why and how the existing configuration of social capital stock exists the way it does.

Therefore, the qualitative method puts the result of the household survey in context. The survey questions and interview guidelines used for the study are adapted from SCAT.

1.4.1. Social Capital in Rural Ethiopia: Developing a Case Study Approach

As mentioned above, the assessment on the level and distribution of forms of social capital can be undertaken via a survey method. By conducting a survey that covers sociocultural, economic groups in a society, the distribution of social networks, formal networks, social trust and norms of reciprocity at the individual level (age, income, education, sex, marital status, family size and religion) can be described. Individual responses summed up in each community to describe the level and distribution of forms of social capital across communities. The entire individuals' response aggregated as a whole to depict the size of each forms of social capital at the macro (societal or country) level (Harpham, 2008).

Ethiopia is a socio-culturally diverse country. With a total population size of about 100 million, eighty different languages spoken in the country. Therefore, in terms of time and financial resource it is not viable to undertake a survey that cover the entire socio-cultural and economic groups. Thus, the study depends on a sample of the major socially distinct groups.

Of the nine regional states and two city administrations that form the Federal Democratic Republic of Ethiopia, the two largest regional states-*Amhara* and *Oromia*- are purposively selected for the sake of their numerical and sociocultural representativeness. Together, the two regional states host about 60% of the country's population and 80% of the farm households. Besides, Amhara and Oromia regional states are inhabited by the two largest ethnic groups in the country (*Amhara and Oromo*). Then *Aresi* from *Oromia* regional state and *Menze* from *Amhara* regional state are selected based on heterogeneity criterion. Thus, the two study areas (*Aresi and Menze*) have been purposively selected for the case explicitly along language, ethnicity and religious difference and their representativeness. They are inhabited by the two largest ethnic groups in the country (*Amhara and Oromo*) and speaks different languages. *Oromifa* is the main language spoken in *Aresi*, while *Amharic* is spoken in *Menze*. Besides, they have varying religious compositions.

Menze is an overwhelmingly Orthodox Christian site, whereas in *Aresi* the majority of the population are Muslim.

Then, one district was selected randomly from both *Aresi* and *Menze*. At the next stage two *Kebeles* (the lowest administrative tier in Ethiopia) from each of the randomly selected districts (a total of four *Kebeles*) were selected. Finally, for the household survey, in each *Kebele* 200 households (a total of 800 households) selected.

The entire response is disaggregated by age, income, education, sex, marital status, family size and religion) to describe social capital distribution at the individual level. The individual response also disaggregated into two groups: *Aresi* and *Menze* group. The response in *Aresi* and *Menze* is calculated and reported as a regional level social capital. Within *Aresi* and *Menze*, the response, in turn, disaggregated in to two groups along *Kebele* lines. Then the response at the *Kebele* level is summarized to depict social capital at the community level.

1.5. Research Questions

Given the aforementioned gaps, the study address the following major research question:

How is it possible to conceptualize the level and distribution of forms of social capital in rural Ethiopia?

The specific research questions are:

- Which forms of social capital are more important in Rural Ethiopia?
- To what degree does the different socio-economic and demographic groups in the study areas possess each forms of social capital?
- How can we better understand rural social dynamics in Ethiopia based on the level and distribution of social capital forms?
- What can be emulated from the rural Ethiopia about the level, distribution and operation of social capital to societies with similar structural conditions?

1.6. Research Objectives

The major objective of the study is to identify patterns in the level and distribution of social capital forms in rural Ethiopia based on the selected case study areas.

The specific objectives of the study are:

- Identifying the relative importance of the different forms of social capital in rural Ethiopia;
- Assessing the distribution of social capital forms across sub-population groups;
- Appraising the nature of associational life in the study areas in terms of the operational procedures, roles and functions of formal and informal networks;
- Evaluating the extent of trust relations and norms of reciprocity in the study areas;
- Exploring patterns in the operation of social capital in the rural Ethiopia;
- To draw a theoretical framework to understand the level, distribution, role and function of social capital in the context of least-developed countries.

1.7. Organization of the Dissertation

This dissertation is organized into ten chapters including this introductory chapter. The second through the fourth chapters present the conceptual and the theoretical framework, and the methodological underpinning of the study. The second chapter is devoted to conceptualizing social capital. It presents and synthesizes the contending theoretical and operational approaches on social capital. The third chapter goes to the theoretical framework. It present a multi-dimensional and multi-level model for social capital assessment employed in the study. The fourth chapter presents the methodology of the study.

The fifth chapter is tailored to the quantitative measurement of the level and distribution of social capital. Based on the household survey held in the two study areas ($n = 735$), using the PLS-SEM,

it presents the level of formal networks, informal networks, generalized trust, particularized trust and norms of reciprocity at the aggregate level, and between the two study areas.

Chapter six up to nine are qualitative chapters that put the household survey into a context. Chapter six presents the nature and significance of informal networks in the study areas. It shows the importance of family, neighborhood and friendship ties in the study areas. Chapter seven explores the nature of associational life in the study areas. The chapter shows the role and significance of formal networks based on the analysis of two volunteer organizations (*Iddirs* and *Mahibers*) that operate in the study areas. These organizations are selected for the case because they are most widely available volunteer organizations in the rural Ethiopia. Chapter eight is devoted to the trust relations among the study communities. It presents the extent of both generalized and particularized trust. It also shows the consequences of the observed state of trust relations on cooperative outcomes and interpersonal relations in the study areas. Chapter nine presents the state norms of reciprocal relations. The last chapter is the concluding chapter that remarks on the major implications of the study findings based on the theoretical and empirical literatures. Additionally, this chapter draws the policy implications of the findings of the study.



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CHAPTER TWO

Unpacking the Conceptualization and Application of Social Capital to Governance

2.1. Introduction

As a concept and in relation to policy analysis, social capital is a buzz word that has dominating both domains of the academia and policy practices over the past three decades (Bhandari and Yasunobu, 2009; Furstenberg and Kaplan, 2004; Furstenberg, 2005; Ostrom and Ahn, 2003; Poder, 2011). From 1980 to 1990, roughly estimated, only twenty papers were published in social capital (Freitag, 2003). Currently, thousands of scholarly works published each year under the subject matter of social capital. For instance, a search in google with the phrase “social capital” in 2020 generates more than two and half million hits.

Yet, regardless of its wide application, the meaning of social capital is both conceptually and in application far from generally accepted and understood. To date, there is no single and universally binding definition of social capital within the literature (Bjørnskov, 2006; Poder, 2011; Villalonga-Olives and Kawachi, 2015). As discussed in chapter one, the notion of social capital borrows concepts from the disciplines of economics, sociology and political science, contributes to the existence of different and conflicting definitions of social capital (Gannon and Roberts, 2018; Grootaert and van Bastelar, 2002; Hjollund and Svendsen, 2000).

Social capital assessments vary according to the approach or the perspective that is employed. For this reason, operationalizing the concept is quite crucial to its contextual understanding. Cognizant of this fact, this chapter unpacks the concepts and approaches that underlie the analysis of social capital in this study, with particular reference to the governance and policy applications of the concept and its application to different political and socio-economic contexts.

The chapter is organized into five parts, inclusive of this introduction. The second part of the chapter revisits the major contending theoretical approaches, as discussed in chapter one, in more detail. It covers the essence of the major approaches in social capital theory. It also highlights the

major similarities and differences between these approaches. The third part of the chapter is tailored towards the discussion of constituting elements of social capital. The fourth part revisits social capital functions categorized as individual (micro) and collective (macro) level benefits and links this to the concept's governance and policy applications. The conclusion links the chapter to how the concept and application of social capital will be employed in this study.

2.2. Contending Approaches to Social Capital

As discussed in chapter one, contemporary scholarly works take social capital as conceptualized by Pierre Bourdieu, James S. Coleman, or Robert Putnam. These three scholars denote the major contending approaches to social capital (Breuskin, 2012; Ramos-Pinto, 2004; Villalonga-Olives, and Kawachi, 2015). Like all other concepts, understanding and operationalizing social capital demands a full grasp of the alternative views, which are within the domain of analyses across academic and policy disciplines. For this purpose, the contending approaches require unpacking in some detail.

2.2.1. Pierre Bourdieu and the Individual Network Approach

As discussed in the first chapter, French sociologist Pierre Bourdieu developed the first approach to social capital. He defines social capital as "...the aggregate of the actual or potential resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (Bourdieu, 1986: 248). For Bourdieu, social capital is all about social networks and connections that individuals have and the resources that they can access through these networks.

Thus, this approach views social capital as an individual's access to favorable networks. It is individuals' networks with friends, colleagues and the community members that enables them to gain resources possessed by the later ones by virtue of their intimacy or social connectedness. It means individuals create and maintain social networks through continuous interaction and use it as an instrument to further their interests. In other words, individuals access resources possessed by a social network by virtue of their membership in the network (Portes, 1998).

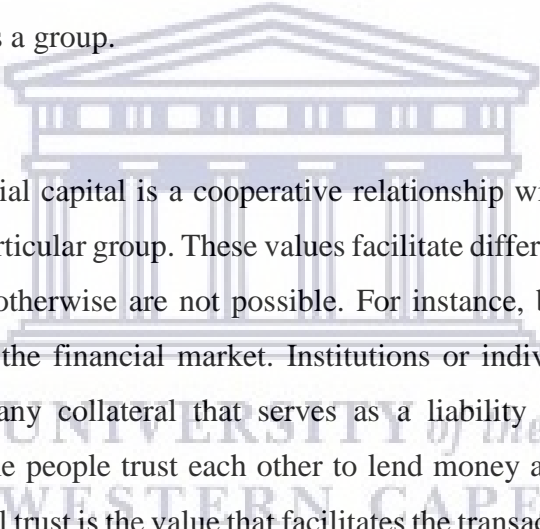
Social networks enable individuals to access resources possessed by their associates. Thus, social capital is an individual resource derived from their membership in a social network. Crucially, it is understood as social capital because interpersonal relations provide resources for individuals who own it. Individuals who are connected with family members, relatives, friends, neighborhoods and so on, receive material and emotional support from these connections and/or networks. It is also social because it rests on the social relations that individuals create and maintain. “Whereas economic capital is in people’s bank accounts and human capital is inside their heads, social capital becomes inherent within the structure of their relationships. To possess social capital, a person must be related to others, and it is these others, not himself, who are the actual source of his or her advantage” (Portes, 1998: 7). As per Bourdieu’s approach, a community or a group of individuals can possess such kind of social capital collectively. As such, it can be used for promoting corporate interest in competition with other corporate actors/groups, not for the group’s internal collective action problem (Ostrom and Ahn, 2003)

2.2.2. Coleman and the Group Based-Resource Approach

The second perspective on social capital is refined by Coleman (1990: 302), who asserts that “[s]ocial capital is defined by its functions, it is not a single entity, but a variety of different entities having two characteristics in common: they all consist of some aspect of a social structure, and they facilitate certain actions of individuals who are within the structure.”

This assertion made by Coleman has two major tenets. First, social capital is a resource like physical, financial and human resources that actors can use to achieve particular objectives. Social connectedness has a function to serve like other forms of resources. Second, social capital is a public good by its nature. It is not necessarily owned by individuals who create it. “Unlike other forms of capital, social capital inheres in the structure of relations between persons and among persons. It is lodged neither in individuals nor in physical implements of production” (Coleman, 1990: 302). The process of creating and maintaining social networks generate certain values and norms that extend and embody the opportunity to grasp these benefits to those who are in the

structure. For instance, once a few individuals build a reputation of successful borrowing and debt service in a particular trade (without any legal predicament), this then becomes a norm for everyone in that trade. Even though a few individuals start the trust-based transaction, such transactions become a community or group-wide norm. Taking care of children in a community is also another example that substantiates the case here. Once community members develop a norm of caring for each other's children, everyone in the community can enjoy this privilege regardless of the low social network that might pertain to individual community members (Coleman, 1990). Unlike other forms of capital (physical and financial capital) in which the benefit goes to those who invest in them, social capital, once created, is available as a resource for all those within the structure. It means social capital has a positive externality to members of a community as a whole. Thus social capital does not only enable actors to achieve individual interests; it also enables them to achieve collective goals as a group.



Generally, for Coleman, social capital is a cooperative relationship within social groups. Social capital is a value held by a particular group. These values facilitate different forms of actions within the group members, which otherwise are not possible. For instance, borrowing money without collateral is not possible in the financial market. Institutions or individuals will not give their money for others without any collateral that serves as a liability for any possible default. Nevertheless, in reality, some people trust each other to lend money among themselves without collateral. In this case, mutual trust is the value that facilitates the transaction, which is not possible under the assumption of a pure rationalist human behavior.

Coleman's approach is grounded in rational choice theory (Fine, 2004; Fine, 2008). It tries to show how individualistic and rationalistic approach is insufficient to explain social or collective action (Fabien, 2015). Rational actions are framed by the social relations in which they are undertaken.

For both Bourdieu and Coleman, social capital is a social resource that enables individuals to access the things they need through their membership in a social network or a community. Individual-level social connectedness permits them to undertake a sort of action to get things done

towards their interest, which is not possible for those who are not within the structure. These resources (such as information, ideas and support or material assistance) are social because they can only be accessed through the virtue of individuals' social connections. The difference between Bourdieu's and Coleman's approaches lies in different understandings about who possesses social capital. For Bourdieu, social capital relates to individuals' social networks that rest on each individual who owns them. Each individual builds a social network and they use these social connections to access resources possessed within members of the social network. Coleman's social capital focuses on the collective nature of social capital. Accessing resources through a social network is not limited to those who are personally connected to each other. Instead, resources are available to everyone within the structure (community or other social groups).

2.2.3. Putnam and the Civic Culture Approach

The third approach is popularised by Robert Putnam (1993), who defines social capital as the stock of social relations based on networks and norms of trust and reciprocity embodied in civic and social associations. Unlike Bourdieu's and Coleman's resource notions, Putnam portrays social capital as a civic culture. "Social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. In that sense, social capital is closely related to what some have called 'civic virtue' (Putnam, 2000: 19).

According to Putnam (1993), social capital constitutes participation in volunteer organizations and trust relations and reciprocity norms that they embody. Participation in associational activities, such as taking part in volunteer organizations and social networks, spur a habit of reciprocity and trust relations. Through repeated interaction in the associations or volunteer organizations, individuals come to know and trust others. As the number of volunteer organizations increases, the number of individuals who trust each other increases, and so is also the range of trust relations at the aggregate level. Furthermore, individuals who, via the virtue of repeated interaction, learn to trust others who used to be strangers to them will also learn to trust others who remain strangers. It means that participation in associational life enables individuals to develop a virtuous habit of reciprocity and trust relations. These relations make trust a habit. Thus, the habit of trust that

emanates from repeated interaction and socialization goes beyond the immediate dyadic relationships and extends to trust towards human beings in general (see for example, Bjørnskov, 2006).

The virtue of this at a societal level is that with high trust, society's efficiency gets improved. "A society that relies on generalized reciprocity is more efficient than a distrustful society, for the same reason that money is more efficient than barter. Honesty and trust lubricate the inevitable frictions of social life" (Putnam, 2000: 135). This is because trust relations and norms of reciprocity enable society to come over social dilemmas for coordination. Individuals might enjoy the benefit of collective action without actually participating in them. For instance, if a government introduces a change in the social security scheme following a popular protest, the new system is supposed to cover every legally entitled citizen. The new social security arrangement will not be limited only to those who do participate in the protest. Those who do not participate in the protest enjoy the outcome as equal as those who do participate. With the assumption that "others will do it" people might refrain from participation and the society might fail to mobilize itself as a group to attain collective demands. Moreover, individuals might still hold themselves back from taking part in collective action with a fear that "others" might have the invidious intention of grasping the benefits without being committed to the collective action. However, in all cases, if there is a trust, it enables individuals to predicate "others" behavior. Everyone feels that every other one is dependable. So, every individual gets into a collective action without the fear of free-rider problems (Putnam, 2000).

In connection to this, Putnam (1993) argues that the disparity between Northern and Southern Italy in economic development and government performance has to do with the variation in civic traditions. Northern Italy is characterized by a dense associational life and a higher level of trust relations and norms of reciprocity. So in this part of the country, residents are widely involved in collective action, such as political mobilization that has a mutual benefit. Accordingly, the regional government's performance and economic development were found to be much higher in Northern Italy than that of Southern Italy, which has a lower density of associational activities and weaker trust relations and norms of reciprocity (Putnam, 1993).

2.2.4. Synergizing the Contending Approaches

Based on the above discussion, social capital can be broadly summarized as a cooperative network based on personal contacts and trust relations, which have a wide array of desirable outcomes. In general, the theoretical debates are stretched into two extreme ends in terms of the possible consequences of social capital (Breuskin, 2012; Portes, 2000; Ramos-Pinto, 2004). At one extreme, social capital is conceptualized as a resource for individuals. Either through personal networks or membership in particular groups, individuals access resources that are in the hands of the fellow members in the network or a group (Bourdieu, 1986; Coleman, 1990). At the other extreme, social capital is presented in terms of certain values and norms (density of associational life, level of trust relations and norms of reciprocity) held at societal levels. Such values and norms facilitate collective action and generate benefits that can be enjoyed only collectively (such as high quality of democracy) (Putnam, 1993). However, the mainline of variation among the contending approach is the methodological perspective that each of these approaches presupposes—the three approaches forward different methods to assess and measure social capital.

Bourdieu's approach strictly applies to an individual level of analysis. As mentioned above, this approach sees social capital as an individual attribute. So, as per this approach, social capital can be measured by the number of network contacts an individual has. On the other hand, Putnam's approach works at the macro-level analysis (Bourdieu, 1986). Putnam pursued a collective approach and view social capital as a feature of a community that brought benefits to members of a group by enabling them to engage in a coordinated collective action that generates a mutual benefit, which otherwise is not possible. For this approach, social capital is all about values and norms held by a particular society. Accordingly, it assesses the proportion of a community that held a particular value (trust and norms of reciprocity) to measure the social capital level. Coleman's perspective falls between Bourdieu and Putnam. Like Bourdieu, Coleman has presented social capital as a means to access resources. But, accessing resources is not dependent on the individuals' networks. Rather members of a particular group have the privilege to access certain resources (such as information and instrumental assistance) as a matter of values and norms that dictates cooperative behaviors among members in a given group. Social capital is an attribute of a group or a community and can be studied via group-level social connections and through the

examination of cooperative behavior. Specifically, social capital can only be studied at the community level by assessing commonly held values and virtues that are tailored towards cooperative relations such as trust and reciprocity.

To sum up, there is no consensus on what social capital is. Especially, if one considers the substantive and methodological divergence, the three approaches depicted social capital in a very different and seemingly irreconcilable way. If this is the case, how possible is it to have a shared minimum definition of social capital? What are the possible middle grounds and entry points to develop a definition of social capital that considers contending approaches' unique features? In this regard, a descriptive presentation of what social capital constitutes and what it does is a promising avenue to understand the very essence of social capital (Krishna and Uphoff, 1999; Narayan, and Cassidy, 2001). Thus, there is a need for a separate analysis of various social capital elements and possible benefits. Cognizant to this fact, the two subsequent sub-sections address components and the functions of social capital consecutively.

2.3. Dimensions of Social Capital: Structural and Cognitive Social Capital

The three theoretical perspectives distinctly conceptualize the nature, operation, and function of social capital. This makes it difficult to find a single definition of social capital that satisfies all the contending approaches. Thus, “subordinate conceptualization”, which refers to breaking the concepts into their major components, becomes a useful way of understanding social capital (Krishna and Uphoff, 1999). This is called a dimensional approach to social capital (Narayan, and Cassidy, 2001).

As referred to in the introduction, in this respect, usually, a distinction is made between the network and attitudinal approaches which respectively focus on social networks and civic attitudes (Stolle and Hooghe, 2005). This is referred as structural social capital and cognitive social capital (Grootaer and Thierry van Bastelaer, 2002; Hjollund and Svendsen, 2000; Stolle and Lewis, 2002;

Stolle & Marc, 2003). This classification is fundamental to understand social capital (Uphoff, 2000). Bourdieu's assertions fall under the network approach (structural social capital). Whereas Putnam's version of social capital is regarded as cognitive social capital. Coleman's conceptualization has both elements.

2.3.1. Structural Social Capital

“Structural social capital refers to relatively objective and externally observable social structures, such as networks, associations, and institutions, and the rules and procedures they embody” (Christiaan and Thierry, 2002). Thus, the structural aspect of social capital is about the objective ties between individuals. These are network ties that connect individuals (Paxton, 1999).

Individuals can connect through informal mechanisms such as friendship, neighborhood acquaintances, workplace connections and familial and extra-familial ties. These types of social ties are referred to as informal networks¹ (social networks). These networks rely on the intimacy of individuals in relationships and disappear when these individuals stop interacting with each other. On the other hand, individuals can connect through their participation in different organizations. Individuals with common interests take part in an organization that enable them to pursue their interest. The organizational membership provides a venue for individuals with a common interest to come into contact with one another and to get to know one another. These are called formal networks. Unlike informal networks, formal networks continue even if the individuals who form the organizations have left (Kaasa and Parts, 2008; Paxton, 1999). Even though, formal networks are ties among individuals through a common membership in an organizations, one has to be cautious that all organizations does not generate ties among individuals. In this respect, unlike government or private organizations, it is voluntary associations or organizations that generate group cohesion. Thus, formal networks refer only to voluntary associations that are separate from the state (Putnam, 1993).

¹ Informal networks commonly referred to as social networks. Throughout this dissertation, informal networks and social networks used interchangeably.

Generally, the ties among individuals can take different forms based on the direction of ties, and levels of formality, as well as the strength and diversity of the ties (Ferlander, 2007). Based on the level of formality, structural social capital is distinguished between formal networks and informal networks as it is presented in the paragraph above. The classification of formal and informal networks does not have to do with legal status. Instead, it has to do with the governance structure. Formal networks continue to function even after the founders or certain members leave (Paxton, 1999). Thus, informal networks take the form of contacts among friends, family, neighbors, and colleagues. On the other hand, formal networks are contacts within voluntary associations as well as contacts between citizens and civil servants. Therefore, formal networks involve participating in formally organized networks such as civic association (including trade unions), charity organizations, political parties, etc (Kaasa and Parts, 2008; Paxton1999). Moreover, in this conceptualization, many organizations which are commonly referred to as informal institutions such as indigenous organization, community-based organizations and different forms of grass-root organizations fall under the category of formal networks (Paxton1999).

Concerning the strength of network ties, a distinction is made between strong and weak ties within informal networks. Strong ties are those networks that involve frequent and face to face interaction among individuals. These are ties that are characterized by deep emotional affinity towards one another. Such ties include family members, friends, and colleagues. On the other hand, weak ties refer to tenuous relations among individuals which does not involve a deep emotional affection. These are ties between individuals who meet infrequently and who do not know each other in detail. Our relation with individuals whom we meet rarely and whom we know only distantly is one example of weak ties (Granovetter, 1973).

Based on the types or direction of network ties, a distinction is made between bonding, and bridging social capital (Putnam, 2000). Bonding social capital is the social tie among individuals from a similar social background. It is an inward-looking social networks or voluntary associations that connects individuals to a homogeneous group that has a distinct identity. It is a link between

people or individuals based on a shared sense of common identity. This includes links based on family, friendship, ethnicity and cultural group. On the other hand, bridging social capital refers to open and outward-looking social networks or volunteer organizations that cut across the social divide. These are links that go beyond family membership, friendship, and ethnicity (Putnam, 2000; Woolcock, 1998).

As the discussions above showed, although network ties are classified in to different categories, they all are under the formal or informal networks. Thus, the classification of formal and informal networks is comprehensive and analytically more compelling. Despite this fact, however, formal and informal networks have differential associations with socio-economic and demographic variables such as age, education and income level. Moreover, formal and informal networks have different consequences. This makes a separate analysis of formal and informal networks analytically and empirically relevant (Guillen, Coromina and Saris, 2011). Therefore, formal and informal networks are treated as a separate indicator of structural social capital in the construction social capital index (see figure 2.1).

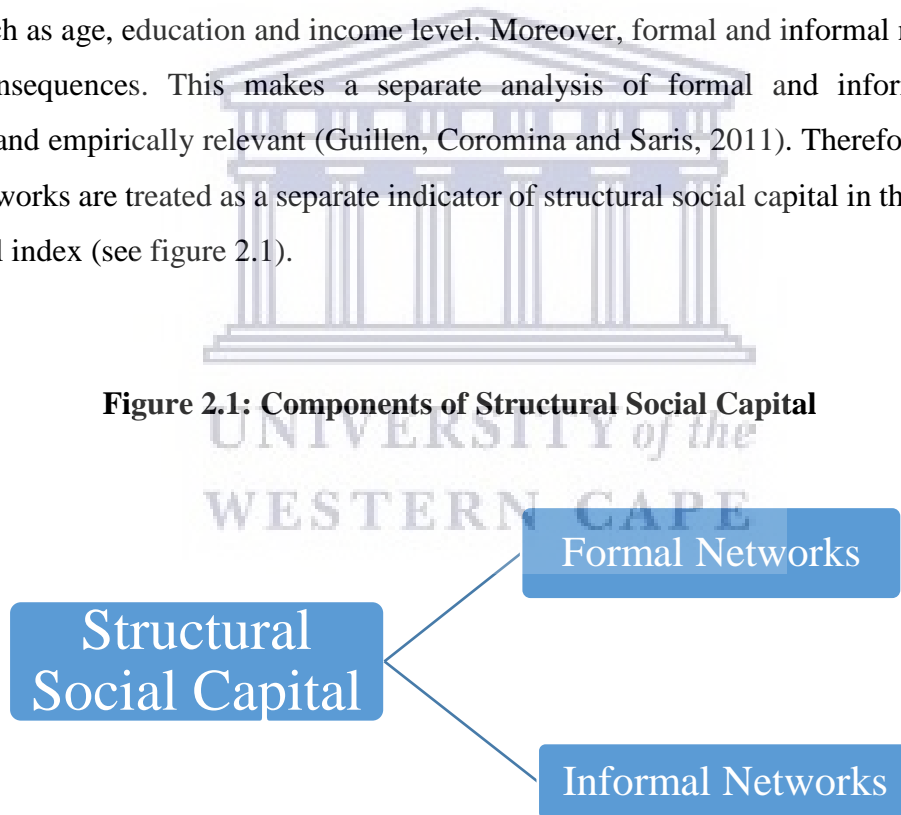


Figure 2.1: Components of Structural Social Capital

Source: Author's Conceptualization

All in all, structural social capital is associated with the density of associational life (the existence of various forms of social organization) and level of social connectedness through a wide variety of networks such as friendship, neighborhood; as well as rules and procedures that are embedded

in these social organizations and networks. Various forms of associations such as neighborhood associations, funeral associations, water users' committees, religious associations and so on are examples of structural social capital. Put another way, participation in social organizations or institutions and interaction of individuals in social networks along with their respective rules and procedures constitute structural social capital. Its importance lies in its contribution to cooperative behavior (Christiaan and Thierry, 2002; Putnam, 1993; Uphoff, 2000).

2.3.1.1. Informal Networks/Social Networks

As discussed above, informal networks can take different forms. However, the most common typologies of the informal networks are strong ties and weak ties. Strong ties are the connection of individuals who are within an immediate circle of acquaintances. As a result, strong ties are social ties of individuals with similar social backgrounds. On the other hand, weak ties are individuals' connections outside their immediate acquaintance circle or community. Accordingly, weak ties involve social ties among individuals with different social backgrounds (Granovetter, 1973). Another categorization of the informal network is bonding and bridging social capital. Bonding social capital refers to a social tie among community members. Whereas, bridging social capital refers to social ties outside the community (Freeman and Dodson, 2014). Therefore, weak ties are mostly to bridging social capital, and strong ties are usually bonding social capital.

In general, social networks yield different benefits to individuals (Bourdieu, 1985; Briggs, 1998; Coleman, 1990; Portes, 1998; Lin, 2001). Social networks' role and function for individual welfare is a relatively old theme in social science. In this regard, Elizabeth Bott (1957) works on social networks and family is a pioneer. She illustrated how the nature of families' external social network shapes the type of conjugal roles.

Practically speaking, in everyday life, it is common to see people receiving different support types from the people they know. For instance, most of us can mention many instances by which we received valuable information and emotional support from our family members, relatives, friends, and colleagues during our unfortunate times. Many instances can also be presented whereby

individuals secure a job, get financial support and even access higher government authorities using personal networks. All of these examples verify the importance of social networks.

Generally, social networks generate two broad benefits: social support (survival) and social leverage (social mobility) (Briggs, 1998). To begin with the social leverage, social networks play a vital role in social mobility by availing different opportunities for individuals. Individual ties with friends, colleagues, neighbors and family members can be leveraged to access different opportunities that lead to upward social mobility. This includes information about job opportunities, securing job opportunities via informal referral system, financial support and investment advice to startup a new business, advice about schools for children and etc. (Bourdieu, 1986; Briggs, 1998; Portes, and Sensenbrenner, 1993).

Social networks facilitate the transmission of different information that are vital for individual development that ranges from technological adoption in the agricultural sector to job search the labor market (Bourdieu, 1986; Collier, 1998; Granovetter, 1973; Loury, 1977; Udry and Conley, 2004). Earlier studies on social networks focus on the instrumental role of personal ties in the labor market. Interpersonal ties facilitate information flow about job opportunities in the labor market. Contacts with family and friends and weak ties outside the immediate circle of acquaintance avail earlier notification of job opportunities to individuals and play a vital role in helping individuals secure jobs through informal referral system (Granovetter, 1973; Granovetter, 1995; Loury, 1977). Thus, social networks pave the way for individuals' upward social mobility by facilitating information regarding job opportunities. Specifically, weak ties (such as friends of friends) have a vital role in a job search by availing information about job opportunities (Granovetter, 1973). Social networks also play a positive role in individuals' investment success. In small-business startup, individuals rely on financial support and investment tips from ethnic or close-knit group members (Portes and Sensenbrenner, 1993). Social networks are also an essential source of information about new technologies in rural areas of less-developed countries. Through the casual conversation held among family, friends and neighbors, the peasantry exchange vital information, including advice on the farming system and technological adoption (Udry and Conley, 2004).

Social networks also play a crucial role in social support. In a resource-scarce environment, in particular, ties with family members, friends, and neighborhoods are essential sources of support that individuals rely on when they are exposed to unforeseen shocks. Thus, social networks play an important role in risk management and remain crucial in enhancing the individual's wellbeing (Das, 2004; Fafchamps and Lund, 2003; Townsend, 1994; Udry and Conley, 2004). Social networks are sources of social control, and they are vital in shaping children's behavior and regulating neighborhood security (Portes, 1998). Personal networks among parents and between parents and school teachers provide parents with accurate information about their children's behavior and enhance children's effective surveillance (Coleman, 1990). In schools, children living in intact families perform higher than those in broken families (Hao, 1994). Besides, social networks also affect crime reduction by providing an alternative means of social support that acts as a disincentive to crime (Buonanno, Montolio, and Vanin, 2009).

As one would expect, different types of social networks provide different functions. Weak ties (bridging social capital) are related to social leverage outcomes. The weak ties provide job opportunities by facilitating information flow about job opportunities and informal referral system (Briggs, 1998; Granovetter, 1973; Granovetter, 1995). It is also the weak ties that are a source of advice about children (Briggs, 1998). At the same time, strong ties (bonding social capital) are related to social support (Freeman and Dodson, 2014).

2.3.1.2. Formal Networks

As discussed above, formal networks are ties among individuals through common membership in organizations or associations. Formal networks commonly referred to as the Third Sector Organizations (TSOs), Non-Profit Organizations, Non-Governmental Organizations (NGOs), and Civil Society Organizations (CSOs). A distinction is made between bonding social capital and bridging social capital based on members' socio-economic and demographic diversity in a given organization within formal networks. Bonding social capital refers to organizations with homogeneous members. Whereas, bridging social capital is organizations with heterogeneous members. Moreover, a related distinction is made between isolated and connected organizations. Connected organizations are those volunteer organizations that have a membership that is

dispersed over a large geographic area. This kind of volunteer organization includes local organizations that have membership that spread throughout a country as well as international NGOs with membership and operation across different countries. In contrast, isolated organizations have members in a restricted geographical area (Paxton, 2002)

Generally, formal networks' (voluntary associations') origin and function are linked to limits of the state and the market. Voluntary associations provide services that are not available either via the market or state. In connection with this, voluntary associations provide two major functions. These are the provision of welfare services and enhancing democracy (DiMaggio and Anheier, 1990; Klausen and Selle, 1996; Paxton, 2000; Uphoff, 1993).

First and foremost, voluntary associations play a crucial role in providing welfare services that that state fails to provide to citizens. Throughout the world, hundreds of thousands of volunteer organizations provide various kinds of services to the poor and vulnerable sections of a society. In least-developed countries, particularly volunteer organizations (both international NGOs and indigenous organizations), have a pivotal role in delivering basic services to the poor (Uphoff, 1993).

The voluntary association also has a significant role in creating and maintaining democracy (Fung, 2003; Paxton, 2002). Since Alexis de Tocqueville's (1863) work of "Democracy in America", the positive relationship between volunteer organizations and democracy growth has been highlighted. For instance, Tocqueville stated that America's democracy is founded on its citizens' propensity to form civic associations to pursue common interests (Tocqueville, 1863). There are at least six way by which associations enhance democracy. These are "... through the intrinsic value of associative life, fostering civic virtues and teaching political skills, offering resistance to power and checking government, improving the quality and equality of representation, facilitating public deliberation, and creating opportunities for citizens and groups to participate directly in governance" (Fung, 2003: 515).

Nevertheless, all associations do not have the same effect on democracy. As one would expect, there are varieties of networks that provide different forms of supports and functions. Bonding and

bridging social capital are related to different social outcomes. Heterogeneity in group membership is related to positive economic outcomes. On the other hand, groups with a homogeneous membership, though they feature strongly in-group solidarity, do not result in production opportunities that improve economic situations (Narayan and Cassidy, 2001). Nevertheless, all associations do not have the same effect on democracy. In this respect, it is connected organization that have an effect on democracy (Paxton, 2002). On the other hand, organization that have homogeneous members are not even adequate enough to provide sufficient welfare services (Townsend, 1995).

2.3.2. Cognitive Social Capital

The concept of cognitive, social capital refers to a subjective tie that involves reciprocal and trusting relations and feelings of positive emotions among a group of individuals (Paxton, 1999). As its nomenclature reflects, cognitive social capital has to do with a cognitive process of shared norms, values, and attitudes that predispose members of a given community to act in a mutually beneficial way (Uphoff, 2000). Thus, social capital's cognitive aspect has to do with values and norms that dictate collaborative behaviors such as trust relation, solidarity, cooperation, civic culture, and generosity. Generally, elements of cognitive social capital can be summarized into two broad dimensions. These are trust relations and norms of reciprocity (Putnam, 1993).

Trust, understood as social trust, has a variety of definitions. Nevertheless, generally, trust is a belief about the behavior of others. It is a conviction (or the lack of it) about others' goodness or rationality (Uslaner, 2002). It is an essential element of social capital (Coleman, 1990).

Uslaner (2002) makes a distinction between a moralistic trust and strategic trust. Moralistic trust is faith in humankind in general. In contrast, strategic trust is trusting others only through experience. However, the commonly accepted typologies of trust are generalized trust versus particularized trust. Generalized trust is a conviction that humankind as a whole is good and dependable. It is trust towards most people in general. Thus, it is a kind of trust that extends beyond people who are known through kinship ties, friendship, and acquaintances. It involves trusting

personally unknown people (Stolle, 2002; Uslaner, 2002). Generally, it is about faith in humankind's dependability other than the one that we have come to know in life. Therefore, it is a relatively static value over time since it does not depend on individuals' day-to-day experiences (Uslaner, 2002).

On the other hand, particularized trust refers to people's attitude and evaluation of the goodness and dependability of the people that they know. It is trust towards a particular group of people, not humankind, in general. This kind of trust emanates from the cooperation experience and repeated interaction with people in the immediate circle, such as family, community, or fellows in volunteer organizations. In other words, it is a kind of trust that comes from interpersonal relations (Stolle, 2002; Uslaner, 2002).

Most studies do not apply the two distinct types of trust in their analysis (Bjørnskov, 2007). However, there is a clear distinction between them that makes their separate treatment analytically worthy. First and foremost, generalized and particularized trust has a different scope of functions. The benefits of a particularized trust are limited to a particular group and they are localized. Whereas, generalized trust has a consequence on an entire society (Uslaner, 2002). The two types of trust also differently affect different desirable outcomes such as health and wellbeing (Kim, 2018). Besides, generalized and particularized trust are different as they are emanating from different contextual factors. Particularized and generalized trust are unevenly distributed across different socio-economic groups. For instance, highly educated people are more generalized trusters than the less educated ones (Uslaner, 2002). This is compelling for a separate analysis of the two forms of trust. Thus, different scholars apply this classification (see for example, Paxton, 1999; Putnam, 2001; Uslaner, 2002).

The second major component of cognitive social capital is the norms of reciprocity. Generally, norms of reciprocity refer to giving benefits to another in return for the benefits received (Molm, 2010). Norm of reciprocity is not just an individual level tit-for-tat exchange of goods and service. Instead, when a person does a favor for another person, an immediate reciprocal service is not

necessarily expected. Individuals extend support to other individuals who need help with the conviction that in times of need, similar support will be available to them from other members of the community or the society (Coleman, 1988a; Coleman, 1990). Thus, the norm of reciprocity entails individuals' exchange of goods and services within social structures without any legal predispositions. Instead, the receiving and returning of benefits are based on customs and norms of a given society (Coleman, 1990). Therefore, what amount the norm of reciprocity is the mutual support among members in a community or society which is undertaken without any clear organizational leadership that coordinates the process (Kishna, 2000).

All in all, cognitive social capital is constituted from trust and norms of reciprocity. Trust in its own right, sub-divided into generalized and particularized (interpersonal) trust (Uslaner, 2002). Thus, cognitive social capital has three components: Generalized trust; Particularized trust; and Norms of Reciprocity. This is depicted in figure 2.2 below.

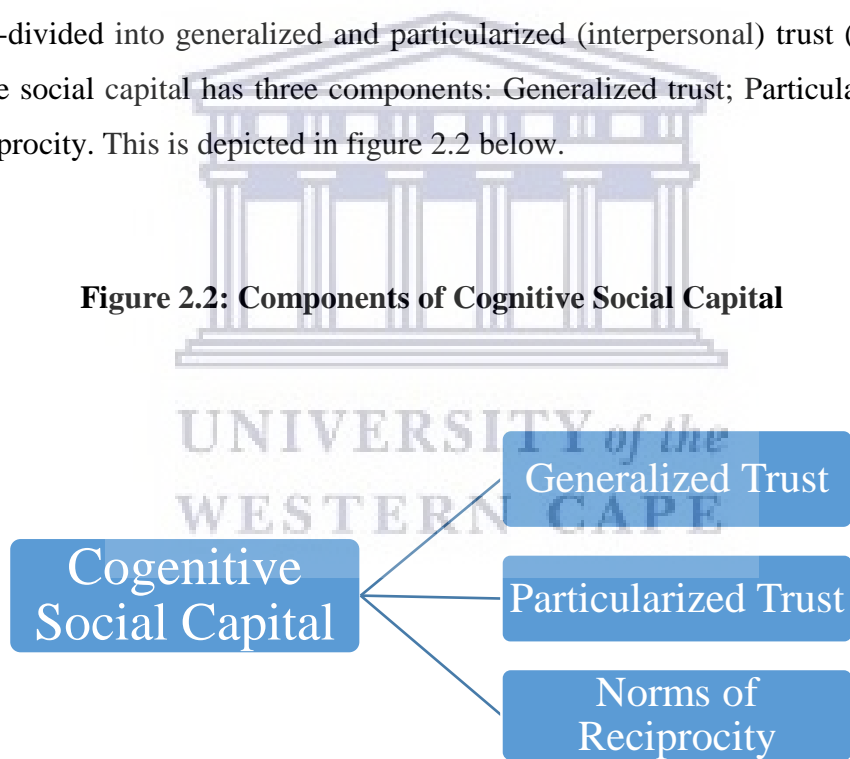


Figure 2.2: Components of Cognitive Social Capital

Source: Author's Conceptualization

Some authors included institutional trust as an element of cognitive social capital (see, for example, Kaasa and Parts, 2008; Parts, 2013; Paxton, 1999). However, many studies show that institutional trust is the major factor that shapes generalized trust (Bjørnskov, 2007; Freitag, 2003;

Rothstein and Stolle, 2008; and Saravia, 2016; Stzompka, 1997). Thus, it is better to treat institutional trust as an exogenous factor in the framing of cognitive social capital for analytical purposes. Cognizant of this fact, institutional trust is not included as an element of social capital in this study.

2.3.2.1. Generalized Trust

Generalized trust strengthens solidarity and facilitates cooperation and collective action. Though market and political institutions are devised to facilitate cooperation between different entities, they are not always as effective as they are supposed to be. Transaction costs of the market institution and enforcement costs of the political institutions make trust-based exchanges more preferable (Coleman, 1990; Putnam, 1993; Stolle, 2002; Uslaner, 2002). In general, generalized trust improves society's coordination capacity and generates many beneficial consequences in the economic, social and political for society as a whole (Ostrom, and Ahn, 2003; Putnam, 1993).

In economic sphere, the role of generalized trust is linked to its role in shaping economic behaviors and outcomes. Like formal institutions that dictate rules of the game, informal social norms influence economic behaviors and affect economic wellbeing and prosperity (Kefer and Knack, 2008). Social trust enable economic actors to easily cooperate and overcome free-rider problems and reduce opportunism. This facilitates economic transactions without formal institutional arrangements which in turn reduces transaction costs, and promotes economic efficiency (Fukuyama, 1995). In a cross country survey, one standard deviation increase in trust levels found to increases economic growth by more than one-half of the standard deviation (Knack and Keefer (1997).

In the social realm, the role of social trust is highlighted in relation to social harmony. The underlying explanation is that trust relations enhance social solidarity, which is pivotal to social harmony (Sandefur and Laumann, 1998). Social trust facilitates cooperation and communication and transcends societal divisions, which otherwise cause friction and conflict in a society. Social

solidarity paves the way for the development of conflict management institutions and enhances conflict mitigation. Thus, social trust is vital to conflict management and peacebuilding. This assertion is ascertained by empirical studies (Colletta and Cullen, 2000). Concerning violent crimes, in particular, social capital has a mitigating effect through its capacity to bring about peaceful conflict resolution and enhance society's collaborative capacity to overcome common problems with regard to violent criminal activities (Lederman, Loayza, and Menendez, 2002).

Social trust also has several consequences in the political arena. Putnam (1993) states that social capital improves government efficiency. Trust individuals to transcend social dilemmas of cooperation to engage in coordinated collective action vis-a-vis the state institutions. The idea is “A” will act the “Z” way (a social beneficial act which stands contrary to opportunistic behaviors) because it also knows that “B” will also act in the “Z” way (Breuskin, 2012). This facilitates public participation among citizens and puts the state institutions' operation under the purview of citizens. With enhanced civic engagement, government institutions become representative, accountable and responsive. At the end of the day, there will be an improvement in the quality of services provided by different sectors of the government (Putnam, 1993; Breuskin, 2012).

Many empirical studies attest that high social trust is associated with better government performance. Measured by five dimensions of government performance indicators (financial management, capital management, human resources, "managing for results," and information technology), the level of social trust is found to be associated with better government performance among states of America (Knack, 2002). A cross country result also reveals that an increase in trust led to an increase in judicial efficiency and a reduction in government corruption. Specifically, an increase in one standard deviation in trust levels increases judicial efficiency with 0.7 standard deviation and reduce corruption with 0.3 standard deviation (LaPorta et al., 1997).

2.3.2.2. Particularized Trust

Unlike generalized trust, particularized trust can be distinguished in a variety of forms. However, calculus-based trust, knowledge-based trust, and identification-based trust are the most accepted typologies of particularized trust (Beugelsdijk, 2009; Lewicki and Bunker, 1996). Calculus-based trust is a kind of trust that comes from fear of punishment for violating trust and the expectation of rewards for fulfilling one's promise. Individuals enter into trust-based relationships by calculating the cost and benefits of trusting others and keeping promises (Lewicki and Bunker, 1996). On the other hand, knowledge-based trust is a trust which is based on the information and past experiences. Individuals trust others based on their reputations in trustworthy behaviors or through their own experience of their trustworthiness. It is common to refer to this kind of trust as reputation-based trust (Yamagishi and Yamagishi, 1994). The notion of particularized trust also includes identity-based trust, which is a trust extended to people who personally know and to those who fit into a social category that individuals hold (Stolle, 2002). Trusting individuals based on their clan or ethnic identity is an example of identity-based trust. In this case, individuals trust each other not because of their conviction about humankind's dependability or because of the information they have about each other. Instead, the trust comes from a sense of belongingness to a common identity group or a sense of oneness in general.

Particularized trust facilitates cooperation at the community level for mutual benefits. Besides, trust relations at the community level produce outcomes that benefit individuals personally. The prevalence of trust and trustworthiness facilitates cooperation at the community level and improves the well-being of individuals in the community. For example, due to the presence of trust and reciprocity in a community, a mother might ask her friend to babysit rather than hiring a babysitter. In this instance, the benefit of trust relation is too private. This is because the mother manages to save the cost that can possibly go to a hired babysitter. Moreover, due to their sense of positive feeling, members of a community can make a contribution and support another member who needs help (Paxton, 1999). In this instance too, the trust and solidarity at the community level can bring benefit that go to individual members personally. In connection with this, at the individual level, social capital has a role in crime mitigation. Several empirical studies have found a negative and significant correlation between social capital and crime (Akçomak and Ter Weel,

2012; Buonanno, Montolio, and Vanin, 2009; and Lederman, Loayza, and Menendez, 2002). Civic norms and values mitigate criminal behavior through the mobilization of shame and guilt consciousness.

2.3.2.3. Norms of Reciprocity

As mentioned above, reciprocity generally refers to giving benefits to another in return for the benefits received (Molm, 2010). It is continuous and recurring receiving and returning of benefits within a social structure without any legal predispositions. Norms dictate the level of mutual support and help among individuals with the expectation that either the initial recipient or others in the social structure (society, community, or other collectives) will reciprocate the favor (Coleman, 1988a). Thus, the norm of reciprocity refers to a mutual exchange of support and help among individuals within the social structure governed by a society's customs and norms (Coleman, 1988a).

The norm of reciprocity as a process of receiving and returning benefits is not identical across all contexts. Instead, there are different forms of reciprocity that exist along with different social structures (Molm, 2010). In terms of the kind of item exchanged through reciprocal relations, there are two types of reciprocity. These are presentations of things (gift exchange) and; presentations of actions (cooperation) (Hallpike, 1975). Based on the direction of benefits flow and manners of returning reciprocal benefits (Molm, 2010), commonly, two types of reciprocal relations are distinguished. These are balanced and generalized reciprocity (Högnäs, 2010; Nelson; 2000; Sahlins, 1972). A strict accounting system characterizes balanced reciprocity. Support received is expected to be reciprocated by the person who receives it within a limited time and equivalence leeways. On the other hand, unbalanced reciprocity is not governed by a pure accounting system. In this case, a benefactor benefits a recipient without calculating the value and expecting an immediate return of the good or the service offered. Thus, the recipient can reciprocate immediately, later, or might not reciprocate at all (Högnäs, 2010; Sahlins, 1972).

The prevalence of the norm of reciprocity in a society facilitates cooperative outcomes that have mutual benefits. A continuous and recurring exchange of goods and services enhances society or community's capacity for collective action. The norm of reciprocity enables individuals to meet various odds in life through coordinated collective action, which otherwise is impossible (Coleman, 1990; Fon and Parisi, 2003; Putnam, 1993; Sahlins, 1972). But there are divergent views concerning the level at which the beneficial consequences of the norm of reciprocity could be attained. The first perspective characterized the norm of reciprocity as a community attribute. This perspective asserted that the norm of reciprocity is held at a community level and allows community members to achieve specific objectives. Reciprocal relations mitigating various odds in life in a communities where vulnerability and risk are prevalent (Coleman, 1991). The second perspective clamored for norm of reciprocity in terms of its value in transcending the social dilemma for collective actions for mutual benefits at the macro level. Norms of reciprocity enhance the efficiency of societies' by facilitating individual members to easily cooperate and achieve socially desirable outcomes as a collective (Putnam, 1993).

More or less norm of reciprocity is a universal feature of humankind (Gouldner, 1960). Besides, the beneficial consequences of the norm of reciprocity are less contentious. However, the source of reciprocal behaviors and the sustainability of reciprocal relations are far from consensus (Fon and Parisi, 2003). Nevertheless, from the broader literature, two major perspectives are visibly identifiable. These are as a "Universalist" and "Utilitarianist" approach (Hansen, 2004).

The Universalist approach attributed norms of reciprocity as a pan-human phenomenon. Reciprocity is universal to human being's social relations for two possible reasons. First, reciprocity is an innate behavior of human being. Biologists and economists recently put forward that human beings are naturally hard-wired for cooperation and reciprocity based on experimental research. Hence, reciprocity is attributed as innate instead of a socially learned behavior (Nowak and Sigmund 2000). In this sense, the norm of reciprocity is universal to humankind. The second perspective asserted that reciprocity is a universal moral code of humankind. As Gouldner (1960) stated, "it is one of the universal 'principal components' of moral codes." Therefore, this approach sees reciprocity as a socially learned behavior that is a matter of universal moral code. In this

regard, reciprocity entails a commitment that individuals fulfill out of duty. The act of returning benefits received emanated from the actors' sense of moral obligation. Reciprocity as a moral standard is universal to all societies in the world (Gouldner, 1960).

The Universalist approach in general, posited that the norm of reciprocity emanates from individuals' sense of moral obligation. The motive for fairness and altruism is what drives reciprocal behaviors (Elster, 2006; Malmendier, te Velde, and Weber, 2014). Individuals reciprocate the benefits they received out of “internal preferences for the welfare of others, inequality aversion, or utility from repaying others' kindness (Malmendier, te Velde, and Weber, 2014). Reciprocal relations are sustained as long as there are individuals who are morally committed to others' good.

The second approach drawn from social exchange theory and sees reciprocity as a sort of exchange between or among actors that want to maximize their interest from the exchange. As per this approach, reciprocal relations are meant for their beneficial consequences by the actors involved in the reciprocal exchanges. Therefore, this approach holds a utilitarian perspective. Specifically, this approach is a functionalist because it views reciprocity in terms of its benefits for the actors engaged in the reciprocal relation. With reciprocity, actors become better off, which might not otherwise be the case. Reciprocal relations are crucial in mitigating various odds in life situations (Coleman, 1990; Homans, 1958; White, 2013).

Humankind, in general, is interdependent with each other and it rely on different forms of exchanges to meet their necessities. Different scholars have identified different modes of exchange. Earlier works simply distinguish between capitalist and non-capitalist modes of exchanges that apply to different societies that exhibit different socio-economic development. For instance, Mauss (2002) has distinguished between non-capitalist gift exchange and impersonal commodity exchange. But Sahlins (1972) has identified three modes of exchanges that can exist in every society with different levels. These are market exchange, redistribution, and reciprocity.

Market exchanges are an impersonal transaction of goods and services using currency as a medium of exchange. On the other hand, in redistribution, particular group members contribute to a centrally established social organization, and that organization, in turn, delivers different goods and services to the group members. Redistribution is just a state-citizens' relationship. Citizens contribute in terms of tax and the state provides security, protection, and other public goods. Reciprocity, as it said elsewhere in this chapter, is the giving of benefits in return for the benefits received. If the three modes of exchange co-exist in one society with different levels, what differentiates societies from each other is the relative weight of each mode of production. So, what is worth knowing is what makes a particular mode of exchange (in this case reciprocity) more important over others (Sahlins, 1972). In this respect, reciprocity got primacy role in meeting people's need over the other modes of exchange in resource-scarce environments and where market and state institutions are either weak or absent (Coleman, 1990, Sahlins, 1972; White, 2013). Thus, while the Universalist approach considers the norm of reciprocity as a moral trait, the utilitarianist approach sees reciprocal relations as utility-maximizing mechanism. As per the utilitarianist, therefore, reciprocal relations are a matter of individuals' rational choice to comply or not to comply with the norm of reciprocity.

As long as the drivers and sustenance of norm of reciprocity is concerned, the utilitarianist approach asserted that reciprocity is governed by external pressures (exogenous factors) instead of individuals' internal preferences. It means independently of actors' internal preference for the goodness of others, enforcement mechanisms make people comply with the norm of reciprocity. Specifically, as per this approach, it is social pressure through intrinsic and extrinsic mechanisms that keep people engaged in reciprocal relations (Fon and Parisi, 2003; Malmendier, te Velde, and Weber, 2014).

The intrinsic drivers of reciprocity include the feeling of shame and guilt that emanates from social pressure. Besides, self-evaluation about the dependability of reciprocal relation is another important factor that makes people engage and maintain reciprocal relations (Schanze, 2003;

White, 2013). Moreover, reciprocal relations are governed by the extrinsic mechanism through socially imposed sanctions and rewards. As stated above, social norms govern reciprocal exchanges. Social norms specify what actions are regarded by a set of persons as proper or correct, or improper and incorrect (Coleman, 1990). Thus, social norms dictate individuals' behaviors through the potential of socially sanctioned punishments and rewards. This is called norm enforcement. Norm abidingness (norm conformity or compliance) result in rewards from the community. Such rewards might range from recognition to a material gift. On the other hand, non-compliance with norms dealt with punishment that goes to social ostracization (Coleman, 1990; Fon and Parisi, 2003; Schanze, 2003).

2.4. The Functions of Social Capital: Governance and Policy Implications

As discussed in the previous section, social capital is a multifaceted concept that constitutes different components that range from participation in a network to attitude towards humankind. As a generic concept, social capital is valued in that it has social, economic and politically beneficial consequences (Jordan, and Munasib, 2006; Lin, 2000). Had this not been the case, this concept would not deserve much attention among both in the academia and policy practitioners.

According to Hobbs (2000), a review of related literature reveals five ways that social capital affects social, economic and political outcomes. These are:

- i. Enhancing the cooperative capacity to society for monitoring government activities;
- ii. Increasing the cooperative capacity of a community to solve and overcome the management problem of common property resources;
- iii. Diffusion information that includes innovations;
- iv. Reduce information asymmetry;
- v. Availing informal insurance for vulnerable households.

Thus, through these mechanisms, social capital provides different types of benefits. However, as the discussion in section 2.3 illustrates, the benefits of cooperative outcomes are variably available

at different levels. Some social capital aspects have beneficial consequences amassed by individuals through their networks and community level shared norms. On the other hand, other aspects of social capital bring benefits that can be enjoyed collectively at a community level or by a larger society. In this respect, there are two major approaches concerning the function of social capital. These are the individualistic and collectivist approaches (Jordan, and Munasib, 2006; Portes, 2000; Villalonga-Olives and Kawachi, 2015). In the first approach, social capital is viewed as an individual resource available and accessed by individuals through their network connection and membership to a group or a community. On the other hand, the second approached view social capital as a collective attribute of a group or a community that facilitates cooperation for mutual benefit. While Bourdieu's and Coleman's conceptualization falls under the first approach, Putnam's conceptualization constitutes the second approach.

The major implications follow from the distinction between micro and macro level consequences of social capital is that they have different relevance in the public policy domain. According to Ostrom (2001), the idea of social capital entered into the public policy domain only after Robert Putnam's version of cognitive social capital. Currently, within the age-old debate between "agency" versus "structure", the idea of social capital is articulated in terms of its role in augmenting market and government failure. Specifically, among the policy community, it is asserted that without the availability of social capital stock, which transcends the social dilemmas of cooperation and facilitates coordinated collective action, desirable social, economic and political outcomes will not be achieved through state and market institutions alone. The importance of social capital is thus tied up with enhancing government and market functioning by resolving collective action problems.

The social capital application at the macro level is related to solving a collective-action problem at a larger scale (regional or societal level). As discussed above, system-level beneficial consequences are related to the generalized trust in the social capital framework. This has to do with the capacity of generalized trust in facilitating cooperation without any legal predicament. Generalized enhances the coordination capacity of societies. As society's coordination capacity is enhanced to undertake collective action in many spheres, society's efficiency gets improved

(Ostrom, 2001; Ostrom, and Ahn, 2003; Putnam, 1993). Accordingly, at system level, enhancing the generation of trust through participatory mechanisms, emerged as a policy instrument (World Bank, 2011). However, it is not only at the system level that social capital has desirable consequences on collective action. It also has a role in resolving collective action problems at a community level.

Social capital as a matter of shared norms, shared knowledge and informal rules solve the collective-action problem, in a localized physical setting, for efficient management of small-scale common pool resources including forest, irrigation systems, groundwater basins and inshore fisheries (Ostrom, 1990; Ostrom, Gardner, and Walker, 1994). Trust and cooperative norms (social cohesion) at the community level and enhancing the capacity for effective management of common-pool resources affect the production of different social, economic, and political outcomes at the local level (Narayan and Pritchett, 2000; Uphoff, 1993). In light of the community level consequences of social capital, in the policy arena, the application of social capital is related with community driven development approach (Narayan and Pritchett, 2000). Social networks and local (community) organizations contribute to societies or communities' well-being by delivering basic services to the poor, and local infrastructure and natural resource management.

The shared norms and trusting behaviors constitute the foundation of institutional arrangements for efficient common-pool resources management by users. Thus, social capital as an indigenous system for resources governance should be preserved from external authorities' encroachment. Government and other external agents should be limited to delivering accurate and reliable information to the individual users. Moreover, the government organs should devise an effective conflict resolution mechanisms that complement the indigenous systems (Ostrom, Gardner, and Walker, 1994).

Another policy application of social capital at the community level is the provision of basic services to citizens through community-level collective-action. As the provision of public services to the poor by central governments has proved inefficient, development practitioners' focus shifted to bottom-up approaches. In connection to this, the community-driven development approach

becomes a popular strategy of development interventions. The community development approach dictates self-initiated and demand-oriented services delivery to the poor through self-help and local organizations. For this reason, community organizations, as an aspect of social capital, emerged as an important instrument for development intervention. To this end, building local organization capacity enter into the development agenda (Narayan and Pritchett, 2000; Uphoff, 1993).

Generally, the current political resonance of social capital is pronounced to its role in solving the problem of coordinated collective action (Ostrom and Ahn, 2003). Thus, its consequence at the macro and community level has been given due emphasis. At the same time, individual-level outcomes of social capital are by far relegated. Specifically, social networks' role has been downplayed in the public policy arena (Fine, 2004; Fine 2008). Social networks play a pivotal role in facilitating information transamination that are vital for individual's survival and promotion. This includes availing information regarding new technologies and job opportunities (Udry and Conley, 2004). Moreover, social networks provides various social support for individuals and help them to survive in resource-scarce environment. Most, importantly, in poor communities, individuals relay on the help from families, friends and relatives to meet different basic need and manage to mitigate various odds of life. But various negative roles of social networks are cited as a reason for this. First social networks undermine state and market transactions. For instance, Loury's (1977) study indicated that in the United States of America, white young workers have more family and friends who are in the job market, and through them, they received more information about job opportunities than the young black workers. This makes white young workers more successful in securing jobs than black counterparts with equivalent training and experience. Such information imbalance contributes to the persistence of racial inequality in the labor market against the policy premise of equal employment opportunity programs (Loury, 1977). Second, social networks tend to be formed among identical individuals, and it is not helpful (Narayan and Cassidy, 2001).

2.5. Conclusion

The above discussions illustrate that there is no agreement on the very essence of social capital. It is very extensively conceptualized and covers a range of issues from interpersonal networks and associational participation to generalized trust, trustworthiness, and norms of reciprocity. While approaches differ in the unit of analysis, the possible, desirable outcomes of high social capital within communities and societies are less in dispute. The different forms of social capital facilitate cooperation that generates various desirable outcomes (Christiaan and Thierry, 2002; Uphoff, 2000; Woolcock, 1998). The benefits of cooperative outcomes are, however, variably available at different levels. The beneficial outcomes associated with social capital forms are available either at micro or macro levels (Jordan, and Munasib, 2006; Portes, 2000; Villalonga-Olives and Kawachi, 2015). But, there is disagreement about the relative importance of social capital consequences in the public policy arena. Even though social networks and community cohesion are acclaimed for their particle relevance in a real-life situation and beneficial consequences at micro (individual) level, the application of social capital in the public policy arena is related to solving a collective-action problem for mutual benefit.

Because of the disagreement over the nature and benefits of social capital, describing social capital based on its constituent elements is a convenient way to understand social capital (Krishna and Uphoff, 1999; Narayan, and Cassidy, 2001). In this respect, for this study “social capital is generally interpreted as the degree of trust, cooperative norms and associational memberships or networks within a society” (Knowles, 2005). This assertion incorporates all dimensions and components of social capital and that satisfies proponents of the contending approaches. These are associational activities (formal and informal networks) and civic values and attitudes (trust and norms of reciprocity). Thus, analysis of social capital needs to consider how to integrate various elements that constitute social capital.

A descriptive presentation of social capital is quite convincing for simplification purposes. But, if social capital is all about formal networks, informal networks, trust relations and norms of reciprocity, how can the degree of social capital in society be assessed? Do these elements

amalgamate together to unpack the degree of social capital of a given society? Or does the configuration of the element (forms of social capital) are worth assessing to understand the social capital stock of a society? These questions remain crucial for the fact that different forms of social capital presuppose different public policy interventions. Thus, these questions need to be answered to assess the extent of social capital in a society meaningfully. As a result, the next tailored to developing social capital assessment framework.



CHAPTER THREE

Theoretical Framework: A Multi-Dimensional and a Multi-Level Analysis of Social Capital

3.1. Introduction

As discussed in the previous chapter, there are different approaches to the conceptualization of social capital. These approaches imply different methods to the study and measurement of social capital (Grootaert and Van Bastelar, 2002). To avoid conflicting conceptualizations, the concept of social capital is broken into its major components (Krishna and Uphoff, 1999). These are structural and cognitive social capital (Grootaert and Thierry van Bastelaer, 2002; Hjollund and Svendsen, 2000; Stolle and Lewis, 2002; Stolle & Marc, 2003).

The dichotomization of structural social capital and cognitive social capital is fundamental to understand the roles, functions, and measurement designs thereof (Grootaert and Van Bastelar, 2002; Narayan, and Cassidy, 2001; Uphoff, 2000). This approach includes the different facets of social capital together and comprehensively represents tenets of the contending approaches. Therefore, any social capital inventory must have incorporated both the structural and cognitive element of social capital (Grootaert and Van Bastelar, 2002; Narayan, and Cassidy, 2001).

Nevertheless, how to summarize and analyze the extent of the different forms of social capital lacks consensus. Are social capital components different features of a single functional unit? Or are they not related, and for that, they require separate analysis? These are fundamental questions that need to be answered to assess the level of social capital in a given context (Bjørnskov, 2006).

Similarly, there is no consensus on the level of analysis for social capital assessment. Social capital resides at the macro, meso, and micro levels. At the macro level, social capital is attributed as a feature of society as a reflection of their national institutions and governance structure. At the meso

level, social capital is depicted as a property of community groups that manifest in terms of social cohesion at a group level and trust and reciprocal relation among group members. Whereas at the micro-level, social capital is epitomized as individuals' network acquisition (Grootaert and Van Bastelar, 2002). Thus, a fundamental issue remains whether the different levels of analysis distinct from each other or do they complement one another? Is macro-level social capital an aggregation of individual-level social capital? Is an individual level of social capital embedded within the meso and macro levels?

This chapter is tailored towards the construction of a theoretical framework that can answer the questions above. The chapter develops a multi-dimensional and multi-level social capital assessment model. It is organized into seven parts, including the introduction. The second part lays down a foundation for the construction of a multi-dimensional measurement model for social capital by exploring the relationship between structural and cognitive social capital. Then from the third through the fifth part, the macro, meso, and micro levels of analysis are theorized. The sixth part presents the multi-dimensional and multi-level model for social capital assessment to be used in this thesis. A brief conclusion is offered at last.

3.2. A Multi-Dimensional Measure of Social Capital

As mentioned above, an assessment of social capital based on its constituting elements is tricky. The source of this confusion is that the relationship between the structural and cognitive aspects of social capital is far from agreement. There are different views on how the two aspects of social capital are correlated.

Certain group of scholars have stated that structural and cognitive aspects of social capital are mutually reinforcing factors and hence present them as an element in a single bundle (Brehm and Rahn, 1997; Hjollund and Svendsen, 2000; Inglehart, 1997; Putnam, 1993). On the other hand, informed by empirical studies, other groups of scholars clamored for the separate analysis of forms of social capital (Bjørnskov, 2006; Guillen, Coromina, and Saris, 2011; Halman and Luijkx, 2006;

Knack, 2002). The next two consecutive sub-sections briefly address these two contending approaches.

3.2.1. Social Capital as a Single Bundle

Some scholars argued that the structural and cognitive aspects of social capital mutually reinforce each other. Specifically, civic norms, trust relations, and associational life articulate together. Vibrant associational life is always accompanied by a high level of trust and trustworthiness. Societies which feature a higher level of trust and trustworthiness also features a denser associational life. At the same time, a shortfall in associational life goes in tandem with a lower level of trust and trustworthiness and *vice versa* (Brehm and Rahn, 1997; Hjollund and Svendsen, 2000; Inglehart, 1997; Putnam, 1993). This assertion implies that components of social capital are different facets of a single functional unit and should be analyzed as a single concept. Measurement designs are supposed to incorporate all components of social capital in a single bundle, and a separate analysis of the social capital components' is not theoretically worthwhile as per this approach (Hjollund and Svendsen, 2000; Putnam, 1993).

However, there is no agreement on the direction of the causation of the structural and cognitive aspects of social capital. Instead, in the literature, there are three major contending perspectives on the direction of causation between structural and cognitive social capital. The first perspective claims that cognitive social capital is an outcome of structural social capital (Putnam, 1993). The second perspective is the opposite of the first one. It asserts that structural social capital is an outcome of cognitive social capital. It explicitly stipulates that trust relations led to a dense associational life (Inglehart, 1997). The final perspective takes the middle ground and asserts that the direction of causation between the structural and cognitive social capital flows both ways. Associational activity and social trust influence each other (Brehm and Rahn, 1997). These perspectives are presented below in some detail.

3.2.1.1. Cognitive Social Capital as an Outcome of Structural Social Capital

Trustworthiness and social trust are mainly generated through face-to-face interaction. Therefore, participation in horizontal associations has a consequence on the aggregate level of trust and trustworthiness. It means the cognitive aspect of social capital is an outcome of associational activities (Putnam, 1993). This kind of perspective has its roots in the study of Tocqueville on American democracy and is usually known as Tocqueville Model (Freitag, 2003). For Tocqueville, the propensity of Americans to form different associations that defend their interest has fostered a vibrant civic culture that makes American democracy function (Freitag, 2003). In the contemporary period, Putnam (1993) resonates with this idea by arguing that the difference in civic norms between North and South Italy has to do with the difference in their level of associational life.

Participation in associational activities such as taking part in volunteer organizations and involvement in social networks spurs a habit of reciprocity and trust relations. Through repeated interaction in the associations or volunteer organizations, individuals come to know and trust others who used to be a stranger to them. The range of trust relations expands as associational life becomes broader and deeper. Individuals who learn to trust others who used to be strangers to them via the virtue of repeated interaction will also learn to trust others who remain strangers. Thus, participation in associational life enables individuals to develop a habit of reciprocity and trust relation that goes beyond the immediate dyadic relations. The essence of trust that emanates from repeated interaction and socialization goes beyond the immediate dyadic relations and extends to trust towards human beings in general. Therefore, associational life is the wombs of social capital. Habits developed in associational life have a spillover effect on the aggregate level of trust relation and norms of reciprocity that, in turn, affect the overall coordination capacity of society (Putnam, 1993).

3.2.1.2. Structural Social Capital as an Outcome of Cognitive Social Capital

This perspective claims that social trust is primarily a cultural trait. People do trust and cooperate because they have cultural dispositions to do so. Cultural values and norms dictate to what extent people in a particular social setting relate to each other, including participation in associational

life. It means trust is not a consequence of active associational life. It is not participation in volunteer organizations and social networks that make individuals develop habits and norms of cooperation and trusting others (Fukuyama, 2001). Instead, participation in associational life is a result of social trust. It is trusting people who take part in associational life (Inglehart, 1997). For this approach, social trust is the intrinsic element of social capital, and social capital is equated with social trust. In connection with this, several studies measure social capital by a single indicator of social trust (Halpern, 2005).

3.2.1.3. The Synergy Approach

A different take is that associational life and trust relation have been found to have a reciprocal relationship. For instance, Brehm and Rahn (1997), using data from the General Social Survey from 1972 to 1994, specify the causal relationship between civic engagement and interpersonal trust. Their results show that civic engagement and interpersonal trust are in a tight reciprocal relationship, where the connection is stronger from participation to interpersonal trust rather than the reverse (Brehm and Rahn, 1997). From this perspective, there is a reciprocal relation between generalized trust and associational life, but the direction of causation is more robust from the participation (associational activity) to social trust than the vice versa.

3.2.2. The Distinctiveness of Forms of Social Capital

The above three perspectives have presented forms of social capital as a part of single functional units that articulate together. However, these kinds of correlation between the structural and cognitive aspects of social capital have been challenged based on different critiques. First of all, it is argued that the link between structural and cognitive social capital is not simple and straight forward. Different kind of associations generate different effects on different aspects of cognitive social capital. Groups with heterogeneous members and generalized trust are associated positively. But, homogeneous groups and informal networks are more likely to reinforce particularized trust than generalized trust. Furthermore, homogeneous groups are less likely to inculcate the norms of

reciprocity among members (Stolle, and Rochon, 1998). More particularly, in divided societies, participation in the homogeneous associations or organizations is found to aggravate existing cleavages (Dowley, and Silver, 2002). The example given by Uslaner (2002) is self-explanatory about the effects of homogeneous groups on particularized trust. According to Uslaner, Christian fundamentalists are more active participants in Church than modestly religious persons. Yet, the religious fundamentalists have lower generalized trust. Had it not been the case, they would have tone down their extremist position due to their sympathy for humankind in general. So, it is argued that the relationship between the density of associational activities and the generation of generalized trust is not always straightforward.

Furthermore, empirical studies attested that the structural and cognitive aspects of social capital do not always articulate together. First, the structural and cognitive aspects of social capital are barely correlated. In cross country studies, the correlation between associational activity and trust relation is found to be weak (See, for instance, Freitag, 2003; Guillen, Coromina, and Saris, 2011; Uslaner, 2002; Whiteley, 1999). This indicates that forms of social capital are distinct from each other that do not articulate together.

Second, forms of social capital are unevenly distributed across sub-national and demographic groups. They are also distributed in different levels across regions and sub-regional geographic units in a country. Furthermore, forms of social capital are variably distributed across composite factors (age, gender, income, occupation, religion, marital status, and education) (De Hart and Dekker, 2003; Glaeser, Laibson, and Sacerdote, 2002; Kaasa and Parts, 2008; Keefer and Knack, 2008; Lee, Jeong, and Chae, 2011; Lindstrom, Merlo, and Ostergren, 2002; Neutens and et al., 2013; Nieminen and et al., 2008; Rupasingha, Goetz, and Freshwater, 2006; Subramanian, Lochner, and Kawachi, 2003; van Beuningen, and Schmeets, 2013; Van Oorschot, W., Arts, W. and Gelissen, J., 2006). This is another evidence for the distinctiveness of forms of social capital.

Third, components of social capital have differently correlated with various desirable outcomes (Messner, Baumer, and Rosenfeld, 2004; Knack, 2002; Knack and Keefer, 1997). For instance,

across the American States, while aspects of cognitive, social capital such as social trust, volunteering, and participation in the census have been associated with a better quality of government but social networks are not (Knack, 2002). Likewise, in cross-country studies, differences in economic growth across countries have been found to be associated with a difference in trust levels but not within social networks. It means trust has an effect on economic growth, but not social networks. Thus, the components of social capital have differential associations with different outcomes (Knack and Keefer, 1997). This also further reinforces the distinctiveness of the different forms of social capital.

Generally, forms of social capital are distinct from each other in terms of geographic and demographic distribution as well as in terms of their functions. This is a compelling empirical motivation for a separate analysis of forms of social capital. Therefore, forms of social capital cannot be clustered as features of a single functional unit. Social capital cannot also be measured by a single scale (such as an additive scale) that bundles all components together (Bjørnskov, 2006; Halman and Luijckx, 2006; Knack, 2002).

Therefore, in this regard, an inquiry into sources of social capital resolves the dilemma for variable manifestations of social capital components (Bjørnskov, 2007; Stolle and Hooghe, 2005). Different components of social capital emanate from different sources, and for that, they represent a distinct feature of a particular society. As one would expect, determinant factors can be both contextual (macro or meso level) and composite (individual level) (Halpern, 2005). Hence, the next consecutive sections of this chapter are devoted to discussing the macro, meso, and individual-level determinants of social capital.

3.3. Institutional-Structural Contexts and Social Capital

The production of social capital is determined by political, cultural, and economic foundations. Variations in social capital among different regions emanate from the socio-cultural, political, and economic differences (LiPuma. and Koelble, 2009). In other words, forms of social capital vary

along with institutional and structural differences. The next two sub-sections address how and why cognitive and structural social capital varies at the macro level

3.3.1. Cognitive Social Capital

To begin with generalized trust, there is a substantial difference in the level of generalized trust across countries and regions around the globe. While about only ten percent of Brazilians are reported to be social trusters, in Nordic countries, the proportion of trusters is more than fifty percent of the population (Knack and Keefer 1997). Moreover, in terms of social trust (other than norms and social networks), East Asian countries have significantly lower achievement levels than that of Western Europe and North America (Lee, Jeong, and Chae, 2011).

Many studies demonstrate that, among other components, generalized trust is significantly and directly shaped by the national institutional and political environment (Bjørnskov, 2007; Freitag, 2003; Paxton, 2002; Rothstein and Stolle, 2008; Saravia, 2016; Uslaner, 2002; Uslaner, 2003). For example, the difference mentioned above in generalized trust between Nordic countries and Latin-American countries (Brazil, in particular in this case) overlap with the economic and political differences between the two regions. While the former are welfare states which have a very developed economy with strong income distribution policies and stable democracy, the latter is one of the leaders in terms of socio-economic inequality income inequality at the global level. The difference between East Asia and Western Europe, and North America is also clear. East Asian countries are emerging democracies with a fast-growing economy. In contrast, Western Europe and North America are the most affluent regions of the world with established democracies.

The generation of generalized trust is highly dependent on the nature of political institutions. Specifically, generalized trust thrives most in societies with effective and impartial policy implementing institutions. States in which citizens have reported that policy implementing institutions are effective and impartial have a larger proportion of trusting citizens than those countries in which citizens reported that the policy implementing institutions are less impartial and

ineffective. Consequently, confidence in political institutions, which is conceptualized as institutional trust, is one of the major determinants of generalized trust. This is because citizens make inferences about their fellow citizens based on the political system (Rothstein and Stolle, 2008). Even at the national level, subjective perceptions about the political institutions have an effect on the level of trust among individuals in a country. Citizens with higher confidence in political institutions exhibited a higher level of generalized trust than those who have lesser confidence in political institutions (Freitag, 2003). Besides, political systems have a consequence of generalized trust through their effect on economic freedom. In a cross-country survey, Saravia (2016) found that in the 1980s and 1990s, a 10 percent increase in the world economic freedom index in Eurobarometer led to 2.5 percent increases in generalized trust. In other words, trust is mainly an outcome of the nature of political institutions. So, democracy is one of the major determinants of generalized trust (Parts, 2013; Paxton, 2002; Uslaner, 2003). In the cross-country survey, the level of trust found to increase with the year's of democracy (Uslaner, 2003). The mechanism that links social capital with structural and institutional factors is discussed below following a brief discussion of other structural determinants (Freitag, M., 2003; Rothstein and Stolle, 2008; and Stzompka, 1997).

Other than institutional arrangements, socio-economic contexts and political history also influence the level of trust across countries. Factors that reduce social distance among citizens increase trust and vice versa. Therefore, polarization on the form of income inequality and ethnic diversity reduces trust (Bjørnskov, 2007). Specifically, income inequality is the most robust determinant of trust both within a country and across countries. As income inequality decreases, the proportion of trusting citizens increases (Bjørnskov, 2007; Uslaner, 2002; Uslaner, 2003). Even at the country level, a change in national income inequality swings the trust level among citizens negatively (Uslaner, 2002). Moreover, the political history (monarchical and socialist background) of the country has a consequence on the trust level. While having a monarchical system increases trust, passing through a communist system reduces trust (Bjørnskov, 2007).

Risk and uncertainty are the primary drivers linked to people to trust or distrust others (Uslaner, 2002; Stzompka, 1997). The operation of macro institutions and the prevalent socio-economic

situations affect individuals' risk awareness and affect how they see the world and their judgments about human nature. Thus, in order for individuals to trust others who are unknown to them, take human beings as generally good and the world as benevolent to live in, they evaluate institutions that are meant to serve the entire society as well as the prevalent socio-economic situations. Put another way, the individual level of generalized trust depends on the estimated trustworthiness of political and economic institutions in terms of delivering fair, free, and equitable services. Institutions that epitomize the collective will of citizens are used as a proxy by individuals in order to evaluate the behavior of others who are unknown to them. Likewise, an inference is made about human being's behavior from the existing socio-economic situation. In more harmonious social environments with equitable income distribution, people place a higher value on the benevolence and the goodness of humankind. Because a credit goes to the goodwill of human beings, which has crafted things and unfold socio-economic realities the way they are. The reverse is also true.

Thus, generalized trust is inherently an outcome of an optimistic worldview (Uslaner, 2002), which itself emanates from the nature and effectiveness of political institutions (their level of fairness and freeness), income distribution, level of social diversity, and the nature of past political systems. This is because individuals evaluate their situation with their circumscribing political and economic contexts and this is directly linked to the way they perceive and value the world and their fellow citizens.

In a nutshell, generalized trust relates to the market and political hierarchies and is not a result of social interactions. It does not necessarily associate with a density of associational life (Blume and Sack, 2008). Instead, it is shaped by national-level institutional and structural factors. It emanates from citizens' "abstracted" evaluation of macro-level contexts. Hence, country-level political, economic, and social conditions are the most accurate predictors of generalized trust.

When we come to particularized trust, its sources are contrasted with that of generalized trust. It surfaces from micro sources. Individuals' particularized trust (such as trust and sympathy to clan, ethnic, religious and neighborhood members, etc.) comes from the information and experience that

one has passed through personally, not from an “abstract” evaluation of human behavior contingent upon macro contexts (Beugelsdijk, 2009; Uslaner, 2002).

However, generalized trust and particularized trust can be seen as part of a continuum. It means generalized trust and particularized trust are structurally correlated. A gap in one is filled by the other at the aggregate level. Precisely, lower levels of generalized trust shape the level of particularized trust (Uslaner, 2002).

For instance, in Britain, due to extensive de-regulation, generalized trust is scarce and the particularized trust fills the trust gap. So, when system generated (institution-based) trust is short, personalized trust, based on individual experience, prevailed in Britain (Bachmann, 2001). Likewise, in Francophone Canada, failure of the government to meet popular demands in the region ensue distrust of national institutions and the public (English speaking) at large, and reinforced ethnic sentiment (identification-based trust) in the area (Levi, 1996). In explaining the proliferation of ethnic conflicts in the post-cold war world order, Barry Posen (1993) remarked that with the collapse of older regimes, the expectation of emerging anarchy had driven proximate groups to assume responsibility for their security and caused them to mobilize themselves continuously. Perceived anarchy predisposes a pessimistic world view, contrary to optimism, and has set the motion of security dilemma and proliferated ethnic mobilizations (Posen, 1993). Thus, when generalized trust, which is based on institutional effectiveness and satisfactory economic conditions, is scarce, individuals and organizations depend on particularized trust, which is based on individuals’ information and experience, to fulfill socio-economic and political goals. In this manner, generalized and particularized trust can have an inverse reciprocal relation. Specifically, a lower level of generalized trust can be supplanted by rising particularized trust (Uslaner, 2002).

The reverse might not be the case. Considering generalized and particularized trust as a part of a continuum is a bit tricky. A high level of generalized trust might not have necessarily led to a low level of particularized trust because generalized trust presupposes believing that humankind as a whole is dependable and worthy enough of trust. Therefore, individuals with such conviction will

not go to dislike people of their own or people that they know (Uslaner, 2002). As Jewish sage Hillel (quoted in Uslaner, 2002) put it, the point is, “If I am not for myself, who will be for me?”

Trust based on identification inherently contradicts the theme of generalized trust. The possibility for people with a high level of generalized trust to have a lingering ethnic or clan sentiment, which is mostly based on hostile relationships, is very low. Thus, making generalizations on this aspect is a bit risky (Uslaner, 2002). Compounding this issue is that there is not much research done on this aspect.

Concerning determinants of trustworthiness, generally, the literature is scarce. However, in cross-country surveys, the general patterns depicted are that there is a correlation (association) between trusting behaviors and trustworthiness at the aggregate level. The statistically significant correlation varies between 0.39 and 0.44 in different measurement tools (Kefer and Knack, 2008). Therefore, other factors being constant, at the macro level, in a given state, the relative share of generalized trust and trustworthiness (norms of reciprocity) in social capital stock is supposed to be approximately equal.

In terms of norms of reciprocity, in particular, this causality does not always work. Both generalized trust and norms of reciprocity indicate doing good for others and *vice versa*. While generalized trust is driven by sympathy to humankind, norms of reciprocity come out of norm adherence or conformity. Generalized trusters can think and do good for others motivated by their sympathy for humankind. Whereas, norms of reciprocity have to do with doing good for others for the sake of meeting the expectations of that society (Jordan, 2004). This implies that generalized trust and norms of reciprocity are not necessarily related. Generalized trust cannot always be a good indicator of norms of reciprocity. Specifically, norms of reciprocity can exist independently of trust relations.

3.3.2. Structural Social Capital

In several empirical studies (though most of them focused on Europe), it has been proved that structural social capital is unevenly distributed across different institutional and structural contexts. For instance, in Western Europe, formal networks are strong, but in Eastern Europe, formal networks are weak and informal networks are strong (Pichler and Wallace, 2007). This difference overlaps with the economic and political differences between the two regions. Western European countries are economically developed and have stable democracies. On the contrary, Eastern European countries are relatively less developed regions in Europe, struggling to establish functioning democracies after getting rid of socialist legacies.

The existence of formal and informal networks depends on the nature of the state. In particular, the effectiveness of national institutions and the level of democracy in a country affects the development of both formal and informal networks (Freitag, 2006; Grootaert and Van Bastelar, 2002; Lowndes and Wilson, 2001; Paxton, 2002; Rose, 1998).

As far as the associational activities and interpersonal relations are concerned, the interaction between the state and society is generally characterized by complementarity and substitution. When the state is functional, both the formal and informal institutions work together. On the other hand, when the state is dysfunctional, the informal institutions substitute the formal institution in terms of delivering service and social support (Narayan, 1999).

In democratic countries where freedom of assembly and association and freedom of speech is promoted and protected, formal associations have proliferated (Freitag, 2006; Lowndes and Wilson, 2001; Paxton, 2002). For example, in cross country surveys, Scandinavian countries and other Western European countries which have the highest score in many indicators of democracy are also found to have the highest level of formal networks than Eastern European countries (Parts, 2013; Pichler and Wallace, 2007; Van Oorschot, Arts, and Gelissen, 2006).

Interestingly enough, formal and informal networks can reinforce each other. Participation in formal association facilitates informal networking (Coleman, 1990). Yet, the result of certain empirical studies contradicts this assertion. Scandinavian countries that have the highest level of generalized trust, norms of reciprocity, and institutional trust compared to other European countries, score a relatively lower level of informal networks as measured in terms of family bonding (Van Oorschot, Arts, and Gelissen, 2006).

This discrepancy can be explained in terms of the effects of modernization. Most countries that are democratic and developed have their peculiar social system, which is contingent on their development. These countries are highly individualistic societies. So, individualism, along with the busy life schedule of modern life, weakens informal networks (Ciscel and Heath, 2001). Furthermore, social security systems in such countries reduce the significance of informal social support that comes from family members, friends, neighbors, and colleagues. Even if democracy and development ensure a high level of generalized trust, trustworthiness, and participation in formal organizations, these same factors negatively affect the density of informal networks. As a result, in these countries, informal networks have been found to be of less significance than formal networks, generalized trust, and trustworthiness. In tandem with this, empirical studies found that informal networks are inversely correlated with standard of living. For instance, in Europe, closed family ties, and health and well-being are found to be inversely related (Gannon and Roberts, 2018). It means that in Europe, informal networks tend to be the dominant feature of the poor.

On the other hand, in less developed and undemocratic environments, formal networks are less likely to develop. Authoritarian political systems do not give a political space for interest articulation, let alone allow different forms of interest to be organized and mobilized through civil society organizations (Freitag, 2006). Instead, the dysfunctional state leads to the flourishing of compensatory informal networks. When the state institutions are fragile and weak in the delivery of basic social services (such as social security funds, education, housing, and health services) with fairness and efficiency, individuals use their informal networks to access these services (Rose, 1998). For this reason, the enduring nature of informal networks, notably clientelism and patrimonialism, is a consistent theme among developing countries that are still struggling to

embrace democracy and which are in the lower end of world development rankings (Bayart, 1993; Helmke and Levitsky, 2004). In addition to the tradition of clientelism, credibility and impartiality on the part of the state are the determinant factors for the development of civic society organizations (Christoforou, 2005). Under such conditions, informal networks substitute the formal ones.

When formal civil society organizations are absent or when citizens lack trust in them, informal networks facilitate social relationships and run the social support system, which is supposed to be undertaken by formal civil society organizations. This tradeoff is depicted in Eastern and Western European countries. In the former ones, the low level of formal networks is substituted by a denser informal network (Pichler and Wallace, 2007). A similar observation has been made in Greece, where the weakness of civil society is covered by the strength of informal networks (Christoforou, A., 2005; Sotiropoulos, 2004).

Moreover, when the state is weak to provide basic social services, the provision of such services is supplemented by informal networks. This is true for least-developed countries in general and their rural areas in particular. In least-developed countries, due to the scarce availability of formal insurances, informal networks play a crucial role in risk coping through risk-sharing arrangements (Fafchamps, 2005).

Generally, as the above discussion indicates, there is somehow a clear trend in the distribution of formal and informal networks across country groups. In developed and democratic countries, formal networks dominate other forms of social interactions, whereas in least-developed and authoritarian states, informal networks (personal connections) are the dominant form of social interactions.

3.4. The Geographic Dimensions of Social Capital

As discussed above, social capital is shaped by contextual factors. National institutional and structural factors determined the nature and level of social capital in a country. By the same token, social capital is embedded in the social, economic, and political structures that operate at the regional level (LiPuma and Koelble, 2009). Aggregate social capital, as well as its various components, varies across regions in a country (Borozan, and Funaric, 2016)

Social capital at the regional level depends on specific regional contexts, in addition to macro-level institutional and structural factors. Regions with different socio-economic and political backgrounds exhibit different levels and configurations of social capital (Alexander, 2007; Borozan, and Funaric, 2016; Freitag, 2003).

Social diversity, for example, ethnic and racial diversity, is strongly associated with the level of social capital across different geographical units. Besides, the level of income inequality in the geographic units ensures the difference in social capital (Rupasingha, Goetz, and Freshwater, 2006). These are the factors that widen social distance and complicate easy socialization (Bjørnskov, 2007). Furthermore, regional level social capital and generalized trust, in particular, is contingent upon regional origin. Regions with different backgrounds, such as different languages and different social (mainly ethnic) compositions, have been shown to have different levels of social capital (Freitag, 2003). Moreover, social capital varies along with the unemployment rate, the proportion of farming households and educational attainment ratio at the regional level (Alexander, 2007).

Generally, the distribution of social capital at the regional level has been paid less attention by scholarly works (Borozan and Funaric, 2016). Accordingly, the association between various regional factors and components of social capital is not yet well investigated. Instead, the studies so far indicate that regions that are divergent in socio-economic and political contexts also diverge

in the level and nature of social capital that perpetuates at the regional level (see Alexander, 2007; Borozan, and Funaric, 2016; Freitag, 2003; Rupasingha, Goetz, and Freshwater, 2006).

The geographical variation of social capital is not limited to regional level diversification. The difference in the different forms of social capital is also manifested at lowest level administrative units such as neighborhood associations (De Hart and Dekker, 2003; Lindstrom, Merlo, and Ostergren, 2002; Neutens and et al., 2013; Subramanian, Lochner, and Kawachi, 2003).

As mentioned above, the distribution of social capital at the sub-national level is not well examined. As a result, the spatial pattern mapping of the components of social capital is not yet verified in the literature. Neutens and et al. (2013) found that in the city of Ghent in Belgium, neighborhood units differ in terms of social control and social support. Yet, there was no difference in generalized trust and social leverage among the case study neighborhoods. Contrary to these findings, a study in Chicago neighborhoods found that there is a statistically significant difference in generalized trust level among the study neighborhoods (Subramanian, Lochner, and Kawachi, 2003). This shows that the neighborhood distribution of social capital elements still lacks either methodological or conceptual clarity. It calls for another area of investigation of social capital at the neighborhood level based on other criteria rather than component-based distribution. In this respect, sources of social capital in the neighborhood are an excellent avenue to understand how social capital operates at lower administrative units of analysis.

It has already been stated that the social capital variation at the neighborhood level is empirically proven. However, when there is a variation in social capital across the neighborhood, such variations exist after the effects of individual-level characteristics such as age, sex, marital status, income, and education are accounted. It means neighborhood as a contextual factor has an influence on social capital generation beyond and above individual-level variability (Neutens and et al., 2013; Subramanian, Lochner, and Kawachi, 2003). In this regard, relative deprivation, residential turnover (mobility), and ethnic (racial) heterogeneity were found to be the major neighborhood determinants of social capital (Neutens and et al., 2013; Sampson and Groves,

1989). Individuals' length of residence in a particular residential area or community can affect social capital in numerous ways. Specifically, the density of social networks in a particular neighborhood depends on the intensity of communication and interaction among inhabitants, which itself depends on individual members' length of residence in the area. Besides, ethnic heterogeneity and economic status difference constraints socialization through social distancing.

3.5. Individual-level Determinants of Social Capital

From the outset, social capital is found to be unevenly distributed across different socio-economic and demographic groups in a country (Hall, 1999). This means that social capital is determined by socio-economic and demographic factors at an individual level. So, income, education, age, gender, number of children, type of occupation, expected mobility, physical distance, and marital status have an influence on the level of social capital on the part of the individuals' (Glaeser, Laibson, and Sacerdote, 2002; Kaasa and Parts, 2008; Lee, Jeong, and Chae, 2011; Nieminen and et al., 2008; Rupasingha, Goetz, and Freshwater, 2006; van Beuningen, and Schmeets, 2013; Van Oorschot, W., Arts, W. and Gelissen, J., 2006). Yet, income level and educational attainment are found to be the most influential indicators among the socio-economic and demographic factors that determine social capital at the individual level. Moreover, individual-level determinates vary across the dimensions and sub-dimensions of social capital (Kaasa and Parts, 2008). However, the effect of composite factors on social capital is widely different. Most importantly, each socio-economic and demographic factors have a different effect on different components of social capital. Cognizant of this fact, the association between individual-level characteristics and components of social capital are presented below.

3.5.1. Age

Initially, as age increases, overall social capital increases. However, beyond a certain point, as age increases, aggregate social capital decreases (Glaeser, Laibson, and Sacerdote, 2002; van Beuningen and Schmeets, 2013). For instance, in the Netherlands, social capital increases with the increase in age up to the age of 45. After the age of 45, an increase in age followed by a decrease

in aggregate social capital (van Beuningen and Schmeets, 2013). McDonald and Mair (2010) summarize previous studies they put forward that social support network declines as people aging. This means that younger people have a higher level of aggregate social capital than older people.

Yet, age groups differ in many ways across the forms of social capital. Generalized trust and trustworthiness increase with an increase in age. Older people are more skeptical about others, yet they are more trustworthier as compared to younger people (Kaasa and Parts, 2008; Van Oorschot, Arts, and Gelissen, 2006). High Trust and cooperative behaviors among older people can be due to a sense of responsibility that comes from generational differences and older people feeling of self-actualization that comes with aging (Van Oorschot and Arts, 2005). Regarding formal networks, in most studies, older age groups have a higher rate of organizational participation than the young. This might be because younger people are mostly working group and do not usually have spare time for organizational participation (Kaasa and Parts, 2008; Van Oorschot, Arts, and Gelissen, 2006; van Beuningen and Schmeets, 2013). However, in the study in the USA, McDonald and Mair (2010) found that formal networks across the life course have similar patterns with generalized trust. There is an accumulation of formal networks with the increase in age, but beyond a certain threshold, it declines.

Likewise, age has a mixed effect on informal networks. With aging, friendship networks tend to decrease. In contrast, family bonding has no statistically significant correlation with age (Van Oorschot, Arts, and Gelissen, 2006). Yet, McDonald and Mair (2010) revealed that age is negatively correlated with social interaction as it is measured in terms of the number of people contacted each day. Moreover, among eastern European countries, age is negatively correlated with different forms of network (Fidrmuc and Gërkhani, 2004). Generally, as age increases, individuals are likely to have lesser personal networks. This is possible because of a lack of time and health problems to socialize (Kaasa and Parts, 2008).

3.5.2. Gender

Components of social capital also varied across gender. This has to do with the distinct life experience of men and women (McDonald and Mair, 2010). Generalized trust and participation in formal networks are higher among men (Kaasa and Parts, 2008; McDonald and Mair, 2010; Van Oorschot, Arts, and Gelissen, 2006). A higher level of generalized trust could be because men have a higher income and social status in most societies. This is directly linked to overall life satisfaction and levels of generalized trust. In the same manner, men's' higher level of participation on formal networks can be related to their dominance in public life. Women are trustworthier than men (Van Oorschot, Arts, and Gelissen, 2006). The reason for the cognitive difference between men and women is not well articulated in the literature.

Gender has mixed results within informal networks. Women have lesser workplace contact than men (McDonald and Mair, 2010). Men have higher friendship networks than women. Women also have more extensive networks with family members than men (Van Oorschot, Arts, and Gelissen, 2006). Likewise, a higher level of friendship network and workplace contact among men can be explained by their exposure to the social world than what women can do. So, to understand gender-based differences in informal network possession, one needs to investigate the sources or types of informal networks.

3.5.3. Marital Status

Generally, the effect of marital status on social capital is not yet well examined. Empirical studies have a mixed and sometimes self-contradictory result. In Europe, married couples have a higher level of participation in formal networks than single ones (Christoforou, A., 2005). Kaasa and Parts (2008) found that along marital status there is not a statistically significant difference in generalized trust, norms of reciprocity, and formal networks among European countries. However, married couples are found to have lower level of informal networks. Yet, in another study, marital status was found not to have a statistically significant effect on informal networks in Eastern

European countries (Fidrmuc and Gërkhani, 2004). As a result, there is no specified pattern of correlation between marital status and components of social capital.

3.5.4. Income

Generally, higher-income levels (and living in a higher income household) positively influence different forms of social capital except for trustworthiness. Higher-income levels positively influence generalized trust (Kaasa and Parts, 2008; Van Oorschot, Arts, and Gelissen, 2006). This might be due to the effect of income on optimism. Higher-income people tend to be optimistic in their worldview, and hence they will have sympathy and enthusiasm for humankind (Kaasa and Parts, 2008; Uslaner, 2002). However, the income level has no statistically significant influence on trustworthiness (Kaasa and Parts, 2008; Van Oorschot, Arts, and Gelissen, 2006).

3.5.5. Education

Like income, education has a positive influence on social capital. More educated individuals have a higher score in aggregate social capital (van Beuningen and Schmeets, 2013). Its influence on various components of social capital is also positive, except for trustworthiness. Education has no statistically significant effect on trustworthiness (Kaasa and Parts, 2008; Van Oorschot, Arts, and Gelissen, 2006). Education has similar effect at an individual level. It means education affects overall satisfaction and optimism.

3.5.6. Religion

Belonging to a Protestant denomination increase trust and trustworthiness compared to hierarchical religious denominations such as Orthodox Christianity, Catholicism, and Islam (Bjørnskov, 2007; Van Oorschot, Arts, and Gelissen, 2006). It has, however, a negative effect on informal networks. Individuals who are in a protestant denomination have found to have a lower family bonding than

other religious followers. The religious background of individuals does not have a statistically significant effect on formal organizational participation (Van Oorschot, Arts, and Gelissen, 2006).

In previous studies, attention has not been paid to the particularized trust. As a result, it is difficult to find the association between particularized trust and individual level socio-economic and demographic factors in the empirical literature.

Yet, generalized trust and particularized trust have some sort of correlations. Specifically, there is a tradeoff between low generalized trust and a high particularized trust (Uslaner, 2002). Based on this, someone can stipulate possible individual-level determinants of particularized trust. It means that factors that determine generalized trust can correlate with particularized trust inversely. Hence, with higher education, income level, and aging, particularized trust is purported to decrease.

3.5.7. Family Size

Family size is one household level determinant of social capital. However, it has received little attention among scholars who are concerned with individual-level determinants of social capital. Large family size and number of children, in particular, positively affect informal networks. As the number of children in a family increase, the informal network of the family also increases (Fidrmuc and Gërkhani, 2004). This might be because, with children, the family will have new horizons for socialization such as school and school parenting committees. However, Kaasa and Parts (2008) found that either a negative or statistically non-significant correlation between children's number and informal networks. But, household size has a statistically significant negative influence on informal networks. As these results reveal, considering family size for analysis requires further investigation, especially in the context of the Global South.

All in all, the effect of socio-economic and demographic factors on different forms of social capital are ambiguous. Across countries, various socio-economic and demographic variables have different effects on the components of social capital. It means the relationship between socio-economic and demographic variables and social capital possession is mediated by macro-level factors (Kaasa, and Parts, 2008). Understanding the effect of composite factors on forms of social capital requires a consideration of the macro-level variables that comprise the relationship. This makes hypothesis formulation complicated. Thus, it is prudent to examine the distribution of social capital across the socio-economic and demographic variables at the national level and seek an explanation based on the particular context.

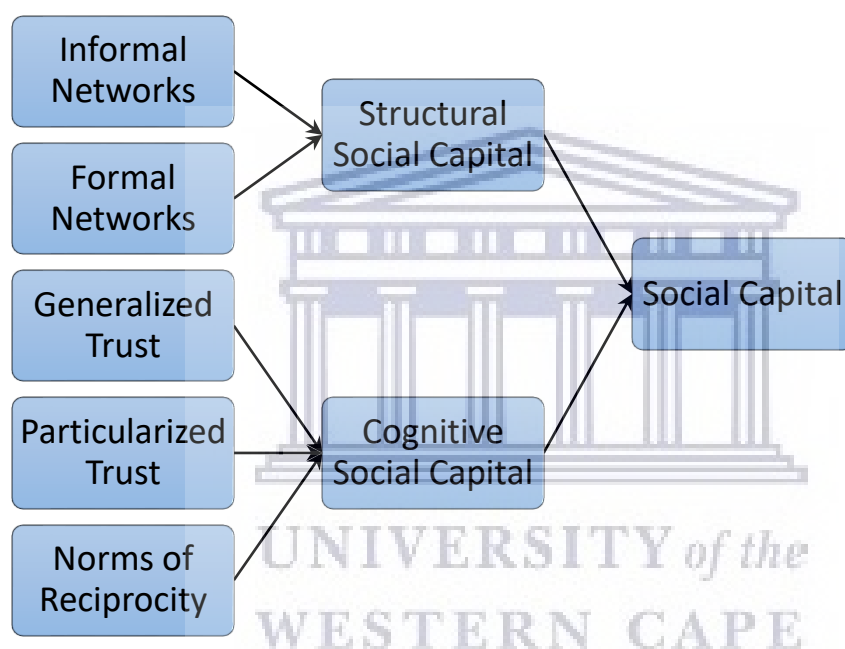
3.6. A Multi-Dimensional and Multi-Level Model for Social Capital Assessment

The above discussion shows that forms of social capital emanate from different sources, and for that, they represent distinct features of a society. They are a reflection of the distinct institutional and structural context in which they operate. Besides, forms of social capital are differently associated with socio-economic and demographic attributes. This implies that in social capital assessment, what matters is the relative importance of generalized trust, particularized trust, norms of reciprocity, formal networks, and informal networks in a given context. Due to the variable manifestations of social capital forms at different levels, the level of social capital in a given context cannot be expressed in terms of the additive unit that combine different forms (Bjørnskov, 2006; Halman and Luijkx, 2006; Knack, 2002).

For instance, societies, community groups, or socio-economic groups cannot merely be classified as high social capital and low social capital groups. It is not possible to put all forms of social capital together into a single additive unit that serves as a single indicator. Rather societies, community groups, or socio-economic groups can have characterized in terms of the level of possession of the different forms of social capital. For instance, a higher level of generalized trust might be accompanied by the lowest level of particularized trust, and this will be taken as a defining feature of the group's social capital stock.

Rather the weak correlation among the different forms of social capital implies that they should be treated as a formative indicator of social capital. For this purpose, forms of social capital can combine as a formative indicator and construct a social capital index (Guillen, Coromina, and Saris, 2011; Halman and Luijkx, 2006). This is depicted in the picture below.

Figure 3.1: A Multi-Dimensional Model of Social Capital



Source: Author's Construction

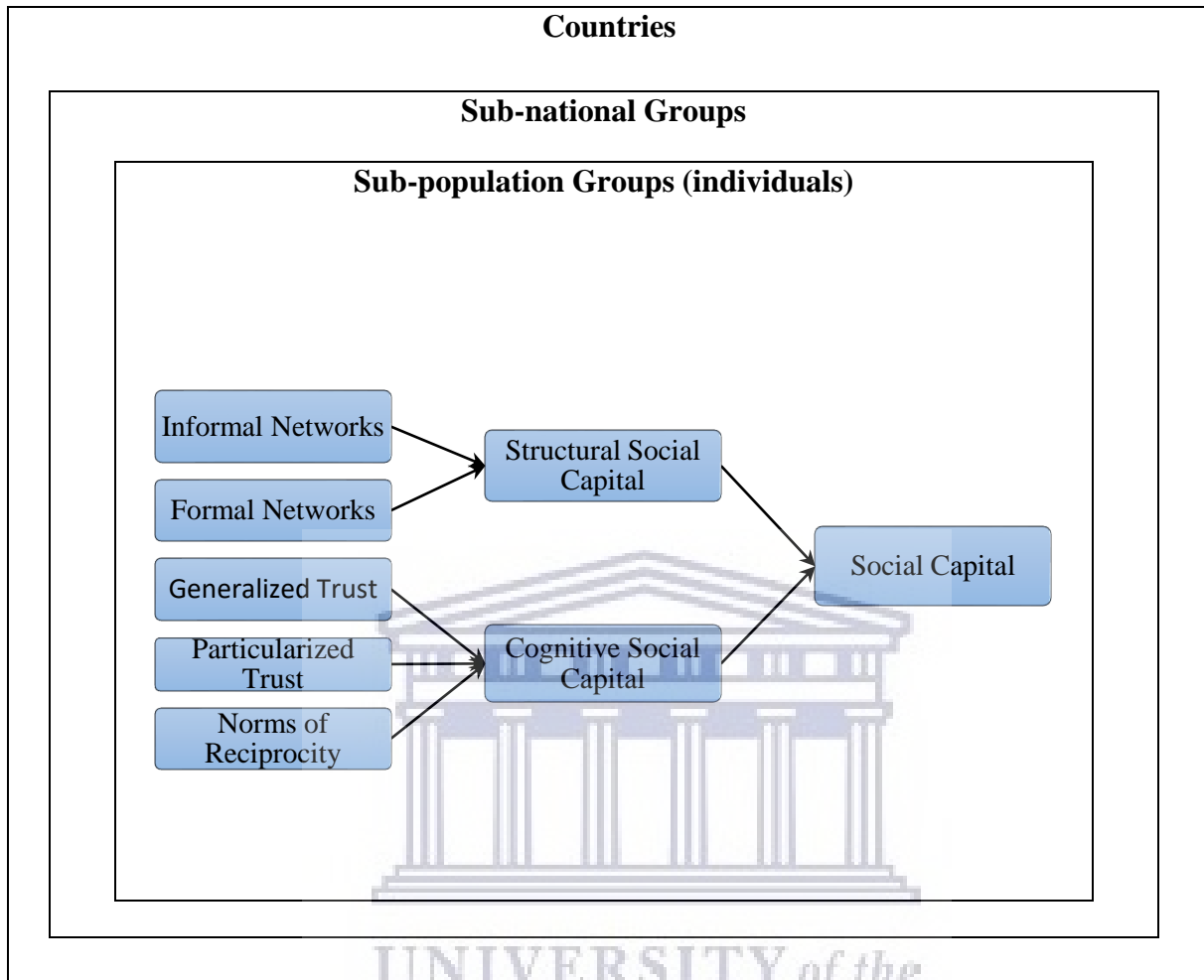
This approach has several advantages compared to other approaches. First, it allows us to address the multi-dimensional and multifaceted nature of social capital. As discussed above, social capital has multiple manifestations. So, the concept cannot fully be grasped by adopting a definition or an approach that focuses on the particular aspect of social capital. Second, this approach allows for testing alternative theories simultaneously. Rather than testing the validity of a particular theoretical approach, this method puts both the network perspective (Bourdieu and Coleman's approach) and the attitudinal perspective (Putnam's approach) together and will show their relative importance in a given situation.

What about the level of analysis? Does social capital possession at individual, community, and society level distinct to each other? Is the macro-level social capital an aggregation of individual-level social capital?

Social capital is value or an asset that is possessed by individuals and communities. So, as discussed above, there is a significant variation across different regions or community groups, and socio-economic and demographic groups in any given country. However, both individual-level and geographical factors do not have an effect on the aggregate level of social capital beyond and above the national context. For instance, Fidrmuc and Gërkhani (2004) found that generally, the social capital stock in Eastern Europe countries lag behind the rest of developed states in the Continent and difference in individual-level social capital possession has also been observed among the surveyed countries. However, the individual level difference among these countries disappears when institutional quality and economic growth differences are added. It means that individuals who live in a different country can differ only to the extent of the national-level difference (Fidrmuc and Gërkhani, 2004). Therefore, in a hypothetical context, individuals who live in different countries that have a similar institutional and structural context will not show a significant difference in the level of social capital that they possess.

Across countries, various socio-economic and demographic variables are differently related to different levels of forms of social capital. This is because the effect of socio-economic and demographic variables on social capital is mediated by macro-level factors (Kaasa, and Parts, 2008). Furthermore, geographic factors influence social capital generation beyond and above individual-level variability (Neutens and et al., 2013; Subramanian, Lochner, and Kawachi, 2003). It means individual-level social capital is embedded in the sub-national level context, which itself is embedded in macro or national level contexts. This is depicted in the following picture.

Figure 3.2: A Multi-Dimensional and a Multi-Level Model for Social Capital Assessment



Source: Author's Conceptualization

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Thus, social capital is primarily a matter of contextual factors. Specifically, the accumulation of the different forms of social capital in a country is overwhelmingly determined by national level contexts. However, arguing that social capital is inherently a matter of macro level contextual factors does not mean that local and composite factors are irrelevant. The degree of variation of social capital stock across socio-economic, demographic, and geographic units needs to be assessed to get a full picture of social capital in a country. Most importantly, a close examination of social capital at the individual and community level shed a light how national level contexts are reconstructed at the micro-level and define the generation of social capital at the grass-root level.

As discussed above, democracy and affluence (higher economic development) ensure a high level of generalized trust and participation in the formal networks (Bjørnskov, 2007; Freitag, 2003; Freitag, 2006; Grootaert and Van Bastelar, 2002; Lowndes and Wilson; Paxton, 2002; Rothstein and Stolle, 2008; Saravia, 2016; Uslaner, 2002; Uslaner, 2003). At the same time, these structural factors negatively affect the density of informal networks (Ciscel and Heath, 2001). From this assertion, it follows that democratic and developed countries' social capital stock is characterized by a relatively high level of generalized trust and formal networks. With the prevalence of abstracted view about human kindness (generalized trust) and impersonal civic organizations (formal networks), localized and personal connections and trust relations that includes informal networks and particularized trust becomes less significant in this group of countries. It means those aspects of social capital, which are characterized as an individual attribute (informal networks) and feature of a community (particularized trust and norms of reciprocity) are structurally limited significance in democratic and developed countries.

In connection to this, sub-national and sub-population assessment of social capital in this group of countries tended to focus on regional and individual-level variations of generalized trust and participation in the formal networks (see, for example, Alexander, 2007; Borozan, and Funaric, 2016; Freitag, 2003; Rupasingha, Goetz, and Freshwater, 2006). However, this does not mean that informal networks and community level cohesiveness are not relevant at all. Instead, their role is restricted to a limited sphere. In this respect, in developed countries, the connection between informal networks and job search has long been raised by scholars (see, for example, Granovetter, 1973; Granovetter, 1995; Loury, 1977). Community-level solidarity has also recently gained attention in these countries in relation to its role in crime prevention at a neighborhood level.

On the other hand, in least-developed countries where states are weak in providing basic services to citizens and, in most cases, are authoritarian, formal networks are less likely to develop (Freitag, 2006; Grootaert and Van Bastelar, 2002; Lowndes and Wilson; Paxton, 2002). Relatively weak formal institutions are supplemented by an interpersonal trust (Fafchamps, 2005; Narayan, 1999;

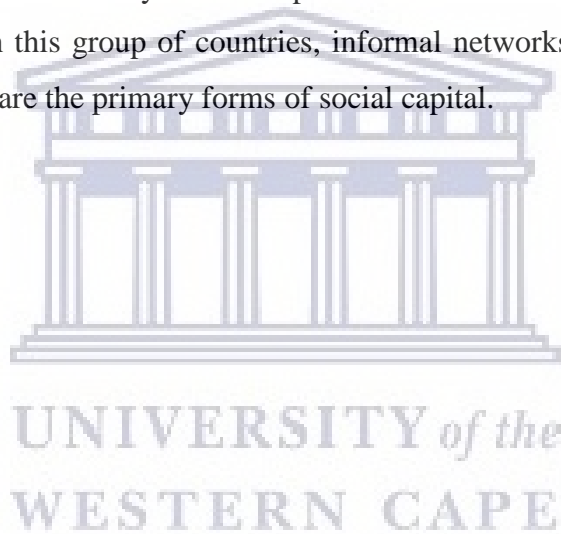
Rose, 1998). Moreover, the poor economic condition and the authoritarian nature of the state impinge distrust among fellow citizens (Bjørnskov, 2007; Freitag, 2003; Rothstein and Stolle, 2008; Saravia, 2016; Uslaner, 2002; Uslaner, 2003). As a result, informal networks, particularized trust and norms of reciprocity tended to dominate the social capital stock of least-developed countries. With the lack of generalized trust that facilitates impersonal relationships between individuals and the limitation to exercise the right to assembly, people mostly resorted to personalized connections in least-developed and authoritarian countries. Therefore, in the least developed countries, both at the macro and sub-population levels, informal networks and community cohesiveness remain the primary forms of social capital.

3.7. Conclusion

From the discussion above, two major conclusions are drawn. First, forms of social capital should not be treated as a single bundle in the social capital assessments. As discussed above, each of the social capital forms has different functions. Specifically, the different forms of social capital are differently related to different socio-economic outcomes. Besides, forms of social capital are barely correlated. This implies that forms of social capital cannot be analyzed as a single bundle item either in additive scale or in a cause and effect relation. Instead, the differential association with different socio-economic outcomes and the weak correlation among forms of social capital dictate their separate analysis in any social capital assessment. Moreover, the weak correlation among the different forms of social capital implies that they should be treated as a formative indicator in social capital index construction.

Second, the distribution of forms of social capital shaped by both contextual and composite factors. Democracy, affluence, income inequality, political history, and social diversity of a country are the major macro-level determinants of social capital. In a country, the levels and distribution of forms of social capital also vary according to regional and local levels of income and social diversity. At the individual level, forms of social capital vary across age, gender, income, family size, religion, education, and marital status. However, the extent to which macro, meso, and micro factors affect social capital generation varies greatly. Regional and local factors influence social capital generation beyond and above individual-level variability. At the same time, macro factors

influence social capital generation beyond and above geographical variability. Therefore, the level and distribution of forms of social capital in a country are overwhelmingly determined by national level contexts. In this respect, based on macro-structural and institutional differences, the distribution of social capital varies by group of countries. In democratic and developed countries', as a result of affluence and democratic governance, their social capital stock is characterized by a relatively high level of generalized trust and formal networks. The existence of a more abstracted view about human kindness (generalized trust) and impersonal civic organizations (formal networks) structurally suffocate the significance of localized and interpersonal trust relations. As a result, informal networks and particularized trust are less prevalent in this group of countries. In least-developed countries that are characterized by low income and democracy deficit, generalized trust and formal networks are relatively low. Interpersonal trust substitutes formal networks and generalized trust. Hence, in this group of countries, informal networks and reciprocity induced community-level solidarity are the primary forms of social capital.



CHAPTER FOUR

Measuring Social Capital in Ethiopia in Political and Socio-Economic Context: Background, Research Design and Methodology

4.1. Introduction

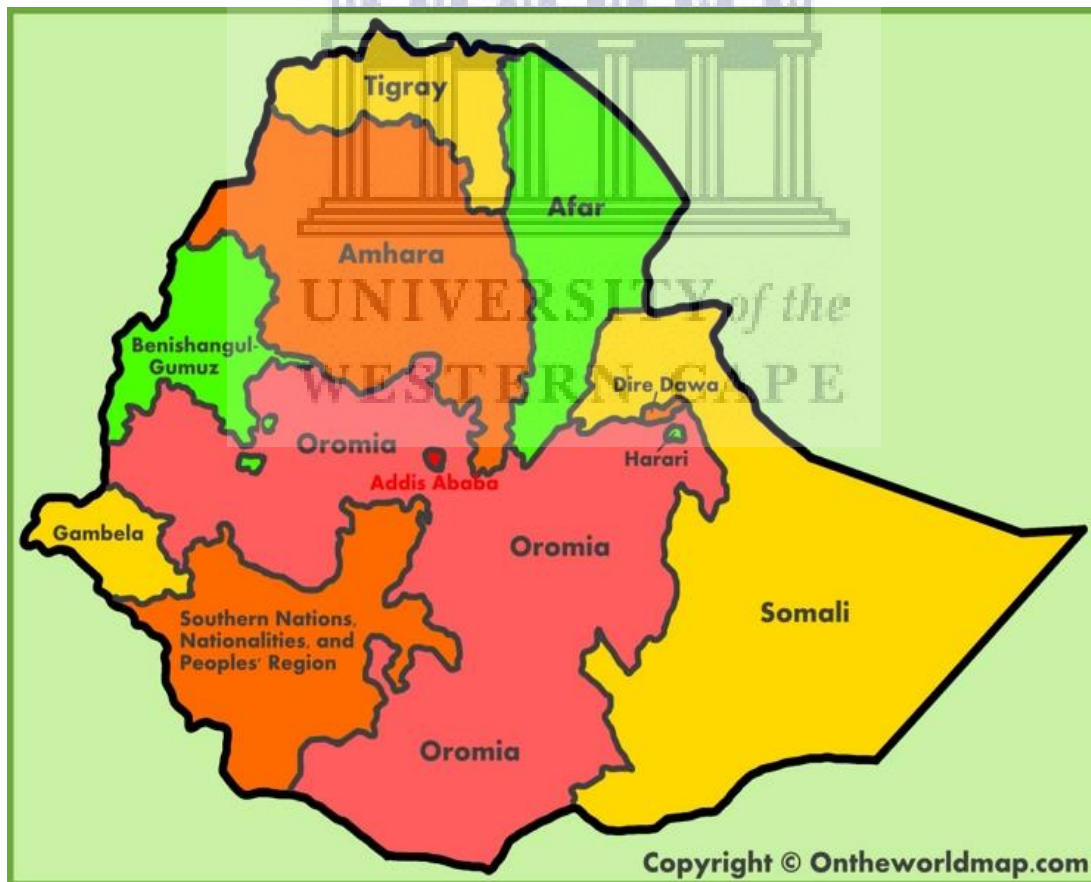
As discussed in chapter three, forms of social capital variably distributed across macro, meso and micro levels. It means the degree of social capital forms is shaped by prevailing contextual factors at each level. Structural and institutional factors shape the degree of the different forms of social capital at the macro level. In a society, the extent of each social capital form is also vary along with regional, community and individual level differences (Borozan, and Funaric, 2016; Kaasa and Parts, 2008; Nieminen and et al., 2008; Rupasingha, Goetz, and Freshwater, 2006; van Beuningen, and Schmeets, 2013; Van Oorschot, Arts, and Gelissen, 2006). Accordingly, study units are supposed to be framed against the socio-economic and political context at the national and sub-national levels to evaluate the level of social capital in relation to the existing conditions. In this vein, this chapter presents how the entire study design is structured in a way that reflects the major political and economic realities of rural Ethiopia.

The chapter is organized into five sections, including this introduction section. The second section gives background information about the Ethiopian state and study areas. It gives an overview of the administrative structure, history, politics, and economic structure of the Ethiopian state. It also presents a description of the study areas. The third section goes to the study design. It presents the study's ontological considerations and major procedures employed in the selection of the final sampling units. The fourth section provides a brief description of the data collection tools and procedures. The fifth section is devoted to presenting the quantitative and qualitative data analysis techniques employed in the study.

4.2. Background to the Ethiopian State

Ethiopia has a population of about 100 million (2019) (National Bank of Ethiopia, 2020). Currently, the country is administratively divided into nine ethno-linguistically demarcated regional states. In addition, there are two city administrations, Addis Ababa (the capital city) and Dire Dawa, which have a special status as an autonomous administrative units (Federal Democratic Republic of Ethiopia, 1995). Each of the nine regional states (regions) sub-divided into zonal administrations which themselves are divided into district administrations. Each district administrations in turn sub-divided into *Kebele* administrations (Ministry of Information, 2004). *Kebele* literarily means “neighborhood” and it is similar to the so-called “ward” or “neighborhood associations” in other parts of the world. Besides, the *Kebele* is the smallest administrative unit in the country.

Figure 4.1: Administrative Map of Ethiopia



Ethiopia's history of “statehood” goes back at least three thousand years, even though its political structure and geographic boundary have evolved to their current forms only after the end of the 19th century. The country has maintained its Monarchical institutions free of foreign interruption (colonialism) for three thousand years until it came to an end by a social revolution in 1974 (Bahiru, 2002; Teshale, 1995). The uninterrupted historical continuity of the Ethiopian state (the state institutions) enables Ethiopia to have a very centralized political system and strong government, which has no parallel except the British counterpart (Acemoglu and Robinson, 2012).

Although Ethiopia has no colonial history, it shares many structural characteristics of least-developed countries which makes it suitable for case study on state and society in least-developed countries. First of all, like most least-developed countries, democracy has failed to take root in the country (The Economist, 2018; Freedom House, 2018). The country is at the bottom of the global democracy index. For instance, in 2018 (during the time of data collection) in Freedom House's global freedom index in which world countries are categorized as free, partly free, and not free in terms of their performance in civil liberties and political right, Ethiopia is under the “not free” category (Freedom House, 2018). According to The Economist's global democracy index, for the same year, Ethiopia is grouped as an authoritarian country and ranks 128th among the 167 ranked countries in terms of achievement in democracy (The Economist, 2018). Ethiopia is also one of the poorest countries in the world. Ethiopia's per capita income is \$1783, which is one of the lowest in the world. Ethiopia also has one of the lowest human development index (HDI) in the globe. In 2018, Ethiopia ranked 173 among 189 countries in HDI (United Nations Development Program, 2019).

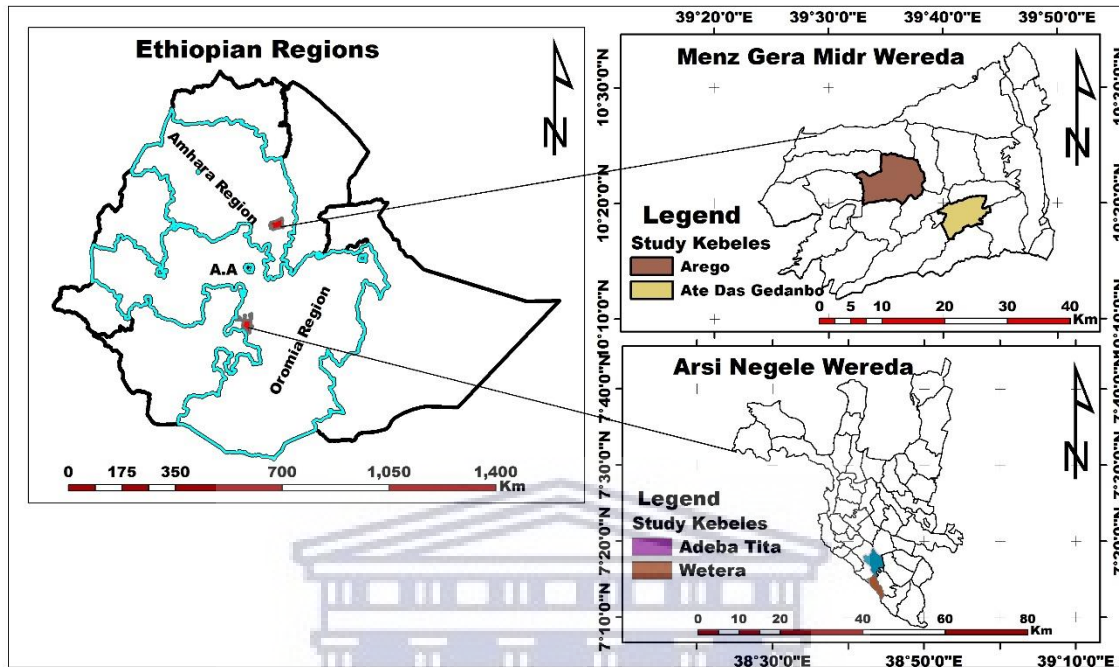
In terms of the structure of the economy, like most of the least-developed countries, Ethiopia is an agrarian state. The agriculture sector accounts for about 50% of the GDP. Moreover, about 80% of people live and work in rural areas (National Bank of Ethiopia, 2020). However, in the public policy domain, the agricultural sector neglected in favor of the service and the manufacturing sector and the peasantry remained the most marginalized group in the country (Alexander, 2009; Clapham, 1988; Rahmato, 1993; Robinson and Ahmed, 2008). As a result, Ethiopia's rural areas lag behind the average standards in many development indicators (Bundervoet and *et al*, 2020;

National Bank of Ethiopia, 2020). Thus, severe poverty is a widespread in rural Ethiopia and the rural mass is exposed to a variety of risks and vulnerabilities, including drought and famine, and (Alexander, 2009; Bundervoet and *et al*, 2020). Most importantly, famine is a perennial feature of rural Ethiopia. For instance, according to the United Nations Office for Coordination of Humanitarian Affairs (UNOCHA), in 2019 alone about seven million people were affected by acute food insecurity and were in need of food aid (UNOCHA, 2019). Aside from the humanitarian crisis, the weak and fragile economy of the rural Ethiopia coupled with the authoritarian nature of the state offers a case for illustrating how agrarian societies organized themselves and relate with each other (form a social capital) in the least-developed countries context.

4.1.1. Description of the Study Sites

As mentioned in chapter one, the cases for this study are *Aresi* and *Menze*. Both *Aresi* and *Menze* has been in a single administrative unit in their own right. However, the administrative boundaries of both *Aresi* and *Menze* have been changed since 1991. *Aresi* previously had a provincial status with district administrations under it. Currently, *Aresi* is divided into two Zonal Administration: *West Arsi* and *East Arsi*. *Menze*, which was in a single district administration, also split into five districts by now. Two district administrations have been selected from *Aresi* and *Menze*. One district administration was selected from the two *Aresi* Zonal administrations. Another district administration was selected among the five district administrations of *Menze*. For this, the study is conducted in *Aresi Negele* district, *West Arsi* zone, *Oromia* Regional State, and *Gera Mider Menez* district, *North Shoa* zone, *Amhara* Regional State. Two *Kebeles* has been selected from each district. These are *Water* and *Adeba Tita Kebeles* from *Aresi Negele*, and *Argo and Ate Das Gedanbo Kebeles* from *Menze*.

Figure 4.2. Location of the Study Areas



As figure 4.2 shows, the study areas are from different geographic regions. Whereas *Aresi Negele* is situated in Southern Ethiopia about 230 km southeast of Addis Ababa, the country's capital city. It extends between $38^{\circ}25'$ E- $38^{\circ}54'$ E longitude and $07^{\circ}09'$ N- $07^{\circ}42'$ N latitude. Its surface area covers about 151539 hectares. On the other hand, *Gera Mider Menez* district is in north-central Ethiopia, about 200 Km in North East of the capital city. It extends between $39^{\circ}20'$ E- $39^{\circ}50'$ E longitude and $10^{\circ}00'$ N- $10^{\circ}30'$ N latitude. Below are the social and economic profiles of these study areas.

4.1.1.1. Aresi Negele

Aresi Negele district is divided into forty-six *Kebeles*, of these forty-three are rural and the remaining three are urban *Kebeles*. Based on the 2007 national census, the District's population size is 260, 129 (Central Statistical Authority, 2008). Before 1974, there was tenancy in the South part of Ethiopia (Rahmato, 2008). *Aresi Negelle* is not an exception. Residents were tenants who used to work on the land of absentee landlords. Localities or villages used to be called by the landlord. After the 1974 nationalization of land and land distribution policy that the *Kebeles* came

into existence like all other *Kebeles*. After that, no change was made on both *Kebeles*' administrative boundaries (Adaba Tita Kebele Administration, 2018; Wetera Kebele Administration, 2019).

The two study *Kebeles* are adjacent (see figure 2). *Wetera Kebele* is about 21 km from the district capital Town, *Negelle*. Whereas *Adaba Tita* is about 17 km from *Negelle*. There is an all-weather road that connects the *Kebeles* with the district capital town. But the road is not in good condition and people are often not willing to drive on this road. So, public transport is not easily available. Usually, one has to get or rent a motorbike to get into the *Kebeles*. *Adaba Tita Kebele* has a population size of seven thousand two hundred whereas the population size of *Wetera* is six thousand eight hundred (Adaba Tita Kebele Administration, 2018; Wetera Kebele Administration, 2019).

The two *Kebeles* mainly produce wheat and potatoes. They are surplus producers. Specifically, the area is known for its potato production. It is one of the major suppliers of potatoes in the central market. Regarding social amenities, some basic social services are available in the *Kebeles*. In *Adaba Tita* there are two junior schools, and a high school is under construction. Whereas in *Wetera* one elementary, one junior, and one high school are available. Electric power and clean water services are partially available in both *Kebeles*. The coverage is small, and the electricity is frequently interrupted. One microfinance institution operates in the *Kebeles*. In both *Kebeles*, primary health and a veterinary center are also available. Both of the *Kebeles* do not have telephone services. The mobile network is available in those villages closer to the district town, but the signal is extremely poor (Adaba Tita Kebele Administration, 2018; Wetera Kebele Administration, 2019).

In the heart of *Adaba Tita*, there is a small urban village called *Kelo*. It has its mayor under the *Kebele* administration. Few numbers of small shops and restaurants are available in the *Kebele*. In *Wetera* none of these services are available except one small bar/tavern (Adaba Tita Kebele Administration, 2018; Wetera Kebele Administration, 2019).

4.1.1.2. Gera Mider Menez

As per the 2007 national census, the population size of the District was 120, 469. Unlike *Aresi*, in which most of the inhabitants are Muslim, in *Menze*, about 99.% of the inhabitants are Orthodox Christians (Central Statistical Authority, 2008). The District is one of the food insecure areas in Ethiopia, and it is enrolled in the Productive Safety Net Program (a cash-for-work program for food-insecure households).

Argo Kebele is about 23 km from the district capital, *Mehal Meda*. It was by combining three *Kebeles* (*Maserete, Sere Mider, and Arego*) that *Arego Kebele* was created by 1994/5. It is referred to as *Kebele 011* by the district administration. But the local people and the different offices of the Federal government prefer to call it *Arego*. The total population size of the *Kebele* is 6406. There are about 328 female-headed households and 1086 male-headed households. There are four microfinance institutions in the *Kebele*. Electricity is available, but there is frequent power interruption. As mentioned above, the area is food insecure. The majority of the households depend on the aid they receive through the safety net program to meet their basic needs. In *Arego*, out of the 1414 households, 980 received aid through safety net programs (*Arego Kebele Administration, 2018*).

Ate Das Gedanbo Kebele located very close to the district capital town (*Mahal Meda*). It is about one hour walk from the center of the district capital to the *Kebele* Administration office of *Ate Das Gedanbo*. The total population size of the *Kebele* is 4664. There are 672 female-headed households and 730 male-headed households. About 195 households are aid recipients through safety net programs. In terms of financial service, there are two microfinance institutions. Elementary and junior school, health, and a veterinary center are also available (*Ate Das Gedanbo Kebele Administration, 2018*).

4.3. Study Design

As mentioned above, this study's overall objective is to assess the stock of social capital in rural Ethiopia. It measures the extent of the social capital forms at aggregate, meso, and individual level and relates the existing contextual factors with the configuration of social capital forms at each level. Commonly, a survey method is employed and data gathered at an individual level which is then aggregated at meso and macro-level to depict the level of social capital at community and country level. Moreover, the data from such surveys disaggregated by demographic and socio-economic attributes (such as gender, age, educational level, income level and etc) to assess the distribution of social capital at individual level. In this respect, survey methods have methodological merit to unpack the extent of social capital forms at different levels in society (Harpham, 2008). However, as discussed in chapter three, social capital forms have variable manifestations, along with institutional and structural contexts (Bjørnskov, 2007; Freitag, 2003; Knack and Keefer 1997; Lee, Jeong, and Chae, 2011; Rothstein and Stolle, 2008; and Saravia, 2016; Uslaner, 2002). Moreover, social capital variably distributed across sub-population groups (see, for example, Borozan, and Funaric, 2016; Freitag, 2003; Kaasa and Parts, 2008; McDonald and Mair, 2010; Van Oorschot, Arts, and Gelissen, 2006). Most importantly, the distribution of social capital across sub-population groups is mediated by macro contexts (Kaasa, and Parts, 2008; McDonald and Mair 2010; Van Oorschot, Arts and Gelissen, 2006). Furthermore, the nature of the forms of social varies depending on the context factors (De Silva et al., 2007). Therefore, survey method alone will not give a full meaning about the level and distribution of social capital in a society. In this regard, qualitative methods such as focus group discussion and key informant interviews are useful instruments to validate quantitative surveys of social capital (Jones and Woolcock, 2007).

Generally, both quantitative and qualitative methods have their own strengths and weakness. While quantitative methods are good at generalization and weak at validation, qualitative methods are weak in generalization but good at validation. So, mixed research methods combine the benefits of quantitative and qualitative methods (Morse and Niehaus, 2009). Cognizant of this fact, the study employs a mixed research method. It uses a household survey and depicted social capital at individual, meso and micro-levels. Qualitative methods are also employed to validate and to put

results of the household survey into context. Both the household survey and the qualitative interview were conducted in parallel. Questions with similar contents have been raised and comparison is made on the results obtained from the two approaches. This comparison is made on the qualitative part. The quantitative result presented first and then result from the qualitative interview examined against the quantitative result. When a deviation appear, the result which is similar to the result of the pervious empirical researches and that goes in tandem of established theoretical explanation have been considered correct and valid.

Considering that the mixed-method dictates an in-depth investigation, the study employ a case study approach, as a case-study enable a detail investigation of an issue (Babbie, 2012). Thus, the case-study approach helps to unpack social capital in rural Ethiopia in detail pertinent to the contextual factors. Besides, the case study approach makes the validation process and group comparison (sub-population groups) more manageable.

As discussed in chapter three, among other things, social capital various along with regional and community differences. Regions and communities with different social, economic, and historical backgrounds have found to have different levels of social capital (Borozan, and Funaric, 2016; Freitag, 2003; LiPuma and Koelble, 2009; Putnam, 1993). Thus, to have a firm grip on the distribution of social capital in a country, the social diversity in a society should be accounted in the research designs. Specifically, study units are supposed to represent the diversity in a society (De Hart and Dekker, 2003). Study groups should, therefore, be selected in such a way that they reflect the most socio-linguistic and economic diversity in a given country (De Hart and Dekker, 2003).

In view of farming the social diversity, making a classification of people (groups) in Ethiopia based on genetic, regional, linguistic, religious, ecological or social structure criterion is difficult, if not it is impossible at all. A covenant classification can be made through a comprehensive approach that apply all these variables or most of these variables all together (Levine, 2014). Accordingly, the study purposively frame the selection of study groups for the case study explicitly along with

historical, ecological, language, ethnicity and religious differences. It means the selection of the study groups is framed based on the propensity of the groups to reflect the major economic, historical and socio-cultural frontlines in the country.

The present-day has taken its shape by the state formation process that has been consolidated by the end of the 19th century. The state formation process brought the birth of the present-day Ethiopia by unifying/reunifying the north and southern part of the country which have distinct social formations (Bahiru, 2002). In north and central Ethiopia, in the present-day *Amhara* and *Tigray* regional states² (see figure 4.1) the highland agrarian societies are found. The Amhara's are the majorities. In this part of the country, sematic languages are the most widely spoken languages including Amharic which is the working ("official") language of the federal government of Ethiopia. Historically, this region is the geographical and social basis of ancient and medieval Ethiopia. The political history of this region goes back to the *Axumite* Empire (900 AD to 100 AD). Orthodox Christianity has been introduced in the fourth century and has dominated the social and political life of the region. Economically, feudalism characterizes the economic mode of relations for much of the history of the region since time immemorial. Centuries of feudal systems coupled with a strong penetration of the state have created a hierarchical and vertically stratified society (Levine, 1965; Teshale, 1995).

In southern Ethiopia that includes roughly the present-day Oromia, Southern Nations, Nationalities and Peoples' regional states, Afar and Somalia regional states (see figure 4.1), there were different ethnocultural groups including relatively autonomous small kingdoms such as the kingdom of Woliyeta, Kaffa and Gibe states. In the low land areas, (roughly in the present-day Afar and Somalia regional states) pastoralism has been the way of life (Bahiru, 2002). Even though there are many groups in Southern Ethiopia, the Oromos outnumber the remaining groups. The Oromos are known for their social system called *Gadda*. Unlike, the patrimonial-hierarchical system in the north, the *Gadda* is an age-based and horizontally distinct social organization (Legesse,

² This part of the country includes Eritrea which seceded from Ethiopia and became an independent state as of 1993.

2000). Both Oromos and other groups in the South have a clan system which is not the case in northern Ethiopia (Levine, 2014).

Generally, the north and southern part of Ethiopia has distinct historical legacies and socio-economic characteristics. In the north and central part of the country the experience of state penetration coupled with centuries of the feudal system have created a hierarchical and vertically stratified, and individualistic society (Levine, 1965; Teshale, 1995). On the other hand, the majority of the southern part of present-day Ethiopia the state system was relatively weak. It was inhabited by several autonomous and semi-autonomous groups. Accordingly, the horizontal form of social organization dominated the region's socio-political association (Legesse, 2000; Teshale, 1995; Bahiru, 2002). Besides, the north and the southern part of Ethiopia has a distinct difference in language and religious denominations. Semantic languages are dominant in Northern Ethiopia. Besides, Orthodox Christianity is the dominant religion in this part of the country. There is a significant proportion of Muslim communities. Yet, the size of Orthodox Christians is well far than that of the size of Muslims as compared to the other part of the country. On the other hand, in the Southern part of Ethiopia, Cushitic, Nilo-Saharan, and Omotic languages spoken widely. Islam and Protestant are also widely practiced in this part of the country (Central Statistical Authority, 2008). So, considering the aforementioned historical, language, and religious differences that fall along the northern and southern part of Ethiopia, *Aresi* and *Menze* are selected from the two socially distinct regions

Aresi represents the South and *Menze* represents the North. They speak different languages (*Amharic* and *Oromifa*). They have different religious compositions. *Menze* is an overwhelmingly Orthodox Christian. But in *Aresi* the majority of the population belongs to Islam. Moreover, the two groups or study areas also belong to the two largest ethnic groups in the country (*Oromo* and *Amhara*) which together hosts about 80% of the farm household and 60% of the country's population. Thus, *Aresi* and *Menze* represent most of the countryside in Ethiopia.

4.3.1. Quantitative Data Collection

4.3.1.1. Sampling Methods

As mentioned above, using socio-cultural diversity as a criteria, *Aresi* and *Menze* are selected for the case study. A stratified sampling technique is employed to select the final sampling units. One district randomly selected from each region. *Arsi Negele* district from *Oromia* Regional State (*Aresi*) and *Gera Mider Menz* district from *Amhara* Regional State (*Menze*). At the next stage, two *Kebeles* (a total of four *Kebeles*) randomly selected from each District. Finally, 200 heads (a total of 800 household heads) randomly selected from each of the four *Kebele*. The agricultural land taxpayers list in each *Kebeles* is used to identify the targeted households. Due to financial and time constraints the study limited to a sample of 800 households which typically represent the two socially distinct geographic units in Ethiopia.

Among the 800 selected households, only 753 of them took part in the survey. Residents' disinterest to participate in the survey might have to do with the violence that swept throughout the country several months before the field survey (2018). Following the violence, the country has gone through a leadership change in the ruling regime and the political environment was full of uncertainties. Relatedly, the villagers were generally a bit suspicious of strangers. So, about 47 selected respondents declined from taking part in the study. Also, among the 753 surveyed individuals 18 of them were removed during the data cleaning process for being incomplete or erroneous. Accordingly, 735 is the final sample size of the study. The 735 respondents are almost equally divided between the two study regions or districts. About 50.7% of the participants are from *Gera Mider Menze* district in *Amhara* regional state. Whereas 49.3% of the participants are from *Arsi Negel* in *Oromia* regional state.

Once the targeted households identified, information on economic situations, social and demographic profile, membership in volunteer organizations, the density of informal networks, perception on trust relations, and norms of reciprocity gathered at the household level using a semi-structured questionnaire. The questionnaire translated into the local language (*Amharic* and

Oromifa) and gathered using data enumerators who are selected based on their knowledge about the area (the value and norms of the study population).

4.3.1.2. Measurement of Major Concepts

The study uses most measurement tools from Social Capital Assessment Tool (SASCAT). To seek validation and adaptability a pilot survey was also undertaken January 2019. Two focus group discussions were held with 21 participants in the two study areas. Following the pilot survey, some of the tools have been adjusted and modified. The result of the pilot survey is found in appendix A and appendix B.

A. Formal Network/Associational Life

Associational participation (level of formal networks) is measured in terms of the number of community organizations and institutions that household members do participate (Grootaert, Narayan, Jones, and Woolcock, 2004; Paxton, 1999, Putnam 1993; Putnam, 2001; Van Oorschot, Arts and Gelissen, 2006).

Accordingly, a list of community and civic organizations and institutions that operate in the localities have been identified. There are two distinct types of funeral associations (*Iddirs*). These are mixed-member *Iddir* and Women *Iddir*. There is also a particular type of religious association held among Orthodox Christians called *Maheber*. As an association, *Maheber* distinct along with sex. There are Men *Mahebers* and Women *Mahebers*. Two labor-saving association commonly named *Debo* and *Wonfel* has also been identified. Both consumer and producer cooperatives also operate in different rural areas. Three types of religious organizations are found in rural Ethiopia. These are the Orthodox Church, Protestant Church, and Mosque (Butcher, 2007; Habtu, 2012). So, a total of thirteen organizations has been listed for respondents. Thereafter, respondents were asked to mention if they or any of their household members were active members or participated in any of the thirteen listed organizations in the past twelve months. An option is also given to respondents add any organization that they are a member other than shortlisted ones. The number

of organizations that the respondents and their household members are members or participants are totaled to give the index of formal organization.

B. Informal Networks

Regarding informal networks, respondents have been asked to rate the number of people in each of the following three categories: family and relatives; people in your neighborhood; and your friends. The size of people in each category is rated in five response categories: a lot; more than average; average; less than average; and a few. The responses are rated from “1” to “5” where “a lot” is “5” and “a few” is “1.”

C. Generalized Trust

Generalized trust is measured by the response to the question “Generally speaking, would you say that most people can be trusted or that you cannot be too careful in dealing with people?” This is a tool used by most studies including the world value survey (Uslaner, 2002). Thus, the study used this survey question with two response categories: (1) Most people can be trusted; (2) You need to be very careful in dealing with people. Those respondents who reported that “most people can be trusted” are labeled as “trusting”. Whereas those who reported that “you cannot be too careful in dealing with people” categorized as “non-trusting.” It is used as a dummy variable (you cannot be too careful in dealing with people = 0 and Most people can be trusted = 1).

D. Particularized Trust

Particularized trust has to do with the trust that individuals have towards the people that they know. It is a kind of trust based on one’s information and knowledge about others. So, it can be assessed by a question regarding the trust that one has towards those that she or he comes to know in their respective vicinity. This includes trust towards family, friends, neighbors, village dwellers, community members, etc (Stolle, 2002; Uslaner, 2002). In line with this, four survey questions that focus on the view of the respondents towards the fellow village woman/man has been used to measure particularized trust. The first question is that “in this village/neighborhood, one has to be

alert or someone is likely to take advantage of you.” The questions have “yes” and “no” response categories. Likewise, a second question, “Most people in this village/neighborhood are basically honest and can be trusted.” has been asked. This question too has “yes” and “no” response categories. In both cases, the “yes” response reflects a lack of trust towards the fellow villagers and the reverse is also true for “no” response. So, these tools have been coded as a dummy variable (Yes = 0 and No = 1).

Lack in trust towards fellow villagers might not be regarded as a positive attribute by the respondents. Accordingly, they might be reluctant to report such behavior. Thus, positive responses might be a bit exaggerated. In this respect, to capture a balanced view of the respondents, two survey questions that are tailored towards an actual trust-based transaction at the village level has been presented. The first question in this category stated that “do you think that in this village/neighborhood people generally trust one another in matters of lending and borrowing?” It has two response categories (“yes” and “no”) and it is used as a dummy variable (No = 0 and Yes =1).

The second question is “In this village/neighborhood if you faced the following two alternatives, which of the alternative would you consider? Own and farm 1 hectare (*Timade*) of land entirely by own self or own and farm 3 hectares of land jointly with one other person. “This variable is also coded as a dummy variable. “Own and farm 1 hectare (*Timade*) of land entirely by own self” response reflects a lack of trust towards the fellow villagers (= 0). On the other hand, “own and farm 3 hectares of land jointly with one other person” is the propensity to trust fellows in the village (=1).

E. Norms of Reciprocity

To measure norms of reciprocity, three survey questions that focus on the evaluation of the reciprocal social support system and level of trustworthiness has been used. The level of agreement with four response categories (strongly agree, agree, disagree and strongly disagree) has been asked for the following questions: People are always interested only in their own welfare; if I have

a problem, there is always someone to help me; and most people in this village/neighborhood are willing to help if you need it. The responses are rated from “1” to “4” where “Strongly agree” is “4” and “Strongly disagree” is “1”.

F. Household and Individual Characteristics

The survey includes household and individual level characteristics identified as an individual-level determinants of social capital by previous studies. This includes sex (gender), age, education, religion, wealth (income), and family size.

Age is also self-reported and is measured in the number of years since birth. Family size is also a self-reported item. It is measured in terms of the number of individuals who live under the household. It includes both children and other dependents. Land size is used as a proxy to measure income (wealth) and it is also self-reported. Land size is measured in terms of the hectares of agricultural land that one owns. But to make comparison for age, family size, and land size is set into different categories. Age is divided into five age groups: 18-29; 30-39; 40-49; 50-50; and 60 years and above. Family size is divided into seven categories. The first six categories are for the family size from one to six parallel. Whereas, as the last category goes to seven and above family size. In rural Ethiopia, the average family size is 6.8 and hence the last category captures those who are above the average. In the same manner, land size is divided into three ranked groups to parallel to the three income groups: rich; middle-income, and poor.

On the other hand, sex, educational level, religion, and marital status are categorical variables, and respondents were made to make choices among categorically listed items. Sex is used as dummy variable (male = 0 and female = 1). Education is measured by the highest level of education attained in nine categories. Illiterate, no schooling (0), Literate, no schooling (1) Primary incomplete (2), Primary complete (3), Secondary incomplete (4), Secondary complete (5), Vocational college (6), University (7) and others (8). Religion as a categorical variable is used with four alternatives: Orthodox Christianity (1), Protestant (2), Islam (3), and others (4). Marital Status is also a four categorical variable. These are, single (1), married, (2), divorced (3), widowed (4).

4.3.2. Qualitative Data Collection

There are different methods of qualitative data collection. This includes interviews (FGD and key informant interview), field observation, meeting transcriptions, letters and etc. Each of these methods has its purpose and application. This study uses FGD and key informant interviews for data collection, and why and how these methods were used is described below.

4.3.2.1. Focus Group Discussions

A typical FGD is a tape-recorded session attended by three to ten people where participants share their thoughts and experiences on the topic chosen by the researcher. Such discussion with the participants are held because of their acquisition of information about a particular problem that the researcher sought to explore (Morgan and Spanish, 1984). In this vein, nine FGDs have been undertaken to gather information about the importance that people in study communities place on formal and informal networks, as well as their sense of trust relations and norms of reciprocity.

Five FGDs are tailored towards an assessment of associational activities in the respective localities. Through these FGDs, the local people experience with the volunteer organizations in terms of motive for participation and manner of participation. This is meant to capture the extent of inclusivity and the functions of the volunteer organization in the respective locality. Moreover, the experiences of the people about a relationship with friends, relatives, and neighborhoods are discussed with participants. This is held to identify the nature of informal networks in the study areas (the focus group interview guidelines are attached in Appendix C).

Four more FGDs have been undertaken with respect to trust relation and norms of reciprocity. In these groups of FGDs, the view of the people about trust relations and norms of reciprocity have been dealt with. The particle examples of trust relations such as cooperation history at the community level and intergroup marriage have been moderated for discussion to substantiate speculated reflection on trust relations. These discussions help to understand how to trust relations are constituted at grass-roots level. Besides, nature (structure) and the significance of norms of

reciprocal relations among the study communities have also been uncovered. All FGDs were held in the local languages (*Amharic* and *Oromifa*) and all of them have been tape-recorded with the consent of the participant. Field notes have been taken as it helps the researcher to easily memorize major events and issues at the time of the data analysis.

4.3.2.2. Key Informant Interviews

A key informant interview is a kind of qualitative data collection held with an individual who has an in-depth knowledge or expertise about a particular phenomenon that research is interested to investigate (Rapley, 2004). In this vein, ten key informant interviews have been held with the community and local organization leaders. They were interviewed about their knowledge concerning the formation, decision-making process, and service delivery mechanism of these organizations since they have first-hand experience with these issues. This unpacks the organizational structure and decision-making mechanisms of the volunteer organizations that operate in the study areas (the key informant guidelines are attached in Appendix D).

4.4. Methods of Analysis

The study uses various techniques to analyze both quantitative and qualitative data. The following sub-sections present the techniques and procedures that have been employed for the analysis.

4.4.1. Quantitative Methods of Analysis

As mentioned above, household survey is conducted in 735 households gather information on the household characteristics and the possession of each social capital forms at the household level. The household survey is meant to assess the level and distribution of social capital forms at the individual and group level. Partial Least Square Based Structural Equation Modeling (PLS-SEM) is chosen for the analysis. The choice of PLS-SEM is made based on different consideration.

4.4.1.1. The Choice of Statistical Tool: PLS-SEM

As presented in chapter three, the study conceptualized that the five forms of social capital emanate from different sources and represent a society's distinct feature. The chapter theoretically explained that the different forms of social capital are available in different contexts with different levels and configurations. Specifically, the level and distribution of social capital forms vary along with macro, meso, and individual-level differences. In this vein, the study substantiates the theoretical formulation about the level and distribution of social capital forms in the rural Ethiopia context. It explores the relative importance of formal networks, informal networks, generalized trust, particularized trust, and norms of reciprocity in rural Ethiopia as they are dictated by contextual factors. Thus, the structural relationship between the different forms of social capital underpins the study's measurement framework. Determining the level of social capital forms based on the underlying structural relations exist among them invites a Structural Equation Modeling (SEM). Because SEM is a multivariate statistical tool applicable to analyze the relationship between one or more independent variables (latent construct) and a dependent variable or variables. It means SEM is a statistical tool that analyzes the structural relationship among variables. In connection to this, SEM as a second-generation statistical tool is also suitable to statically test a theoretical model against empirical data (Gefen, Straub, and Boudreau, 2000).

There are two types of SEM: Covariance-Based Structural Equation Modeling (CB-SEM); and PLS-SEM. The choice between CB-SEM and PLS-SEM is made based on different criteria such as the study's objective and theoretical sophistication of the subject under examination (Hair et al., 2016; Hair et al.). PLS-SEM is a statistical tool that analyzes the structural relationship among variables based on their variance, and it is quite relevant for exploratory studies that seek to understand complex structural relationships among variables. It is also appropriate to test a theoretical framework for a predictive purpose (Hair et al., 2016; Hair et al., 2019, Lowry and Gaskin, 2014). Besides, PLS-SEM is useful for complex index development. Moreover, PLS-SEM is appropriate for subjects that do not have a firm theoretical framework (Hair, Ringle, and Sarstedt, 2011). For these reasons PLS-SEM fits the purpose of the study that has to do with measuring social capital in rural Ethiopia based on the “meagerly” established theoretical

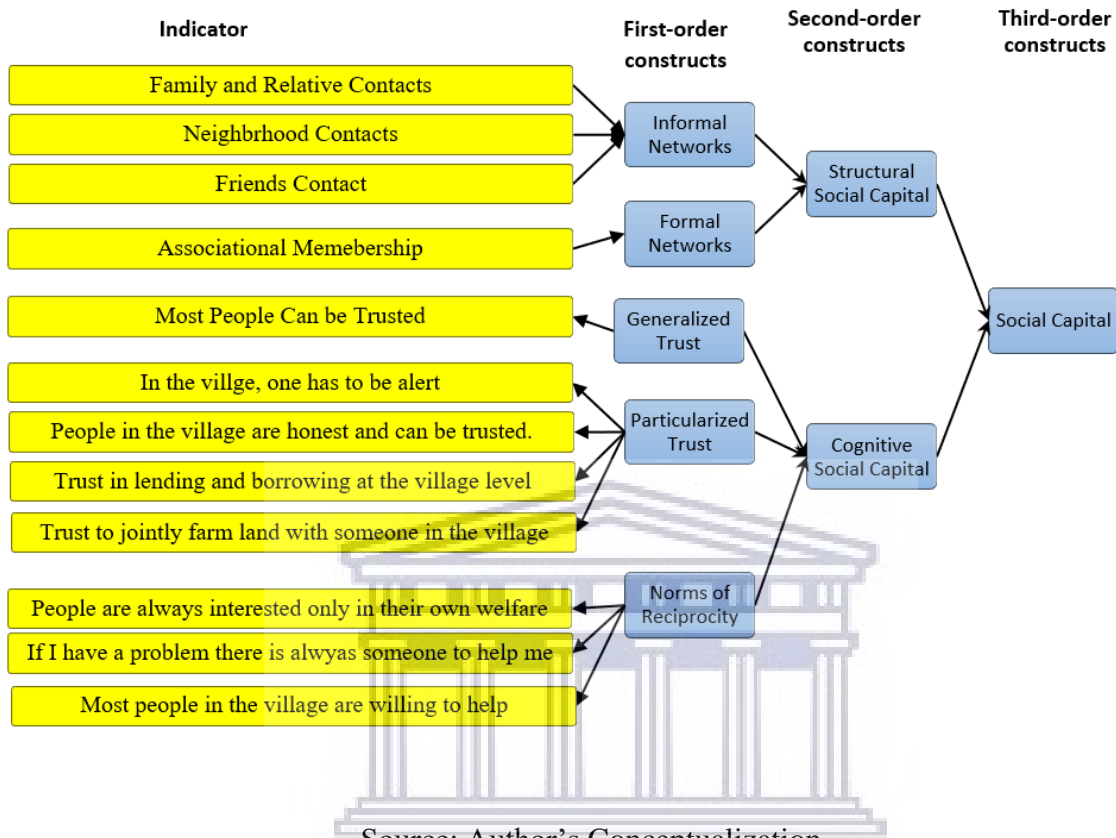
framework on the correlation between different forms of social capital. SmartPLS 3 software application is used to run the PLS-SEM model and the statistical analysis has been done in different stages.

4.4.1.2. Procedures in PLS-SEM: Social Capital Index Construction

The PLS-SEM model has two integrated elements. These are the measurement (outer) model and the structural (inner) model. The measurement model assesses the relationship between observed variables (usually referred to as indicators) and latent variables. It evaluates the contribution of each indicator for the variance in the corresponding latent variables. This is measured by the path coefficient (outer weight) of each indicator. On the other hand, the structural model assesses the relationship between latent variables and evaluate their relative importance towards the variance in the subordinate construct or dependent variable. This is also measured by a path coefficient (inner weight) of each latent variable (Hair and et al., 2017). The proposed conceptual model of the study, which is theoretically developed in chapter three, is set here for the analysis by including measurement tools. Figure 4.1 depicted the proposed conceptual model of the study which is theoretically developed in chapter three. It has two interrelated parts. The yellow part in the figure is the measurement model, whereas the blue-black part of the figure is the structural model.

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Figure 4.3. Social Capital Index



The measurement model could take two forms: formative and reflective mode. Formative mode (causal) takes indicators as a cause of the latent constructs. Reflectively (consequent) mode treat indicators as a reflection of the latent variable than the other way round. However, there is no strict rule on choosing between formative and reflective measurement (Hair et al., 2017). The evaluation takes place on the ground of the patterns that have been adopted by earlier studies that used similar approaches (van Beuningen and Schmeets, 2013). In this respect, in previous studies, indicators of formal and informal networks were constructed informative mode. The degree of formal and informal networks are an outcome of individuals' social and organizational participation. It depends on the density of contacts that one has with family members, relatives, friends, and neighbors as well as involvement in different associations. Thus, involvement in the social network and voluntary organization (indicators) are set as indicative of formal and informal networks

possession (Borozan and Funaric, 2016; Guillen, Coromina, and Saris, 2011; Paxton, 1999; van Beuningen and Schmeets, 2013). On the other hand, generalized trust and particularized trust measured by individuals' reflection about their faith towards humankind and people in their vicinity. Likewise, norms of reciprocity were assessed as a reflection of individuals' evaluation towards the level of favor they received from others. Therefore, all indicators of generalized trust, particularized trust, and norms of reciprocity constructed in reflective mode (Borozan and Funaric, 2016; Guillen, Coromina, and Saris, 2011; van Beuningen and Schmeets, 2013).

Regarding the scale of measurement, ordinal scale indicators have been used for informal networks and norms of reciprocity latent constructs. Indicators of generalized trust, formal networks, and particularized trust have a binary category. In PLS-SEM both binary categories and ordinal scale indicators generate similar results (Pangesti, Sumertajaya, and Sukmawati, 2016). Thus, this variation will not affect the quality of the result.

4.4.1.3. Measurement and Structural Model Assessment

The PLS-SEM model is evaluated using different analytical methods. Unlike other models, PLS-SEM is not relying on model-fit test. Thus, goodness-of-fit of the model is not conducted. Instead, results of PLS-SEM model is evaluated via two interrelated procedures.

The first procedures in the evaluation of the results of PLS-SEM is an assessment on the validation and reliability of the measurement model. Second, if the validation of the measurement model meets all expected criterions, an evaluation proceeds with the structural model (Chin, 1998; Hair and et al., 2017; Hair and et al., 2019). In this respect, there are different protocols for the assessment of the measurement and structural models. This includes an assessment on loadings (outer and inner), consistent reliability (composite reliability and Cronbach alpha), convergent validity (Average Variance Extracted (AVE)), and collinearity statistics.

For formative mode, the assessment of the measurement model is made based on evaluation of collinearity statistics, the goodness of fit (GoF) and index weight robustness of each indicator (Chin, 1998. Hair and et al., 2019). In PLS-SEM, the issue of multi-collinearity is critical. If there is a strong correlation among the independent variables, the result could be biased (Hair et al., 2019). As a result, the data needs to be tested for multi-collinearity. In this regard, the value of VIF is used for evaluation. The maximum recommended threshold value of the VIF is 3. Besides the value of kurtosis, standard deviation and skewness is used for normality of the data distribution. The maximum recommended threshold value of the kurtosis is 3 (Hair et al., 2017; Hair et al., 2019; Hair, Sarstedt and Ringle, 2019). The GoF show the quality of the model in terms of its predictive power. In formative mode, for a good fit, GoF should be greater than 0.36 (Wetzels, Odekerken-Schröder, and Van Oppen, 2009). Concerning, indicator weight evaluation, in the formative model, the significance level (P-value) of the outer weight is the major criterion. In this regard, the rule of thumb is 0.05 significance level. 0.01 significance level is also acceptable (Chin, 1998; Hair et al., 2019; Kock, 2015).

Concerning the structural model assessment, in this kind in formative model, the model path weighting scheme is used instead of R^2 . The indicators and dimension weights interpreted as a regression coefficient (van Beuningen and Schmeets, 2013). Thus, the size and significance level of the path coefficients are the major evaluation tools. The minimum threshold value of a path coefficient is 0.1 with 0.05 significance level (Chin, 1998; Hair et al., 2019; Kock, 2015). In connection to this, bootstrapping method is used for assessment of index weight robustness. Bootstrapping is a resampling with replacement method that estimates PLS parameters' significance level based on the difference between the original value and the average value generated by bootstrap. Thus, to assess the robustness of indicator weight, bootstrapping is conducted using the default 200 resamples with 200 cases.

4.4.1.4. Sub-Population Comparison

As discussed above, social capital varies across different socio-economic groups and geographical units. Specifically, the sub-components of social capital (generalized trust, particularized trust, norms of reciprocity, formal networks, and informal networks) vary across sex, age groups, income

groups, educational attainment, marital status, and socio-linguistically defined geographic units. Even though the PLS-SEM model determines the level of the different forms of social capital based on their underlying relations, it does not indicate their sub-population distribution. Yet, in PLS-SEM, the index scores are standardized with a mean of “0” and a standard deviation of “1” making the group classifications comparable. Thus, to compare the level of informal networks, formal networks, generalized trust, particularized trust, norms of reciprocity between sub-population groups, one-way ANOVA was conducted using standardized scores of each of the social capital forms (similar procedure is employed by Borozan and Funaric, 2016; van Beuningen and Schmeets, 2013).

Different statistical protocols have followed in conducting the ANOVA. Homogeneity of variance using conducted using Levene’s test. When the assumption of homogeneity of variance was violated, Welch test has been used. ANOVA shows whether there is an overall difference between or among groups. It does not indicate the specific groups that actually differed are. Thus, for groups with statistically significant differences ($p < 0.05$), to identify the specific groups that differed, a post hoc test was conducted. When the data meet the assumption of homogeneity of variance Tukey’s honestly significant difference (HSD) post hoc test has been used. On the other hand, when the data fail to meet homogeneity of variance, Games Howell post hoc test has been used.

4.4.2. Qualitative Methods of Analysis

The qualitative method in this study is meant to identify trends and give depth to causal explanations. The study identifies patterns in the social capital forms substantiating their relative importance as the local people's perception reflects it. Several analytical tools have been employed to analyze the qualitative data.

First, tape-recorded interviews have been transcribed. Then coding is undertaken along with the pre-identified themes on each of the subjects under investigation (informal networks, formal networks, generalized trust, particularized trust, and norms of reciprocity). Then, using

interpretive methods of analysis, links are established between on every coded item and contextual factors.

The reflection of the local people about associational activities is interpreted in connection to the contextual factors. In other words, local volunteer organizations' operation and function and informal networks identified from focus groups and key informant interviews are interpreted in terms of contextual factors at the local level and the broader politico-legal and economic contexts that affect the operation of formal and informal networks. Likewise, a link is established between the extent and forms of trust relations and cooperation and contextual factors by putting the local people's view in the structural and institutional context relevant to trust relations and norms of reciprocity.



CHAPTER FIVE

Social Capital in Rural Ethiopia: Measurement and Distribution: Evidence from Aresi and Menze

5.1. Introduction

As discussed in chapter three, the theoretical framework of the study is based on two major propositions. First, social capital is not a single bundle item. The different forms of social capital represent a distinct feature of society, and for that, they demand a separate analysis. Thus, what matters in social capital assessment in society is qualifying their relative importance (Bjørnskov, 2006; Guillen, Coromina, and Saris, 2011; Halman and Luijkx, 2006; Knack, 2002). Second, the level and distribution of social capital in a society is mainly shaped by structural and institutional factors that include level and distribution of income, the extent of social diversity, and level of democracy (Bjørnskov, 2007; Freitag, 2003; Paxton, 2002; Rothstein and Stolle, 2008; Saravia, 2016; Uslaner, 2002; Uslaner, 2003). The structural and institutional factors shape the distribution of the different forms of social capital beyond and above the effect of meso and micro-level attributes (Kaasa, and Parts, 2008; McDonald and Mair 2010; Van Oorschot, Arts, and Gelissen, 2006). Therefore, along with these structural and institutional differences, the macro, meso, and micro-level social capital distribution vary between developed and least-developed countries. The study then theorizes that in least-developed countries, which are characterized by low income and democracy deficit, generalized trust, and formal networks are relatively low. Interpersonal trust substitutes formal networks and generalized trust. Hence, in this group of countries, social networks and reciprocity induced community-level solidarity are the primary forms of social capital. At the sub-national level, among the different forms of social capital, the size of social networks and community based social capital also remain the major line of disparities for socio-economic and demographic groups in these countries.

In chapter four, a PLS-SEM model is devised to test the theoretical formulation against rural Ethiopia's empirical situation. To that end, a household survey is conducted in the selected *Kebeles* in *Aresi* and *Menze*. In this vein, this chapter is devoted to presenting the results of the household survey based on PLS-SEM analytical procedure. Moreover, the chapter presents sub-population distribution of social capital forms using one-way ANOVA.

5.2. Characteristics of the Study Sample by Socio-economic and Demographic Attributes

As presented in the previous chapter, the sample population for the study is randomly selected to reflect socio-economic and demographic diversities in the study areas. Table E.1³ (see appendix E) shows socio-economic and demographic attributes of the sample population. In terms of sex, about 83% of the respondents are male. Female respondents constitute only 17% of the sample population. Regarding age distribution, a relatively equal number of respondents fall under each of the five age categories. About 15.8% of respondents are between 18 and 29 years of age, and 17.8% of the respondents are 60 years old and above. The remaining 66.4% of the respondents are in the age category that falls between 30 and 59 years. Concerning the educational status, the majority of the respondents are under primary school. About 24.9% of respondents are illiterate and have no schooling at all, and 18.6% of the respondents are literate but do not have any formal education. About 30.2% of the respondents are primary school dropouts. Thus, 73.7% of the respondents do not complete primary school. It is only 26.3% of the respondents are primary school completes and above. The highest educational achievement is vocational training. About 3% of the respondents have vocational training.

In terms of religion, the majority of the respondents are Orthodox Christians and Muslims. About 50.9% of the respondent are Orthodox Christians, and 44.9% of them are Muslim. Only 4.2% of the respondents reported that they are Protestants. However, the religious distribution of the sample population overlaps with the regional difference. The sample population in *Menze* is entirely

³ All the Tables that are referred in this chapter are attached in Appendix E, Appendix F, and Appendix G.

Orthodox Christians. The Protestants and Muslims in the sample population are from *Aresi*. As long as income distribution is concerned, about 19.7% of the sample population are rich, 43.0% are middle-income, and 37.3% are poor. Thus, the majority of the respondents are in the middle-income category. A relatively fewer number of respondents are in the rich income category.

The sample population has also been examined for occupational, marital status and family size distribution. It is indicated in table E.2. Regarding occupational distribution, about 98.2 % of the respondents have farming as their primary occupation. Only 1.4% of the respondents engaged in trading. Only one respondent (0.1%) is engaged in handy craft in the sample population, and only two respondents (0.3%) are public employees. This similarity hinders any meaningful comparison along with occupation types. Accordingly, the occupational type is not considered for sub-population comparison.

In terms of marital status, the majority of the respondents are married. About 87.8% of the respondents are married. Only five (0.7%) respondents are single. Divorced and Widowed respondents constitute 5.0% and 6.5% of the sample population, respectively (see Table E.2). Concerning household size, a larger proportion of respondents have a household size of four or more. About only 0.8% of the respondents have one household size. In contrast, respondents with seven and above family size constitute 40.0% of the sample population. About 42.4% of the respondents have a household size between four and six (see Table E.2).

5.3. Results

5.3.1. An Assessment of the Measurement (Outer) Model.

As discussed in chapter four, to assess the measurement (outer) model, collinearity statistics, GoF and indicators weight are evaluated. In this respect, as Table E.3 shows, the VIF for every indicator is less than the minimum threshold value of 3. Thus, there is no collinearity problem in the data. It means indicators of each of the latent variables do not overlap each other (Hair et al., 2019). Table E.3 also shows that the kurtosis value of the indicators is between -1.925 and 0.322. Therefore,

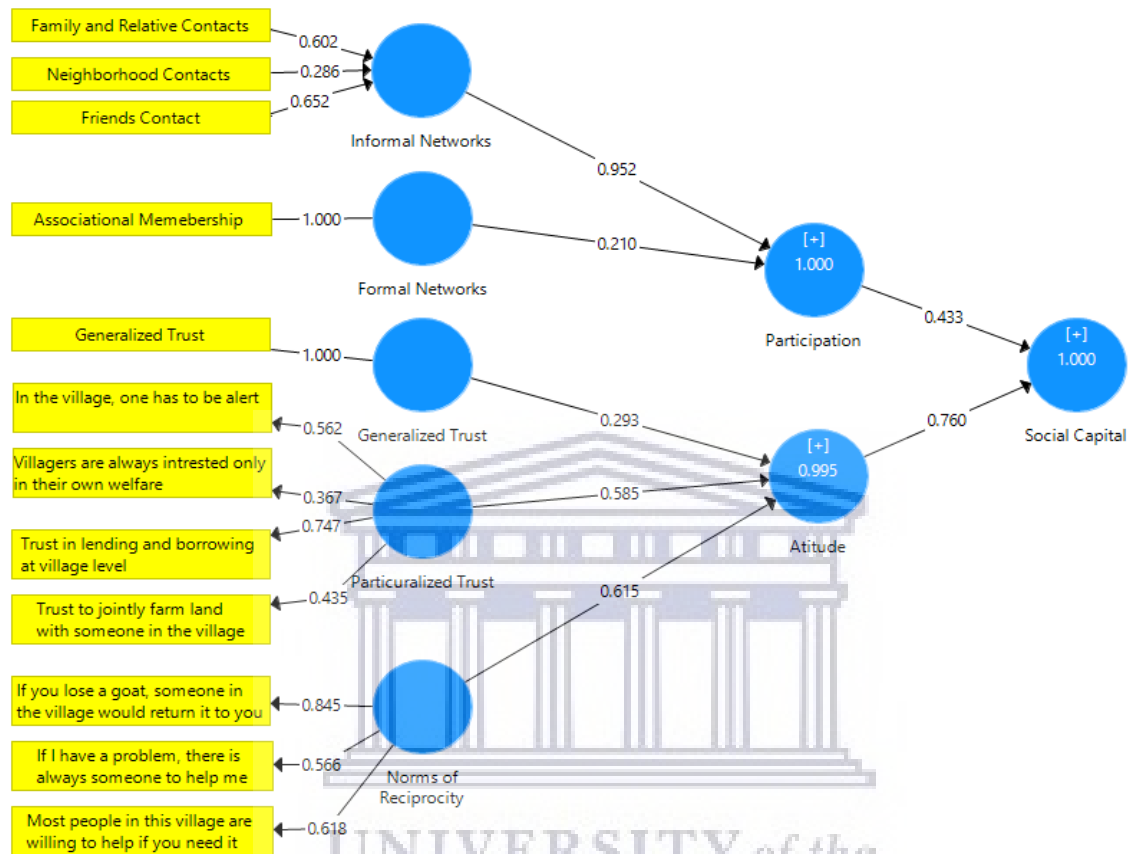
none of the indicators are closer to the minimum recommended threshold of 3. Moreover, the standard deviation for the indicators varies from 0.416 to 1.443. The skewness also varies between -0.688 and 1.33. These results indicate that the distribution of the data is non-normal. The lack of normality in the distribution of the data validates that PLS-SEM application is appropriate (Hair et al., 2017; Hair et al., 2019; Hair, Sarstedt and Ringle, 2019).

Concerning GoF, the result shows that the measurement model has an absolute GoF of 0.69 and a relative GoF of 0.43, which is higher than the minimum threshold value of 0.36. It means the measurement model has good predictive power (Wetzels, Odekerken-Schröder, and Van Oppen, 2009).

Figure 5.1 shows that the weight for the indicators varies from 0.286 to 1.00. The outer weight for generalized trust and formal network, which are single-item indicators, is 1.00. Bootstrap function in Smart PLS is run to generate t-statistics and P-value. As table F.1 shows, all of the indicators are significant at $p < 0.05$ except for one particularized trust indicator. For the indicator -villagers are always interested only in their welfare- the weight is 0.367 and significant at $p < 0.1$. Statistical significance PLS-SEM outer-model indicates that the chosen indicators are valid and appropriate to measure of the latent construct (Hair et al., 2017; Hair et al., 2019). Thus, the research items that measure the forms of social capital are the right measurement tools. It means all the tools used to measure formal network, informal network, generalized trust, particularized trust, and reciprocity norms successfully measure what they are intended to measure.

Generally, results of the collinearity statistics, GoF, and indicators weights statistical significance demonstrated that the quality of the measurement model is acceptable. It means, the indicators used to measure the different forms of social capital are appropriate. Besides, in PLS-SEM, assessment of structural model proceeds only if the measurement model meet the minimum threshold of model quality (Chin, 1998; Hair et al., 2019). In this respect, the result of measurement model allows the assessment of the structural model to proceed.

Figure 5.1. Social Capital Index for Rural Ethiopia (2019)



Source: Author's Survey, 2019

5.3.2. An Assessment of the Structural Model

As discussed in chapter four, the structural model is evaluated by examining the size and statistical significance of the path coefficients. As figure 5.1 shows, path coefficients significantly vary both at the first and second constructs. However, as Table F.2 depicts all the path coefficients has a value above the minimum threshold of 0.1 (Chin, 1998; Hair et al., 2017; Hair et al., 2019; Wetzels, Odekerken-Schröder, and Van Oppen, 2009). Besides, the statistical report also shows that the P-value for all path coefficients is below 0.05. The T Statistics is also above 1.96 for all path coefficients (see Table F.2). Thus, all constructs of the social capital index are statistically

significant at a 95% confidence interval. All in all, the path coefficient for all constructs is above 0.1 and significant at $p < 0.05$. In PLS-SEM model statistical significance of the latent constructs indicates that the model is good enough to explain the empirical data. It means the structural model has good predicative power (Chin, 1998; Hair et al., 2017; Hair et al., 2019). Therefore, dimension weights are worth enough for further explanation.

Weights from the second-order the third-order construct to show that the participation and the attitude constructs differ in their contribution to the social capital index. The path coefficient for the participation dimension (structural social capital) of the construct is 0.433. Whereas the path coefficient for the attitudinal dimension (cognitive social capital) is 0.760⁴ (see Figure 5.1). The path coefficient for both dimensions is significant at $p < 0.05$ (Table F.2). This means that cognitive social capital explains 76% of the variance in the social capital index (aggregate social capital), while the structural social capital accounts for 43.3% of the variance. Thus, the cognitive social capital explains more variance in the social capital index than the structural social capital. Therefore, in the study population, the attitudinal aspect of social capital (cognitive social capital) is much more important than the participation aspect (structural Social Capital).

When we see weights of the first-order on second-order construct, the five sub-dimensions have different path coefficient with the respective dimensions. For the structural social capital (participation dimension), the path coefficient of formal and informal networks is widely different. The path coefficient for formal networks is 0.210. Whereas for informal networks, the path coefficient is 0.952 (see Figure 5.1). The path coefficient for both dimensions is significant at $p < 0.05$ (see Table F.2.). This result would means that participation in social networks (informal networks) explains about 95.2% of the variance in the participation index (structural social capital), while participation in formal networks (volunteer organizations) accounts for 43.3% of the

⁴ The sum of the path coefficients of the two dimensions (participation = 0.433, and attitude = 0.76) is greater than R^2 (1). PLS-SEM is predict the relationship between variables by a linear combination of indicators rather than maximizing covariance between indicators. As a result, in formative models, the sum of the path coefficients can be higher than the R^2 (Chin, 1998; van Beuningen and Schmeets, 2013).

variance. Thus, in the study population, participation in informal networks outweighs participation in the formal networks.

Concerning the attitudinal dimension, as Figure 5.1 depicted it, generalized trust has the least path coefficient (0.293). On the other hand, norms of reciprocity have the highest path coefficient (0.615). Particularized trust somehow has a path coefficient approximate to norms of reciprocity (0.585). The path coefficient for all sub-dimensions is significant at $p < 0.05$ (see Table F.2). It means generalized trust explains about 29.3 % of the variance in the attitude index (cognitive social capital). On the other hand, norms of reciprocity and particularized trust explains 61.5% and 58.5% of the variance in the cognitive social capital, respectively. Thus, in the study population, as long as cognitive social capital is concerned, generalized trust is the least held value, whereas the norm of reciprocity is the relatively most widely held value. The significance of particularized trust is higher than the generalized trust but lower than the norm of reciprocity.

Indirect effect analysis has been conducted to evaluate the degree to which each form of social capital contributes to aggregate social capital. The result indicated that the path coefficient for norms of reciprocity (0.471), particularized trust (0.438), informal networks (0.411), generalized trust (0.227), and formal networks (0.11) ranks from first to fifth, respectively. The P-value of the path coefficient of all of the forms of social capital is below 0.05, and the T Statistics is above 1.96 for all of them. Thus, all forms of social capital has a statistically significant contribution to the social capital index (See table F.3.). Accordingly, about 47% of variation in the social capital stock is explained by norms of reciprocity. Besides particularized trust and informal networks account for about 43% and 41% variance in the social capital stock, respectively. In contrast, generalized trust explain only about 22% variation in the social capital stock, and formal account about only 9% variation in the social capital stock. Therefore, norms of reciprocity is most important driver of social capital followed by particularized trust and informal network. At the same time, formal networks and generalized trust are the least drivers. This also means that in the study population, if there are more norms of reciprocity, particularized trust and informal network, there will be more social capital.

5.3.3. Sub-Population Distribution of Social Capital

This part presents the distribution of social capital across geographic units, gender, income groups, age groups, and the level of educational attainment using ANOVA⁵.

5.3.3.1. Geographic Distribution of Social Capital

As Table G.1 shows, there is a statistically significant difference between *Aresi* and *Menze* in formal networks [F (1, 733) = 34.294, p = 0.000], informal network [F(1, 733) = 133.687, p = 0.000], particularized trust [F(1, 733) = 7.057, p = 0.008] and aggregate social capital [F (1, 733) = 31.745, p = 0.000]. Formal networks are higher in *Menze* than *Aresi*. Informal networks, particularized trust and the aggregate social capital in *Aresi* are higher than *Menze*. Otherwise, generalized trust and norms of reciprocity does not significantly different between the two areas.

5.3.3.2. Gender Distribution of Social Capital

Concerning gender distribution of social capital, there is a statistically significant difference between women and men in formal networks [F (1, 733) = 28.853, p = 0.000], informal network [F(1, 733) = 33.606, p = 0.000], and aggregate social capital [F (1, 733) = 9.656, p = 0.000]. Men have more formal networks, informal and aggregate social capital than women. Otherwise, generalized trust, particularized trust and norms of reciprocity are not significantly different between men and women (see Table G.2)

⁵ As presented in Table F.1 religious distribution overlaps with regional differences. As a result, any group analysis for religion and social capital distribution would not be different result from the result of the regional (geographic) distribution of social capital. Cognizant of this fact, religion and social capital distribution is deliberately omitted.

5.3.3.3. Wealth Distribution of Social Capital

Table G.3 provides that there is a statistically significant difference between the different wealth groups in the level of formal network [$F(2, 732) = 19.375, p = 0.000$], informal network [$F(2, 732) = 29.290, p = 0.000$], and aggregate social capital [$F(2, 732) = 13.365, p = 0.000$]. Generalized trust, particularized trust and norms of reciprocity does not significantly different among the different wealth groups (see Table G.3).

The post hoc analysis indicated that the mean score of the rich group for formal networks ($M = -.01117, SD = .958275$) is significantly different than the poor group ($M = -.26569, SD = .1.025194$) and the middle income group ($M = .23600, SD = .941114$). Thus, the middle income group has the highest level of formal networks, while the rich group has lowest level formal networks. Likewise the mean score of the rich group for the informal networks ($M = .41261, SD = .856545$) is significantly different than the poor group ($M = -.31670, SD = 1.077472$) and the middle income group ($M = .08525, SD = .905008$). This mean that the rich groups have the highest level of informal networks followed by middle income groups. The poorest groups in the sample population has the lowest informal networks. Regarding aggregate social capital, the mean score of the rich group ($M = .22070, SD = .915799$) is not significantly different from the middle income group ($M = .10810, SD = .862734$), but the mean score for the rich and middle income groups is significantly different that poor group. All together, the richer groups have more informal networks and aggregate social capital than the poorest groups. On contrary, the poorest group have more formal networks than the richer groups (see Table G.4).

5.3.3.4. Age Distribution of Social Capital

Table G.5 depicted that there is a statistically significant difference between the different age groups in the level of formal network [$F(4, 730) = 4.776, p = 0.001$], informal network [$F(4, 730) = 7.3.000, p = 0.000$], generalized trust [$F(4, 730) = 4.421, p = 0.002$], and aggregate social capital [$F(4, 730) = 6.134, p = 0.000$]. Particularized trust and norms of reciprocity are not significantly different among the different age groups.

As Table G.6 shows, the post hoc comparisons using the Games-Howell test indicated that the 18-29 age group's mean score for formal networks ($M = -.25097$, $SD = .98$) is significantly different from the 40-49 age group ($M = .15883$, $SD = .96$). Otherwise, there is no significant difference between the mean score of formal networks of different age groups. This result means that the only difference is between the 18-29 and 40-49 age groups in formal network possession. The 40-49 age group has more participation in the formal networks than 18-29 age group. For informal networks, the post hoc test indicated that the mean score for 18-29 age group ($M = -.34503$, $SD = -.35$) is significantly different than the 40-49 age group ($M = .18346$, $SD = .96$) and the 50-59 age group ($M = .20451$, $SD = .97$). However, there is no significant difference for all other groups. It means that informal networks are high in the adult age groups (40-49) and (50-59) and lower in the youngest and oldest age group categories. Regarding generalized trust, similar to informal networks, there is significant difference only between the mean score of 18-29 age group ($M = -.27676$, $SD = .710355$), and 40-49 age group ($M = .14236$, $SD = 1.097617$) and 50-59 age group ($M = .15453$, $SD = 1.105755$). Thus, generalized trust is high in the adult age groups (40-49) and (50-59) than the youngest and oldest age group categories (18-29). Concerning the aggregate social capital, the mean score of 18-29 age group ($M = -.34852$, $SD = .999899$) is significantly different than 40-49 age group ($M = .17846$, $SD = .956323$) and the 50-59 age group ($M = 0.14231$, $SD = .910882$). Social capital stock is high from 40-59 years age category compared to 18-29 and 60 and above age groups (see Table G.6). Generally, formal networks, informal networks, generalized trust and aggregate social capital are high in the adolescent age (from 40 through 59 years age) than the youngest and oldest age categories. Thus, social capital vacillates across different age categories. It grows during middle age and then falls in old age.

5.3.3.5. Educational Level and Social Capital Distribution

Table G.7 shows that there is a statistically significant difference in educational level in formal networks [$F(6, 728) = 2.669$, $p = 0.014$] and informal networks [$F(6, 728) = 9.755$, $p = 0.00$]. Otherwise, there is no significant difference in generalized trust, particularized trust, norms of reciprocity and aggregate social capital along with educational level.

The post hoc analysis in Table G.8 shows indicated that the mean score of the illiterate (no schooling) people for formal networks ($M = -.20714$, $SD = 1.141707$) is significantly different than the literate (no schooling) ($M = .19070$, $SD = 1.024763$). Other than illiterate and literate people, the mean scores are not significantly different for other groups. This result mean that significant difference in formal network possession do exist between only between illiterate and literate groups. In the sample population literate group found to have more formal networks than illiterate group.

The post hoc analysis for informal networks indicated that the mean score for illiterate (no schooling) people ($M = -.40424$, $SD = .980099$) is significantly different than the literate (no schooling) ($M = -.00157$, $SD = 1.041910$), primary incomplete ($M = .05144$, $SD = .902763$), primary complete ($M = .15643$, $SD = .936316$), secondary incomplete ($M = .29454$, $SD = 1.038980$), secondary complete ($M = .44417$, $SD = .931406$), and people with vocational training ($M = .58968$, $SD = .891965$). However, the mean score of literate (no schooling), primary incomplete, primary complete, secondary incomplete, secondary complete, and people with vocational training are significantly different (see Table G.8). This means, in the study areas social networks size difference exist between illiterate people and literate people (from those who can read and write to those with vocational training). Illiterate people found to have the smallest social network than other groups.

5.3.3.6. Marital Status and Distribution of Social Capital

Table G.9 shows that there is a statistically significant difference among single, married, divorced and widowed groups of the sample population in formal networks [$F(3, 731) = 19.741$, $p = 0.000$], informal networks [$F(3, 731) = 12.273$, $p = 0.001$], and aggregate social capital [$F(3, 731) = 9.700$, $p = 0.000$]. Otherwise, generalized trust, particularized trust and norms of reciprocity are not significantly different along marital status.

The post hoc analysis provided in Table G.10 indicate that the mean score of the married people for formal networks ($M = 0.9870$, $SD = .962764$) is significantly different than the divorced people ($M = -.64214$, $SD = .934508$) and widowed people ($M = -.83573$, $SD = 1.018472$). The mean score for single people ($M = .07440$, $SD = .851408$) is not significantly different than the mean score of married people. Besides, the mean score of single, divorced and widowed people are not significantly different for formal networks (Table G.10.). This result mean that formal networks are not significantly different among non-married people. Moreover, married people have more formal networks than non-married people except single people.

Concerning informal networks, the post hoc analysis indicated that the mean score of the married people ($M = .07162$, $SD = .954605$) is significantly different than the divorced people ($M = -.81305$, $SD = 1.161295$). But, there is no statistically significant difference in the mean score of married, single, divorced and widowed people. Similarly, for aggregate social capital the mean score of the married people ($M = .05351$, $SD = .967375$) is significantly different than the divorced people ($M = -.79562$, $SD = 1.179278$). Otherwise, mean score of married, single, divorced and widowed people aggregate social capital not significant different (see Table G.10). This mean that the informal networks and aggregate social capital vary only between married and divorced people (married people have more informal networks and aggregate social capital than divorced people), otherwise the size of informal networks and aggregate social capital does not significantly different along marital status.

Altogether, the ANOVA result shows that forms of social capital vary between married and non-married people (single, divorced, and widowed). There is no significant difference among non-married people in terms of social capital possession. Married people have more formal networks, informal networks and aggregate social capital than non-married people.

5.3.3.7. Family Size and Distribution of Social Capital

As Table G.11 depicted, there is a statistically significant difference along with household size in formal networks [$F(4, 730) = 4.687, p = 0.001$], informal networks [$F(4, 730) = 7.300, p = 0.00$], and aggregate social capital [$F(4, 730) = 6.134, p = 0.00$]. Otherwise, there is no significant difference in generalized trust, particularized trust and norms of reciprocity among households with different family sizes.

The post hoc analysis in Table G.12 indicate that the mean score of formal networks for households with a family size of seven and above ($M = .07173, SD = .931136$) is significantly different than household with two family size ($M = -.64588, SD = 1.076520$), three family size ($M = .37478, SD = .921707$). Otherwise, there is no significant difference along family size in terms of formal networks. For informal networks, the mean score of households with a family size of seven and above ($M = .43434, SD = .767213$) is significantly different than household with two family size ($M = -.42355, SD = 1.073073$), three family size ($M = -.55584, SD = 1.045225$) four family size ($M = -.25402, SD = 1.044057$) five family size ($M = -.26535, SD = 1.021633$), and six family size ($M = -.08328, SD = .941544$). There is no significant difference in the size of informal networks between households with different family size other than the difference stated above. Concerning aggregate social capital The post hoc analysis indicate that the mean score of formal networks for households with a family size of seven and above ($M = .26400, SD = .798285$) is significantly different than household with two family size ($M = -.31227, SD = 1.106068$), three family size ($M = -.33310, SD = 1.053559$) four family size ($M = -.14575, SD = 1.093222$), and five family size ($M = -.24331, SD = 1.103967$). This is the only significant difference in aggregate social capital possession between household of different size. These results, clearly indicate that formal networks, informal networks and aggregate social capital is higher at larger family size and lower at the smallest family size.

5.4. Discussion

5.4.1. Discussion on the PLS-SEM Result

To begin with the measurement model, collinearity statistics, the Gof and indicators weight evaluation (see Figure 5.1 and Table F.1) indicate that the quality of the model is acceptable. It means the chosen indicators are appropriate measure of the different forms of social capital in study context (Hair et al., 2017; Hair et al., 2019; Wetzels, Odekerken-Schröder, and Van Oppen, 2009)). Social capital is context-specific, and social capital measurement tools require validation for their appropriateness in different social and cultural settings (Harpham, Grant, and Thomas, 2002). In this respect, the pilot survey had merit in identifying appropriate tools or indicators for measuring social capital in the study areas.

Concerning the structural model, the all path coefficients has value above the minimum threshold of 0.1. Besides, all the T statistics and P-value obtained showed that all constructs are statistically significant (See Figure 5.1 and Table F.2). Thus, the structural model has a good predicative power (Hair et al., 2017; Hair et al., 2019). Moreover, the study result concerning the level and distribution of social capital forms is valid and reliable, and worth enough for further explanation in light of the study's theoretical framework.

The indirect effect analysis showed that the norms of reciprocity, particularized trust, and informal networks are the most important social capital drivers in the study areas. In contrast, generalized trust and formal networks are the least social capital drivers (see Table F.3). Thus, norms of reciprocity, particularized trust, and informal networks are the most important aspects of social capital in rural Ethiopia. Therefore, in rural Ethiopia, more norms of reciprocity, particularized trust, and informal networks mean a higher level of social capital, and less norms of reciprocity, particularized trust, and informal networks mean a lesser level of social capital. Ethiopia being one of the least-developed countries, the outweighing of interpersonal trust (particularized trust, and informal networks) over the abstracted and impersonal aspects of social capital (generalized trust and formal networks) in study areas is consistent with the theoretical underpinning of the study

about the level and distribution of social capital forms in the least-developed countries (see chapter three).

One important finding of the study is that concerning structural social capital, informal networks outweigh formal networks. It means, in rural Ethiopia, participation in informal networks is higher than participation in the formal networks (see figure 5.1 and Table F.2). The theoretical formulation in chapter three indicated that the configuration of formal networks and informal networks are a matter of substitution. Informal networks are denser to provide social support and/or complement the state's dysfunctionality, which is impossible with the meager formal networks. In least-developed and authoritarian states, formal networks are either absent or weak. As a result, informal networks flourish to take over formal networks' social support function (Christoforou, 2005; Pichler and Wallace, 2007; Sotiropoulos, 2004). Moreover, in an authoritarian context, the state's dysfunctionality manifested in failure to deliver public service with fairness and efficiency, reinforcing informal networks' development to access state resources (Bayart, 1993; Helmke and Levitsky, 2004; Rose, 1998). As presented in chapter four, Ethiopia is at the bottom of the world in terms of democracy and economic development (Freedom House, 2018). Therefore, informal networks' relative importance over formal networks is structurally tied to the lower economic development and authoritarian nature of the Ethiopian state.

When we come to the attitudinal aspect of social capital, generalized trust is the least form of value held in the study area. On the other hand, particularized trust and norms of reciprocity are relatively well-held values. Most importantly, the norm of reciprocity is relatively the most widely held value. Particularized trust outweighs generalized trust, and norms of reciprocity outweigh particularized trust (see figure, 5.1 and Table F.2). As discussed in chapter three, the structural relationship among generalized trust, particularized trust, and reciprocity norm are not well theorized. Somehow the relationship between generalized and particularized trust is articulated. The relationship varies from compatibility and complementarity to overlapping and substitution (see for example, Bachmann, 2001; Levi, 1996; Posen, 1993; Uslaner, 2002).

Generalized trust is inherently an outcome of macro-level institutional and structural factors. Specifically, generalized trust is a matter of economic situation, level of democracy, nature of the political institution, political history, and religious configuration in a country (Bjørnskov, 2007; Freitag, 2003; Rothstein and Stolle, 2008; and Saravia, 2016). Generalized trust increases with the increase in democracy. So, other things being constant, at a lower level of democracy, one would expect a lower level of generalized trust (Knack and Keefer 1997; Lee, Jeong, and Chae, 2011). Generalized trust is also inversely related to income inequality. Generalized trust flourishes when there is a lower level of income inequality (Bjørnskov, 2007; Uslaner, 2002). Moreover, the country's political history (monarchical and socialist background) has a consequence on the trust level. Having a Monarchical system increase trust, whereas passing through a communist system reduces trust. In terms of religion, countries that are predominantly Pentecostal have a larger proportion of citizens with a generalized trust than countries dominated by Orthodox Christianity, Catholicism or Islam (Bjørnskov, 2007). Coming to the empirical case at hand, the current Ethiopian state is authoritarian by the standard of most global democracy index (Freedom House, 2018). Regarding political history, Ethiopia has been under a socialist system for seventeen years. Before the current regime took political power, a military junta that adopted a socialist model of administration has ruled the country from 1974 to 1991. Concerning religion, Ethiopia is predominantly an Orthodox Christian and Islam. Concerning the study area in particular, only 4.2% of the survey respondents belong to a Pentecostal denomination. About 95.8% of the survey respondents are Orthodox Christians and Muslims (see appendix E).

In light of the above discussion, Ethiopia meets the structural pre-requisites that presuppose a lower level of generalized trust. Accordingly, for the common generalized trust question “generally speaking, would you say that most people can be trusted or that you cannot be too careful in dealing with people?”, less than one-fifth of survey respondents have responded positively response. The World Value Survey, which has been held in 2007 in Ethiopia, also reported that more than two-thirds of the survey participants believe that one needs to be careful in dealing with the people. This figure is one of the lowest in the world (see for example, Freitag, 2003; Knack and Keefer 1997). Ethiopia's generalized trust level is even lower than most of the Sub-Saharan African

countries (Holden and Tilahun, 2019). In the PLS-SEM model, generalized trust found to be less relevant than particularized trust. This configuration can be seen in terms of substitution.

Concerning, norms of reciprocity in the study area is found to be the most widely held value. In the study area, the propensity to reciprocate is higher than the propensity to trust others (both generalized trust and particularized trust) (see figure 5.1 and Table F.2). The literature on the source of norms of reciprocity and its configuration with trust is scanty. The scarce literature, however, suggests that generalized trust and norms of reciprocity have a direct correlation (Molm, 2011). But trusting behaviors are not always in a tight relationship with norms of in general. Norm is all about adherence to certain standardized behaviors. Whereas trust comes out of sympathy for others. Accordingly, norm of reciprocity is a matter of norm adherence that exists independently of generalized trust (Jordan, 2004). This is the case in the study area. Norms of reciprocity is the most widely held value, while generalized trust is the least held value. Therefore, norms of reciprocity that is exhibited in the study is not induced by the generalized trust.

5.4.2. Discussion on the Sub-Population Distribution of Social Capital

As long as the geographical distribution is concerned⁶, there is a statistically significant difference between the *Aresi* and *Menze* in all forms of social capital except for generalized trust and reciprocity norms. *Menze* has a higher level of formal networks than *Aresi*. On the other hand, informal networks, particularized trust and the aggregate social capital in *Aresi* are higher than *Menze* (see Table G.1.). Social capital distribution varies along with regional religious, linguistic, cultural, historical background, and economic differences (Borozan, and Funaric, 2016; Freitag, 2003; Putnam, 1993). As described in chapter four, *Aresi* and *Menze* are different in religious composition, language, culture, historical background, and economic situation. In this sense, the observed difference between the two geographic units is mostly consistent with previous studies.

⁶ In studies that use PLS-SEM model in social capital, a separate discussion on for aggregate and sub-population results is common (see, for example, Borozan and Funaric, 2016; van Beuningen and Schmeets, 2013).

Parallel to the marco contexts, economically developed regions have more social capital stock than less developed regions (Borozan, and Funaric, 2016; Freitag, 2003). *Aresi* is economically better off than *Menze*, so that the aggregate social capital stock is found to be higher in *Aresi*. On the other hand, although *Aresi* is economically better off than *Menze*, *Aresi* has never had a high level of generalized trust and formal networks than *Menze*. Paradoxically, although *Menze* has an improvised economic condition than *Aresi*, formal networks are found to be higher in *Menze* than *Aresi*. In this respect, the study's result deviates from the previous findings that asserted economically better off regions have more generalized trust and formal networks (Borozan, and Funaric, 2016; Freitag, 2003).

As presented in the previous subsection, the distribution of social capital forms is not also uniform across socio-economic and demographic groups. To begin with the gender distribution, reciprocity norms are higher among women than men. Whereas formal networks, informal networks and particularized trust is higher among men. The social capital stock of men is higher than women (see Table G.2). This finding is consistent with previous empirical studies' findings except for informal networks and particularized trust. Previous studies showed that aggregate social capital is higher among men compared to women. Moreover, men have more formal networks than women so (See, Kaasa and Parts, 2008; McDonald and Mair, 2010; Van Oorschot, Arts, and Gelissen, 2006). Males dominate the public sphere in most societies, and this goes in tandem with their dominance over formal networks. Women also possess a higher level of reciprocity norms because women are more caring than men (Kaasa and Parts, 2008; McDonald and Mair, 2010; Van Oorschot, Arts, and Gelissen, 2006). In this sense this study's result is consistent with the previous studies.

On the other hand, previous studies have shown that women have more informal networks (social networks) than men, but this study suggests otherwise. Men found to have many social networks than women. Women's informal networks are mainly coming from family contact (Van Oorschot, Arts, and Gelissen, 2006). They do have lesser informal contacts in the workplace and friendship

relations (McDonald and Mair, 2010; Van Oorschot, Arts, and Gelissen, 2006). This study does assess workplace contacts since the entire study population is farm households. With workplace contact is not accounted, women's social network is expected to be much higher than men's. However, regardless of workplace contacts, in this study, men's social network was found to be higher than that of women. This shows how massive is the informal network size difference between women and men. In the study areas, men have more social networks than women. This result contradicts with the previous studies. Moreover, particularized trust for women is higher than men because women's social interaction is limited within the immediate family circle than men (Van Oorschot, Arts, and Gelissen, 2006). However, the result of this study indicated that women possess lower level of particularized trust than men. Thus, in terms of informal networks and particularized trust the result of this study contradict the previous studies.

Regarding income, a statically significant difference is observed between the rich, the middle income and the poor in terms of formal networks, informal networks and aggregate social capital. The rich have the highest informal networks and aggregate social capital but have the lowest level of formal networks (see Table G.3 and Table G.4). This result inherently contradicts previous studies' findings, which asserted that there would be a higher level of generalized trust and formal networks and lower levels of informal networks at a higher level of income (Kaasa and Parts, 2008; Van Oorschot, Arts, and Gelissen, 2006). A higher level of income reinforces trust towards others through the possible effect of optimism. Richer people are more optimistic than poor people for that they have a higher propensity to trust others (Kaasa and Parts, 2008; Uslander, 2002). Wealthier groups were also found to have more involvement in associational activities than the poorest and middle-income groups (Kaasa and Parts, 2008). In this study, the wealthier group do not have a significantly different level of generalized trust than the middle income and the poor groups. Paradoxically, the richer groups have the lowest formal networks and the highest informal networks.

A comparison between age groups shows a statistically significant difference between the different age groups except for particularized trust and norms of reciprocity. Forms of social capital vacillate across age groups. Formal networks, informal networks, generalized trust and aggregate social

capital increase initially and then reach a steady-state in old age (see Table G.5 and Table G.6). Generally, previous studies show that aggregate social capital is higher in middle age groups compared to younger and older age groups. Similarly, generalized trust and the formal network increase with aging and decline beyond a certain age threshold. With aging, people lost an optimistic world view and for that they possess lesser generalized trust as they getting old. Besides with aging due to the concurrent health problems, people are increasingly less involved in associational activities as a result older people have lesser formal networks (Borozan and Funaric, 2016; Kaasa and Parts, 2008; Van Oorschot, Arts, and Gelissen, 2006; van Beuningen and Schmeets, 2013). In this respect, the result of the study is largely consistent with the previous studies. Concerning informal networks, this study's result show fluctuation across different age. Middle age groups have the highest level of social networks groups similar to generalized trust and formal networks. Previous studies have a mixed outcome with aging. However, a higher social network at middle age is unique to this study (Fidrmuc and Gërkhani, 2004; McDonald and Mair 2010; Van Oorschot, Arts, and Gelissen, 2006).

Regarding education, there is no statistically significant difference between the relatively more educated and less educated groups except for informal networks. The relatively more educated groups (those with primary education, secondary education, and vocational training) have a high informal network level than the less educated ones (illiterate) (see Table G.7 and Table G.8). Generally, most educated individuals are supposed to have a higher level of generalized trust and formal networks because of life satisfaction and political efficacy (Kaasa, and Parts, 2008). Thus, the distribution of social capital along educational achievement in the study area deviates from the previous empirical works' results.

When we see the marital status, in this study, marital status has found to have effect on informal and formal networks, and aggregate social capital. Married people have more formal and informal networks, and aggregate social capital than non-married people (single, divorced and widowed people) (see Table G.9 and Table G.10). Empirical studies have a mixed and sometimes self-contradictory result. Similar to this study's result previous studies showed that aggregate social capital is higher among married people. However, there are contradicting results concerning the

distribution of the different forms of social capital across marital status. As a result, there is no specified pattern of correlation between marital status and components of social capital (Christoforou, 2005; Fidrmuc and Gërxhani, 2004; Kaasa and Parts, 2008).

Regarding family size, a statistically significant difference is observed in terms of the level of formal and informal networks between households with different family sizes. Specifically, households with larger family sizes found to have denser networks than households with smaller family sizes (Table G.11 and Table G.12). With the increase in the number of children, networks that the household have increases corresponding. This result is consistent with the previous studies (Fidrmuc and Gërxhani, 2004).

Generally, this study's result for sub-population distribution of social capital is largely consistent with the previous studies in terms of aggregate social capital. Similar to the previous studies, in the study area the relatively more prosperous region (*Aresi*) found to have more aggregate social capital than impoverished region (*Menze*). Similarly, men, wealthier people, more educated people, married people, households with larger family size and middle age groups have more aggregate social capital compared to other social groups in their respective category. However, the geographic and individual-level distribution of the different forms of social capital in the study areas deviates from the previous studies except for family size and marital status. Previous studies have found that more prosperous regions, men, more educated, wealthier, and middle age groups have more generalized trust and formal networks and possess higher social capital stock compared to impoverished regions, women, less educated, and younger and older age groups, respectively. But in this study, this is not the case, except for the fact that middle age groups have more formal networks and generalized trust compared to younger and older age groups. Instead, in the study areas the more prosperous region (*Aresi*), men, more educated, wealthier and middle age (adult) groups invariably possess more social networks compared to the relatively impoverished region (*Menze*), women, less educated, and younger and older age groups, respectively.

Sub-population distribution of social capital varies across countries. Identical social groups found to have a different level of social capital possession in different countries. Because the effect of regional and individual level attributes on social capital possession is mediated by contextual factors (Kaasa, and Parts, 2008; McDonald and Mair 2010; Van Oorschot, Arts, and Gelissen, 2006). In this view, any deviation between the result of this study and that of the previous studies is accounted for the contextual differences. Most of the previous studies have undertaken in the most developed or middle-income countries (Fine, 2003; LimPuma and Koelble, 2009; Tapscott, 2005; Widner and Alexander, 1998). Most of the studies referred in this studies are also conducted in developed countries.

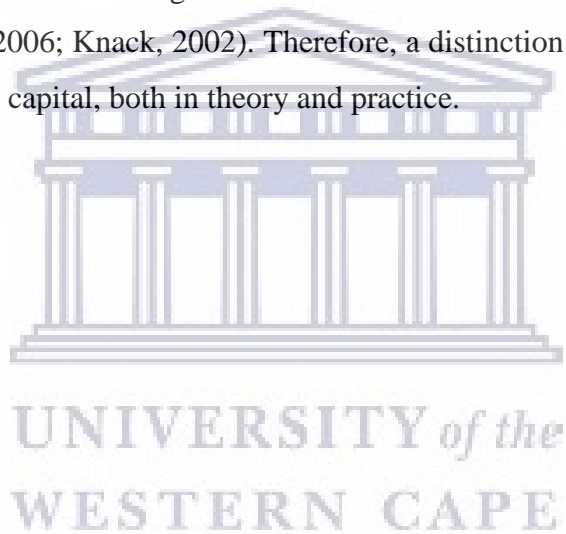
As theorized in chapter four, developed and democratic countries, as a result of affluence and democratic governance, their social capital stock is characterized by a relatively high level of generalized trust and formal networks. Accordingly, the high social capital in these countries is mainly reflected in the level of formal networks and generalized trust. Therefore, groups with high social capital have more formal networks and generalized trust. As a result, in developed and middle-income countries, more educated, wealthiest groups, men, and middle age groups have the highest formal networks and generalized trust (Kaasa, and Parts, 2008). In contrast, in least-developed countries that are characterized by low income and democracy deficit, generalized trust and formal networks are relatively low. Interpersonal trust substitutes formal networks and generalized trust. In line with this, norms of reciprocity, particularized trust, and informal networks are found to be the most important social capital drivers in the study areas. In this case, a high level of social capital is reflected in the level of reciprocity norms, particularized trust, and informal networks, not in the size of generalized trust and formal networks. Thus, in the study areas, men, more educated, wealthier and middle age (adult) groups possess higher social capital stock and invariably found to have more social networks compared to women, less educated, and younger and older age groups, respectively.

5.5. Conclusion

The result of the PLS-SEM packages demonstrate that the quality of conceptual model employed by the study has a good predictive power and acceptable quality. This validates that the study's conceptualization is relevant and analytical fit to the empirical situations. Therefore, the conceptualization of social capital employed by this study can be taken as a ready-made analytical tool to assess social capital in similar contexts.

The result of the PLS-SEM model shows that, in the rural Ethiopian context, norms of reciprocity, particularized trust, and informal networks are the most important social capital aspects. In contrast, generalized trust and formal networks are the least important social capital aspects. This result contradicts previous studies that have shown that generalized trust is the most important aspect of social capital and informal networks as the least valued social capital form (see, for example, Kaasa and Parts, 2008; Ostrom and Ahn, 2003; Parts, 2013; Pichler and Wallace, 2007; Putnam, 2000; van Beuningen and Schmeets, 2013; Van Oorschot, Arts and Gelissen, 2006). Many of these previous studies have been held in countries in the Western and Eastern Europe, and North America. Thus, the variation between this study's result and previous ones parallels the institutional and structural differences between the societies where the studies conducted. The difference in economic and social development and democracy level predisposes the observed difference in the level and distribution of social capital forms. Therefore, social capital is contextually variable (Fine, 2003; LimPuma and Koelble, 2009; Tapscott, 2005; Widner and Alexander, 1998). There cannot be a one-size-fit-all universal theory of social capital. Especially when it comes to the development sector where social capital is considered to have many benefits, given the dynamic nature of social capital, it is untenable to posit social capital development packages based on the experience of developed countries alone. Moreover, the variation in the relative importance social capital forms indicates that forms of social capital are unrelated to each other and do not articulate together. Thus, the findings of this study affirm that social capital cannot be treated as a single bundle item (Bjørnskov, 2006; Halman and Luijkx, 2006; Knack, 2002).

The degree of the forms of social capital also varies at different levels within the study population levels. At the individual level, the most consistent variation is observed in the social network. Almost all socio-economic and demographic groups vary in their social network size. This indicates that in line with Bourdieu (1986) assertion, social network possession is a matter of individuals strategic behavior and the size of social networks can be best examined at the individual level. Accordingly, in the individual level social capital assessment due attention needs to be given to social networks' size. On the other hand, norm of reciprocity as forms of social capital remains static along with socio-economic and demographic groups. This further reinforces that different forms of social capital have different importance at different levels. The variation in the level and distribution of the different aspects of social capital (forms of social capital) suggests that forms of social capital are not a single bundle of items that articulate together (Bjørnskov, 2006; Halman and Luijkx, 2006; Knack, 2002). Therefore, a distinction needs to be made among the different forms of social capital, both in theory and practice.



CHAPTER SIX

Social Networks in Rural Ethiopia: Family, Friends, and Neighbors in Aresi and Menze

6.1. Introduction

As discussed in chapter five, informal networks, or commonly known as social networks- individuals tie with family members, relatives, friends, and neighborhoods- are one of the most important drivers of social capital in rural Ethiopia. Among forms of social capital, social networks are found to be the most important aspect of social capital in the study areas along with particularized trust and norms of reciprocity.

As discussed in chapter two, in poor communities, social networks generate two broad benefits: survival and social mobility (Briggs, 1998; Dominguez and Watkins, 2003; Freeman and Dodson, 2014). Social networks offer three distinct types of social support. These are emotional, informational, and instrumental (practical) (Cohen and Wills, 1985, and Lakey and Cohen, 2000). Besides, social networks serve as an important sources of social leverage by facilitating the transmission of various vital information and by availing various assistances that promote individuals social mobility. For instance, contacts with family and friends as well as weak ties outside the immediate circle of acquaintance avail earlier notification about job opportunities, investment tips, and information regarding new technologies to individuals (Granovetter, 1973; Granovetter, 1995; Portes, and Sensenbrenner, 1993; Udry and Conley, 2004).

Several empirical studies show that in the less-developed countries' rural areas social networks are essential sources of social support. In the rural communities of these countries, individuals rely on the help from community members when they are exposed to unforeseen shocks. Thus, the role of social networks in risk management has been heightened the pervious literatures (Das, 2004; Fafchamps and Lund, 2003; Townsend, 1994; Udry and Conley, 2004). In this respect, the size and distribution of social networks that mitigate risk have been the focus of much of the previous studies (Besley, 1995; Fafchamps, 1992; Fafchamps and Lund, 2003; Fafchamps and Gubert, 2007; Townsend, 1994; Udry and Conley, 2004). This means previous studies in least-developed

countries focused only on the social support role of social networks. Therefore, social networks in the rural communities of less-developed countries are not examined from the broader perspective that integrates the social support and social mobility roles of social networks. To make matters worse, studies on the extent and the social support role of social networks in rural Ethiopia are very few (Daniel, 2003; Hoddinott, Dercon, and Krishnan, 2009). Thus, there is no ready-made analytical tool that gives a full explanation about the significance and importance of social networks in rural Ethiopia. Cognizant of this fact, this chapter analyzed role of social networks *Aresi* and *Menze* in light of the theoretical lens that sees social networks in terms of their social support and social mobility functions. It aims to address social networks to their full extent and uncover the interface between the social support and social mobility role of social networks in rural Ethiopia context.

6.2. The type and Strength of Social Networks

Focus group participants have been asked about their evaluation of the strength of friendships, neighborhood, and family relationships in their respective localities. This indicates the relative importance of social network types. It also shows the density of social networks in each of the study areas.

To begin with family networks, in *Menze* focus group participants reflected that family ties are denser in their respective localities. According to the focus group participants, almost everyone is related at a neighborhood level. A participant stated that "it is hard to find someone who does not relate and know each other in every village" (Focus Group Arego 17.04.2019). Most individuals reside in the same neighborhood where most of their family members and relatives residing. Accordingly, even if one does not have a close relative, the person will have a distant relative in the village (Focus Group Arego 17.04.2019). Focus group participant statement generally indicated that it is an extended family that lives together at a village and neighborhood level and it implies that family networks are dense, and it is so at the village and neighborhood level.

In *Aresi*, a similar idea about the density of social networks has been reflected. Most people in each village or *Kebele* belongs to the same ancestral origin (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019). For example, the focus group participant in *Wetera Kebele* stated that they all are relative to each other. The participants claimed that many of the *Kebele's* residents, including themselves, are descended from the two brothers whom they mentioned by name (Focus Group Wetera 20.03.2019). Therefore, like *Menze*, in *Aresi* the ideation of living within a family network has been highlighted among community members. However, there is some difference between *Aresi* and *Menze*. In *Aresi*, individuals, among other social markers, identify themselves along clan lines. In the focus group discussions, participants identify themselves with the different clan. Moreover, focus group participants described that usually, people who belong to the same clan live in the same vicinity. Most residents usually claim themselves as a decedent from the same ancestral origin at the village or *Kebele* level. Almost everyone lives in a *Kebele* is related to one another and belongs to the same clan. For instance, as focus group participants expressed it, most people in *Wetera Kebele* belongs to a clan called *Waji*. Whereas the majority of the residents in *Adaba Tita Kebele* belong to *Fognamora* clan (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019).

In *Menze*, in the focus group discussions, it is surfaced that the notion of belonging to the same clan is absent among participants. None of the participants reflected claims related to belongingness to the same clan (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). According to Levine (1965), *Menze* is a very individualistic society and culturally values individual level survival. In connection to this, certain social organizations such as clan-based arrangements that are meant for perusing group or corporate interests are absent in *Menze* (Levine, 1965). Therefore, in *Menze*, there is no clan-based social organization and for that none of the focus group participants in the area identified themselves along clan lines. Generally, in *Menze* familial networks, which are mostly confined at the neighborhood and village level, are more common. Whereas in *Aresi*, there are extra-familial networks that extended beyond the neighborhood and village level. This difference has to do with the existence of the clan-based organization in *Aresi*.

The survey in rural Ethiopia shows that most of the peasant's social network ties are with family members. For instance, in the 2004 Ethiopian Rural Household Survey (ERHS), about 60% of the survey household's social ties are with family members (Decron and et al 2008). In this respect, the assertion made by focus group participants about the density of familial and extra-familial ties is consistent with national surveys. As stated above, villages and neighborhoods in the study areas are inhabited by people who are related to each other. Focus group participants described their respective localities just as campuses of extended families. As a result, it can be argued that family and relative networks are strong and deep in study areas.

In describing how people with a blood tie live together in a particular village, focus group participants in *Menze* has put forward lineage based land inheritance as a causal factor. Most people are working and living in the land that they have inherited from their respective foremothers and fathers, except for some individuals, mostly women, who come from somewhere else. Women may live outside of the village where they were born and raised as a result of marriage. Most of the time, when women get married, she moved to the village where her husband was born and brought up. Otherwise, most individuals were born and brought up in the same neighborhood they are living in now. For that reason, people in each and neighborhood have mostly the same ancestral background and for that, a lot of them have a blood tie among each other (Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). Thus, land inheritance ensued immobility and maintained extended families at one particular place. What a focus group participant has said put the case very clearly:

We all were born and brought up here. We are just living on the land of our forefathers. We are peasants with no education, so that where else we can go other than sticking with the land that we inherited from our parents. We live and die here as our fathers and mother did it. Recently, our children, the youngsters, are getting an education and found themselves employed in urban areas, and they are leaving out these places. Otherwise, no one is not leaving. Most of us [means villagers] were born and brought up here, got married here, got our family here, and we will live our remaining life here until death comes to take our soul. Our genealogical origin is from this village, and a number of us have the same

lineage background. A significant number of villagers have a blood relation (Arego 17.04.2019).

The issue of immobility is clear from this expression. It also shows that for focus group participants, family network density is associated with the immobility factor. Moreover, the expression also indicated that the peasants are sticking in one place because the remaining economic sectors cannot accommodate them. Generally, rural communities are immobile. As a result, close-knit families are usually located in the same area. In connection to this, focus group participant in *Menze* has associated the existence of an extended lineage and familial ties at the village and neighborhood level with land inheritance issue. For that reason, it is worth uncovering the link between land inheritance and the density of a familial network.

Since the fall of the Imperial regime in Ethiopia (1974), land became under the state's ownership and the peasants have given only use right. The right to transfer land through market transactions is strictly prohibited by law. Inheritance is left as the only legal loophole for land transfer to another person. Because the state owns the land, the peasant farmers could not sell their land and move out of their area. This keeps farmers from leaving their area. Since farmers cannot sell land and move elsewhere, they live in the same area, passing on the land to their descendants through inheritance (Dessalegn, 2006). Therefore, as focus group participants reflected it, the land tenure system has inhibited social mobility and has implicated social networks' structure.

Regarding the extent of neighborhood relations, focus group participants in all cases have described neighborhood relations as very strong. Participants emphatically expressed neighbors are the basic units in which people are related to each other for mutual support (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). A reflection made by one of the participants summarize the case:

In the good and bad times, you find your neighbor first before anyone else. It is with your neighbors you converse every day. Is it not the neighbors with whom you sit for coffee and talk every day? Your neighbor reaches you for your problem first, and this happens to you at all times. Your family reaches you out only after your neighbors (Focus Group Wetera 20.03.2019).

This reflection shows that though people have larger numbers of family members and relatives at a village level, working social relationships and mutual supports are mostly held at the neighborhood level. Thus, as far as a social network and the concurrent social support system is concerned, the basic functioning units are neighborhoods.

In line with this, the overlapping of family networks and neighborhood relations visible. Both in *Aresi* and *Menze* neighborhoods are described as the basic units of social relationships and social support. In *Menze*, as mentioned above, family networks are mostly confined at the neighborhood level and neighborhoods remain the basic functional units in terms of mutual support. Thus, family networks and neighborhood-level relations overlap. In *Aresi*, family networks extended across the village. If family networks are extended at the village level, there is a definite family tie at the neighborhood level. Accordingly, like that of *Menze*, in *Aresi*, family networks and neighborhood relations overlap with each other.

When it comes to friendship, from focus groups, it comes out that participants have different meaning for friendship. In the focus group discussions, participants does not use the word *godegna* which is an *Amharic* equivalent to friendship. Instead, they frequently use the word *wodaje* an *Amharic* word that literary means “darling”. Participants described friendship or what they call it *wodaje* as an intensive a mutual supportive relationship between two or more individuals (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). A focus group participant stated that "a friend is the one who reaches you out first to share your burden and remains at the forefront to face your problem with you. A friend is someone happy with you when you are happy" (Focus Group Wetera

20.03.2019). This expression by itself indicated that friendship is all about a very intimate relationship. Therefore, participants described friendship in terms of intimacy and its instrumental function.

Concerning the extent of friendship relations, focus group participants reflected that friendship as a social relation and a personal network is usually limited within a circle of few individuals. They stated that one can have one or two best “friends” (*wodajes*). Usually, a friendship (*wodaje*) relationship is held with in the vicinity. In other words, among neighbors and relatives one become a friend or *wodaje* with one or two of them (Focus Group Adaba Tita 26.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). This description is aligned with the above statement that presented friendship in terms of intimacy. Moreover, focus group participants described friendship in terms of “extra-intimate” relationships held between neighbors. This implies that friendship as a mode of social relationship coincides with neighborhood connections. Besides, the fact that friendship is a matter of extra intimacy that is usually limited within a circle of few individuals indicate that friendship as a form of social relationship is rare among the communities.

All in all, reflections from focus group participants indicate that community members in the study areas are strongly connected along with neighborhood and familial relationship. Specifically, neighborhoods are the basic social units that community members are related to each other. Community members usually rely on neighborhood ties for help and practical support. At the same time, focus group participant reflected that in the study communities, people who live in a neighborhood usually have the same genealogical origin and they are related each other through familial ties. Beside, focus group participants conceptualize friendship as an “extra intimacy” among between two or three people in a neighborhood. This indicate that family, friendship and neighborhood ties overlap to each other in the study areas. Thus, as long as the structure of social networks is concerned, in the study areas the social networks are dense in the sense family, friendship and neighborhood ties are overlapping to each other. However, friendship as a form of social relationship less visible among the study communities. Therefore, in the study areas social networks are mainly held along neighborhood that overlaps with familial ties.

In least-developed countries, in general, interpersonal networks are not explicitly formed for income diversification. Instead, social networks are primarily formed along geographic proximity that correlated with kinship and lineage tie based on individuals' tacit consent (Fafchamps and Lund, 2003; Fafchamps and Gubert, 2007). In this regard, participants' reflections that put neighborhood as the major forms of social networks indicated that social networks in the study areas are mainly formed based on geographical proximity like all other rural communities in the least-developed countries. Moreover, focus group participant reflection about the overlapping of familial and neighborhood ties is consistent with the previous literatures (Fafchamps and Lund, 2003; Fafchamps and Gubert, 2007; Hoddinott, Dercon and Krishnan, 2009). All in all, in the study areas social networks are mainly formed based on geographical proximity (neighborhood) that correlated with familial and extra-familial ties. At the same time, social networks are not diversified because they are mostly limited to neighborhood ties that overlap with familial ties.

6.3. Social Interactions

This sub-section tailored towards the unpacking of the forms of social interactions that underlie the dependency and mutuality that exists within the social networks in the study areas. The first part presents the forms and process of socialization along familial, neighborhood and friendship networks in the study. A remark is made on the mechanisms by which the different forms of socialization have maintained mutuality and dependency. The second part of the sub-section provides a theoretical reflection about the forms of social interactions in the study area.

6.3.1. Forms of Social Interactions

As discussed above social networks in the study areas are an important source of social support. In the study areas, when individuals face certain shocks or crises including illness, death of a family member, accident, and short of food stamps and other consumable and non-consumable materials, they get the needed supports from family members and relatives and neighbors. Such kind of cooperation among the peasantry has been well acknowledged in the literature. But what maintains the cooperation among the peasants is contentious and there are two major paradigms on the

subject matter. The first paradigm is the one that is popularized by James Scott (1977) who has presented the cooperation as a matter of the ethical value of the peasantry. On the contrary, the second paradigm views the peasantry as a rational agent that is motivated by self-interest maximization (See for example Popkin, 1979). Whether the peasantry is motivated by self-interest or ethical consideration, cooperation is sustained by a lasting social relationship among the agents. It means the dependency and mutuality are accompanied and maintained by various forms of social interactions (Posner, 1980). The result of the study show that there are four major forms of social interactions in the study areas.

6.3.1.1. Casual Conversations

Focus group participants put forward that neighbors always have a casual conversations and that they communicate with each other almost on daily basis. A participant stated that "as we went out and went in to our homestead we keep greeting with our neighbors" (Focus Group Arego 17.04.2019). Similarly, another participant stated that:

Usually every morning we neighborhoods meet each other. When we meet we exchange greetings in the name of God and asked about our safety to each other. But we not only greet each other, but we also make a short pause and exchange some information if we would like to. When we also meet someone that we know on the street, we exchange greeting and usually have some talks (Focus Group Wetera 20.03.2019).

Thus, community members very frequently exchange greeting and communicate about each other's' safety and another sort of information daily. Exchange of greeting among people who know each other is somehow a common social practice in most part of the world. But in the case of study areas, focus group participant reflection implied that greeting and information exchange is dense and an important part of the social fabric. There is a frequent conversation among the local people through casual greetings.

In rural Ghana, Udry and Conley (2004), has found vital information that concerns the peasantry, most such as technological adoption and advice on the farming system transferred through casual conversations. Therefore, in rural areas of less-developed countries, casual conversations have an informational role. Besides, close connection and the concomitant to the exchange of information avoid information asymmetry concerning community members and linked to resource distribution. Information regarding who gets what in a community is made possible through the close connection and casual conversation that is maintained among community members (Freeman and Dodson, 2014). In rural Ethiopia, communication technology is very poor. Telecommunication and transport are barely available in most rural areas to this date. As mentioned in the description of the study areas, none of the study *Kebeles* have telecommunication services and television coverage. Other mass communication services are also largely absent. So, face to face communication still does matter most. In this respect, the contentious and casual conversation among community members in the study areas is taking up the role of information communication.

6.3.1.2. Participation in Social Groups and Indigenous Institutions

In *Aresi*, when someone in a neighborhood made a coffee, intimate neighbors will get invited for coffee at home. The next day one of the attendants make coffee and invited the remaining individuals who attended the pervious coffee ceremony. There is no standardized order for this rotation. However, almost every neighbor host at least one coffee ceremony before the other members host a second-round ceremony. There is no clear geographic demarcation for participation in rotational coffee drinking ceremonies. Everyone just participant in the nearest neighborhood coffee drinkers' association. Usually, members are limited to five or six households. In rare cases, one coffee drinkers' club can have up to ten members. Moreover, it is the women who mostly participate in this club (Focus Group AdabaTita 26.04.2019; Focus Group Wetera 20.03.2019).

Usually, no other transactions held in coffee drinkers' club other than group discussions. People just gather, do some talks while drinking a coffee, and disperses. A focus group participant stated that "we want the coffee drinkers' club for sake of chatting with own neighbors. When there is a

coffee ceremony in one of the household in neighborhood, people just gather and talk to each other" (Focus Group Wetera 20.03.2019). This shows that this club is inherently meant for socialization and maintaining neighborhood solidarity through continuous interaction. It means involvement in coffee drinkers' club is motivated by the socialization that can be enjoyed from participation. In this respect, the gathering being dominated by women indicate that this form of socialization is much important to women than men. This might linked with the busy housework schedule of the women. Women are might using this gathering to respite from the workload and to socialize.

In *Menze*, the rotational coffee drinking clubs are absent at this time. There were such clubs previously. But now a day, everyone is making a coffee at home for one own alone. The financial constraint (the growing poverty in the area) is the stumbling block for neighborhood-level coffee drinkers' club. Due to rising poverty in the area, people lost the financial capacity to involve in a coffee drinkers' club. One of the focus group participants summed up the issue by saying: "In the past, people used to drink coffee in a club on a rotation basis. But now a days there is poverty and everyone is drinking the coffee individually" (Focus Group Arego 17.04.2019). But, when they are in operation, in this sort of gathering, there are no other transactions other than gathering and coffee drinking. Just people gather, drink coffee, do some talks, and disperses.

In Ethiopia, coffee making has a unique tradition. Coffee is made at a household level using a traditionally made clay pot. Roasting and grinding the coffee is also done at home using traditional materials. As a part of the tradition, coffee drinking is usually done in a group of a small group of individuals. In many Ethiopian communities, it is common for people to drink traditionally made coffee together with intimate ones in the neighborhood. Usually, this socialized traditional coffee-making ceremony is held through coffee drinkers' clubs. A household makes a coffee and invites the neighbors at home. Invited neighbors also in turn make a coffee and invite others. This clubs are basis for the development of social networks (Yedes, Clamons, and Osman, 2004). Thus, coffee drinkers' clubs one important sources of social networking in the study areas.

Community members exchange supports along their *Mahibers* and *Iddirs* in addition to their neighborhood and familial ties. Usually, individuals get different support from their fellow members of their *Mahibers* and *Iddirs*. When someone in a particular *Mahiber* or *Iddir* got a problem, the remaining members of the *Mahibers* or *Iddirs* pay a visit and provides different form of support to the person. The visit and the support is usually done by each member individually. However, in rare occasions *Mahibers* and *Iddirs* members do their emotional and other support to their fellow member in groups (Focus Group AdabaTita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). The mobilization of support through *Iddirs* and *Mahibers* members clearly showed that these organizations are the basis for the formation and development of social networks. This finding is consistent with the previous studies which have asserted these volunteer organizations as sources of social networking (Elias and et al., 2014).

6.3.1.3. Occasional Gatherings

Among Orthodox Christian baptism held during early childhood by parents. Girls baptized on the eighth day of birth and boys baptized on the forty-seventh day of birth. The baptism hugely celebrated and the family that host the ceremony prepare local food and beverages at home and invite guests for the festivity. Usually, neighbors in the nearby vicinity and relatives from different places invited for the festivity by the hosting family (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). In *Aresi*, child baptism is not common. There are only rare such instances in the locality. This is because the majority of the people in area belongs to Islam and Pentecostal denominations which does not observe these practices (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019).

Like baptism, when there is wedding, people from neighborhood and relatives from different places invited for local food and beverages at home and enjoy the feast for few days (Focus Group AdabaTita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

There are several other occasional gatherings. Most of the time hosting these gatherings depends on individuals' financial ability. For instance, in *Aresi*, rich people simply host festivity for Women. So participation in an informal network depends on wealth (it is an investment). It means to maintain an informal network requires continuous interaction through occasional gathering and hosting occasional gatherings depends on financial ability. That is why there is a statistically significant difference in wealth and informal networks. In this regard, I can mention the case of *Menze*. There is no coffee ceremony. This has to do with poverty. If people do not have enough money they do not invest in occasional gatherings (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate DasGedanbo 15.04.2019).

The result of the study is consistent with the assertion that occasional gatherings serves as a means for developing and maintaining social networks (Jones and Woolcock, 2007). In Ethiopia, occasional gatherings provides avenue for interacting people from different strata and facilitate the development of social networks (Teshale, 1993).

6.3.1.4. Public Mourning and Funerals

Funerals, burials, and related practices are much extended in the study areas. In *Menze*, as a matter of Orthodox Christians tradition, there are several commemoration ceremonies held by the mourned family. First, family members, relatives, friends of the bereaved family collectively mourned with the bereaved family for three days from the day of burial. Those individuals with very close intimacy with the bereaved family accompany the family for a few more days. Second, several memorial services are held on certain fixed time intervals-memorial service held on the third and seventh day in the church. There is also a great monument service which held either in the 40th or 80th-day of the death of the person. In this particular memorial service, the bereaved family prepared food and drink for the feast and invited those relatives, friends, and neighborhoods who mourned with them. Then after the annual memorial service held on the death anniversary (death day) for seven years. The commemoration held at the church, and only a few family members of the deceased attend the event (Focus Group Arego 17.04.2019; Focus Group Ate Das

Gedanbo 15.04.2019). In *Aresi*, which is dominantly Islam, there is no such extended commemoration in the consecutive years. However, according to focus group participants, in the area mourning the dead and the funeral ceremony are relatively extended. People in the neighborhood accompany the bereaved families for up fifteen days at their home (Focus Group Wetera 20.03.2019).

No one dares to miss funeral or burial in the neighborhood and from distant relatives. When someone died, the first thing that is done is to communicate the incidence to the family members of the deceased who live in distant areas. This is to make sure that every relative attends the burial. If any of the relatives fails to arrive, the burial ceremony is postponed (Focus Group Ate Das Gedanbo 15.04.2019; Focus Group Wetera 20.03.2019).

Burial and funeral services in Ethiopia are so important that if a person is in conflict with another person and does not want to meet that person again during his or her lifetime, he or she says 'mek' abirēlayiinidatak' omi/inidatak' omī "do not even appear in my funeral/burial." The meaning of this saying is one can reconcile any difference and overcome any quarreling issues and "inappropriate" behaviors except not attending one's burial. Ignoring a funeral ceremony of one family is seen as the end of a relationship with the surviving family members (Focus Group Ate Das Gedanbo 15.04.2019).

Ethiopia is one of the most religious societies in the world. According to the Gallup world survey, about 99% of Ethiopians feel that they are religious and they believe in the existence of supernatural power (God). Historically too, Ethiopia accepts Judaism, Christianity, and Islam much earlier than the rest of the world (Teshale, 1996). In connection to this, burial and public mourning are one of the sacred things by the people of Ethiopia. It has three main meanings in the tradition of Ethiopian society: (1) burying the died, and knowing their grave, brings closure to the living; (2) a grave is the site of the home of the deceased; and (3), a grave is the site of the memory of the deceased (Teshale, 2008). There is a common proverb among Ethiopians which says '*motainaderegewbehager' e* ([God] just make my death in my country [birthplace]). According to

Teshale (2008), this has to do with the need to keep home and memory for posterity. All in all, burial and funeral services are a very important social activity in Ethiopia. It is a form by which people maintained long-lasting interaction. Moreover, as the neo-classical economics asserted the interests are not manifested only in material form. Human beings have different passions other than material interests. Specifically, the peasantry has a non-material interest that they are passionate about (Hirschman, 1977). In this respect, the extended burial and funeral ceremony also constitute the non-material interest of the study communities.

6.3.2. What Maintains Social Interactions?

Generally, the mutuality and dependency are maintained by different forms of social interaction. It means people maintain continuous interactions based on the different forms of social gathering and communication mechanisms. Casual conversations are frequent and intense, there are also some social forum arrangements such as coffee drinkers club, as well as there are different forms of occasional gatherings by which individuals in a particular network interact with each other in a certain time interval. All in all, people do have an intensive social interaction. As focus group discussion revealed, maintaining social tractions through coffee drinking clubs and occasional gathering are common practices in their respective communities. Thus, the question remains, why do people maintain social interactions with such magnitude?

Generally, social interactions that maintains long-lasting relationship through social networks (Freeman, Dordson, 2014). Long-lasting relationships (social networks) in turn enables individuals to access resources possessed in the structure (Bourdieu, 1986). In this respect, Bourdieu's (1986) conceptualization of social capital as "...the aggregate of the actual or potential resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" is quite consistent to the state of social networks in the study areas. The durable social network that avails pooled resources built and maintained through a seem-balance of institutionalized relationships that runs through "casual conversation", informal groups, and occasional gatherings. Thus, social interactions are a part of individuals strategic behavior for accessing resources possessed by social networks.

6.4. Functions and Significance of social Networks

As discussed in chapter two, in poor communities, social networks generate two broad benefits: survival and social mobility. Social mobility functions can range from availing employment opportunity to spurring ones business through the provision of market information and investment advice (Briggs, 1998; Dominguez and Watkins, 2003; Freeman and Dodson, 2014). Survival or social support function of social networks by its own turn have three distinctive forms. These are emotional, practical, and informational (Larkey and Cohen, 2000). From the focus group discussion, it becomes clear that social networks in the study areas provides only social support functions. Specifically, emotional and practical support are the only supports embedded context social networks in the study areas. But why does social networks in the study area provides only social support functions? The last part of this section addresses the question by analyzing the significance of social networks from a broader perspective. But, first the form and type of emotional and practical support that are embedded in the social networks in the study areas presented in the next two sub-section consecutively.

6.4.1. Emotional Support

Organizing the burial of the dead is the responsibility of the *Iddir* in which the deceased's family is a member. Nevertheless, all neighbors and relatives of the deceased attend the burial and the funeral. Moreover, when someone in the village loss a close relative or family member, neighbors and relatives accompanied the mourners at home for a few days. In *Mezne*, companionship of the mourners usually last for three days. However, community members who are close and intimate to mourners accompanied them for a few more days (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). In *Aresi*, such companionship can last up to fifteen days (Focus Group Wetera 20.03.2019).

Focus group participants reflected that the purpose of companionship is to comfort families and relatives of a deceased so that they will not be broke psychologically (Focus Group Adaba Tita

26.04.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). A focus group discussant has make the case that:

Loss of a family member or close relative leaves the bereaved family member with a worrisome feeling if a person remains alone. The feelings of loneliness can deeply get ingrained that eventually lead the person to an emotional breakdown. But if there is someone on the mourner's side to chat and discuss, the mourner does not get time to feel anxious about a loved one's death and to emotionally overtaken by the loss (Focus Group Wetera 20.03.2019).

Generally, individuals encountered emotional and social loneliness following the death of intimate ones'. Emotional loneliness is a matter of emotional isolation caused by the absence of a reliable attachment figure. Whereas social loneness has to do with social isolation which is caused by loss of social integration. Strong social support reduces social loneliness ((Breen and O'Connor, 2011). In this regard, a reflection made by focus group participants indicates that companionship in time of death is meant to help individuals to emotionally cope with the loss of a family member and loved ones.

When someone got sick, everyone in the neighborhood and the relatives, pay a visit at home and/or at the clinic. As focus group participants described it, these visits are meant to show sympathy and concern to the fellow neighbor who got sick. Usually, visitors express their wish for quick recovery and inspirational words that boost patients' feelings. If a person is hospitalized, some neighbors visit the patient with homemade food. Those who are personally too close and intimate to the family or the person who got sick, they usually make their visit with homemade food. Whereas, those who not too intimate with the person who got hospitalized but is usually do the visit without the homemade food. In some instances, neighbors make some money donations. But if a person is sick at home or discharged from the hospital, neighbors pay a visit without food or money donation (Focus Group AdabaTita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). Generally, support from familial and

non-familial networks the emotional well-being of the sick people (Ell, 1996). In the study areas, while individuals' visit a sick person, they mostly express their good wish and talk some positive words to the sick. This is all about emotionally supporting the sick. Therefore, like that of comforting the mourners, visiting the sick is meant to provide psycho-social support for individuals.

6.4.2. Practical Support

There are different areas by which community members amass practical support from their social networks (Freeman and Dodson, 2014). From focus group discussions it comes out that in-kind and cash donation, labor support, informal borrowing, and crisis management are arenas by which community members extend practical support towards each other through their social networks.

6.4.2.1. In-kind and monetary Donation in Times of Shock

In times of death and mourning, along with companionship the mourners, neighbors and relatives donate money to the family of the deceased. The donation is usually made at the household level. Mostly, the household heads offer the donation on behalf of their respective households. On the other hand, when someone is sick and referred to a specialized hospital that is far away from the homestead and family is not economically well to do, the neighbors and relatives make a monetary donation (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Menze 2). In *Aresi*, in addition to neighbors, clan members donate if the case is believed to be serious (Focus Group AdabaTita 26.04.2019; Focus Group Wetera 20.03.2019).

In *Aresi*, during wedding preparation, housewives give butter and household items to the bride's family. The butter is meant to be consumed at the wedding. Whereas, the household items will be given as a gift to the bride through her mother (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019). As it is the case in the funerals, attendants in a wedding or child baptism festivity donate money to the hosting family (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

6.4.2.2. Labor Support

If someone is sick in the community and the one who got sick is the main person who do the farming in the respective household, then neighbors does the farming for the household. Likewise, if the housewife is seriously sick and there is no other young woman in the family to cook, the women in the neighboring households cook for the family (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). Community members also take the responsibility of getting the patient into the medical center. It is not always easy to find vehicles, so sick persons are sometimes transported to the hospital the nearest town being carried by human beings. Thus, if it needs to be, when someone is sick, the neighbors are always available to carry the patient to a health center (Focus Group Ate DasGedanbo 15.04.2019).

When someone is hosting a festivity (wedding or child baptism festivity), before the commencement of the actual ceremony, the invited neighborhood shows up and assists with cooking food and other manual works (Focus Group AdabaTita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). This kind of labor supports is meant to ease the occasional heavy workload that comes during big events such as weeding. It means community members help each other and overcome occasional work stress.

Aresi is known for its potato production. When it comes to harvesting or planting potatoes, focus group participants stated that they usually face a labor shortage. It is difficult to undertake the planting and harvesting of the potato at the right seasonal period with just a few labor force that is available at a household level. This is especially true if one has a large acre of land. So, households which have a large acre of land usually ask the neighboring households for assistance either in the planting or harvesting stage. Neighbors who are asked for help avail either the household head or any other young member of the household for assistance on the specified day. In return, a person

received labor assistance provides food and drink for the participants. This arrangement is locally known as *Debo*. Yet, *Debo* is not only meant for potato farming. People get into the *Debo* arrangement for other activities such as building houses. In the area, it is uncommon to contract-out house building to either professional or licensed building contracts. Rather, peasant farmers are responsible for building their own houses. This is mostly undertaken with labor pooled by a *Debo* arrangement. Individuals who are seeking to build a house called the neighbors for labor assistance on a fixed day (Focus Group AdabaTita 26.04.2019; Focus Group Wetera 20.03.2019).

On the other hand, when individuals face labor shortages for farming activities, they received similar support from neighbors with a promise to reciprocate in the future. This arrangement is called *Wonfel*. It is a kind of labor pooling club. A group of individual farmers undertakes their time-sensitive farming activities on a rotation basis (Focus Group AdabaTita 26.04.2019; Focus Group Wetera 20.03.2019).

In *Menze*, focus group participants stated that *Debo* and *Wonfel* practices are rare in these days. If a *Debo* is arranged, it is for house construction and related non-agricultural activities most of the time. People in the area are not using *Debo* for agricultural activities. According to focus group participants, this is because the farmland that many people have is too small, so that it can be undertaken by family labor alone even in peak seasons. Besides, most of the time, rain is frequently unavailable, and for that reason, people are not intensively farming like what they did before (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

Generally, with *Debo*, an individual pool a labor force from the households in the vicinity to get assistance in undertaking time-sensitive agricultural and non-agricultural tasks. In return, a person hosting the *Debo* provides food and drink for the participants. So, *Debo* is a festive labor sharing party. When we come to *Wonfel*, it is also a work-sharing party. In this case, an individual pools labor force from the households in the vicinity to get assistance in undertaking time-sensitive agriculture such as harvesting and weeding with a promise of future reciprocity among the participating members (Daniel, 2003).

6.4.2.3. Informal Borrowing and Crisis Management

Focus Group participants stated that meeting cash needs by borrowing from neighbors and friends is one area by which individuals in their respective localities support each other. When an accident occurred, everyone in the neighborhood takes part in controlling the accident and provides emergency support. Moreover, rehabilitation and recovery support extend to the victims. For instance, in the occurrence of fire accidents, according to focus group participants, it is up to the neighbors to control the spread of the fire and provide immediate support to the victims. Then after neighbors make in-kind or monetary contributions to substitute the lost items which to recover and rehabilitate the victim's family or household (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

Another arena of emergency support systems raised by focus group participants is conflict settlement. It is a strict tradition for everyone in the study communities to mediate and settle when a fight erupts in the community. It is not acceptable to stay as an observer and neutral when people fight each other. Taking part in settlement of the fight is a social duty. Not trying to stop the fight when people are fighting is an unacceptable act in the community. Even if a person does not have the power to stop a fight that erupts between individuals, she or he shouts loud saying "UUUUUU...." to get other people to reach out to her or him for support (Focus Group AdabaTita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

Other than cash, households in the study communities meet the shortfalls of different items by borrowing from each other. One of the focus group participants described the case as "even when we are short of salt, we just borrow from a neighbor" (Focus Group Wetera 20.03.2019). Thus, households heavily rely on informal borrowing. The stuff that people owe to each other ranges from cooked food to farm equipment. Specifically, in the study communities, people borrow each other farm equipment, cooked food items (usually *enjera*, which is the Ethiopian pancake and

staple food), and raw food items (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

6.4.3. Significance and Importance of Social Networks

Focus group participants were asked to explain who does provide the most support for individual community members who seek assistance. In this respect, focus group participants reflected that families, relatives, and neighbors are the primary sources of support in their respective communities. When a community member encounters a particular problem, such as property loss or crop failure, the problem is usually solved by the community members' support. Community members often turn to their families, relatives, and neighbors when they are in an adversary situation and need assistance (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

Focus group discussants in *Aresi* asserted that "there is a high level of empathy and mutual support among the locals. Whether it is joy or sadness, the local people help each other. No one in the locality is better off without the mutual support system" (Focus Group Wetera 20.03.2019). In a way that reinforces this idea, a focus group discussant in *Menze* also stated that:

There is a proverbial saying "*lesew mediḥanītu sew new* (a man's medicine is the man!). No one is immune to having problems. And, when someone is faced with an adversary situation, the solution to the problem comes from "friends," relatives, and neighborhoods. Who else comes for support and help for a person other than the people that the person knows (Focus Group Arego 17.04.2019).

The proverb "*lesew mediḥanītu sew new*" literary translated as a man's medicine is the man! But it is a metaphorical expression and its idea is that the solution for someone's problem is from individuals with whom the person is related with.

All in all, reflections made by focus group participants clearly show that social networks are the vital sources of support and help in the study communities. The crucial importance of social networks as reliable sources of assistance reported in the study areas is consistent with the result of the national surveys in rural Ethiopia. In ERHS, the vast majority of the survey participants (91%) reported that they have at least one person that they rely on for assistance, and they received help from 86% of that they have listed as a part of their network (Decron and et al, 2008). Like elsewhere in rural Ethiopia, in the study areas, people often turn to friends, families, and neighbors to deal with different challenges in daily life. The mutual support system held along kin and non-kin ties are so much so significant that community members keep a conviction that they would not have been better off without these supportive relationships. This indicate that social networks are not merely sources of social support; instead, they are the primary sources of support in the study areas.

When one faces a serious problem that is beyond own capacity to solve, people seek assistance and turn to support systems that are perceived to be capable enough to assist. Individuals who seek assistance have the option of getting help either from the formal networks or informal networks. Formal networks are specialized institutions of professionals that assist in financial remuneration. On the other hand, informal networks are people who are in individuals' social networks such as friends, relatives, and neighbors. In this respect, the focus group participants' assertion "without the mutual support system no one is better-off" indicates that the services provided by formal institutions are limited and that informal networks play a significant role in this regard. If no one is better off without the support rendered by informal networks, it means informal networks are crucial in the study areas than formal institutions.

As presented in chapter three, social networks are appreciated in terms of their interface with formal networks. The level, density, and significance of social networks depend on the nature of formal networks. When formal networks are efficient, fair, and less corrupted, informal networks are less likely to develop and their significance is minimal. On the other hand, when the state is dysfunctional and its institutions are weak and fragile to deliver basic social amenities to citizens, social networks become dense and take-up the role of formal networks and to offer a range of

services. It means interpersonal relationships supplement weak formal networks (Narayan, 1999; Rose, 1998). Therefore, the strong social network-based support system in the study areas indicates the fragile nature of formal institutions. As stated above, the proverb "*lesew medihanitu sew new*" (a man's medicine is the man!) shows that it is people in the social network that are the reliable sources of support. Conversely, the proverb implies that institutional supports are meager so that people are not count on them. Various service providing organizations, including the government, are not reliable in offering the different types of assistance needed by members of the community.

In less-developed countries, formal networks that offer social security are weak, and social networks taken-up the role of informal insurance (Rose, 1998). In the Third World's rural communities in particular, ties with family members, friends, and neighborhoods are essential sources of support that individuals rely on when they are exposed to unforeseen shocks (Das, 2004; Fafchamps and Lund, 2003; Townsend, 1994; Udry and Conley, 2004). As presented in the methodology chapter, there is no police station in all the study *Kebeles*. The same is true for Fire Bridge (Adaba Tita Kebele Administration, 2018; Ate Das Gedanbo Kebele Administration, 2018; Arego Kebele Administration, 2018; Wetera Kebele Administration, 2018). Under this circumstance, why would one call the police or the authorities in case of an incident? Instead, the people shout out loud and make the people in the vicinity come out for help. Likewise, shops are also barely available in these communities (Adaba Tita Kebele Administration, 2018; Ate Das Gedanbo Kebele Administration, 2018; Arego Kebele Administration, 2018; Wetera Kebele Administration, 2018). If that is the case, what option is there for someone in the area who is short of household items other than getting it from the next neighbor? This makes the in-kind borrowing imperative in the study areas. There is no hotel in the study sites (AdabaTita Kebele Administration, 2018; Ate Das Gedanbo Kebele Administration, 2018; Arego Kebele Administration, 2018; Wetera Kebele Administration, 2018). So, festive events would not be possible without the neighbors' volunteer labor support that substitutes event organizers and hotels.

Generally, in the context where the state is weak and fragile, social networks provides social support role in the study areas. Generally, social networks provide three distinctive social support.

These are emotional, practical, and informational (Larkey and Cohen, 2000). But in study areas, social networks provides only emotional and practical support. As mentioned above, focus group participants do not note that social networks as valuable sources of information at all. Thus, casual conversation as a vital source of information is not taken for granted in the study areas. The close connection among residents, which is raised by focus group participants, has facilitated information flow regarding each other's situations. Given that social support or practical support is one of the major function of social networks in the study areas, close connections and information exchange among community members helps to identify individuals and households that need support in the community. With a continuous conversation residents updated themselves about incidences in their respective communities and keep informed about other fellow members of the community. When a community member faces some sort of shock or crisis (such as illness, death of a family member, and unforeseen accident) other community members become aware of the situation as incidence happens through the close conversation that they held continuously. Then individual members extended their support to the concerned individual based on the information made available. It means upon information dispersed through the casual conversations about the situation of an individual or household the different kind of supports which are mentioned above flow to the targeted individual or household. In other words, the aforementioned different kinds of supports that are available to needy members of the communities in study areas mobilized upon the availability of information about the situation of the targeted individual or household which is dispersed through casual conversations.

6.5. Conclusion

In the study areas, interpersonal networks are important sources that people rely on to meet different necessities for life. Generally, social networks are the basis of practical and emotional support in time of shock and crisis. From psycho-social support during the loss of a family member to food stamp shortage, community members rely on each other through their friendship, family, and neighborhood networks. The social networks also serve as a platform for information exchange. Through the regular and intense casual conversation, people continuously exchange valuable information regarding safety and related matters among themselves.

As the social capital literature dictates, the prominence informal networks have to do with the weak and fragile nature of the state. When the state is dysfunctional the informal institutions substitute the formal institution in terms of delivering service and social supports (Narayan, 1999; Parts, 2013; Pichler and Wallace, 2007; Rose, 1998; Van Oorschot, Arts, and Gelissen, 2006). In this vein, the strong social network-based support system is associated with the improvised socio-economic conditions along with the weak and fragile nature of the Ethiopian state. Thus, social networks remain crucial in the wellbeing of the communities and to that end, social networks are dense and strong in the study areas.

Family networks are dense and strong. Besides, there is a strong mutual support system at the neighborhood level. Family and neighborhood networks overlap each other to a certain extent. Friendship as a form of social relationship is less visible. But, social networks as a functional unit are mostly physically limited to intra-community level ties. It means social networks as an important source of social support are mostly held at the neighborhood level. The neighborhood is the most important social support units. As far as, the formation of risk sharing social networks is concerned, they primarily formed based on geographical proximity through the tacit actions of the actors. Thus in the study areas, social networks are primarily formed along with geographical proximity so that neighborhood comes out as a major source of the support unit. On the contrary, friendship relation that is based on explicit moves of interacting actors is the least significant form of social relationship. Thus, members in the social network are homogeneous and lack the diversity that avail ties for social leverage (Briggs, 1998; Dominguez and Watkins, 2003; Freeman and Dodson, 2014). As a result, social networks in the study context are limited to social support roles. Social network as a source of individuals' upward mobility and progress through the offer of job information, investment tips and etc is absent in the study areas.

CHAPTER SEVEN

Formal Networks in Rural Ethiopia: A Study of Two Volunteer Organizations in Aresi and Menze

7.1. Introduction

Formal networks are contacts within voluntary associations as well as contacts between citizens and civil servants. Thus, formal networks involve participating in informally organized networks such as civic associations (including trade unions), charity organizations and political parties (Kaasa and Parts, 2008; Paxton 1999). In the social capital literature, the role and importance of formal networks or volunteer organizations are examined in terms of their role in providing welfare services and enhancing democracy (DiMaggio and Anheier, 1990; Klausen and Selle, 1996; Paxton, 2002; Uphoff, 1993).

The dominant paradigm in the social capital literature acclaimed associational life for its role in conditioning governance quality. Participation in volunteer association translated into effective participation in the political process and will result in efficacy in the political system (Fung, 2003; Paxton, 2000; Putnam, 1993). On the other hand, different forms of volunteer organizations deliver welfare services to different sections of society, notably the poor ones. Especially, once the ideal of community development is popularized among academia and practitioners, local and community organizations become a focus to attain development outcomes, even though they are criticized for their exclusionary nature (Decron, 2008; Uphoff, 1993; Schuurman, 2003). Nevertheless, volunteer organizations' role in enhancing democracy or delivering welfare service depends on their members' geographic distribution. It is organizations that draw members from a wider geographic area that have a role in enhancing democracy. In this respect, local and community organizations are criticized for their limited role in enhancing democracy (Paxton, 2002).

In light of the above perspectives, this chapter aims to assess the nature, functions and significance of volunteer organizations that operate in the study areas. It also uncovers why volunteer organizations in the study areas operate the way they do. The study was held on two volunteer organizations: *Iddir* (funeral association); and *Mahiber* (religious-social association). *Iddir* and *Mahiber* are the two most prevalent volunteer organizations in rural Ethiopia. Especially, *Iddirs* are ubiquitous throughout rural Ethiopia except for few areas (Butcher, 2007).

The chapter has six parts, including this introductory part. The second part is tailored towards the overview of the organizations' functions, procedures, and rules. The third part addresses the emerging trends and development. The fourth part analyzes the significance of the organizations from the broader theoretical perspective. The fifth section presents the membership formation in these organization. The last part goes to the conclusion.

7.2. An Overview of Institutions: Functions and Procedures

Through the key informant interview and focus group discussions, the functions and procedures of *Iddirs* and *Mahibers* in the study areas are assessed. The next subsections present the result of the field survey.

7.2.1. Funeral Associations: Iddirs

Iddirs are volunteer organizations that offer different services based on membership contributions. However, their primary function is undertaking funeral services. Members make a monthly monetary contribution to a common pool that would be used to cover the burial cost when a members' family members deceased. From the focus groups discussion it becomes apparent that, there are two types of *Iddirs* in the study areas: mixed-member *Iddirs* and Women *Iddirs*. In the case of mixed-member *Iddirs*, both men and women-headed households are allowed to assume membership. But for married couples, usually, the membership registration is held in the name of the husband. The husband also takes part in the decision-making (Iddir Chairperson Ate Das Gedanbo 16.04. 2019, Iddir Chairperson Adaba Tita 25.04.2019). Whereas in the women *Iddirs*,

membership is strictly limited to women only, both for men-headed and women-headed households. In women-headed households, wives still assume membership in women *Iddirs* while their husbands are in the mixed-member *Iddirs*. Likewise, in the women-headed households, the household head women can assume membership both in mixed-member and women *Iddirs* (Women Iddir Chairperson Wetera 21.03.2019; Women Iddir Founder and Secretariat Argo 17.04.2019; Women Iddir Chairperson Ate Das Gedanbo 17.04.2019).

In the *Aresi* study *Kebeles* there are a total of twenty-five mixed-member *Iddirs*. There are thirteen in *Adaba Tita Kebele* and twelve in *Wetera Kebele*. In *Menze*, there are a total of twenty-one mixed-member *Iddirs* in the two study *Kebeles*. There are eleven mixed-member *Iddirs* in *Arego Kebele* and ten in *Ate Das Gedanbo Kebele*. Women *Iddirs* are relatively new and they are fewer than mixed-member *Iddirs*. In the study *Kebeles* in *Aresi*, there are seven women *Iddirs* (three in *Adaba Tita* and four in *Wetera*). Whereas in *Menze*, there are a total of nine women *Iddirs* in the two study *Kebeles* (five in *Arego Kebele* and four in *Ate Das Gedenbo Kebele*) (Focus Group *Adaba Tita* 26.04.2019; Focus Group *Wetera* 20.03.2019; Focus Group *Arego* 17.04.2019; Focus Group *Ate Das Gedanbo* 15.04.2019).

All *Iddirs* in the study areas has a written law. In *Menze*, mixed-member *Iddirs* are legally registered (Focus Group *Adaba Tita* 26.04.2019; Focus Group *Wetera* 20.03.2019; Focus Group *Arego* 17.04.2019; Focus Group *Ate Das Gedanbo* 15.04.2019). It means *Iddirs* in *Menze* are legal entities. In other words, *Iddirs* in *Menze* amounts to a formal organization in legal terms. Generally, the *Iddirs*' legislation stipulates the rights and duties of members. The legislation also enshrined the power division within the *Iddir* executive committee. Moreover, the legislation also detailed working procedures within each *Iddir* (*Iddir* Chairperson *Ate Das Gedinbo* 16.04.2019; *Iddir* Chairperson *Adaba Tita* 25.04.2019).

Both in mixed-member and women *Iddirs*, admission is limited to the household heads. This is because once the household head is a member of a particular *Iddir*, all the household members are eligible for the services provided by *Iddir* (Focus Group *Wetera* 20.03.2019; Focus Group *Ate Das*

Gedanbo 15.04.2019). For the services provided by the *Iddirs*, the eligible family members specified by each *Iddir's* regulations (Iddir Chairperson Ate Das Gedanbo 16.04. 2019, Iddir Chairperson Adaba Tita 25.04.2019; Iddir Treasurer Wetera 21.03.2019).

Regarding organizational structure, more all less all *Iddirs* in the study areas have the same structure. They are run by an elected committee that makes up the chairperson, deputy chairperson, secretariat, treasurer, accountant, and auditing committee and General Assembly. The highest authority of the *Iddirs* rests in the hand of the General Assembly that is summoned every month. Every *Iddir* member is a member of the General Assembly and participation in its regular meeting is mandatory. Absenteeism in the General Assembly meeting has a monetary fine even though the amount of the fine varies from *Iddir* to *Iddir* (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Iddir Chairperson Adaba Tita 25.04.2019).

As mentioned above, *Iddir* leaders are publically elected. It is also up to the General Assembly to elect and dismiss the *Iddir* leaders. The only slight difference is the tenure of the leaders. In *Menze*, *Iddir* leaders have fixed terms. But this is not the case in *Aresi* (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). In the case of *Aresi*, any *Iddir* leader can stay in the position as long as a complaint does not come to her or him from the members. But if any member complains in one of the *Iddir* executive committees, the case brought before the General Assembly for deliberation. If the allegation against the leader is correct, the General Assembly replaces the condemned leader with a newly elected leader. A leader is elected through a general election held by General Assembly (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Iddir Chairperson Adaba Tita 25.04.2019).

As mentioned above the General Assembly undertake its regular meeting monthly. In *Menze*, *Iddirs* hold their regular meeting in on third, seventh, twelve, and ninetieth day of the month. These days are meant for the commemoration of Trinity (the third and seventh day of the month), Archangel Saint Michael (the twelfth day of the month), and Archangel Saint Gabriel (the ninetieth

day of the month). In these days like Sabbath, the local people who are almost a hundred percent Orthodox Christians, do not do any labor work (such as plowing). Therefore, *Iddirs* in the area has set these days as a meeting day for their regular meeting to save time for farm and non-farm activities (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). Whereas in *Aresi*, the regular meeting day for *Iddir* is the first day of the month. There are no particularly arranged days like that in *Menze*. Focus group participants reflected that they are mostly Islam and Pentecostal and do not have specific days that they observed as a holiday. This arrangement enhances effective participation (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019).

When it comes functions, *Iddirs*' the major function is funeral services. When a family member or a relative of one of the *Iddir* member deceased, the *Iddir* undertakes everything related to interment and funeral services. The burial of the deceased arranged and undertaken by *Iddirs*. They also arrange a cocktail for the bereaved, mourners, and other guests who attend the funeral. *Iddir* members accompany the mourners up to three days at their home to give them psycho-social support. These activities are undertaken through a division of labor among the *Iddir* members. Every *Iddir* member undertakes all these tasks on a rotational base. The *Iddir* executive committee undertakes labor division (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

As far as the funeral function of *Iddirs* is concerned, there is a clear distinction between mixed-member and women *Iddirs*. In the study areas, the major task of women's *Iddir* is to prepare and serve food and drink during the members' funeral. Members cook food and serve mourners and funeral attendants on a rotation basis for three days since the bereavement day. To this end, they have cooking items (such as big pot) that they kept in their store and that they use it during funerals. Besides, they also stored food grains. These cooking items and food grains bought and stored from a common pool that members make a fixed amount of contribution monthly (Women *Iddir* Chairperson Wetera 21.03.2019; Women *Iddir* Founder and Secretariat Argo 17.04. 2019).

The mixed-member *Iddirs* support members only in their residential areas. The women's *Iddirs*, however, offers support to members outside their residential areas. For example, when a woman *Iddir* member buried her close relative who lived in another area, the *Iddir* offer support where the burial took place. It means, the remaining members of the woman's *Iddir* go to the place where the burial took place and offer their usual funeral service. On the other hand, when a mixed-member *Iddirs* experiences a similar situation, members wait until the mourned member returns home, to provide their support (Women Iddir Chairperson Wetera 21.03.2019).

Burial and funeral services are not the only functions of *Iddirs* in the study areas. As focus group participants stipulated, *Iddirs* provides different financial services to their members apart from their major funeral function. In *Aresi*, when a family member or kin of *Iddir* member got hospitalized, *Iddirs* makes a fixed amount of cash payout. Focus group participants confirmed that through all *Iddirs* in the study *Kebeles* in *Aresi*, the amount of medical cover for a hospitalized person is 500 Ethiopian birr (equivalent to 17\$ in the 2019 exchange rate). To make the payout, the association executive committee physically visits the hospitalized family member. Usually, the treasurer pays the visit on behalf of the executive committee and effect the payment. The visit is to avoid any misinformation and mischiefs (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Iddir Treasurer Wetera 21.03.2019).

In *Aresi*, women *Iddirs*, also have similar arrangements for medical cover. However, the medical cover is only for child delivery. A cash payout effected to the *Iddir* member who delivered a child at the hospital. For those members who deliver the child at home, no payout is made. Focus group participants stated that this is the case throughout all women *Iddirs* that found in their *Kebeles*. Participants added that child delivery payout is available only in women *Iddirs*. On the contrary, mixed-member *Iddirs*' hospitalization payout does not include child delivery (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019).

In *Menze*, there is no cash payout for medical cover or other purposes offered by *Iddirs* (except for burial and funeral services). Instead, a loan is available for the association members who need any

financial help. All *Iddirs* in the *Menze's* study areas provide credit services to their members for about the last twenty years (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). The amount of credit available to members of the association is not specified. Nevertheless, all *Iddirs* have a minimum limit of credit. In all *Iddirs*, the minimum amount a member can borrow is 100 Ethiopian birr (equivalent to 3.40 US dollars on the 2019 exchange rate). The maximum limit of a credit provided to an individual varies from *Iddir* to *Iddir*. Some *Iddirs* set 500 Ethiopian *Birr* (about 17 US dollars with the 2019 exchange rate) as the maximum limit. Whereas in most *Iddirs*, there is no limit for the maximum amount of money an individual member can borrow. Rather, the amount of credit that the members can earn over 3.40 US dollars (100 *Birr*) depends on the amount of money available in the savings account of the respective *Iddir*. First of all, the members who are looking for a loan present their request before the General Assembly of the *Iddir*. If there is enough money in the savings account of the respective *Iddirs*, all members will be given the amount of credit they request. If the amount of money owed on a savings account is less than the total amount requested for a loan, the amount of credit available to those applying for a loan will be lower than the amount that they asked for. All members who apply for a loan will earn a 100 *Birr* loan each. After 100 birr loan is given to every claimant, the leftover money will be available for loan for those members who have applied for a loan of more than 100 *Birr*. Usually, the leftover money allotted in proportion to the requested amount. Sometimes a lot of members request a loan at once and it could be impossible to issue a 100 birr loan for all those who apply for a loan. Under such circumstances, the loan will be available on the “first-come, first-served!” principle. Yet, almost all focus group participants stated that so far they are getting the loan they are looking for (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). The fact that focus group participants claim that they can get as much loan as they want from *Iddirs* shows that the loans provided by the *Iddirs* are adequately accessible, and as a result they are satisfied as users.

Regarding the loan delivery procedure, the loan request reviewed and answered by the General Assembly on the same day the request was made. Everyone does take part in the review. This includes assessing the *Iddir's* account balance and deciding the amount of loan distributed to individual applicants. But most of the time, the amount of credit required is lower than the amount

in the *Iddir* account. As a result, there is no shortage of funds in most of the time (Iddir Secretariat Argo 17.04.2019). The reflection of the *Iddir* leader indicate that the loan reimbursement process is participatory, transparent, engaging, and fast.

Besides to funeral and credit services, in *Menze*, *Iddirs* provides a mediation function. When people are fighting, their case is brought to their *Iddir* for possible mediation. When a member of an *Iddir* quarrel with another member or a non-member person, usually the case comes to the attention of the *Iddir*'s General Assembly via a member who knows the quarrel or fight. The *Iddir* (General Assembly) urges the parties to resolve the conflict through mediation. Sometimes General Assembly elects elders who mediate those involved in the conflict. Once mediation is recommended and facilitated, the progress with the mediation reviewed, after one month, in the next General Assembly meeting. *Iddir* members involved in a conflict and do not comply with this recommendation got fined by the *Iddir* (Focus Group Argo 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

Furthermore, *Iddirs* in *Menze* rent different equipment that includes a tent and dishes for individuals who host big events such as a wedding. According to focus group participants, some *Iddirs* started disbursing the profit to members. Some other *Iddirs* started their cover regular expenditure (such as the payout for bereavement and funeral) from own revenue sources such as interest rate and equipment rent out and has quit collecting the monthly fee from members (Focus Group Argo 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

Generally, *Iddirs* offer a wide range of functions to members. These are burial and funeral cover, medical cover, credit, and social control. Nevertheless, all *Iddirs* does not offer similar services. All *Iddirs* invariably offer certain services. At the same time, there are services offered by *Iddirs* that vary geographically. The service common to *Iddirs* in *Aresi* and *Menze* is the funeral cover. Otherwise, *Iddirs* in the two areas offers distinctly different services. *Iddirs* in *Aresi* provides medical cover and gift for members who host weddings or similar events but not in *Menze*. On the other hand, credit service is available in all the *Iddirs* in *Menze*, except one *Iddir* in *Argo Kebele*.

However, in *Aresi*, credit is not available in most *Iddirs*. Moreover, unlike *Aresi*, in *Menze Iddirs* have a role in conflict mediation.

7.2.2. Religious-Social Associations: Mahiber

Mahiber is a volunteer religious association among Orthodox Christians. On rotational basis, members prepared a feast to members of the association and other designated people in the Church. Members gather once in a month in the Church to praise Angels and holy figures of their preference. In Ethiopia, among Orthodox Christian, every day of the month is assigned to a particular angel or holy figure. For instance, on the 12th day of every month, Saint Michael celebrated. The congregates made special praise to the angel or holy figures on the day of the month which is assigned to them. Members of a *Mahiber* choose an angel or a holy figure (as a patron saint) they want to commemorate as a group. Then they keep getting together monthly on the date of month in which the Angel or holy figure of their preference is celebrated. On rotation bases, every member provides a fixed amount of food and drink (locally made beer called *Tela*) that is served for attendant members and poor fellows who are found around the church vicinity. Usually, the Mahber is attended by a noncontributing priest. The priest gives a blessing to attendants, usually followed by very brief preaching (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

There is a slight difference between the two study *Kebeles* in *Menze* in how they celebrate the festivity. In *Ate Das Gedanbo Kebele*, *Mahiber* celebrated at each members' houses on rotational bases. Whereas in *Arego Kebele* the celebration is held at the Church and members serve food and drink on rotational bases on the church compound (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). However, focus group participants in Ate Das Gedanbo stated that there is an increased pressure from priests and church personnel to relocate the celebration into the church compound (Focus Group Ate Das Gedanbo 15.04.2019).

There are both men and women *Mahibers*. The men *Mahiber* is only attended by men unless otherwise the husband is absent from the area and delegates his wife. The same is true for women

Mahiber. It is only meant for women. However, in the case of absentee, delegation to the men partner is not a custom (Focus Group Argo 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). It is because women are not usually absent from their vicinity. They are mostly housewives and do not engage in an economic activity that requires them to travel out of their residential areas. As a result, delegating the men partner not developed as a norm (Focus Group Argo 17.04.2019).

Usually, in most households, there are two *Mahibers*. One for men (husband) and one for women (wife). But poor households which cannot afford the cost of two *Mahibers*, usually take membership just in one *Mahiber*. If a household has to attend only one *Mahiber*, mostly it attends a *Mahiber* which established in the commemoration of the holy figure or an Angle in which local Church is named after. If the local Church as named after Archangel Saint Michael, the household join the *Mahiber* that celebrates Saint Michael. If the local Church as named after Saint Marry, the household join the *Mahiber* that celebrates Saint Marry (Focus Group Argo 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). Focus group participants' reflection indicated that wealth determines in the number of *Mahibers* that one can join. Rich households can join two or more households. But the poor ones have only one. For poor households, no gender bias in choosing between women's *Mahiber* and men's *Mahiber*.

Mahiber has initially been meant for only religious purposes. By now, all *Mahibers* in the study areas in *Menze* borrow money to its members with an interest rate of 5 % per month. They have a chairperson, a secretary and a treasury officer responsible for administrating the lending and borrowing and other related documenting and recording matters. The procedures for collecting and distributing loans are similar to *Iddirs*. The request for loan and distribution held during the monthly celebration before all the members. In this respect, the chairperson, secretary, and treasury officer have a recording function. They do not have the mandate to decide on who gets what in their own right (Women Mahiber Chairperson Ate Das Gedanbo 17.04. 2019; Women Mahiber Chairperson Argo 18.04. 2019; Men Mahiber Chairperson Argo 18.04. 2019).

Some *Mahibers*, rent equipment's' that they use at the Church (such as drinking cups and plates) for wedding and funeral ceremonies. The administration of equipment renting is also the responsibility of the chairperson, secretary, and treasury officer (Women Mahiber Chairperson Ate Das Gedanbo 17.04. 2019; Women Mahiber Chairperson Argo 18.04. 2019; Men Mahiber Chairperson Argo 18.04. 2019).

Mahibers have a hierarchical administrative structure that is similar to the *Iddirs structure*. At the top there is a General Assembly. All Members meet once a month to deliberate and pass decisions on “strategic matters.” Below the General Assembly, there is a specialized organ that is responsible for financial management. The group constitutes a chairperson, a secretary, and a treasury officer responsible for administrating the lending and borrowing and other related documenting and recording matters. The General Assembly selects the members of the financial management team (Women Mahiber Chairperson Ate Das Gedanbo 17.04. 2019; Women Mahiber Chairperson Argo 18.04. 2019; Men Mahiber Chairperson Argo 18.04. 2019).

7.3. Emerging development and Trends

The information on the formation as well as changes and developments on rules, procedures, and functions of *Iddirs* and *Mahibrs* overtime unpacks the significance of these organizations to the society in line with the different trajectories. The next sub-sections shed light on the formation and emerging trends in the operation and service provision of *Iddirs* and *Mahibrs*. In this regard, results of the focus groups and key informant interviews showed that there are three major patterns in the origin and development of these organizations. First, they are self-initiated so that they are compatible with local demand both in terms of their operational procedures and the service they provide. Second, these organization increasingly diversified their functions and become more involved in economic transactions overtime. Third, these organizations become gender-inclusive over time by establishing a parallel structure that is exclusive for women.

7.3.1. Self-Initiated and Locally Adaptable Organizations

When we come to the development of *Iddirs* in the study areas, in *Aresi* there were not *Iddirs* before the *Derg* regime (before 1974). In the period before 1974 pastoralism was a dominant way of life in the area and the people were highly mobile. But after *Derg* (1974-1991) assumes power and distributed land to individual peasants (pastoralists) which are confiscated from landlords, individuals have started to settle in a particular area and abandoned the pastoralist mode of life. Then after *Iddirs* got established among residents who started plowing agriculture (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019). Focus group participants in *Aresi* stated that:

We neighbor who lives in the same vicinity start to contribute mourning to support the family who lost the relative. As time pass, we start to contribute to a common pool on a regular base to accumulate some money that can be used in the future. Then after a certain time, a division of labor put in place to administer the collection and distribution of the money. Finally, we elect a chairperson, treasurer, and secretary among us who are responsible for administering the collection and distribution of the money. By doing so we have turned our informal support system into a permanent *Iddir* (Focus Group Adaba Tita 26.04.2019).

In *Menze*, *Iddirs* have established a few years earlier than *Aresi*. Focus group participants stated that a few years before the *Derg* regime came to power an old person from *Argo Kebele* (one of the study sites) who is still alive has introduced into *Menze*. This gentleman has visited *Wollo* (a neighboring region) and has observed the operation of *Iddirs* and he found it very useful. When he got back he established the first *Iddir* in *Argo Kebele* based on his observation. They added that this was the first *Iddir* in the entire *Menze* as long as their knowledge is concerned. Then after every one duplicated the same organization (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019; Iddir Secretariat Ate Das Gedanbo 17.04.2019).

Even though the history of *Iddirs* dates back to the early twentieth century, from the focus groups' results, it can only be stipulated that it is recently that *Iddirs* have developed in rural areas. Furthermore, in the study areas, *Iddirs* are locally evolved organization through diffusion. They are adopted from other areas but not imposed by the external agency. They have been found beneficial and adopted by the local people from somewhere else. So, their formation is self-initiated. That is why focus group participants stated that individuals who live in the same vicinity and neighborhood come together and form *Iddirs* (Iddir Chairperson Adaba Tita 25.04.2019). Therefore, *Iddirs* and *Mahibers* (*Iddirs* in particular) are locally self-initiated.

The above finding on the origin of *Iddirs* and *Mahibers* is consistent with the previous studies which asserted *Iddirs* and *Mahibers* are indigenous volunteer organizations in Ethiopia. *Iddirs* in particular developed in the early twentieth century in the city of Addis Ababa (the capital city) by the new immigrants of the city as a mono-ethnic self-help organization for burial matters. But through diffusion, they transfer into a poly ethnic volunteer organization (Pankhurst and Haile Mariam, 2000). Accordingly, *Iddirs* are diverse in terms of their functions and procedures across the different localities (Decron et al, 2006; Pankhurst and Haile Mariam, 2000).

Based on the evolution of *Iddirs* it can be said that *Iddirs* are internally democratic and participatory organizations. As mentioned above *Iddirs* are locally developed through diffusion, not imposed from the external agent for that they became internally democratic. Because of being a self-initiative organization, there is no incentive to the *Iddir* structure to develop an autocratic system that goes against its members. In this respect, shouldering the highest decision making power to the General Assembly and making participation mandatory in its summit is strong evidence that *Iddirs* are participatory in their decision-making process. So, they remain considerate of the very interest of their members. The issue of the General Assembly meeting day is also worth mentioning here. As stated above, the general assembly meeting in *Menze* is held on holidays where no farm work is done at all in the area. But in *Aresi* where such holidays are not observed, this is not the case. This is indicative that *Iddirs* operate in line with the local realities. Thus, the difference in the functions and procedures among *Iddirs* in *Menze* and *Aresi* has to do with local adaptability.

7.3.2. Increasing Move towards Financial Services

At the beginning both *Iddirs* and *Mahibrs* did not had an active role in financial transactions. For instance, according to focus group participants in *Ate Das Gedanbo*, the first *Iddir* that provide loan has started its provision only in 1995 (Focus Group Ate Das Gedanbo 15.04.2019). In *Arego* loan provision is first endorsed in 1997 (Focus Group Arego 17.04.2019). In *Aresi*, it has not been more than a decay since the medical cover, and other financial contributions is introduced by *Iddirs* in the localities. Even initially, *Iddirs* in *Aresi* did not make a monetary contribution to their common pool. Members used to make a fixed amount of maize contribution and they store it. When a family member of the *Iddir* member deceased a fixed amount of maze taken out from the store and given to a member with a deceased family. The maze is used to prepare traditional foods that are going to be served for those who attend the funeral ceremony (Focus Group Adaba Tita 26.04.2019).

Mahiber has initially been meant for only religious purposes. As mentioned above, a group of people gathers once a month to commemorate a holy figure or an Angele. But members started to make a fixed amount of contribution every month to buy and donate materials for the Church found in their vicinity. The capital grew steadily and started to borrow some part of the collected money to the needy member along with the donation to the Church. By now, all *Mahibers* in the study areas in *Menze* borrow money to its members with an interest rate of 5 % per month (Women Mahiber Chairperson Ate Das Gedanbo 17.04. 2019; Women Mahiber Chairperson Argo 18.04. 2019; Men Mahiber Chairperson Argo 18.04. 2019). So, in addition to their religious activity, the *Mahibers* have been transformed into financial services delivery organization. The move towards financial services has reached to the point where the *raison d'être* of *Mahibers* has been questioned.

As mentioned above, there is a slight difference in the manner of the *Mahiber* celebration. While the *Mahiber* festivity is hosted at individual members' house in *Ate Das Gedanbo*, in *Argo Kebele* the celebration is held at the Church where individual members serve food and drink on a rotational basis. Focus group participants in *Ate Das Gedanbo* stated that there is an increased pressure from

priests and church personnel to relocate the celebration into the church compound (Focus Group Ate Das Gedanbo 15.04.2019). We can say that the Church is struggling to retain the sole function of *Mahibers*. They are demanding *Mahibers* to host their monthly ceremony in the Church for the sake of close observation and regulation about their activity. *Mahibers* are increasingly deviated from their religious function and enroll in financial service. Under close observation, the Church would like to make sure that *Mahibers* has stuck to their religious function solely.

The *Iddirs* and *Mahibers* that operate throughout the country has transformed their functions and procedures overtime. This organizations are locally initiated and they keep change their role along with emerging needs of their members. The one of common trend in the transformation of these organization is increasing involvement in financial assistance (Pankhurst, 1998; Pankhurst and Haile Mariam, 2000; Pankhurst, 2008). In this respect, the finding of this study is consistent with that of the previous studies. *Iddirs* in *Aresi* and *Menze* has taken up the financial service role over time. In *Menze* in particular, both *Iddirs* and *Mahibers* has increasingly involved in financial services to the extent of compromising the original purpose for which they have been established for. In fact, the organizations' involvement in financial services is more intensive in *Menze* than *Aresi*. As mentioned above, these organizations are locally adaptable (Pankhurst, 1998; Pankhurst, 2008). As a result, the difference in the magnitude of financial functions of *Iddirs* and *Mahibers* in *Aresi* and *Menze* implies a prevalence of differential demand for financial services between the two regions.

7.3.3. Becoming Gender Responsive with the Arrangement of Parallel Institutions

Both in *Aresi* and *Menze*, focus group participant reported that there was no Women Iddir in their respective localities ten years ago. (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019).

Women *Iddirs* are established recently. It is not more than three years since the first Women *Iddir* started operation in the *Kebele*. But now they are becoming wide. Their major concern is

organizing food and drink that is going to be served in the funeral ceremony on their Iddir member. Focus group participants reflected that the idea of establishing women's *Iddirs* comes to surface from the realization of certain gaps of mixed-member *Iddirs* (Women *Iddir* Founder and Secretariat Argo 17.04. 2019). Although *Iddirs* provide funds for food and beverages as well as cereals for food such as corn, there was a gap in cooking and serving the food to funeral service attendants. Then the idea of establishing a parallel association (*Iddir*) that particularly concerned with food preparation and service in the funeral ceremonies comes to the surface in *Iddirs* regular meetings. Then *Iddir* member households have to make wives in the respective household to established and join a parallel women *Iddir*. Thus, in this case women *Iddirs* are just an appendage to the mixed members *Iddirs*.

7.4. Understanding the Significance of Iddirs and Mahibers

As presented above the *Iddirs* and *Mahibers* in the study areas offer a wide range of functions to the local communities. This includes burial and funeral services, loan provision, and conflict mediation and resolutions. *Iddirs* and *Mahibers* have their organizational structure and working procedures for their administration and rendering services. Characterizing these organizations along with the functions, organizational structures, and operational procedures, are not sufficient to fully grasp their importance and existence. It would merely be descriptive. Appraising these organizations' functions in the context in which they are operating gives a full picture of the organizations. In this regard, understanding how the community members value their importance and interpret participation in these organizations helps to discuss why these organizations exist and work the way they are doing.

Focus group participants asked why participation in *Iddirs* and *Mahibers* is needed, and two major issues have come out of the discussions. First, the importance of participation in *Iddirs* and *Mahibers* is raised with shock mitigation. Second, participation in these organizations is raised in a link to complimenting other informal risk-mitigating arrangements. Below, these two major themes are discussed in detail.

7.4.1. Shock Mitigation

Concerning *Iddirs importance*, in the first place, participants in the focus groups put forward that taking part in *Iddir* is vital that it is impossible to find someone who is not a member at the household level in their respective areas (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019; Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). One of the focus group participants stated, “how comes a person alive and not become a member of *Iddir*?” (Focus Group Wetera 20.03.2019). Thus, the reflection from focus groups indicated that participation in *Iddir* is a widely entrenched practice in the study communities.

Iddirs are the most prevalent indigenous institutions in Ethiopia, including rural areas (Butcher, 2007; Dejene, 1993; Pankhurst, 1999). In many rural Ethiopia villages, except agro-pastoralist areas, up to a hundred percent of households are *Iddir* members (Kassahun and et al., 2004). Hence the statement made by focus group participants is entirely consistent with the results of other national surveys. *Iddirs* are ubiquitous throughout Ethiopia, and *Menze* and *Aresi* are not an exception. Moreover, the focus group participants' reflection indicated that *Iddir* is crucial for the community members' well-being. *Iddirs* are so vital that it is almost impossible to find a household that does not have a membership in *Iddir*. As stated above, a focus group forwarded that “how comes a person is alive and not become a member of *Iddir*?” This statement equates not taking part in *Iddir* with the state of being dead. This indicates the indispensability of *Iddir* for the well-being of community members.

In explaining why *Iddir* membership is needed, focus group participants reflected that *Iddir* is crucial for them to cope with sudden shocks of death, illness, and other unforeseen encounters. Specifically, focus group participants remarked that the critical importance of *Iddir* remains easing the sudden shock of death. It means, first and foremost, *Iddirs* are designed to overcome the unforeseen crisis related to burial and funeral services that come following the sudden death of a family (Focus Group Adaba Tita 26.04.2019; Focus Group Wetera 20.03.2019). At one point, a

focus group participant, in elaborating the issue, said that “death does not come by appointment and one cannot manage burial and funeral activities without *Iddir*” (Focus Group Wetera 20.03.2019). In elaborating this statement further, another participant put forward that:

Death usually happens suddenly. No one is ever prepared in advance, both emotionally and financially for death of a family member. When someone dies, the deceased's family mostly do not have enough money to undertake the burial and funeral on its own. This is quite troublesome. But if one is a member to an *Iddir*, burial and funeral activities would not be an issue. The *Iddir* effectively undertake burial and related activities (Focus Group Wetera 20.03.2019).

Menze focus group participants have also raised the importance of *Iddirs* and *Mahibers* in their localities in connection to their shock mitigation role through the credit provision services. According to focus group participants, the credit available from *Iddirs* and *Mahibers* is vital for them in meeting certain unforeseen shocks at the household level (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). A focus group participant has put the case that:

We take credit from own *Iddir* and *Mahibir* just to meet some pressing demands. We just use such credit to meet certain demands at the household level that demands prompt action such as the illness of a family, purchase of some food item, etc (Focus Group Arego 17.04.2019).

Generally, there are two major motives for a household demand for credit. First, a household might seek for credit to overcome unforeseen risks. So, demand for credit can be motivated by risk factors. Certain type of risks, such as illness affects at an individual level (idiosyncratic shocks). Another type of risk, such as natural disaster, affects the entire community (aggregate shocks). Second, a household can look for credit to buy “lumpy” assets (durable goods) (Fichera, 2010). As presented above focus group participants in *Menze* clearly stated that they use credit for certain

consumable goods, which are quite pressing. This implied that credit is motivated by shock and not the demand for purchasing “lumpy assets.” According to Decron and et al. (2008), in rural Ethiopia, many *Iddirs* provide loan for members to mitigate individuals shocks such is the destruction of the house, illness, and loss of cattle. In this sense, *Iddirs*’ credit services in *Menze* that is meant to mitigate idiosyncratic shocks is not unique.

As discussed above in most cases, the amount of loans available through *Iddirs* and *Mahibrs* is very low. Usually, individuals take a loan of less than 10 US dollars. To be specific 100 birr (3.40 US dollar) is just tag in the discussion about lending and borrowing in *Menze*. The fact that the amount of money that individuals are borrowing is low reinforce that the money is meant for the purchase of consumable goods. Thus, unlike other areas, loan service in *Menze* is particularly connected to the need for financial liquidity. Even though money is available for loans from *Iddirs* and *Mahibrs*, focus group participants reflected that they have little interest in borrowing “much” amount of money (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). An *Iddir* chairperson stated that usually individuals do not borrow more than 300 birr (*Iddir* Chairperson Ate Das Gedanbo 14.04.2019). The repayment issue is forwarded as a reason. Focus group participants asserted that “given our economic situation, it is tough for any average peasant to repay more than 300 birr debt. We are extremely poor so that we cannot repay the loan that exceeds 300 birr” (Focus Group Ate Das Gedanbo 15.04.2019).

Income and expenditure shocks are pervasive among rural households in Ethiopia. This includes drought, death, and illness (Dercon and et al., 2008). When a household faces shocks (both expenditure and income shock) such as illness, the demand meets with savings or decreasing consumption. Given the impoverished conditions most rural households in the least-developed countries, saving which is excess of consumption is not available to mitigate shocks. Rather shocks and concurrent new demand meet by reducing consumption. To smooth consumption rural households arrange different coping strategies. One of the most common coping strategies for vulnerability is forming risk sharing arrangements. It is a membership based risk-sharing arrangements by which individuals contribute to the common pool as a precautionary saving to cover certain unforeseen shocks. When an individual members experience shock, resources from

the common-pool become available that smooth the expenditure or income shock. In other word, it is a group-based insurance arrangement (Chen and et al., 2007).

In this regard, *Iddirs'* burial and funeral-related functions amounts to funeral insurance (Decron, et al., 2006). Moreover, *Iddirs'* financial services also constitute group-based financial and medical insurance (Decron, et al., 2006; Decron, et al., 2008). As presented in the second section of this chapter *Iddirs* collect a fixed amount contribution monthly. They provide cash and in-kind payout from the common pool members at a time of family death. When focus group participants have said “death does not come by appointment”, they refer that death and the related cost of burial and funeral services are an expenditure shock to households. Thus, the payout by *Iddirs* cover the burial and funeral costs and enable households to manage burial and funeral services without compromising (reducing) their consumption. Like burial and funeral cover, the focus group showed above that *Iddirs* have significant financial liquidity services. *Iddirs* are one of the major financial sources when households face financial difficulties to meet certain urgent matters such as medical cover for a sick family member.

Based on the logic for burial and funeral covers, *Iddirs'* cash payout for illness amounts to *Iddirs* health insurance. It enables households to cover their medical cost when a family member got sick, without reducing their consumption. Thus, payout is meant to smooth consumption. For instance, in ERHS, about 20% of those poor households live in villages where no *Iddir* provides health insurance their reported illness shocks associated with a 20% reduction in their per capita consumption. On the contrary, for those poor households lives in villages where *Iddirs* offer health insurance, the reported illness shocks are not associated with a statistically significant reduction in their per capita consumption (Dercon and et al., 2008).

Poor households in developing countries devise a different mechanism to overcome a variety of shocks. Borrowing money is one of the hardship management mechanisms (Decron, 2002). In the study area, credit for mitigating various types of shocks is made available through existing community organizations (*Iddirs and Mahibers*).

Why do *Iddirs* provide loans in *Menze* but not in *Aresi*? Why is credit available from different sources in *Menze* but not in *Aresi*? These questions can be answered from a broader perspective that analyzes the very demand for loans in general and the role of “informal” institutions in delivering credit in particular. In this respect, the availability of credit service from *Iddirs* and *Mahibrs* in *Menze*, unlike *Aresi* go in line with the difference between the two study areas in terms of the severity of poverty and vulnerability. The fact that the majority of households in *Menze* are aid recipients reinforces the idea that shock management is quite pressing in this area. Hence, the credit services from grassroots organizations in study areas are linked to the pervasiveness of shocks and vulnerabilities at the community level. It means credit service in *Menze* is motivated by the severity of risk factors in the area. The common understanding in the literature is that community organizations have a role only mitigate idiosyncratic shocks. They do not have the capacity to mitigate community-level shocks. The idea is that if all members of the community affected by shock, no one contributes to the common pool where individuals members can withdraw (Decron, 2000; Dercon and et al., 2008). However, the result of the study showed that *Iddirs* and *Mahibers* devised a mechanism for mitigating community level shocks through financial liquidity. Accordingly, the role of community organizations in mitigating communal shock needs a rethinking.



7.4.2. Complimenting Informal Networks

In *Menze*, focus group participants have forwarded that easy access to credit is a key reason for becoming an *Iddir* member. When a person needs cash, people can borrow it from a neighbor or someone they know. But this cannot be taken for granted. Credit from people is not available as needed. A focus group participant has stated that “when one asks someone for a loan, the person may not have the money you asked or might not be willing to lend the money. So one will not get money as much he or she wants. However, *Iddir* is just like your pocket. You can withdraw credit from the *Iddir* any time you want” (Focus Group Arego 17.04.2019). Another participants asserted that “someone looks at your capacity and lends you money. Who will lend the poor? But the *Iddir* does not distinguish between rich and poor to lend money. If you are a member, you will receive

equal credit regardless of whether you are poor or rich” (Focus Group Ate Das Gedanbo 15.04.2019).

As is the case elsewhere, in rural Ethiopia, too informal networks are exclusionary. This is particularly true on credit (Daniel, 2003). In this respect, the assertion made by focus group participants showed that these organizations preferred for their capacity to overcome the weakness of informal networks. Through *Iddirs* and *Mahibers*, credit become available in the fairest and regular manner.

7.4.3. Membership and Inclusiveness/Exclusion

As mentioned above, there are mixed members and women *Iddirs*. According to focus group participants, usually, *Iddirs* are formed by individuals who live in the same vicinity. An acquaintance that comes from geographical contingency is a base for *Iddir* formation and membership admission. Individuals who live in the same vicinity and neighborhood come together and form *Iddir* regardless of their difference in age, religion, wealth status, and other social spectrums (Focus Group Adaba Tita 26.04.2019). Anyone also can join any *Iddir* in her or his vicinity at any time regardless of gender, ethnicity, economic status, and other social markers (Focus Group Menze 20.03.2019; *Iddir* Chairperson Adaba Tita 25.04.2019).

However, in *Menze*, *Iddirs* have a different admission criterion. According to focus group participants, religion is a criterion for *Iddir* admission in their locality. Only Orthodox Christians are allowed to join *Iddirs* in the Area. This regulation is stipulated in the rule of the *Iddirs* that operated in the area (Focus Group Arego 17.04.2019; Focus Group Ate Das Gedanbo 15.04.2019). An *Iddir* leader has admitted that there are instances by which admission requests are rejected based on the religion criterion.

“Once a woman has made an application for admission. But we the *Iddir* executive committee members have rejected her case. Even we did not bring her case before the General Assembly. We just reject it by ourselves. This is because we know that she [is not

orthodox Christian⁷]. Then she sued the *Iddir*. Yet, the court decided in favor of the *Iddir* and rejected her accusation. Because this criterion is clearly stated in our *Iddir* legislation. This is a registered *Iddir* and the government has our legislation and we will be accused if and only if we decide that violets our legislation. In this case, our decision was just based on our legislation for that the court affirmed it” (Iddir Secretariat Argo 17.04.2019).

Generally, in rural areas of least-developed countries risk-sharing institutions are formed based on geographic and social proximity. It means members in such institutions are usually from a certain limited geographic area. Moreover members tended to have similar social and economic backgrounds (Fafchamps and Gubert, 2007). In this respect, still, it is fair to say *Iddir* membership is primarily based on geographical proximity in both areas. The difference in the selection criteria between *Iddirs* in *Menze* and *Aresi* is a reflection of the social realities in each community. Precisely, the *Iddirs*' admission criterion's differences overlap with the two study communities' different social and demographic conditions.

Menze is religiously a homogeneous society. About 99% of residents in the area are Orthodox Christians (see chapter four). For this reason, by making Orthodox Christianity a criterion for admission, *Iddirs* in *Menze* do not have a lot of people that they do marginalized or socially ostracized along the religious line. On the contrary, as presented in chapter four, *Aresi* is religiously diverse and *Iddirs* become open for any religion follower unlike that of the *Menze* ones. By doing this, *Iddirs* in *Aresi* accommodated the existing religious diversity in the communities. Therefore *Iddirs* as an indigenous and community organization, reflect the social composition of their respective communities. The reverse is also true. The social composition of *Iddirs* reflects the reality of the communities on the ground. As discussed above, *Iddirs* have a very democratic decision-making process that enables the actual realities and interests of the community to be entertained and reflected in their administration.

⁷ The interviewee has used a “different” way of expression to refer her religion. But it is not mentioned here for moral issue.

In conjunction with this, the existence of *Mahiber* is consistent with the religious composition of the two study areas. As stated above *Mahibers* are religious associations among Orthodox Christians and they are practiced only in *Menze* where almost the entire population belongs to Orthodox Christian denomination. For the fact that the study *Kebeles* in *Aresi* are dominantly Islam and Pentecostal, *Mahibers* are not found in these *Kebeles*.

But gender and wealth status associated with participation in these organizations. The functioning of mixed-member *Iddirs* and women *Iddirs* falls along with the gender division of labor. Women *Iddirs* have gender-specific roles. Concerning burial and funeral service, both in *Aresi* and *Menze* women *Iddirs* undertake tasks locally attributed to women only. This is cooking food for mourners and funeral services attendants. Moreover, they deliver services that target women in particular. In *Aresi*, women *Iddir* provide cash payout for members who are hospitalized for child delivery. This is the only kind of hospitalization payout made by women *Iddir*. On the contrary, child delivery is the only form of hospitalization for mixed-member *Iddirs* who do not make any payout. The functions of mixed-member *Iddirs* and women *Iddirs* in *Menze* is also worth mentioning here in *Menze*. As mentioned above, poorer households mostly join only one *Mahiber*, while the rule of the thumb is just two *Mahibers* per household. Focus group participants add that wealth status also affects the number of *Mahiber* that one can join in the opposite direction. Rich households join more than two *Mahibers*. In some instances, wealthy households join three or four *Mahibers*. Accordingly, wealth is one of the major areas by which differential access to these organizations is observed.

The above discussions shows that the two community organizations are mainly formed based on geographical and social proximity (Fafchamps and Gubert, 2007). Specifically, the community organizations are formed in line with the social diversity that prevails in their respective localities. Thus, in discussing bonding and bridging social capital one has to focus on the socio-economic backgrounds. Bonding and bridging social capital is not a matter of choice by respective individuals or communities. Rather, whether bonding or bridging social capital dominates a particular community depends on that community's socio-economic realities.

7.5. Conclusion

In the study areas, *Iddirs* and *Mahibers* play an essential role in risk mitigation through resource pooling. In the context where any formal insurance arrangement is absent, the funeral and medical cover offered by *Iddirs* helps households to mitigate death and illness-related shocks. Moreover, *Iddirs* also offer credit services and solve their members' financial liquidity problems to meet demands for consumable goods. *Mahibers*, which initially were a purely religious institution, also provides credit services for their members.

Generally, in the study areas, *Iddirs* and *Mahibers* are meant to overcome unexpected shocks such as losing a family member and related burial and funeral costs, sickness of a family member, and financial liquidity for consumable goods. This kind of risk is supposed to be mitigated by the insurance system. However, the market institutions in general and the formal financial market in particular are not available or less developed (Decron, 2000). Thus, *Iddirs* and *Mahibers* take over these roles

Both *Iddirs* and *Mahibers* offer different services based on membership contributions. Usually, members contribute a fixed amount of money to a common pool, from the common pool in-kind or cash payout or credit provided for members to overcome idiosyncratic shocks. To avoid opportunistic behaviors, false claim of entitlement for different benefits false these organizations deliver their services based on fact-checking mechanisms. Through their organizational structure as well as their closeness to the society has enabled them to avoid information asymmetry effectively and become a successful collective action institution.

Iddirs and *Mahibers* have undergone a dynamic change in many areas. But certain patterns are visible. First, both *Iddirs* and *Mahibers* increasingly embodied financial services. Riders from a burial association based on in-kind contributions moved into a money lender and health insurance

provider. Even some *Iddirs* engaged in renting out different equipment such as a tent for festive events. Certain *Iddirs* save money excess of their regular spending from their financial transactions and started distributing profits to their members. Likewise, *Mahibers* increasingly involved in financial services. *Mahibers* detoured too much from their original religious purpose so much so that tension has mounted between religious institutions and *Mahibers*.

Second, emerging demands for different services are met via diversifying the existing organizations' function rather than establishing tailored and specialized organizations. *Iddirs* and *Mahibers* increasing move towards financial services is one good example. These two major patterns on the development of *Iddirs* indicated that formal organizations in rural Ethiopia context are meant for practical material demands. An increasing attachment with financial transactions and persistence on diversification of existing organizations shows that these organizations have little merit for civic culture development.

Therefore, grassroots organizations remain significant for their economic role. Nevertheless, as happens elsewhere, these organizations are not as inclusive. There is a clear difference in the participation of these organizations, along with wealth status. Though the gender bias was at stake, over time these organizations become gender-responsive by establishing parallel organizations exclusively run by women. Fortunately, the newly emerged organization run by women, such as women *Iddirs*, becomes more inclusive in their service delivery than their predecessors. This makes women-owned organizations an important entry point for capitalizing grassroots organizations for development interventions.

CHAPTER EIGHT

Trust Relations in Aresi and Menze

8.1. Introduction

Trust, understood as social trust, has a variety of definitions. But generally, trust is an expectation about the behavior of others (Uslaner, 2002) and it is an essential element of social capital (Coleman, 1990). It has a variety of definitions and along with that different type of trust distinguished. Usually, a distinction is made between generalized trust and particularized trust (Uslaner, 2002).

Generalized trust is a conviction that humankind as a whole is good and dependable and involves trusting personally unknown people (Stolle, 2002; Uslaner, 2002). Generalized trust is valued for that it strengthens solidarity and facilitates cooperation and collective action that have mutual benefits (Ostrom and Ahn, 2003; Putnam, 1993; Stolle, 2002; Uslaner, 2002). On the other hand, particularized trust refers to people's attitude and evaluation of the goodness and dependability of the people that they know. It is trust towards a particular group of people, not humankind in general. Like generalized trust, it facilitates collective cooperation action. But the cooperation with particularized is limited to a narrowly defined group. It means the benefits of a particularized trust are limited to a particular group and are localized by nature, while generalized trust has a consequence on an entire society (Stolle, 2002; Uslaner, 2002).

Generally, the level and distribution of the two forms of trust relations have an implication on the efficiency of societies (Kim, 2018). In this vein, this chapter assesses the extent of generalized and particularized trust in the context of rural Ethiopia. It makes a reflection on the state and extent of generalized and particularized trust in the study areas (*Aresi* and *Menze*) based on community members' verdict on the dependability of humankind in general and fellow villagers in particular. To move beyond the abstraction and empirically synthesize the actual effect of the trust level, the chapter presents and discusses the history of collective action and inter-group relation (inter-group

marriage) among the study communities. This is because the magnitude of collective action and inter-group marriage shed light on the extent to which trust relations facilitate or hinder cooperation at community levels.

8.2. Generalized Trust

This part is tailored towards the discussion on the level of generalized trust in the study areas. It addresses the issue of generalized trust in two major areas. These are perceptions of the dependability of human beings and feelings towards strangers. The first part reflects on the level of generalized trust based on the view of focus group participants regarding the possibility of trusting most people. The second one assesses the level of generalized trust by evaluating how the local people extend trust beyond the people they know.

8.2.1. Perception towards the Dependability of Humankind

Focus group participants have been asked what they think about trusting people. They were asked if they thought most people can be trusted or one needs to be very careful in dealing with people? In this regard, focus group participants have forwarded a wide array of responses. Yet, all of the responses fall into two key themes.

First, most focus group participants reflected that it is difficult for them to make a single generalization about trusting people. One focus group participant in *Menze* has stated that "...just as each person has a different physical appearance, so is personality" (Focus Group Arego 19.06.2019). Some people can be trusted, and others cannot be trusted. Therefore, focus group participants said they can speak about trusting and not trusting only for those they know personally. One cannot speak of the behavior or character of the person that she or he does not know (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

Focus group participants asserted that trust is not an attribute of humankind in general; instead, it is a trait that resides in each and every individual. Moreover, focus group participants' argument underlies the importance of information for the judgment of trust behaviors. They forwarded that the evaluation of the goodness and dependability of the people has relied on the information and knowledge they had about the concerned individuals. This stipulation amounts to particularized trust -trust only to those whom they personally found as dependable (Stolle, 2002; Uslaner, 2002). Specifically, it is identical to knowledge-based trust. This means people trust others based on their knowledge and experience about the trustworthiness of other people (Lewicki and Bunker, 1996; Yamagishi and Yamagishi, 1994).

Second, some participants have categorically asserted that no one cannot be trusted. Few participants in three of the focus groups have put forward common maxim in Ethiopia which says “*sewini mameni k’ebiro newi*” (You can only trust a dead man⁸) (Focus Group Adaba Tita 18.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). This characterization indicate that in the study areas people do not take humankind in general as dependable. In elaborating the issue a focus group participate stated that

People always seek only their interests. Everyone wants to achieve their interests without minding the consequence of their actions on others. If you are not careful, no one will sympathize with you and be good for you except your own family and close relatives (Focus Group Arego 19.06.2019).

The first case shows that focus group participants do not take the possibility for most people as trustworthy for granted. Instead of admitting that people can be trusted, focus group participants asserted the need to deal with trust on an individual basis. But as a matter of convenience, generalized trust is all about an optimistic view of humankind in general. It is about faith in the dependability of humankind other than the one that we have come to know in life (Uslaner, 2002).

⁸ The idea is that any living humankind cannot be trusted.

So, it involves trusting personally unknown people (Stolle, 2002; Uslaner, 2002). According to this understanding, the tendencies among focus group participants to relate trust only with the personality that individuals display reflected that in the study areas people can extend trust (distrust) only for those that they know. They are suspicious of other people. This indicates a lack of an optimistic view of humankind in general. They do not have a conviction about the dependability of humankind. This means the level of generalized trust is very low.

The second category further ascertains that the level of generalized trust in the study areas is low. Arguing that people always want to take advantage of others makes it clear that there is no optimistic conviction about human beings (Uslaner, 2002). It is a very “harsh” categorical labeling that people cannot be trusted at all.

All in all, the reflections made by focus group participants show that generalized trust in the study areas is very low. The result of the household survey also confirms this. But it is difficult to come to this conclusion based solely on the reflection given to a single question. If generalized trust involves trusting those who are unknown to us other than the one we know, and if we want to understand what it means, we need to evaluate the perceptions of the people towards strangers. So, feeling towards strangers became one of the survey instrument that has been used for the assessment of generalized trust (Uslaner, 2002). In line with this, to further clarify the discourse on generalized trust, participants were asked to reflect on how a stranger is perceived in their respective localities.

8.2.2. Feeling towards a Stranger

Focus group participants have been asked how a stranger is perceived in their respective localities. What do they feel when they encounter a stranger in their localities? What is the norm for dealing with a stranger in their respective localities? In this respect, more or less similar response has been reflected in all focus groups. When asked about the feelings of the local people towards a stranger who arrives in their residential area, the participants expressed that they and the rest of the residents

are usually eager to get to know the identity of the stranger. The focus group discussant in *Aresi* has reflected that:

If the stranger appears on the street, we remain cautious but does not bother too much. But if the stranger happens to be in the middle of the village, we will wonder who this person is. Wondering if anyone from our community knew the stranger, everybody in the village asks one another, "Who is this guy?" "Why is this person here?" "What is this person doing here?" If need be, any villager asks the stranger who she or he is looking for in the village. Because we need to find out who the stranger is (Focus Group Adaba Tita 18.05.2019).

In *Menze*, similar reflection is made by focus group participants. They said that:

Usually, when a stranger comes to our area, we find ourselves very curious to discover who the person is. When a stranger happens to appear in our vicinity, most of the people in the locality ask the stranger who she or he is looking for in the area. This is because people need to know who the stranger is (Focus Group Arego 19.06.2019).

These responses make it clear that in these localities, people are curious about the strange. When a stranger is found in the localities, the people want to know about the stranger's identity. Specifically, they want to know if the stranger is related to someone in the area. Both in *Aresi* and *Menze* participants clearly expressed that a stranger will be asked who they are looking for in the locality. It can be said that this question is meant to know whether the stranger is an outsider to the community or has an association with the community members.

Focus group participants in *Menze* expressed that if a stranger does not associate her or himself with someone in the community, no one dear to talk to them and everyone becomes cautious about her or his move (Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). Similarly, in *Aresi* focus group participants disclosed that the local people are not even willing to talk to a stranger who does not identify herself or himself. "How do you expect us to talk to

someone that we do not know? Nobody will talk to a stranger whose identity is unknown” (Focus Group Wetera 23.05.2019). Generally, focus groups participants reflected that they are very cautious in holding any conversation with someone that they are not well acquainted with. But, why do people in the localities carefully watch the stranger? So, factors that led to suspicious social psychology towards strangers requires some detail note.

When asked why they are suspicious of a stranger, focus group participants expressed that they have a concern over the very purpose of those guys who visited their rural areas (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). They pose a question that “why does someone come to us” (Focus Group Adaba Tita 18.05.2019). Another focus group participant forwarded that:

What kind of motive drives someone to visit the countryside, unless she or he has a relative or the person is a civil servant? Rural areas are the most impoverished places, you do not find most of the facilities that you have in urban areas such as electricity, clean water, etc. So, we do not see any reason for someone to come and visit rural areas (Focus Group Ate Das Gedanbo 23.06.2019).

Thus, there is a concern among the rural community over the motive of a stranger who happens to be in rural localities. Besides, these assertions shows that the underlying issue that comes out is not simply the very motives strangers. Rather the very conceptualization of “a stranger” becomes a fundamental issue by itself. The above assertions reflected that the focus group participants associate the very idea of a stranger with an urban person. When focus group participants say, " given the poor infrastructure, under normal circumstances, individuals do not have an incentive to the countryside", essentially they are describing someone outside the rural areas. So, what is it that scares the rural people not to engage with a stranger with an urban look?

The focus group participants responded that this has to do with the very attitude of urban dwellers towards the rural community. They stated that people from towns and cities have regarded individuals with rural affiliation as “uncivilized” and “unmannered” and always try to take advantage of them (Focus Group Adaba Tita 18.05.2019, Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). They add that “People from urban centers think that they are smart and they know a lot of things that we do not. As a result, they usually bully us” (Focus Group Ate Das Gedanbo 23.06.2019). “People from urban centers are also cheaters. So, we do not trust them” (Focus Group Arego 19.06.2019).

Generally, rural communities are the most marginalized groups in most, if not all parts of the world. The marginalization is multidimensional and it goes along the economic, political, and cultural frontlines. There is a misconception about the realities of rural areas. Usually, rural areas are the ones that get the least attention of the national governments in terms of infrastructural and social amenities provisions. Moreover, the rural social mode of existence as a lifestyle is not also appropriately valued (Chambers, 1997; Chambers, 2014).

In Ethiopia, like elsewhere in the world, the urban-rural social and cultural divide is enormous. There is a clear division between urban and rural modes of life as civilized versus uncivilized. The rural communities are generally labeled as “backward” that have no civilized moral standard. They are characterized as unmannered. In most parts of the country, the peasantry is even known by the name “*balageri*”. It is an Amharic word and etymologically it comes from the word an Amharic word “*balegē*” which means rude or rough (Teshale, 1996). So, this characterization and concomitant stigma are a source of distrust among the rural community towards the stranger and urban look persons in particular.

In general, the focus group participants' reflections on the very dependability of humankind in general and feelings about strangers clearly indicate that the level of generalized trust is low in the study areas (Uslaner, 2002). In the localities, people believe that humans are not dependable. Because of this, the local people are quite suspicious of strangers.

In Ethiopia, the level of generalized trust is low. Even it is lower than most of the Sub-Saharan African countries (Holden and Tilahun, 2019). The World Value Survey, held in 2007 in Ethiopia, reported that more than two-thirds of the survey participants believe that one needs to be careful in dealing with the people. The results of the household survey also show that generalized trust is very low in the study areas. So, the results of this qualitative assessment are quite consistent with the quantitative survey as well as the national surveys. The consistency between the results of this study and the national surveys can be explained in terms of structural determinants of generalized trust.

As discussed in the theoretical framework, generalized trust is inherently a matter of structural and institutional contexts. It is an outcome of the national economic and political environment (Bjørnskov, 2007; Freitag, 2003; Rothstein and Stolle, 2008; Saravia, 2016). So, composite and geographic factors do not affect the level of generalized trust beyond and above the national level determinants (Fidrmuc and Gërkhani, 2004). In this regard, the absence of variation between the level of generalized trust of the study sites and the level of generalized trust surveyed at the national level is because of the structural nature of generalized trust. Since generalized trust is primarily an outcome of structural and institutional factors, the level that is manifested at different geographic units does not deviate from the national average. In this vein, the result of this study is also consistent with the theoretical framework set in chapter three.

8.3. Particularized Trust

As it is discussed in the conceptual framework, generalized trust and particularized trust deserve a separate analysis (Paxton, 1999; Putnam, 2001; Uslaner, 2002). With this understanding, this sub-topic addresses the nature and extent of particularized trust in the study areas. This is done along with two major themes. The first one is the feeling of trust among villagers. This is assessed through questions that capture residents' perceptions about the trustworthiness of their village fellows. The second theme is social cohesion at the community level. Three sub-themes have been

put under social cohesion. These are collective action experience at the community level, patterns of conflicts in the localities, and Inter-group marriage.

8.3.1. Trust among Villagers

Focus group participants have been asked to reflect their views regarding the extent to which villagers are honest and dependable to one another. The specific questions include the tendencies among villagers to seek self-interests and to take advantage of one another.

When we come to the results, through focus groups, lack of integrity, dishonesty, and envy has come out as a defining feature of the relationship among villagers in the study areas. These issue has bubbled in all of the focus groups with somehow a similar expression. Most importantly, almost all of the participants had a consensus on these issues in every focus group.

To begin with the issue of honesty and integrity, focus group participants stated that most of the time villagers in their respective localities are not honest with each other. Focus group participants forwarded that the majority of the villagers are concerned only with their interests (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). A focus group participant reflected that “very rarely people in the locality do things being considerate to their fellow villagers. Often villagers stand only for their ends and not care for the other villagers. They might do things that can hurt other villagers unless they have been seen by someone” (Focus Group Adaba Tita 18.05.2019). For example, several individuals in the locality throw it away anywhere in the Kebele without minding its consequences on other residents when it comes to solid waste disposal. To avoid this, they dispose of the waste in the nighttime, hide from the sight of others (Focus Group Adaba Tita 18.05.2019). Similarly, in *Menze*, focus group participants have stated that they have a reservation on the goodwill among villagers in their localities:

Even there are so many people who have the intention to hurt other fellow villagers. For instance, now we are all aid recipients, and opposing the government ensues a disqualification for aid. In this respect, some villagers have been prevented from getting aid due to false reports. Usually, with hideous intent, some people report to government bodies that the other village fellow is in opposition to the government. Because of this, a certain number of household heads have been denied aid (Focus Group Ate Das Gedanbo 23.06.2019).

Besides, focus group participants have reflected that there is a tendency among villagers to take advantage of one over the other. In *Aresi*, it has been said that when the opportunity arises, one can even go so far as to possess the property of another. “Most of the time people do keep the lost items that they found with themselves unless they have seen by someone” (Focus Group Wetera 23.05.2019).

The problem of theft is also raised in *Menze*. Due to the severity of theft, a religious protocol is held in the area called *senibetē masidefati* (curse on the Sabbath). In this procedure, an individual with the lost item put her or his case in the church before the congregates on Sunday after church prayer. The priest and congregates condemn the act of theft or not returning a lost item. They curse the individuals who kept the item and pledge for an immediate return. There is a belief among the community members that the curse will cause bad things to happen to people if they do not return a lost or a stolen item after such condemnation. Usually, with the fear of such a curse, people do return the stolen or lost items that they had kept with them.

As a matter of practice in this religious protocol, individuals received condemnation and curse for not returning a lost item. This condemnation is meant to make people return lost items with a fear of curses. This practice stressed how trustworthy behaviors are scarce in this community. Had trustworthiness is not an issue, this religious protocol would have not been in place at all. With this, two incidences that the researcher has encountered during the field survey verify how weak the particularized trust in *Aresi* and *Menze* is.

One day on my way to the research site (*Ate Das Gedanbo Kebele*) from the town of *Mahle Meda, Menze*, I could not find any public transport and rented a horse carriage. However, the horse was not able to ride fast enough. Even the horse has stopped several times on the street. At this point, the carriage driver said to me the following:

Someone who provides a horse carriage service in the town like me has made my horse dull via magic. This horse was the best in town. Everyone knows it and people were very eager to take a ride with me. In those days, I had the most number of customers in the corner of the town where I work. Then this guy took my horse's defecate to a witch and using the defecate the witch has sent the bad spirit to my horse. From that time onwards, my horse becomes the dullest one. I am not the only victim. The guy has done it to all of his colleagues. So, none of the horses in the corner of the town I work are riding right at this time. Only his horse is riding good. As a result, he becomes the most preferred one among customers. A lot of my customers left me and they become his clients. This is also true for the remaining colleagues. Now he has a lot of customers and he is making money well. Even I heard that he is about to buy a vehicle. This is how the horse moves all the time these days. I am tired of struggling with this horse and I cannot ride it anymore. Now I am thinking of shifting to another business.

After a while, the horse completely stopped and refused to move. At this point, the carriage driver gets out of the cart, and began to check for problems with the cart. He realized that one of the robes that he uses for direction adjustment was not properly bound, and this badly strapped rope was hurting the horse so much. He fixed it, and the horse moved well after that. On our way back to the town a few hours later, we had no problems with the horse.

Similarly, one day when I was heading to the research site in *Aresi* using public transport. After I get out of the car I encountered a young guy who is "mentally ill". I heard while people who gather at that spot whispered about the guy and I got close to them. They said that "this guy has lost his

mind because of witchcraft. He was a very clever and excellent farmer and was getting richer. At this time his neighbors got jealous of his success and used magic that they got from a witch to make him lose his mind”. However, after some discussion with people who were gathered, I found out that guy has been diagnosed with anxiety in the local hospital. I also learned that he was on medication for anxiety and was getting better. These two incidences clearly show the mistrust and mutual suspicion among villagers. Everyone claims that no one has integrity. People point fingers on each other for dishonesty and disloyalty.

Another issue that has been raised in focus groups is social envy. It has been reported that local people have envy on each other’s progress (Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). In *Menze*, crop production is significantly reduced in the area and local farmers turned in to aid recipients. Given that there are rivers in the area, local farmers could produce through irrigation instead of relying on rainfall for production. This would have helped to overcome the shortage of crop production. However, focus group participants responded to this assertion that “envy” and “jealousy” prevent them from working together in irrigation farming. One of the focus group participants in *Ate Das Gedanbo* has stated that he had started irrigation farming but he quit it due to the quarrel he has faced with other farmers who had a farm plot in the vicinity:

I have first planted potato and produce one thousand kilograms. But in the next production year, I could not able to get anything at all. I had planted Barley, it got damaged, I did not gather anything. This is because farmers in the upstream have prevented the water from flowing into my farm. Once everyone has seen what I have produced, they all become jealous of me and started the irrigation. When everyone starts using the river water, it becomes scarce. It was not only a matter of using the water for irrigation purposes. Instead, there was a deliberate move by some of my fellow farmers in wasting the water to make sure that I am not using the water and produce some crops. At the end of the day, none of us got a sufficient amount of water for farming, and all of us ended up producing nothing.”

Other focus group participants have also agreed on the matter. They said that “there are a lot of villains among us here ([in the *Kebele*])” (Focus Group Arego 19.06.2019). They add that “when someone becomes successful, guys will not try to follow her and his path of success. Instead, some guys start thinking and working out how to obstruct the most successful person” (Focus Group Arego 19.06.2019).

There are a lot of rivers in the area which are quite suitable for irrigation. But due to lack of agreement among fellow farmers in the respective watersheds, most of them are not being used for irrigation. A focus group participant in describing the situation stated that:

By using irrigation, we would escape poverty. The water just keeps flowing from the river. Instead of expecting rain from the sky, we could have used irrigation. But this has not happened. Those who have a farm plot on the riverside did not use the river water for irrigation. They are just letting the water to flow on (FGD Arego 19.06.2019).

Local government officials have tried to mediate and facilitate a collaborative use of the water resources among the farmers. But most efforts were not successful to this date. Focus group participants, with a sense of regret, has said that:

We have many abundant resources here that will change our life if we manage to use them cooperatively. But, including myself, people in this area are not ready to cooperate. Most of the time, we are driven by envy and jealousy. This takes away our cooperative spirit to use our natural resources for mutual benefit (Focus Group Arego 19.06.2019).

Envy is a pan-human phenomenon that presents in every society and every individual with a certain degree of variation. Envy implied hostility and it can destroy societies. So, it remains a taboo topic. Usually, societies are reluctant to admit to envy and seldom discuss it openly (Foster, 1972). In

this respect, focus group participants' open discussion about envy indicates the severity of the phenomena and its concurrent negative consequences on the study communities. Lack of trust among villagers is so strong that community members have to go far to the extent of admitting to envy which is an unusual behavioral display.

Generally, all the above reflections show us lack of integrity, dishonesty, and envy are the defining features of social relations in the study areas. It means, that there is a high level of suspicion among one another. They see their fellow village person as more of a treat than as companion. In other words, community members did not have a strongly optimistic view of a fellow village man or woman. It is a clear indication of a lack of particularized trust in the study areas (Uslaner, 2002; Yamagishi, 2011; Yamagishi and Yamagishi, 1994). At the village level, social relations are full of mutual suspicion and mistrust.

8.4.1. Group Solidarity and Collective Action

In *Aresi*, focus group participants have reported that they had made collective efforts repeatedly in the past three years. They have made applications to the district administration to get different service. The high school, which is now under construction in *Adaba Tita Kebele*, is built because the local people over there have collectively put their demand on the district administration (Focus Group Adaba Tita 18.05.2019).

Wetera Kebele residents felt that they were left behind by others in terms of social services just because they could not act collectively for their mutual interests. So, they make their demands in the same manner that others do. They have appealed to the district administration to provide them electricity and clean water service throughout the entire *Kebele* administration. The respected elders (*Jaresumas*) take the initiative and discuss the issue with the residents in their respective vicinities. Residents held a popular meeting at the *Kebele* level set by elders. The meeting was meant to get everyone's consent. Finally, the council of elders nominated volunteer individuals who organize the application process. These nominated guys have prepared the petition and everyone in the *Kebele* has signed it. These volunteers also collected the signature of each resident

door to door and submitted the signed petition to the district administration. The issue of clean water is not resolved. Yet, we are making a good deal of progress about school construction (Focus Group Wetera 23.05.2019).

In the *Menze*, none of the focus group participants do participate in any collective efforts either towards the *Kebele* or the district administration in the last three years. Even they do not know if there are any such things at all in the area. They said they have many issues that they want to be undertaken by the *Kebele* and district administrations. This includes getting water pipe machines for irrigation, electricity, and clean water services. But, no collective efforts have been made to get them done by responsible government authorities. They said that people are afraid of each other to take any initiative. Any collective efforts are not welcome by the local authorities and such efforts are regarded as a conspiracy against the government. If one has taken the initiative and not followed by others, she or he will be blackmailed by the local authorities. So this fear keeps everyone away from collective action (Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

As discussed in chapter two, a lack of coordinated collective action is associated with a free-rider problem. Individuals hold back, with a fear that “others” might not join them for joint collective effort with a hideous intention of gripping the benefits without being committed to the action. Such kind of social dilemma for coordinated collective action can only overcome through trust relation. Social trust enables a member of a society to act in a mutually beneficial way because she or he knows that other members of society also act in the same manner (Putnam, 1993). In this respect, one can associate the meagerness of collective action in *Menze* with a lack of trust among the community. Similarly, the successful coordinated collective action in *Aresi* is supposed to be linked to a high level of trust relations. However, such reasoning is problematic for the fact that both in *Aresi* and *Menze* low level of trust relations have been reported⁹. So, if it is not for trust

⁹ Weak trust relation is reflected in Focus Groups held in both of study districts. Moreover, statistical results showed that there is no a statistically significant different in trust level between Menze and Aresi Negele.

relation what accounts for the observed difference between the two study districts concerning the social capital discourse? This can be explained in terms of Bourdieu's version of social capital.

In *Aresi*, as in *Menze*, there are limits in the practice of collective actions for community benefits. As mentioned above, in *Menze*, the problem of collective action for mutual benefits in different areas, including joint irrigation schemes and collective mobilization for demanding government services, has been forwarded by the focus groups. In *Aresi*, the problem of collective action in certain areas, including waste management, has been also raised. But in *Aresi*, unlike *Menze*, there are successful stories of collective action in terms of achieving school building, electricity provision and other such services provided by the government. Thus in *Aresi*, the collective action problems are pervasive when the joint actions are tailored to community-based resources. On the other hand, there are tendencies for coordinated collective action at group level with regard to resources possessed by the state. It means as Ostrom and Ahn (2001) put it, in *Aresi* the problem is collective action inside a group. However, in *Menze* collective action inside the group level as well as collective action towards external actors are all at stake.

At the group level, individuals who are under the same social network can mobilize as a group along their network to promote their corporate interest in the competition with other corporate actors or groups. But such networks does not solve group's internal collective-action problem (Ostrom and Ahn, 2001). Thus, in *Menze*, as Donald Levin (1965) noted, the society is too individualistic and does not have any clan-like organization that enables community members to capture corporate interests. But in *Aresi*, there is a clan system that enabled the communities or clan groups to organize and mobilize themselves collectively to engender corporate interest.

As the focus group participants from *Aresi* reflected the elderly usually facilitate the collective mobilization of the communities. This is due to the nature of the social organization in the area. The *Oromos* are known for an age-based social system called *Gada* in which society is divided into different successive age groups with different responsibilities (see Legesse, 2000). So, great respect for the leadership role of the elderly is given in the area due to the impact of this system.

8.4.2. Inter-Group Marriage

Regarding inter-group marriage, focus group participants in both of the study areas have reflected similar ideas. In *Aresi*, inter-group marriage is the rule. According to focus group participants, usually, marriage takes place between individuals from different clans. This means married couples must be from different clans. Marriage between a man and a woman of the same clan is not acceptable in the community (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019).

When a boy in a family is considered to be old enough to marry, family members and close relatives look for his potential mate from another clan. The potential girl for marriage is recruited based on her housekeeping and home management skills. Once the potential girl for the marriage is identified, a marriage proposal will be made to her parents. The family of a girl who has been asked for marriage will respond to the marriage proposal after it has made its assessment of the proposed boy. In most cases, the boy's potential for marriage is assessed by his farming skills and overall conduct. Besides, families from both sides cross-check each other's backgrounds such as family income and genealogy. All this information is gathered from the individuals who live in the neighborhood of the nominee and who have a good deal of information about the daily routines of the nominee (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019).

Sometimes the initiative for marriage comes from the boy. If the boy has a girl that he is interested in, he will pledge to his parents to make a marriage proposal to her family. But in this case too cross-check up about the skills and conduct of the boy and the girl, and family background made by families from both sides. The family of the boy might proceed with the marriage proposal if they found the proposed girl is fit for the marriage either with her skill set or family background (Focus Group Adaba Tita 18.05.2019).

In the same manner, in *Menze*, marriage is usually an affair of a family. Mostly it is initiated and facilitated by parents and close relatives. Usually, the initiative for marriage goes from the boy's

family to the girl's family. Marriage concludes upon the approval of the proposed individuals' fitness for marriage by families from both sides. Eligibility for marriage determined by boys' farming skill and conduct, and housekeeping and management skills for girls. In addition to the skill and conduct of proposed individuals themselves, family background is quite detrimental for marriage. Specifically, the genealogy of parents of both of the proposed individuals studied. If one of them is from a "humble" background the marriage will not be allowed. Individuals whose parents are not peasant producers and engaged in non-agricultural activities such as blacksmith are not going to marry someone whose parents are farmers. Focus group participants asserted that "the son of the farmer marries a farmer; the son of the blacksmith marries a blacksmith" (Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

All in all, as it is reflected from focus groups, in both study areas, marriage is mostly family arranged. So, the case in the study areas is not what Furstenberg (2004) has put is as a "free market system of marriage" where the individuals freely choose their potential mate based on their compatibility. Rather, in the study areas, most of the time there is no prior interaction between married couples. The family demographer assesses proposed couples concerning their skills and their family social and economic background. Marriage takes place when the proposed couples matched in terms individual's skills and their social and economic background. Therefore, marriage in the study area is driven by economic complementarity rather than the compatibility principle.

Generally, in the study communities, families gave away their children based on the calculation of economically decent life, which is anticipated after the marriage. Therefore, marriage is an exchange done for economic benefits, and it is concluded based on economic consideration regardless of social and ethnic backgrounds. As a result, as focus group participants reflected it, intergroup marriage is quite common in the study communities. Individuals from different social, ethnic, and religious backgrounds engaged in marriage. As a logical outcome, marriage between individuals from different economic groups is not acceptable. As stated above, focus group participants stressed that "the son of the farmer marries a farmer; the son of the blacksmith marries a blacksmith."

8.5. Conclusion

In the study areas trust levels are very low. Strangers are usually assumed to have an astute interest and are not easily welcomed. The general perception about the dependability of humankind is too low. Regarding particularized trust, the social environment is full of mutual suspect and mistrust. The land tenure that permits land transaction only through inheritance has also ensued a sense of enmity and mutual distrust among community members towards one another. As a result, the community members have failed to collaborate and engaged in collective action (such as running communal irrigation) that could make them all better off.

In least-developed countries the weak formal institutions are replaced by interpersonal trust. Social networks and other informal arrangements on which people depend for their survival are based on interpersonal trust (Fafchamps and Gubert, 2007). But the result in the study area indicates that particularized trust that underlie interpersonal trust is low. The existence of weak trust relations in the study areas reflected weak social cohesion. It means social bonds within the social networks are weak and fragile.

Even if the lower level of trust relation hampers collective actions that has mutual benefit, it does not put interpersonal relations off by the same magnitude. If the state of trust relations could prevent individual level relations as much as it hampers collective actions, inter-group level interpersonal relations would not have been possible and intergroup marriage would have not been the case in study area. This indicated that contract-based, not trust-based, transactions that operate successfully in the study areas.

CHAPTER NINE

Norms of Reciprocity in Aresi and Menze

9.1. Introduction

Reciprocity, giving benefits to another in return for the benefits received, is one of the defining features of social life (Molm, 2010). It is ubiquitous and a pan-human phenomenon (Becker, 1956; Gouldner, 1960). It has also been a concern of academia for a long time. The place and role of the norm of reciprocity in human relationships have been dealt with in great detail (Coleman, 1990; Gouldner, 1960; Hansen, 2004; Homans, 1958).

The norm of reciprocity is valued in that it entails beneficial consequences of social relationships (Fon and Parisi, 2003). Reciprocity norms facilitate cooperation that has mutual benefits (Coleman, 1990; Fon and Parisi, 2003; Putnam, 1993; Sahlins, 1972). At the macro level, the norm of reciprocity enhances society's efficiency by facilitating coordinated collective action (Putnam, 1993). At the community level, reciprocal relations enables people to mitigate various odds of life by availing resource-sharing opportunities through collective action mechanisms (Coleman, 1990).

Though reciprocity is attributed as a pan-human phenomenon and its beneficial consequence is less in dispute, the source of reciprocal behaviors and sustaining mechanisms of reciprocal relations are far from consensus. It means there is no agreement on the motives that drive people to engage in reciprocal relations and the factors that maintained people in the reciprocal relations (Fon and Parisi, 2003). Besides, reciprocity is found to be context-specific. Reciprocal norms take different forms across different contexts (Hansen, 2004; Molm, 2010; Nelson, 2000). Thus, what is worth knowing is how and why a particular form of reciprocal relation unfolds in a specific context. This chapter is tailored towards the discussion on norms of reciprocity in rural Ethiopia with this background. The chapter demonstrates forms of reciprocal relations, motives of reciprocal behaviors, and contextual factors that shape the existing reciprocal relations in the study areas. Specifically, based on the focus group discussions conducted, the chapter explains forms of

the social support systems and the social support behaviors in the study areas in connection to the structural factors that attribute the rural Ethiopia.

9.2. Mechanism of Cooperation/Support

The peasantry mode of existence is characterized by a dense and extended mutual support system (see for example, Scott, 1977; Popkin, 1979). But these support systems are not all identical. They can operate differently in different contexts. According to Kishna (2000), among others, distinctions can be made along with the mechanisms by which supports are delivered to the beneficiaries. In this regard, mutual support systems can broadly take two different forms in terms of the manner of their deliverance. First, mutual support can be available through institutional deliverance. It means support extended to the needy ones through institutions that have clear rules and procedures. In this case, what worth examining is the institutions themselves. Second, mutual support and cooperation can be done by community members without any clear organizational leadership that organizes the support. Community members meet spontaneously in their initiative and provide their support to the needy ones. The mutual support system that runs without any clear organizational leadership indicated that such supports are mobilized as a norm. It is the latter kind of support system that amounts to norm of reciprocity (Kishna, 2000).

Accordingly, to distinguish whether mutual support systems in the study areas are a matter of norm of reciprocity or institutional deliverance, focus group participants have been asked about who provides the most support for someone in the community who is in an adversary situation, and how the support is delivered. Moreover, to have a firm grip on the nature and the operation of the mutual support systems they have been probed to explain what the local people do and the support system in certain emergencies such as a fire accident.

Regarding sources of support, focus group participants reflected that when someone has got a problem, usually the first and the most help comes from the people who live in the neighborhood where the person lives. Neighbors are the one that provides the most support for anyone in the localities who is in some difficulty situation (Focus Group Adaba Tita 18.05.2019; Focus Group

Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). What a focus group participant in *Aresi* has asserted makes the case clear: "...when you are in trouble, it is your neighbors that come first to help. When there is a problem, no one can help you more than your neighbors" (Focus Group Adaba Tita 18.05.2019).

When someone is sick, loses a family member, or has some accident, each neighbor individually approaches the person and makes own share of support. Sometimes people pay a visit to the concerned person in a small group. But neighbors provide personal assistance to those who need help (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019). A focus group participant noted that "... when a person has a problem and needs help, the needed support is provided by each neighbor based on its intimacy level with the concerned person" (Focus Group Wetera 23.05.2019). The assertion made by focus group participants indicated that at the neighborhood level mutual supports initiated spontaneously. There is no apparent authority that collects contributions from community members and donates them to the targeted person. Instead, every neighbor extends personal assistance in its own right.

Sometimes support also provided by *Iddirs* to those who need some form of assistance. On certain occasions, assistance for needy individuals is also mobilized at the clan level (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019).

In *Aresi*, *Iddirs* make a cash payout for those members who have faced with some emergency cases. Usually, a donation in cash is given to an *Iddir* member who wed her or his children. The cash payout effected from the *Iddir*'s saving. Alternatively, a targeted fund can be raised through members' contributions. When one of the *Iddir* members has such an event, the chairperson of the *Iddir* communicates the information to the members by bringing forward the case before the general assembly of the *Iddir*. Members deliberate on the amount to be offered and decide whether the payout is effected from the *Iddir*'s saving or to make a fixed amount of contribution. If there is money excess of the regular spending in the *Iddir*'s saving account, a certain portion of it allotted for the member's payout. But if the saving is low, members contribute and provide the gift on

behalf of the *Iddir*. This kind of support is not only for a wedding. Rather when a member is encountered with an unforeseen emergency such as a fire accident, the support also made by the *Iddir*. However, so far most supports have gone to wedding purposes. According to focus group participants, this kind of supports is made by *Iddirs* is because such events (such as wedding and fire accident) are too costly so that support made by neighbors and friends are not sufficient enough to cover the cost that is related to such events (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019).

In *Menze*, like *Aresi*, support for individuals is also occasionally mobilized by *Iddirs*. If the magnitude of the problem that one faces is found to be too severe and demanding, support is mobilized by *Iddirs*. Yet, unlike *Aresi*, in *Menze*, the support is not limited to the *Iddir* in which the recipient is a member. Rather, the support is mobilized from all *Iddirs* that operate in the *Kebele* where the recipient resides. The *Iddir* that the recipient belongs takes the initiative for communicating the case for all other *Iddirs* in the *Kebele*. The chairperson of the *Iddir* presents the member's case to all other *Iddirs* during their regular monthly meeting. Then each *Iddir* collect a contribution from their respective members and transfer it to the *Iddir* where the recipient belongs (Focus Group Arego 19.06.2019).

In *Aresi*, if the disaster that happens to someone is considered too large and requires a lot of rehabilitation resources, the support needed will also be mobilized at the clan level. The elderly council and prominent figures take the initiative of mobilizing the support. In those areas predominately inhabited by members of a clan that victim belongs to, at sub-village level (this sub-village level organization locally called *garre* in *Oromifa*) selected clan members communicated and raise money and all other material support from the clan members in their respective residential areas. Most of the time, those individuals who are assigned for mobilization of support are the ones who are actively involved in their community affairs, such as active in elderly councils and arbitration, and they are supposed to be a "prominent figure" in their respective residential areas (Focus Group Adaba Tita 18.05.2019; Focus Group Adaba Tita 18.05.2019). A focus group participant stated that "we mobilize support through individuals who are well known by everyone for their wisdom about our culture and their commitment to community affair, and who are also

cherished by clan members for being a fair arbitrator in the traditional conflict resolution” (Focus Group Adaba Tita 18.05.2019). Thus, individuals assigned for the mobilization of the support are the most respected clan members, so that they can easily get the clan members who live in their residential area on their side for the sake of raising the support. As for the clan members living in urban centers, similarly, support got mobilized through selected individuals. Usually, such arrangement is made only in those nearby urban centers where large numbers of the clan members are assumed to live (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019).

Two major issues are clear from the focus group discussions. First, neighborhoods are the basic mutual support units in their respective communities. Second, on rare occasions supports mobilized beyond intra-community level by *Iddirs* and clan networks through certain established procedures. However, to verify the case with actual instances, the focus group participants have been asked to substantiate the issue in case of a fire accident that happens to a community member. In the event of a fire accident, how does the victim supported by the community? Who provides the support? Who coordinates the mobilization of the support?

Everyone in the vicinity helps the household or the family who has encountered an accident. The neighbors, funeral associations and the clan helps. First, the neighbors give immediate assistance right after the accident. This includes sheltering the victim's family members. Next, each neighbor donates as much as it can to replace the property lost in the fire. Neighbors make their donation depending on what the person or the household has lost. If a raw grain has been lost, neighbors donate raw grain. If a house is burned, neighbors donate materials for house construction such as wood (Focus Group Adaba Tita 18.05.2019, Focus Group Wetera 23.05.2019).

In *Menze*, one actual fire accident has been raised by focus group participants. An individual in the *Ate Das Gedanbo Kebele* has got his house destroyed by a fire accident and the person lost almost all of his properties. Members of the local community were informed about the incident and donated money to the individual through their respective *Iddirs*. First, the chairperson of the *Iddirs* in which the victim is a member has communicated all other eleven *Iddirs*’ Chairpersons

about the incidence, who in turn take the case to their respective *Iddir* members during the *Iddirs'* monthly regular meeting. Volunteer members from each *Iddir* make a contribution that is collected via each *Iddir's* Chairperson. The executive committee members of the victim's *Iddir* collect the donation from each *Iddir's* Chairperson, one after the other. Even though communication of the incidence is done by the chairperson alone, the collection of the donation is done through a group of individuals (executive committee members that includes the chairperson). This procedure is devised to avoid possible mischiefs (Focus Group Ate Das Gedanbo 23.06.2019).

The empirical cases reaffirm the above two assertions. First, the mutual support system in the study areas is mainly held at the neighborhood level. It is at the neighborhood level that people are helping each other. This assertion overlaps with the previous assertion made by other groups regarding social networks. As presented in chapter six, neighborhoods are the most reliable sources of social support in the study areas. There is an idea that stipulates the rural people's collaboration and mutual support are made at the village level (Townsend, 1995). Hence, a village is made to be the basic unit of analysis to understand collective action in a rural context. However, the case in the study areas reinforces the idea that the collaboration of rural people usually done at the sub-village level (Hoddinott, Dercon, and Krishnan, 2009).

Yet, as stated above, there is a support system run by other organs in addition to the one held at the neighborhood level. Specifically, the funeral associations and clan groups extend the different forms of support and assistance for the needy ones. However, as the focus group participants made it clear, this happens only when the support made at the neighborhood level is believed to be insufficient to address the problem that the community member encountered. Therefore, the neighborhood-level mutual support system remains the primary and most important source of support in the study areas.

Second, the reflections from focus groups indicate that mutual supports are mobilized in study areas both through institutional mechanisms and individual level commitment out of norm conformity. As presented above, in *Aresi*, elders and clan leaders initiate and organize the

mobilization of support at the clan level. Moreover, both in *Aresi* and *Menze*, *Iddirs* as an institution initiate and organize the mobilization of support for their member who barely seeks assistance. Both at the *Iddir* and clan level, there is a clear leadership that organizes the collection of donations and contributions. At the clan level support mobilization, traditionally appointed clan leaders undertaken the entire process of support mobilization. At the *Iddir* level, the *Iddir* that the support-seeking individual belongs (the chairperson and the executive committee of the *Iddir*) is the one which is after the communication and collection of support from other groups. According to Krishna (2000), this amounts to the institutional mechanism of delivering mutual support.

On the other hand, at the neighborhood level mutual supports delivered to the beneficiaries through a spontaneous contribution of individuals in the neighborhood. There is no liable authority or organization that facilitates and organizes various forms of mutual support at the neighborhood level. It means mutual supports are done in the absence of clear organizational leadership. Therefore, in light of the above assertion made by Krishna (2000), the mutual supports held at the neighborhood level in the study areas are mobilized as a matter of social norm or custom rather than an institutional delivering mechanism.

Generally, it can be said that the two forms of support systems operate at different levels in the study areas. The mutual supports at the intra-neighborhood level are disposed of as a matter of norm observation. But inter-neighborhood mutual supports are delivered through institutional mechanisms coordinated either through funeral associations or clan leaders. Therefore, in the study area norms of reciprocal relations limited within a neighborhood.

It is at the neighborhood level that people support each other as a matter of norm. Beyond the neighborhood, collaborations and mutual supports are available only through institutional mechanisms. At the same time, as mentioned in chapter six, the neighborhood as a form of a social network is identified as the most reliable source of social support. Given that neighborhoods are identified as the most important aspect of social networks, and norms of reciprocal relations are limited within neighborhoods, norms of reciprocity and social networks are coinciding together in

the study areas. Such an interface has an important implication on the way social networks and norms of reciprocity interact (Hansen, 2004; Fafchamps and Lund, 2003).

In the contexts of least-developed countries' rural areas, mutual supports are held within social networks. Peasants usually support each other only within their social networks. It means people tended to relate in reciprocal relations along with existing social networks (see, for example, Fafchamps and Lund, 2003). In this view, a norm of reciprocity and social networks in the study areas overlap each other because reciprocal relations are built on social networks. Therefore, norm of reciprocity and social networks in study area articulate together. That is why social networks and norms of reciprocity found to have equivalent importance in the household survey. As presented in chapter five, informal networks (social networks) and norms of reciprocity are the most important aspects of social capital. The result from the qualitative study here confirms that social networks and norms of reciprocity are associated and move together as a source of mutual support in the study areas.

Moreover, the overlapping of norm of reciprocity and social networks in the study areas implies about the very nature of the reciprocal relations (Ekeh, 1974; Fafchamps and Lund, 2003). As mentioned above, reciprocal relations are mainly held with in neighborhood ties. It means reciprocal relations operate within restricted social and geographic boundaries. Therefore, the norm of reciprocity in the study areas is not universal or generalized because the exchange of benefits as a norm is not available beyond a limited social and geographic boundary. This amounts to what Ekeh (1974) referred to as restricted reciprocity.

9.3. How does Reciprocity work? Asking for, and Commitment to, Reciprocal Services

Reciprocity is not simply a norm. It is embedded in a structure that governs the exchange. Thus, it takes different forms in different contexts (Molm, 2010). In this respect, based on the direction of benefits flow and manners of returning reciprocal benefits Molm (2010) has distinguished three

forms of reciprocal relations. These are direct negotiated exchange, direct reciprocal exchange, and indirect or generalized reciprocal exchange. First, based on the direction of benefits flow a distinction is made between a negotiated exchange (direct negotiated exchange) and reciprocal exchange. Then reciprocal exchange is subdivided into a direct reciprocal exchange and indirect (generalized) reciprocal exchange based on reciprocating received benefits.

Generally, these issues are mainly centered on the process and mechanism of reciprocal exchanges. So, examining actors' behavior in terms of initiating reciprocal exchanges as well as reciprocating received benefits is an entry point to understand the structure of reciprocal relations in a given context. Cognizant to this fact, to capture the issue in the study areas, focus group participants have been asked to reflect on how reciprocal exchanges initiated and reciprocated.

9.3.1. What is involved in Reciprocal Relations?

To identify forms of reciprocal relations in the study areas, the focus group participants were asked to describe the most common situations where local people help each other and the kind of support they extend towards one another. Accordingly, they revealed that there is a wide range of arenas by which local people extend mutual support to one another.

Generally, as it comes out from the focus group discussion, there are five key areas by which reciprocal relations are commonly held. These are: bereaving the dead and supporting the mourners, visiting and supporting the sick, support in emergencies, support in festive events, and informal borrowing (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). These forms of support are addressed in chapter six as social supports that are made by families, friends, and relatives. As discussed above, identifying these forms of support system being synonymous with reciprocal relation reinforces that assertion that reciprocity in the study areas is held along the social networks. Since these support systems are discussed in detail in chapter six, there is no need to explain in this section.

Participants in all focus groups stated that mourning the dead and attending funerals is a practice that everyone does in their respective communities. The deceased family's neighbors and relatives attend the burial and funerals and accompanied the mourners at home for a few days. Besides, funeral attendants donate money to the deceased's family at the household level (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

Focus group participants have reflected that visiting and supporting a sick person is another widely exercised social practice in their respective communities. In line with this, three major forms of support are available for someone who got sick in the community. First, neighbors and relatives visit the sick person to provide emotional support. Second, in rare instances, neighbors make some money donation to their fellow villagers who get sick. Third, neighbors and relatives also provide different forms of labor support to the family in which a member is sick (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

Emergency supports are also available through reciprocal exchanges. When an accident happens, such as fire accidents or conflict erupts in the vicinity, neighbors help each other to control the accident. Besides, neighbors provide in-kind and monetary support to the victims (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

Three forms of mutual support also extended to the host of festive events (weeding and child baptism ceremony). First, neighbors and relatives provide free labor service in the event. Second, guests make money donations (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). Third,

in *Aresi*, during wedding events, women make in-kind (butter donation) to the hosting family (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019).

Neighbors are also involved in a wide range of informal borrowing among each other. According to focus group participants, usually, people borrow each other cash, food stamps and farm equipment (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019)

As presented in chapter two, there are two major types of reciprocities. First, reciprocity takes the form of presents (gift exchanges) and/or action based “gifts” (cooperation) (Hallpike, C.R., 1975). As presented above, weddings and funerals are the instances by which individuals made presents of monetary donation and in-kind contribution. As it is revealed, everyone who attends a funeral and wedding makes a monetary donation in the name of their respective household. On a very rare occasion when a fire accident happens to an individual, villagers also make money donation or in-kind donations such as wood for rebuilding. All in all, reciprocal relations involve both gift exchange and in-kind contribution. Thus, contrary to what Hallpike (1975) has observed in about half-century back in South Ethiopia, gift exchange is not very rare among the study communities.

9.3.2. Asking for Reciprocal Benefits

To begin with, reciprocal exchange initiations, focus group participants have been asked to reflect on how do recipients of reciprocal services make a request for assistance. In this respect, focus group participants have explained that different forms of reciprocal exchanges initiated in different ways. Specifically, different forms of reciprocal services are initiated differently.

When someone in the area dies or buries (loses) his or her relative somewhere else, the local people are made aware of it by a paid person who vocally announces what happened by going to every neighborhood. A village crier usually blows a bugle to alert people in the neighborhood and to get their attention. During this announcement, some details about the funeral and burial ceremony

(such as date and place of burial) also provided. This is arranged either by the grieving family member or by the funeral association in which the family is a member. Once everyone is aware of the situation, a visit to the deceased family is made individually by every adult member of a household in the vicinity. The visit is made repeatedly depending on the intimacy that one has with the deceased family (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

One-time money donations are made by the visitors. The deceased family assigned a person the donation from visitors. The name and amount of money that everyone has donated will be recorded by the person that collects the money. Focus group participants put forward that the name registration is done for future reference. It means the record is intended to find out who comes and who is left out in the neighborhood and the amount of money each person donates (Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

No rule specifies as to the amount of money that is supposed to be donated. Attendants donate what they consider is enough (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). Focus Group participant in *Aresi* explained that “an attendant donate money in the funerals based on the intimacy that one has with the deceased family and the concurrent feeling and concern for the lost” (Focus Group Adaba Tita 18.05.2019). Thus, the amount of money one donates at a funeral is dictated by the sympathy that one has to the mourned family.

Like mourning and burial, when someone is sick and the case becomes public, every adult member of the households’ in the vicinity visits individually at home or a health center. Sometimes, some people in the same neighborhood gather and visit in a small group (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). However, people usually prefer to visit individually. This is true when either food or money donation is arranged on the side of the visitor. The donation made is supposed to be a secret. Even if other people are around and someone wants to give money to the patient or

the family, the person usually tries to cover the handover of the gift from the sight of others (Focus Group Ate Das Gedanbo 23.06.2019).

In *Aresi*, in rare instances getting people to go to a medical center or the hospital itself is done by community members. Sometimes individuals in the localities are reluctant to go to the hospital when they get sick. In this case, community members, notably the neighbors, push them to go to the hospital. Even the neighbors report the case to the elderly council to exert more pressure. If the household does not have enough money for medication, the neighbors promise to contribute to the medical expense. Suppose the person goes to the hospital for treatment and the financial problem is found to be very serious. In that case, the neighbors make the vowed money donation (Focus Group Adaba Tita 18.05.2019).

Regarding borrowing, when someone needs money, the person usually goes to the neighbor who is close to her or him and asks for a loan. In rare instances, people borrow money from each other, even though they are not intimate. This happens when a person does not find money from close neighbors. In this case, individuals request loans from the wealthiest person in the village regardless of their intimacy with the person. The loan will be offered so long as the lender is convinced of the reason for the loan and the person's creditworthiness. Usually, lenders set a deadline for returning the money. Otherwise, in most cases, this is done without collateral and other binding agreement (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Ate Das Gedanbo 23.06.2019).

Likewise, when someone is short of food items, such as *enjera* and raw grains, and farm and household materials, the person turns to the closest neighbor to borrow. Recipients return borrowed equipment to the owner with gratitude immediately after they have done with them. Raw grains are usually returned to the borrower in the following harvesting season when enough harvest is made. On the other hand, individuals return their borrowed *enjera* as immediately as they bake their own. Focus group participants stated that usually, people do not decline to borrow or share

food stamps with fellow neighbors (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

When someone is organizing a party (such as a wedding), before the actual event the invited people living in the neighborhood show up in the family house that hosts the festivity with their own initiative and assists with cooking food and other manual works. This is what every invited neighborhood does with its own personal initiative (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

Regarding credit inquiries, participants stated that it is not common to ask for loans (both in-kind and money) openly in their communities. Rather, people often ask for a loan in secret. People also usually ask for loans only from those close to them (Focus Group Adaba Tita 18.05.2019; Focus Group Ate Das Gedanbo 23.06.2019). One participant expressed this as follows: “You go to the person closest to you and secretly ask for a loan. Most people settled out their credit just like this” (Focus Group Ate Das Gedanbo 23.06.2019).

When there is an emergency, people in nearby neighborhoods shout out loud to get others for help. If it is a fire accident, everyone in the neighborhood rushes to the sight and tries to fire out using the water available around. If the accident is found to be devastating, funeral associations and clan leaders mobilize recovery support in their respective jurisdictions. Likewise, if people are quarreling, everyone in the neighborhood comes over and stops the argument or the fight. Once the argument or the fight settled, one or both of the conflicting parties take the case towards the resolution. If one of the involved individuals seeks to sue the other, the case will be taken to court or the police. Usually, the local people push them to call upon the community mediators for reconciliation. If conflicting parties do not head to the elderly council or group, the elder who lives in the neighborhood of either of the conflicting individuals will take the initiative and lead the involved individuals to the elderly council for mediation. But whether the case is taken to the formal court or it is resolved via the elderly council, it comes only after the conflict or the fight is contained by

the local people (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

The above cases show that reciprocal services are not usually initiated by the direct request of the recipient. The recipient does not ask a particular benefactor for assistance directly except for borrowing. If there is anything that the recipients do is, they make their case to the entire community as it is the case for mourning and burial. Or else, as it is the case of assisting a sick person when neighbors find out about the person's condition and think that the person needs help, they extend support to the person on their own initiative, even if the person does not ask for help. As Nelson (2000) expresses it, asking for assistance has a feeling of shame. This is because asking others for help implies dependency and contradicts with individuals' sense of self-independence. As a result, in asking for help or assistance, there is an illusion between self-independence and dependency (Nelson, 2000). In this vein, in the study areas helping others being initiated by those who provide the support eliminates the shame people might face when they ask for help. By not making a direct request for help, recipients keep themselves from embarrassment. The fact that this mechanism has been raised in all focus groups shows that there is a societal system in place to deal with feelings of shame and embarrassment that comes to individuals associated with asking for help.

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In connection with this, there is a cultural tradition in Ethiopia called *megiderideri*. In this *megiderideri* tradition, people who are in need of support are supposed to show a semblance of resistance in accepting the offer of help or favor from other people. No matter how urgent a problem that one has, an individual do not accept the help offered from others automatically as it is given. Rather the individual shows some reluctance and resistance to accept the offer for help as if she or he does not need the offer at all. Instead, the benefactor pleaded the recipient to accept the offer.

The recipient pretending of not seeking the help makes the recipient looks self-independent. At the same time, as the benefactor pleads the recipient to accept the offer, the offer appears to be stem

from the benefactor's benevolence and generosity rather than the recipient's pressing situation. This avoids a very idea of dependency in the benefactor-recipient relation and makes the recipient not feel embarrassed in accepting the offer. Thus, the whole process of *megiderideri* is meant to save recipients from embarrassment and shame.

From this practice, two major implications can be drawn. First, reciprocal exchanges are mostly initiated (rendering benefits) by the unilateral decision of benefactors. It means benefactors render benefits to recipients without receiving anything from the recipients as an exchange for the benefits rendered. Reciprocal benefits are rendered by the unilateral decision of the benefactor. It is up to the benefactor to provide or not provide a benefit. Recipients neither offer anything nor negotiate on exchange and repayment mechanisms. It means, recipients do not bargain on the amount of support they receive, nor do they enter into a contract that stipulates the repayment mechanism.

On the contrary, in certain instances, care to ensure the repayment of reciprocal services is taken by the recipients themselves. Name registration in wedding and funerals is worth to mention here to illustrate the case. As noted above, the names of individuals who give money at a wedding and a funeral are registered. When a similar situation happens to the benefactor, the recipients use the record as a reference to provide similar support. Moreover, there is no specific rule for the amount of money to be donated in funerals and wedding. Rather it depends on the individuals who give money at weddings and funerals to get registered by the recipients for their future reference. Thus, these exchanges are made not through negotiation between the recipients and the benefactors. Rather they are made unidirectional in the sense they follow from the benefactor to the recipient. So, these exchanges held in the study areas amounted to reciprocal exchanges. This shows that reciprocal relations in the study area are run without a pure accounting system. This amounts to generalized reciprocal relations (Högnäs, 2010; Sahlins, 1972).

9.3.3. Commitment to Reciprocity

Regarding commitment to reciprocity, focus group participants have been asked, how important is returning assistance received. Focus group participants explained that as a recipient of reciprocal

benefits, it is quite crucial to extend equivalent benefits to the benefactors when they need some form of support (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). In verifying the case, a participant in the focus group in *Menze* quote a common proverb in Ethiopia which says “..you do not return a gravel stone for the one who lends you gold” (Focus Group Ate Das Gedanbo 23.06.2019). Another participant also stated that “...for someone who has been on your side when you are in trouble, you will be on their side too when they fall in trouble” (Focus Group Arego 19.06.2019). As Nelson (2000) put it, reciprocity is governed by a self-imposed expectation of returning the benefits received on recipients' side. The case in the study areas clarifies that commitment to reciprocity or compliance emanates from the recipients' self-motivation.

The initiation of reciprocal relations has also shown the commitment to reciprocity. According to focus group participants, when people receive support from someone, the first thing they do is to thank them (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). What a focus group participant has stated summarizes the case: “...what else you can do for those who support you while you are in trouble other than thanking them in the name of the Almighty God” (Focus Group Arego 19.06.2019). In this respect, in all focus group participants make it clear that it is quite common to repay someone who does favor saying “*wileta melashi yadirigenyi*” (May I also get the opportunity and do you a favor)(Focus Group Adaba Tita 18.05.2019; Focus Group Adaba Tita 18.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). It is an expression of indebtedness for the benefits received. The level of gratitude reflects the depth of reciprocal relations (White, 2013). Yet, the very content of gratitude does not simply reflect that repayment of favor has great moral virtue.

The idea of "*wilita melashi yadirigenyi*" implies three things. First, it indicates that reciprocal relations are not discreet that come to an end with a single exchange. Rather they are continuous and recurring (Emerson, 1987). This connection shows that the local lending and borrowing system is part of the broader reciprocal relation, not simply a financial transaction. Reciprocal relations do not come to an end with the return of a borrowed item or money. Instead, the statement amplifies

actors' interest and readiness to enter into another reciprocal exchange after a particular transaction is done. So, a single exchange of items or money is not what matters. It means the exchange is not valued for the item or the money per se. In other words, what amounts a reciprocal exchange is not the item or the money borrowed and returned, but it is the very act of borrowing that is worth most or the relationship between the two parties.

Second, this statement shows that the reciprocal service provided has a chance not to be returned. When someone says “wilita melashi yadirigenyi” for those who do a favor to her or him, the person is expressing her or his desire to get an opportunity to reciprocate the favor. This means that the reciprocal services received will be returned only when the opportunity arises. If the opportunity does not occur, the recipient will not return the services received to the benefactor. Had immediate reciprocity taken place and is mandatory, why would the recipient wish to get the opportunity to give back the reciprocal benefits received? Thus, as it is the case elsewhere in the rural communities of less developed countries, returning a reciprocal services is contingent up on the benefactor's need (Fafchamps, 1992; Fafchamps and Lund, 2003; Fafchamps and Gubert, 2007). Therefore, as stated above, reciprocal exchanges in the study areas are generalized in the sense that they run without pure accounting system (Högnäs, 2010; Sahlins, 1972). Even though reciprocal exchanges are generalized, as discussed in section 9.2 reciprocal relations held in a restricted social and geographic boundary. Reciprocal relations are mainly limited within neighborhood ties. It means reciprocal relations in the study areas have two things at the same time: generalized and restricted. This is what Högnäs (2010) attributed as localized-generalized reciprocity.

9.4. Drivers of Reciprocal Relations

Why do actors initiate and engaged in a reciprocal relation? In this regard, there are two major theoretical approaches regarding the motives of reciprocal relations? These are as a “universalist” and “utilitarianist” approach (Hansen, 2004). While the universalist approach considers the norm of reciprocity as a universal moral trait of human-kind, the utilitarianist approach sees reciprocal relations as an outcome of utility-maximizing individuals' rational choice. The Universalist

approach asserted that the norm of reciprocity emanates from individuals' internal preference for the welfare of others and altruism (Elster, 2006; Malmendier, te Velde, and Weber, 2014). For the utilitarianist approach, social pressure through intrinsic and extrinsic mechanisms are what keep people engaging in reciprocal relations (Fon and Parisi, 2003; Malmendier, te Velde, and Weber, 2014). To explore the drivers of reciprocity in the study communities in light of the contending approaches, two inter-related questions have been forwarded to focus group participants: the very importance of the reciprocal relations for individual members of the community; and why individual members in the respective communities would like to maintain reciprocal exchanges.

9.4.1. Significance of Reciprocal Relations

To find out what drives reciprocity, it is essential to first find out the significance of reciprocal relation in the study communities. Therefore, focus group participants were first asked to reflect on how they evaluate the proportion of community members who are involved in reciprocal relations. In this regard, focus group participants forwarded that reciprocal relations are quite ubiquitous in their respective communities. It is almost impossible to find someone who is not engaged in reciprocal relations. It is very rare to have a person who does not engage in mutual support with own neighbors (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). A Focus Group participant has forwarded that:

Whatever amount of wealth that one has, there is a time that others' assistance is required. No one ever lives without a facing a problem. As a result, no matter how rich a person may be, he or she is more likely to engage in reciprocal relationships with others. Therefore, it is difficult to find anyone in the community who is not involved in the reciprocal relations (Focus Group Adaba Tita 18.05.2019).

In less developed countries, reciprocity norms operate across households with different levels of endowment and effectively manage risks through pooling and sharing mechanisms (Carter, 1997). Thus, the reflections from the focus group discussions confirmed that reciprocal relationships

constitute an important sources of support in the study areas. Mutual support through reciprocal relations is a dependable support system for the community members. The fact that the focus group participants said that no one in their community is out of reciprocal relations shows that the mutual support system is the main source of support than any other alternative sources of support. There are no other support systems that the local people take for granted other than the mutual support system.

9.4.2. What Drives Commitment for Reciprocal Relations?

After reflecting on the significance of reciprocal relations, focus group participants asked to reflect why individuals responded when asked for help. In this regard, focus group discussion results show that self-imposed commitment for risk aversion and social pressure are the two major drivers of the norm of reciprocity in the study communities.

9.4.2.1. Self-Imposed Commitment

When focus group participants were asked to reflect why individuals responded when asked for help, they first stated that supporting others is imperative for own sake. “If you do not support others while you are resourceful and others are needy, no one will help you when you need assistance sometime in the future. If you do not help others, you will not find someone to help you when you need support” (Focus Group Ate Das Gedanbo 23.06.2019). In another focus group, a participant forwarded a proverb that says “*bichawini yebela, bichawini yimotali*” (He who eats alone; will die alone). The expression is metaphorical. The idea is that if a person does not reach out to the people in the vicinity who need help, no one also be there for help when that person is in trouble and needs others help. It means that the person suffers and dies without help (Focus Group Adaba Tita 18.05.2019).

The above assertion and the proverb dictum suggest that not helping others via sharing with what one has implies a consequence. This proverb elicits fear and the bad outcome of not supporting others. Moreover, it indicates that reciprocal relationships are quite dependable that no one cannot skip. Focus group participants stated that supporting others who need help is like supporting

oneself in the future. In this respect, according to White (2013), people who are more concerned about resource scarcity are more likely to engage in reciprocal relations and tend to reciprocate the help or assistance received from others. Thus, it is the vulnerability that members of the community think they face if they are not in mutually supportive relationships with other community members drives them to engage and maintain reciprocal relations.

All of the reflections made by focus group participants clearly show that reciprocal relations are inherently instrumental. Without the reciprocal relations communities would have not been better off. Study communities have engaged in a range of cooperation and meet certain material interests using them. Humankind, in general, is interdependent with each other and it relay on different forms of exchanges to meet their necessities. Market exchange, redistribution, and reciprocity are the three modes of exchange that exist in every society with different levels. What differentiates societies from each other is the relative weight of each mode of production (Sahlins, 1972). So, what is worth knowing is what makes a particular mode of exchange (in this case reciprocity) more important than others. In this regard, in least-developed countries, state and market institutions are weak and augmented by various informal insurance arrangements (Alderman and Paxson, 1992). The fact that the focus group participants emphasized the importance of the reciprocal relations itself shows how dependable these relations are. Specifically, focus group discussants' place very high emphasis on the very importance of reciprocal relations is a clear indication of the function of reciprocity vis-a-vis market exchange and state provision. It means that those things undertaken by reciprocal exchanges are not delivered either by the state as social security or the market. In other words, the local people fulfill different requirements for life which are not available either in the market or not provided by the government.

In all focus groups, participants remarked that non-compliance to norms of reciprocity are extremely rare. The mutual support system is quite vital and no one risks it. In a context where the state and market institutions are weak, the social support system that is governed by norms of reciprocity is the most viable means to mitigate vulnerabilities and risks. To get out of this system would mean putting oneself at greater risk and vulnerability. Thus, reciprocal relations are maintained by a self-imposed commitment to averse the perceived risks attached to non-

compliance. This reinforces the assertion that reciprocal relations are derived by the rational calculation of individuals to maximize utility.

9.4.2.2. Social Pressure

Focus group participants were asked what would happen to a member of the community who refused to observe reciprocal relations in their community. They were also asked if there is any privilege for a community member who is diligently involved in reciprocal relations. In none of the focus groups, the issue of privilege does not come to the surface. Instead, focus group participants have raised different social pressures imposed on transgressors (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019).

First, focus group participants have put forward that non-compliance to reciprocal relation dealt with social ostracization in their respective communities (Focus Group Adaba Tita 18.05.2019; Focus Group Wetera 23.05.2019; Focus Group Arego 19.06.2019; Focus Group Ate Das Gedanbo 23.06.2019). In *Menze*, if a person does not attend funerals and public mourning in the neighborhood, neighbors “collectively” avoid different engagement with the person. A focus group participant has make the case that:

Missing joyful occasions such as a wedding is unpleasant, but it is not that much of a problem. But if a person does not mourn a fallen villager then that person is no longer considered a member of the community. If a community member is often unavailable for mourning, usually neighbors who are outside the immediate family circle do not pay a visit when the person mourns or has some festivity such as wedding. Many people do not even talk about serious issues with such kind of person. People in the community mostly avoid socializing with such persons other than exchanging a simple greeting during their encounter (Focus Group Ate Das Gedanbo 23.06.2019).

Similarly, focus group participants in *Aresi* reflected that not to visit a sick person in the neighborhood invites social isolation. A person who usually does not visit a sick fellow neighbor will get into a collision course with the entire neighborhood. During different social gatherings, people whisper about the non-supportive behavior of the person and the need to avoid social contact with this person. At the end of the day everyone in the neighborhood becomes aware of the person's lack of supportive behavior. This kind of person will have no companion in the neighborhood. No one dares to associate himself or herself with such kind of person (Focus Group Wetera 23.05.2019).

In *Aresi*, individuals who do not accept the norm of reciprocity do not allow to participate in social institutions. Participants asked what should be done to an individual who has been a perpetrator of such violations. An instance that the focus group participants present about a person who denied the money he received substantiate the case:

The person has notoriously violated our established culture by denying the money that he received from one of the residents in our vicinity. Then, the elders urged all residents not to allow the person to attend any of social gatherings that they host in their home. After that, there was no one in the vicinity who invite him to the wedding or any other party. When there is a funeral in the vicinity and the person goes to attend, the mourners will never allow him to attend the funeral. The mourner got up and shouted, 'Get out of my house.' Because, if the mourner allow the person to attend the funeral, other attendants and neighbors stand against them. Eventually, the man left the vicinity and disappeared, when he loses all the social connections that he can possibly have in the vicinity (Focus Group Wetera 23.05.2019).

The case presented about the person who is regarded a perpetrator of norm violation and who have been effectively ostracized by an elderly group from all social institutions before he fled is a good example of the effectiveness of norm enforcement mechanisms in *Aresi*.

Generally, the above reflections indicate that local people avoid engagement with those members who deemed not to comply with community obligations. This includes withdrawing social support, downscaling socialization, not allowing such persons to participate in social institutions. As a matter of retaliation, people keep social distance with those community members who do comply with norms of reciprocity that are practiced and valued by the community. Thus, avoidance is one mechanism of norm enforcement.

In addition to social ostracization, focus group participants has forwarded that individuals who fail to comply with the norm met advice and warning by intimate members of the community. It is difficult to find someone who does not comply with the norms of the community. Individuals are expected to extend support and help to the needy ones in the neighborhood. Every individual is supposed to support the mourned family and the sick person, and helping others in the neighborhood to mitigate an emergency situation. But if someone deviates from the established norms of reciprocity, own family members, relatives, elderly groups approach and advise the person to adjust his or her behavior indicating the possible ostracization consequences of non-compliance. Such advice is usually undertaken within the circle of intimate family members and friends. Sometimes such advice went to the extents of through harsh words on the norm violators. According to focus group participants, the purpose of providing advice to people who does not comply with the existing norms is to let them to know that they are under strict surveillance. This is meant to get those individuals who escape their commitment with the assumption that their deeds does not noticed by the community members on track (Focus Group Ate Das Gedanbo 23.06.2019). Thus, ultimate purpose of the advice is to mobilize shame on individual perpetrators. Accordingly, mobilization of shame is one of the social pressure that makes individuals to stay committed for reciprocal relations.

In *Aresi*, if a person does not appear in a funeral for the sake of undertaking his personal affair such as plowing a farm field, the person gets punished by the elderly council. As a penalty the person order to organize a party to the neighbors. If someone was absent from a mourning in the

neighborhood and if anyone in the neighborhood finds that the person was doing personal work during the morning, the neighbor who saw this take the case to the elderly council. The elderly groups make own investigation on the matter and if they found the person guilty, they order the person to arrange a party to neighbors indicating that not complying with such order will ensue other series punishment such as banning from local institutions such as *Iddir*. The person slaughters a bull and prepares a pot of locally made honey wine called *Teji* and invites people in the neighborhood for the feast. The party is standardized. A bull and a pot of *Teji* is somehow fixed that is supposed to be done for the party. Thus, according to focus group participants' individuals remains committed to reciprocal relation with the fear of such punishments (Focus Group Adaba Tita 18.05.2019). Therefore, penalty (fear of penalty) is another factor that drives individual's commitment towards reciprocal relations.

Generally, the above assertion indicates that fear of social pressure that have various consequences is one of the factors that keeps individuals within the orbit of reciprocal relations. The consequences of social pressures includes losing the entire reciprocal relation as well as fine for misbehaving. Social pressures make non-conformity of norms too costly and pressure individuals to choose norm conformity over deviance (Fon and Parisi, 2003; Malmendier, te Velde, and Weber, 2014).

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9.5. Conclusion

In the study areas, individuals are engaged in a vast arena of reciprocal relations. All of the reflections made by focus group participants clearly show that reciprocal relations are inherently instrumental. Without reciprocal relations, communities would not have been better off. Study communities have engaged in a range of cooperation and meet specific material interests using them. To this end, reciprocal relations are maintained by self-imposing commitment to averse risks and social pressures that include social ostracization, shame mobilization and penalty. Thus, the reciprocal relations in the study communities are driven by a rational decision of individual community members to maximize their utility by compiling to the existing norm rather than the internal preference for others' welfare. Reciprocity in the study communities is meant for its utility.

Moreover, reciprocal relation in the study area has its particular feature. First, reciprocal relations are limited at a neighborhood level. It means that the people who know each other and live in similar residential areas are engaged in reciprocal relations. Moreover, reciprocal exchanges in the study communities are generalized- undertaken without a pure accounting system. Thus, the study area's reciprocal relations amount to what Högnäs (2010) referred to as restricted-generalized reciprocity. But why do reciprocal relations are held under the restricted geographic boundary?

For the “utilitarianist” approach, norms of reciprocity stand for reciprocal relations are due upon socially imposed obligation. So, reciprocal relations are a matter of social norms and they are applied to everyone in the social structure. This requires the effective implementation of sanctions (Coleman, 1990; Elster, 2006; Fon and Parisi, 2003; Malmendier, te Velde, and Weber, 2014). In this respect, social pressure work at best in those groups which have similar cost function. It means the norm enforcement mechanism operates under the conditions that enable enforcement mechanisms effective. So, enforcement mechanisms are most effective in close-knit societies (Fon and Parisi, 2003; Schanze, 2003). Thus, it can be said that neighborhoods are socially preferred support units because of their advantage to provide an effective and efficient norm enforcement mechanism (sanctions) as a result of geographical contingency.

As presented in chapter seven, individuals cope with a range of shocks and crises using social support which is accessed through the social network position. Notably, neighborhood networks are important sources of social support. Now it becomes clear that this support system is related to reciprocal relations. Social networks and reciprocal relations overlap each other (Fafchamps and Lund, 2003; Hansen, 2004). Among the study communities, reciprocal relations are held only among those who personally know each other and are related by lineage, neighborhood, or friendship relations. This is because reciprocal relations are built on the social network. Thus, social networks and reciprocal relations articulate together in the study context. While social networks are just sources of social support, reciprocity is all about behaviors and norms for mobilizing social support. It means norms of reciprocity dictate the manners by which the resource

(support or help) embedded in the social network can be mobilized. In other words, norms of reciprocity govern the mechanism of social support within the social networks.

In the absence of strong state and market institutions that provide basic amenities, local people resort to the social network to cope with shocks and vulnerabilities. Reciprocity makes cooperation along with the social networks possible. To this end, informal networks and reciprocity become the most prevalent and significant forms of social capital in the study areas.



CHAPTER TEN

CONCLUSION

10.1. Summary and Conclusion

This dissertation has explored the degree and distribution of social capital forms-social networks, volunteer associations, generalized trust, particularized trust and norms of reciprocity in rural Ethiopia. It aims to probe the shift in the thinking and practice of social capital in the context of the least-developed countries. Whereas the extent of literature focuses on the descriptive presentation of the distribution of aggregated social capital and its constituent elements at national, regional, and individual levels, this dissertation unpacks how particular political and economic conditions interactively shape the degree of the different forms of social capital at the different levels. It illuminates the level and distribution of the forms of social capital in rural Ethiopia in light of circumscribing political, social, and economic conditions. To this end, household survey and qualitative interviews have been conducted in *Aresi* and *Menze*- study sites selected for the case study for representing the social and economic diversity of rural Ethiopia.

Results of the household survey show that the forms of social capital are not uniform in size and distribution across socio-economic and demographic groups. At the aggregate level, forms of social capital significantly vary in relative importance. Besides, the level of social capital forms varies between the two study areas (*Aresi* and *Menze*). Moreover, social capital forms are unequally distributed across gender, age, educational level, income level, marital status, and household family size (see chapter five).

At the aggregate level, while norms of reciprocity and informal networks are the most important aspects of social capital in the study areas, trust relations and formal networks are found to be the least important social capital aspects. It means norms of reciprocity and social networks are forms of social capital that are mostly possessed in the study areas. At the individual and community levels, the degree of norms of reciprocity is mostly static and invariable across sub-population

groups. In both study areas, the degree of norms of reciprocity is not significantly different. Moreover, most of the socio-economic and demographic groups do not vary in the degree of reciprocity norms. On the contrary, most variation among sub-population groups has been observed on social network possession. The size of social networks invariably varies between the geographic units (*Aresi* and *Menze*) and across gender, educational level, income level, marital status, family size, age variations. Social networks are denser in *Aresi* than *Menze*. Men, more educated people, wealthier people, married people, households with large family sizes and middle age groups have been found to have more extensive social networks compared with women, less educated people, relatively poor people, non-married people (single, divorced and widowed), households with small family size, and younger and older age groups, respectively (see chapter 5).

Focus group discussions and key informant interviews illuminate that the relative importance of the social capital forms is shaped by the political and economic conditions that prevail at the different levels. Besides, contextual factors also shaped the nature of the different social capital forms. As a result, social networks, volunteer organizations, and norms of reciprocity in the study areas have exhibited unique distribution patterns owing to macro and regional level institutional and structural factors (chapter 6 through 9).

In the study areas, trust relations are weak. The general perception about the dependability of humankind is too low. Generally, the trust level in Ethiopia is one of the lowest in the world and it is even lower than most of the Sub-Saharan African countries (see Freitag, 2003; Holden and Tilahun, 2019; Knack and Keefer 1997). Not only generalized trust but also particularized trust is very weak in the study areas. The social environment in the study context is full of mutual suspect and mistrust. As a result, collective action at the community level is very limited in the study areas. Community members do not usually collaborate each other and engaged in a coordinated collective action that have mutual benefits. As discussed in chapter three, high level of trust is related to the democraticness of the political system, higher affluence, low social diversity and lower income inequality (Bjørnskov, 2007; Freitag, 2003; Rothstein and Stolle, 2008; Saravia, 2016). Ethiopia has lack these structural attributes. As a result, trust relation remains low.

When it comes to the social networks, both in *Aresi* and *Menze*, residents are mainly connected at the neighborhood level that overlaps with familial and extra-familial ties. Neighbors and families are the principal forms of social networks in the study areas. As a result, social networks are limited within a community and a network of connections outside one's community is absent among residents in the study areas. However, individuals have different social network sizes, and this difference overlaps with their wealth status. Thus, social networks in the study area are formed along with geographical and social proximity (Fafchamps and Lund, 2003). Accordingly, social networks have the attribute of bonding social capital (Freeman and Dodson, 2014).

The fact that social networks are limited within a community means that they have a restricted geographical and social horizon. Under such conditions, social networks have a structural limitation to play social leverage role that facilitates individuals' social mobility (Briggs, 1998; Dominguez and Watkins, 2003; Freeman and Dodson, 2014). This same is true in the study areas. Social leverage functions performed by social networks were not reported in the field survey. Instead, social networks- families and neighborhoods remain principal sources of support that individuals rely on when exposed to unforeseen shocks. Many basic service-providing institutions, including shops, funeral agencies, and police stations that we take for granted, are absent in study areas (see chapter four). Besides, no social security system is available in the study areas except the Safety Net Program in *Menze*. Thus, when state institutions that avail social security are weak, social networks take up informal insurance (Das, 2004; Fafchamps and Lund, 2003; Townsend, 1994; Udry and Conley, 2004). Therefore, social networks are what is commonly attributed as "survival networks".

Family members and neighborhoods are the principal sources that individuals in the communities rely on for practical and emotional support in times of shock and crisis. To this end, social networks play a crucial in the wellbeing of the communities. However, individuals have different social network sizes that affect the extent of support they possibly get from social networks. Social network size difference overlaps with their wealth status. Wealthier people found have more social

networks than less affluent people (see chapter 5). In this vein, regardless of their crucial role in risk mitigation, social networks in the study areas have exclusionary elements. Such exclusionary nature of social networks makes social networks a less socially convenient tool in risk management (Decron, 2008).

In order to overcome the weakness of informal networks in relation to risk mitigation, community organizations developed as an alternative avenue. The study on - *Iddirs* and *Mahibers*- the two most widely available volunteer (community) organization in rural Ethiopia (Butcher, 2007) shows that community organizations increasingly diversified their functions and become all-reaching social insurance institutions in their respective communities. Even though *Iddirs* have emerged initially as a funeral association, they start providing credit and health insurance services in addition to their funeral services over time. Similarly, *Mahibers* have relinquished their religious affiliation and become a financial institution. Initially, they started collecting monthly contributions to support the churches in their vicinities. However, some *Mahibers* began to provide the collected money as a loan to their respective members who appear to be in a financially pressing situation. Over time, the provision of a loan with low interest to members becomes a regular activity of all *Mahibers*. Besides, *Mahibers* raise money by renting out various items in addition to the interest they collected. Then the revenue generated is distributed to members in a certain time interval. As a result, *Mahibers* become a major financial institution for their members towards risk management by availing credit opportunities and direct financial support (see chapter seven).

Since *Iddirs* and *Mahibers* are developed as risk mitigation institutions at the community level, their operation is overtly localized. They do not have a membership that spread across a wide geographic area. Concerning localized membership, the critics have it that community organizations are viable instruments to mitigate only idiosyncratic shocks, and they cannot mobilize resources to overcome community-level shocks (Decron, 2008). But in the study areas, both *Iddirs* and *Mahibers* diversified their services and functions pertinent to local conditions and manage to be a viable option to mitigate community level shocks.

Aresi is a surplus producer, and for that reason, financial liquidity is not much of a problem. Accordingly, most of the *Iddirs* in *Aresi* do not provide credit service. Instead, all of the *Iddirs* in the area provide health and funeral insurance services. In *Menze*, a highly impoverished area, a significant number of households in the area depend on government food aid for survival. Parallel to food aid, the demand for other forms of aid and financial support is high in the area. As a significant portion of the community members are aid and financial support seekers, the demand for financial support is well beyond the capacity of community organizations which are mainly relying on membership contribution. *Iddirs* and *Mahibers* in *Menze* invariably provide credit services. The organizations provide credit to their members for a duration of one month only. To make cash available in their account, none of the *Iddirs* and *Mahibers* in *Menze* does provide health insurance and other cash payouts other than funeral support. Thus, every member can access financial support in the form of a credit to mitigate unforeseen shocks as credits are available every month. As a result, *Iddirs* and *Mahibers* become a highly dependable source of financial insurance for the entire community. In this respect, the dominant paradigm among the development practitioners that see community organizations as incapable of mitigating community level shocks (Decron, 2008) requires reconsideration.

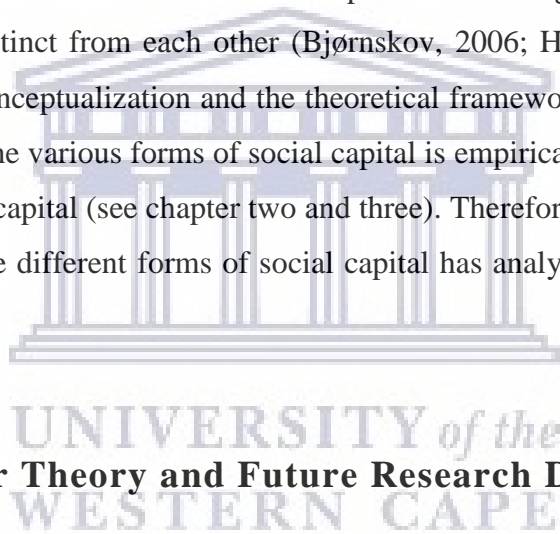
In light of the significance of social networks in risk mitigation in the study areas, the free-rider problem is critical for the very well-being of communities. If there is too much free-rider problem, individuals retreat from exchanging support within the social network. Finally, everyone becomes worth-off with the loss of the support system. Thus, to avoid a free-rider problem, installing a community-level regulatory system is a requirement (Ostrom, 1990). As a result, in the study areas, the exchange of support within the social networks accompanied by the covenant on reciprocity. The norm of reciprocity is strong as well as socially and culturally deep-rooted within the study communities. Failure to help a community member who needs support meets with social pressures that range from social exclusion to fines of different types. Thus, the mutual support system is supplemented by an extended web of norms. As a result, norms of reciprocity remain one of the most important forms of social capital in the study areas along with social networks.

Among the study communities, the support system available through the social networks is related to reciprocal relations. Reciprocal relations are held only among those who personally know each other and are related by lineage, neighborhood, or friendship relations. It means reciprocal relations are built on the social network. Thus, social networks and reciprocal relations articulate together in the study context (see chapter 6 and 9). Thus, consistent with the findings of other studies, in the study areas, social networks and reciprocal relations overlap each other (Fafchamps and Lund, 2003; Hansen, 2004).

In the absence of the strong state and market institutions that provide basic amenities, people resort to the social network or interpersonal relations to cope with shocks and vulnerabilities (Fafchamps and Lund, 2003). As mentioned above, the trust level is low in the study areas. For that reason, collective actions that have mutual benefits are scarce. However, the lack of trust does not put interpersonal relations off with the same magnitude that it hampers collective actions. If the state of trust relations could prevent interpersonal relations as much as it hampers collective actions, social networks, which are typical interpersonal relations, would not have been denser. According to Hansen (2004), reciprocity makes cooperation along with the social networks possible. To that end, informal networks and reciprocity become the most prevalent and significant forms of social capital in the study areas. Besides, social networks and norms of reciprocity articulate together in the study areas. While social networks are just sources of social support, reciprocity is all about behaviors and norms for mobilizing social support. It means norms of reciprocity dictate the manners by which the resources (support or help) embedded in the social networks can be mobilized. In other words, norms of reciprocity govern the social support within the social networks.

In a nutshell, in rural Ethiopian context, norms of reciprocity and social networks are the most important aspects of social capital. Besides, over time, localized volunteer organizations (community organizations) as a form of social capital has emerged as an alternative to social networks. This result contradicts previous studies that have mostly been conducted in developed and democratic countries and which have concluded that formal networks and generalized trust are the most important aspects of social capital (see, for example, Kaasa and Parts, 2008; Ostrom

and Ahn, 2003; Parts, 2013; Pichler and Wallace, 2007; Putnam, 2000; van Beuningen and Schmeets, 2013; Van Oorschot, Arts and Gelissen, 2006). The variation between this study's result and previous ones parallels the institutional and structural differences between the societies where the studies conducted. The difference in economic and social development and democracy level predisposes the observed difference in the level and distribution of social capital forms. The fact that different forms of social capital exist with different levels of importance in different contexts shows that the forms of social capital are an outcome of prevalent contextual factors (Fine, 2003; LimPuma and Koelble, 2009; Tapscott, 2005; Widner and Alexander, 1998). Moreover, the variation in the relative importance of social capital shows that forms of social capital do not articulate together. Forms of social capital are distinct items that reflects distinct features of societies. This result confirms the notion that social capital is not a single bundle item but rather social capital forms are distinct from each other (Bjørnskov, 2006; Halman and Luijkx, 2006; Knack, 2002). Thus, the conceptualization and the theoretical framework of the dissertation that make a distinction among the various forms of social capital is empirically sound for the analysis and measurement of social capital (see chapter two and three). Therefore, this dissertation argued that a distinction among the different forms of social capital has analytical merit both in theory and practice.



10.2. Implication for Theory and Future Research Directions

The contrast between the result of this study and other studies that are undertaken in different contexts concerning the level and distribution of social capital indicated that social capital is dynamic. This means that forms, levels and distribution of social capital vary consistently with variable institutional and structural factors. However, social capital's dynamic nature does not dictate that there cannot be a universal social capital theory. By estimating the relative weight of democracy, income level, income inequality, and social diversity in explaining social capital variability, it is possible to postulate a social capital model that has a universal application.

Knowing the relative weight of the different institutional and structural factors on the level and distribution of social capital can be spelled out through the cross-country comparative study.

Comparing the level of social capital across countries with different institutional and structural contexts enables the precise identification of the extent to which each contextual factor are accounted for the variability of social capital across countries. Thus, cross-country comparative studies provide an avenue for future research aiming to refine social capital theory.

In the study population, the different forms of social capital vary at different levels. At the individual level, the most consistent variation is observed in the social network. Almost all socio-economic and demographic groups vary in their social network size. This indicates that in line with Bourdieu (1986) assertion, social network possession is a matter of individuals' strategic behavior and the size of social networks can be best examined at the individual level. The social networks and norm of reciprocity as forms of social capital also consistently vary along with geographic units. Therefore, consistent with Coleman (1988a, 1988b, 1990) assertion, in the meso level social capital assessment, social networks and norm of reciprocity are important entry area of investigation. This further reinforces that different forms of social capital have different importance at a different level. The variation in the level and distribution of the different aspects of social capital (forms of social capital) at the different suggests that forms of social capital are not a single bundle of items that articulate together. Therefore, a distinction needs to be made among the different forms of social capital both in theory and practice.

10.3. Implication for Policy

Social capital generates various desirable outcomes that are attainable either at the micro or macro levels (Christiaan and Thierry, 2002; Jordan, and Munasib, 2006; Uphoff, 2000; Villalonga-Olives and Kawachi, 2015). As a result, the creation and development of social capital has become one of the key development tools, notably among international development agents including the World Bank (Fine, 2008; World Bank, 2011). In this respect, social capital entered into the public policy domain in relation to the collective action problem. This means the social capital forms with collective benefits of social are the target of public policy (Ostrom and Ahn, 2003). Accordingly, the generation of generalized trust and the development of impersonal volunteer organization have

given a due attention (World Bank, 2011). Individual and community level social capital has been relegated on the ground that social networks and community organizations are exclusionary by their nature. Besides, the dominant paradigm among the academia asserted that community organizations have limited capacity to mitigate communal shocks (Decron, 2000; Decron et al., 2008).

The result of this study confirms the exclusionary nature of social networks. However, the community organizations are not found exclusionary. On contrary the community organization become more inclusive by developing parallel institution that exclusively run by women. Moreover, the community organization (*Iddirs* and *Mahibers*) in the study areas are found locally adaptable and tailored to the local demands. In *Menze*, which is relatively impoverished, *Iddirs* and *Mahibers* becomes the principal source of support by solving the financial liquidity problem of the community members. Almost all *Iddirs* and *Mahibers* in *Menze* provide credit service. In *Aresi*, which is relatively better off and financial liquidity is not an issue, *Iddirs* that provide credit service are very rare. Thus, *Iddirs* and *Mahibers* as a community organization successfully deliver services crucial to their respective communities. This implies that community organization are vital in delivering basics services for the poor, for that, they remains an important entry point for development intervention. As a result, in the least-developed countries, policy makes and development agents needs to pay attention for development of community based social capital.

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Appendix A

DRAFT QUESTIONNAIRE

PARTICIPATION INFORMATION SHEET-FOCUS GROUP DISCUSSION

RESEARCH TITLE: An Assessment of Social Capital in Rural Ethiopia: The case of
Aresi and Menze

Dear Participant

You are invited to participate in a research study conducted by **Fikrewold Y. Tamirat**. It is in partial completion of the researcher's thesis towards the PHD Degree at the School of Government, at the University of the Western Cape.

This research project has received ethical approval from the Humanities & Social Sciences Research Ethics Committee of the University of the Western Cape.

Before you decide to participate, it is important for you to understand the purpose of the research and what it would entail. Please take time to read the following information carefully and discuss it with others if you wish. If you are unclear of anything, I would be happy to answer any questions you may have.

PURPOSE OF THE STUDY

This study is undertaken as a partial fulfillment for doctoral degree (PhD) in School of Government, University of the Western Cape, South Africa. The findings of the research will be used for an academic purpose.

DESCRIPTION OF STUDY AND YOUR INVOLVEMENT

The research will study the link between social capital and informal political institutions. For this purpose, it will make an enquiry on individual's level of involvement on association life (participation in social and civic associations). In addition, it will also seek to understand on individuals' view towards generalized and interpersonal trust. This information gathered in rural Ethiopia through different data collection instruments including the **Focus Group Discussion** in which you are made to be a participant. As a participant, you are supposed to provide an information on your level of participation in associational life and your perception towards trust.

The guide line is translated from English to the local languages and all issues will be discussed in a language you understand.

CONFIDENTIALITY

Please be advised that the results of the study will neither divulge the organisation's particulars nor the individual particulars, as to maintain confidentiality at all times. Any information that can connect the responses to an individual or organisation will remain confidential and will be disclosed only with your permission. The researcher shall keep all records and tapes of your participation, including a signed consent form which is required from you should you agree to participate in this research study, and locked away at all times. Thus, all the data will be kept in password protected computer files known only to the researcher. Data collection sheets and audio tapes will be kept safely in a lockable filing cabinet accessed only by the researcher. All raw data including written documents and tapes will be destroyed after three months of the final dissertation being marked and graded. If we write a report or article about this research project, your identity will be protected.

RISKS OF THE STUDY

The only risks to you as a participant of this study is the inconvenience of giving 75 to 90 minutes of your time for group discussion. Any other risk concerns arise regarding this study like disclosure of your identity or attaching what you say to your identity will be dealt with by ensuring utmost confidentiality. There are no other anticipated risks occurring as a result of your participation in this study.

BENEFITS OF THE RESEARCH

The Benefits of this research are outlined as follows:

- Provide knowledge on the importance of social capital in improving the socio-political situation among the rural community;
- Bring the importance of social capital in tackling political problems at grass root level among the rural mass in to the attention of policy makers.

VOLUNTARY PARTICIPATION AND WITHDRAWAL

Your participation in this research is entirely voluntary, which means that you are free to decline from participation. It is your decision whether or not to take part. If you volunteer to be in this study, you may withdraw at any time without consequences of any kind. If you decide to participate in the study, you are free to withdraw at any time – and without giving a reason. You

may also choose not to answer particular questions that are asked in the study. If there is anything that you would prefer not to discuss, please feel free to say so.

PAYMENT FOR PARTICIPATION

There are no costs to the participant for partaking in the study.

INFORMED CONSENT

Your signed consent to participate in this research study is required before I proceed to interview you. I have included the consent form with this information sheet so that you will be able to review the consent form and then decide whether you would like to participate in this study or not.

QUESTIONS

Should you have further questions or wish to know more, I can be contact as follows:

Student Name : Fikrewold Y. Tamirat
Student Number : 3717486
Mobile Number : +251912103127
Work Number :
Email : 3717486@uwc.ac.za



I am accountable to my supervisor : Professor Lisa Thmpson

School of Government (SOG) :

Telephone : +27 21 959 3803/6

Fax : +27 21 959 3849

Email : lthompson@uwc.ac.za

For concerns regarding ethical issue

Contact Unit : Humanities & Social Sciences Research Ethics

Committee of the University of the Western Cape,

Telephone : +27 21 959 2988

Email: [:research-ethics@uwc.ac.za](mailto:research-ethics@uwc.ac.za)

CONSENT FORM FOR FOCUS GROUP DISCUSSION

RESEARCH TITLE: An Assessment of Social Capital in Rural Ethiopia: The Case of
Aresi and Menze

I have read the information presented in the information letter about a study being conducted by **Fikrewold Y. Tamirat** towards the Doctoral Programme at the School of Government (SOG) at the University of the Western Cape.

This study has been translated and presented to me in my own language and I freely and voluntarily agree to participate. My questions about the study have been answered.

I understand that my identity will not be disclosed and was informed that I may withdraw my consent at any time by advising the student researcher.

I understand, as a member in the focus group discussion, I will maintain what others say in the discussion confidential.

I agree for this focus group discussion interview to be audio recorded and transcripts to be produced, from which all transcripts would be labeled by code rather than my real name. I understand that when the researcher analyzes transcripts, write articles or presents research findings, he will not use my real name. I also understand that that origin of my audio recordings will be stored electronically in a separate location with restricted access, protected by a password. My questions about the study have been answered.

With full knowledge of all foregoing, I agree to participate in this study.

Participant Name : _____

Participant ID Number : _____

Participant Signature : _____

Date : _____

Place : _____

Student Researcher : Fikrewold Y. Tamirat

Student Researcher Signature : _____

Student Number : 3717486

Mobile Number : +251912103127

Email : 3717486@uwc.ac.za

I am accountable to my supervisor : Professor Lisa Thompson

School of Government (SOG)

Telephone : +27 21 959 3803/6

Fax : +27 21 959 3849

Email : lthompson@uwc.ac.za

i. GENERAL

1. Date of interview: _____ Interviewed by _____
2. Date checked: _____
3. Date entered: _____ Entered by: _____

ii. IDENTIFICATION OF SELECTED HOUSEHOLD

1. Region _____ District _____ Kebele _____ Village _____

1. PART I: HOUSEHOLD CHARACTERISTICS

1.1. Have you born and brought about in the Village?

Yes. _____ No. _____

1.2. If your answer is “no” to question number 1.1, when did you came to the village? (specify the number of years you live in village) _____

1.3. Please provide me your demographic profile in the items listed below!

1.3.1. Sex: A. Male _____ B. Female _____

1.3.2. Religion: A. Orthodox Christians _____ B. Muslim _____ C. Protestant _____ D. Adventists _____

1.3.3. Age: _____ (years)

1.3.4. Marital status: A. Single _____ B. Married _____ C. Divorced _____ D. Widowed _____

1.3.5. Relation to household head:

A. Head _____ B. Husband _____ C. Wife _____ D. Daughter _____ E. Son _____ F. Other

(Specify) _____

1.3.6. Years of schooling including adult schooling:

Illiterate, no schooling _____ Literate, no schooling _____ Primary incomplete _____

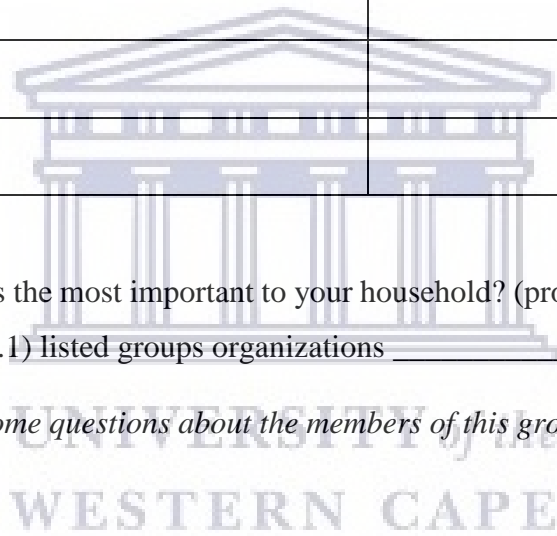
Primary complete _____ Secondary incomplete _____ Secondary complete _____

Vocational college _____ University _____ Other _____

1.3.7. Major occupation: _____

2.2. Which of these groups is the most important to your household? (probe them to make a choice one among the above (2.1) listed groups organizations _____)

Now I'm going to ask you some questions about the members of this groups



2.3. How do you rate the number of people in each of the following four categories?

Groups	Number of people				
	A lot	More than average	Average	Less than average	A few
Your family members					
relatives					
People in your neighborhood					
Your friends					

3. PART III: TRUST AND NORMS OF RECIPROCITY

3.1. Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?"

- A. Most people can be trusted _____
- B. You need to be very careful in dealing with people _____

3.2. Do you think that in this village/neighborhood people generally trust one another in matters of lending and borrowing?

- A. They do trust _____
- B. They do not trust _____

3.3. Suppose a friend of yours in this village/neighborhood faced the following alternatives, which of the alternative would you advise him to consider?

- A. Own and farm 1 hectare (*Timade*) of land entirely by himself _____
- B. Own and farm 3 hectares of land jointly with one other person _____

3.4. Please tell me whether in general you agree or disagree with the following statements:

Item	Response			
	Strongly Agree	Agree	Disagree	Strongly Disagree
Most people in this village/neighborhood are basically honest and can be trusted.				
In this village/neighborhood, one has to be alert or someone is likely to take advantage of you				
People are always interested only in their own welfare				
If I have a problem, there is always someone to help me				
Most people in this village / neighborhood are willing to help if you need it.				

Appendix B

FINAL QUESTIONNAIRE PARTICIPATION INFORMATION SHEET-QUESTIONNAIRE

RESEARCH TITLE: An Assessment of Social Capital in Rural Ethiopia: The Case
of Aresi and Menze

Dear Participant

You are invited to participate in a research study conducted by **Fikrewold Y. Tamirat**. It is in partial completion of the researcher's thesis towards the PHD Degree at the School of Government, at the University of the Western Cape.

This research project has received ethical approval from the Humanities & Social Sciences Research Ethics Committee of the University of the Western Cape.

Before you decide to participate, it is important for you to understand the purpose of the research and what it would entail. Please take time to read the following information carefully and discuss it with others if you wish. If you are unclear of anything, I would be happy to answer any questions you may have.

PURPOSE OF THE STUDY

This study is undertaken as a partial fulfillment for doctoral degree (PhD) in School of Government, University of the Western Cape, South Africa. The findings of the research will be used for an academic purpose.

DESCRIPTION OF STUDY AND YOUR INVOLVEMENT

The research will study the link between social capital and informal political institutions. For this purpose, it will make an enquiry on individual's level of involvement on association life (participation in social and civic associations). In addition, it will also seek to understand on individuals' view towards generalized and interpersonal trust. This information gathered in rural Ethiopia through different data collection instruments including the **Household Survey** in which you are made to be a participant. As a participant, you are supposed to provide an information on your level of participation in associational life and your perception towards trust. The

questionnaire is translated from English to the local languages and all issues will be discussed in a language you understand.

CONFIDENTIALITY

Please be advised that the results of the study will neither divulge the organisation's particulars nor the individual particulars, as to maintain confidentiality at all times. Any information that can connect the responses to an individual or organisation will remain confidential and will be disclosed only with your permission. The researcher shall keep all records and tapes of your participation, including a signed consent form which is required from you should you agree to participate in this research study, and locked away at all times. Thus, all the data will be kept in password protected computer files known only to the researcher. Data collection sheets and audio tapes will be kept safely in a lockable filing cabinet accessed only by the researcher. All raw data including written documents and tapes will be destroyed after three months of the final dissertation being marked and graded. If we write a report or article about this research project, your identity will be protected.

RISKS OF THE STUDY

The only risks to you as a participant of this study is the inconvenience of giving 30 minutes of your time to fill out the questionnaire. Any other risk concerns arise regarding this study like disclosure of your identity or attaching what you say to your identity will be dealt with by ensuring utmost confidentiality. There are no other anticipated risks occurring as a result of your participation in this study.

BENEFITS OF THE RESEARCH

The Benefits of this research are outlined as follows:

- Provide knowledge on the importance of social capital in improving the socio-political situation among the rural community;
- Bring the importance of social capital in tackling political problems at grass root level among the rural mass in to the attention of policy makers.

VOLUNTARY PARTICIPATION AND WITHDRAWAL

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questions that are asked in the study. If there is anything that you would prefer not to discuss, please feel free to say so.

PAYMENT FOR PARTICIPATION

There are no costs to the participant for partaking in the study.

INFORMED CONSENT

Your signed consent to participate in this research study is required before I proceed to interview you. I have included the consent form with this information sheet so that you will be able to review the consent form and then decide whether you would like to participate in this study or not.

QUESTIONS

Should you have further questions or wish to know more, I can be contact as follows:

Student Name : Fikrewold Y. Tamirat

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Email : 3717486@uwc.ac.za

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For concerns regarding ethical issue

Contact Unit : Humanities & Social Sciences Research Ethics

Committee of the University of the Western Cape,

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CONSENT FORM FOR QUESTIONNAIRES

RESEARCH TITLE: An Assessment of Social Capital in Rural Ethiopia: The Case of Aresi and Menze

I have read the information presented in the information letter about a study being conducted by **Fikrewold Y. Tamirat** towards the Doctoral Programme at the School of Government (SOG) at the University of the Western Cape.

This study has been translated and presented to me in my own language and I freely and voluntarily agree to participate. My questions about the study have been answered.

I understand that my identity will not be disclosed and was informed that I may withdraw my consent at any time by advising the student researcher.

With full knowledge of all foregoing, I agree to participate in this study.

Participant Name : _____

Participant ID Number : _____

Participant Signature : _____

Date : _____

Place : _____

Student Researcher : Fikrewold Y. Tamirat

Student Researcher Signature : _____

Student Number : 3717486

Mobile Number : +251912103127

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I am accountable to my supervisor : Professor Lisa Thompson

School of Government (SOG)

Telephone : +27 21 959 3803/6

Fax : +27 21 959 3849

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ii. GENERAL

1. Date of interview: _____ Interviewed by _____
2. Date checked: _____
3. Date entered: _____ Entered by: _____

ii. IDENTIFICATION OF SELECTED HOUSEHOLD

1. Region _____ District _____ Kebele _____ Village _____

1. PART I: HOUSEHOLD CHARACTERISTICS

1.1. Have you born and brought about in the Village?

Yes. _____ No. _____

1.1. If your answer is "no" to question number 1.1, when did you came to the village?
(specify the number of years you live in village) _____

1.2. Please provide me your demographic profile in the items listed below!

1.2.1. Sex: A. Male _____ B. Female _____

1.2.2. Religion: A. Orthodox Christians _____ B. Muslim _____ C. Protestant _____ D.
Adventists _____

1.2.3. Age: _____ (years)

1.2.4. Marital status: A. Single _____ B. Married _____ C. Divorced _____ D. Widowed _____

1.2.5. Relation to household head:

A. Head ___ B. Husband ___ C. Wife ___ D. Daughter ___ E. Son ___ F. Other (Specify) _____

1.2.6. Years of schooling including adult schooling:

Illiterate, no schooling _____ Literate, no schooling _____ Primary incomplete _____

Primary complete _____ Secondary incomplete _____ Secondary complete _____

Vocational college _____

University _____

Other _____

1.2.7. Major occupation: _____

(Probe the respondent to mention among the list or to give any other occupation that s/he employed in: Farmer; Trader; Housewife; Handy craft; Construction; Weaving; Blacksmith; Carpentry; Student; herding; Servant (maid); Public employ (specify); Private sector employ (specify); old or disabled and others (specify))

1.3. Please provide the demographic and socio-economic profile of your household in the items listed below!

1.3.1. Family size _____

1.3.2. How many hectares of agricultural land do members of this household own? _____

2. PART II: STRUCTURAL SOCIAL CAPITAL

2.1. Please list out in any of groups, organizations, or associations Are you or someone in the household a member or active?

Name of group/community organization	Number of the group/organization in which the household a member is a member/participant (put "0" if no one in the household is a member/participant)	Type of organization (use codes below)
Mixed Member <i>Iddir</i>		
Women <i>Iddir</i>		
<i>Debo</i>		
<i>Wonfel</i>		
ROSCA		
Orthodox Church		
Mosque		
Pentecostal Church		
Women <i>Mehaber</i>		
Men <i>Mehaber</i>		
Consumer cooperatives		

Others (specify it the blank space)

2.2. Which of these groups is the most important to your household? (probe them to make a choice one among the above (2.1) listed groups organizations _____

Now I'm going to ask you some questions about the members of this groups

2.3. How do you rate the number of people in each of the following four categories?

Groups	Number of people				
	A lot	More than average	Average	Less than average	A few
Your family members and relatives					
People in your neighborhood					
Your friends					

3. PART III: TRUST AND NORMS OF RECIPROCITY

3.1. Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?"

- c. Most people can be trusted _____
d. You need to be very careful in dealing with people _____

3.2. Do you think that in this village/neighborhood people generally trust one another in matters of lending and borrowing?

- B. They do trust _____ B. They do not trust _____

3.3. Suppose a friend of yours in this village/neighborhood faced the following alternatives, which of the alternative would you advise him to consider?

- C. Own and farm 1 hectare (*Timade*) of land entirely by himself _____
D. B. Own and farm 3 hectares of land jointly with one other person _____

3.4. In this village/neighborhood, one has to be alert or someone is likely to take advantage of you?

- A. Yes _____
B. No _____

- 3.5. Most people in this village/neighborhood are basically honest and can be trusted?
 A. Yes _____
 B. No _____

3.6. Please tell me whether in general you agree or disagree with the following statements:

Item	Response			
	Strongly Agree	Agree	Disagree	Strongly Disagree
People are always interested only in their own welfare				
If I have a problem, there is always someone to help me				
Most people in this village / neighborhood are willing to help if you need it.				



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Appendix C

FOCUS GROUP DISCUSSION INTERVIEW GUIDELINE PARTICIPATION INFORMATION SHEET-FOCUS GROUP DISCUSSION

RESEARCH TITLE: An Assessment of Social Capital in Rural Ethiopia: The case of
Aresi and Menze

Dear Participant

You are invited to participate in a research study conducted by **Fikrewold Y. Tamirat**. It is in partial completion of the researcher's thesis towards the PHD Degree at the School of Government, at the University of the Western Cape.

This research project has received ethical approval from the Humanities & Social Sciences Research Ethics Committee of the University of the Western Cape.

Before you decide to participate, it is important for you to understand the purpose of the research and what it would entail. Please take time to read the following information carefully and discuss it with others if you wish. If you are unclear of anything, I would be happy to answer any questions you may have.

PURPOSE OF THE STUDY

This study is undertaken as a partial fulfillment for doctoral degree (PhD) in School of Government, University of the Western Cape, South Africa. The findings of the research will be used for an academic purpose.

DESCRIPTION OF STUDY AND YOUR INVOLVEMENT

The research will study the link between social capital and informal political institutions. For this purpose, it will make an enquiry on individual's level of involvement on association life (participation in social and civic associations). In addition, it will also seek to understand on

individuals' view towards generalized and interpersonal trust. This information gathered in rural Ethiopia through different data collection instruments including the **Focus Group Discussion** in which you are made to be a participant. As a participant, you are supposed to provide an information on your level of participation in associational life and your perception towards trust. The guide line is translated from English to the local languages and all issues will be discussed in a language you understand.

CONFIDENTIALITY

Please be advised that the results of the study will neither divulge the organisation's particulars nor the individual particulars, as to maintain confidentiality at all times. Any information that can connect the responses to an individual or organisation will remain confidential and will be disclosed only with your permission. The researcher shall keep all records and tapes of your participation, including a signed consent form which is required from you should you agree to participate in this research study, and locked away at all times. Thus, all the data will be kept in password protected computer files known only to the researcher. Data collection sheets and audio tapes will be kept safely in a lockable filing cabinet accessed only by the researcher. All raw data including written documents and tapes will be destroyed after three months of the final dissertation being marked and graded. If we write a report or article about this research project, your identity will be protected.

RISKS OF THE STUDY

The only risks to you as a participant of this study is the inconvenience of giving 75 to 90 minutes of your time for group discussion. Any other risk concerns arise regarding this study like disclosure of your identity or attaching what you say to your identity will be dealt with by ensuring utmost confidentiality. There are no other anticipated risks occurring as a result of your participation in this study.

BENEFITS OF THE RESEARCH

The Benefits of this research are outlined as follows:

- Provide knowledge on the importance of social capital in improving the socio-political situation among the rural community;
- Bring the importance of social capital in tackling political problems at grass root level among the rural mass in to the attention of policy makers.

VOLUNTARY PARTICIPATION AND WITHDRAWAL

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PAYMENT FOR PARTICIPATION

There are no costs to the participant for partaking in the study.

INFORMED CONSENT

Your signed consent to participate in this research study is required before I proceed to interview you. I have included the consent form with this information sheet so that you will be able to review the consent form and then decide whether you would like to participate in this study or not.

QUESTIONS

Should you have further questions or wish to know more, I can be contact as follows:



Student Name : Fikrewold Y. Tamirat
Student Number : 3717486
Mobile Number : +251912103127 :
Email : 3717486@uwc.ac.za
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Committee of the University of the Western Cape,
Telephone : +27 21 959 2988
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CONSENT FORM FOR FOCUS GROUP DISCUSSION

RESEARCH TITLE: An Assessment of Social Capital in Rural Ethiopia: The Case of Aresi and Menze

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This study has been translated and presented to me in my own language and I freely and voluntarily agree to participate. My questions about the study have been answered.

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I understand, as a member in the focus group discussion, I will maintain what others say in the discussion confidential.

I agree for this focus group discussion interview to be audio recorded and transcripts to be produced, from which all transcripts would be labeled by code rather than my real name. I understand that when the researcher analyzes transcripts, write articles or presents research findings, he will not use my real name. I also understand that that origin of my audio recordings will be stored electronically in a separate location with restricted access, protected by a password. My questions about the study have been answered.

With full knowledge of all foregoing, I agree to participate in this study.

Participant Name : _____

Participant ID Number : _____

Participant Signature : _____

Date : _____

Place : _____

Student Researcher : Fikrewold Y. Tamirat

Student Researcher Signature : _____

Student Number : 3717486

Mobile Number : +251912103127

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I am accountable to my supervisor : Professor Lisa Thompson

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Interview Guideline: Formal and Informal Networks

Informal Networks

How do you evaluate the extent of friendship, neighborhood, and family relations in your localities?

How is the strength of friendships, neighborhood and family relationships in your area?

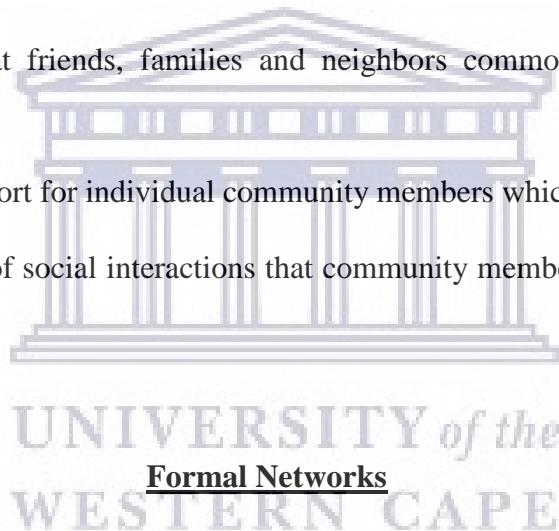
Tell me about the extent to which people in the area relate each other with family members and relatives, friends and neighbors?

To whom community members turned for support in times of need? And why the support units preferred for assistance?

What are the supports that friends, families and neighbors commonly extend to the needy members?

Who provide the most support for individual community members which seek assistance?

What are the major forms of social interactions that community members in your area related to each other?



Formal Networks

What are the services that the *Iddirs* and *Mahibers* in your area provide to their member?

When did *Mahibers* and *Iddirs* introduced to the area? Can you give me the time and curicustance whereby a particular *Iddir* or *Mahiber* is established/founded?

Do you think that the *Iddirs* and *Mahibers* in your area are similar in function and operation? If there are difference can you mention them?

Who make decisions in *Iddirs* and *Mahibers* in your area? Do you think that members have equal say on the decisions?

Why do you think is membership in *Iddir* and *Mahiber* is important?

What is the significance of *Iddirs* and *Mahibers* in your area?

Interview Guideline: Truts Relations and Norms of Reciprocity

Truts Relations

Do you think that one have to be cautious while dealing with the pople or most people by nature can be trusted?

When a stranger comes to the area, how does a local people responds (received)?

Who do you rate the trust level among local community members?

Have you ever make a collective effort in the last three years?

To what extent residents in the locality collaborate and addressed common problems?

What is the state of inter-group marriage in the area?

Norms of Reciprocity

Who provides the most support for someone in the community who is in an adversary situation?

And who coordinates the supporting members of the community?

How support for someone in the community who is in an adversary situation is delivered?

In the event of a fire accident, how does the victim supported by the community? Who provides the support? Who coordinates the mobilization of the support?

What is the very importance of reciprocal relations for individual members of the community?

Why individual members in the respective communities would like to maintain reciprocal exchanges?

How do recipients of reciprocal services make a request for assistance?

Is returning an assistance received is very important in your community?

Is providing an assistance for those who seek help is very important? If so, why?

Why should individuals respond when asked for help?

How do they evaluate the proportion of community members who are involved in reciprocal relation?

What would happen to a member of the community who refused to observe reciprocal relations?

Appendix D

KEY INFORMANT INTERVIEW GUIDELINE PARTICIPATION INFORMATION SHEET-INTERVIEW

RESEARCH TITLE: An Assessment of Social Capital in Rural Ethiopia: The Case
of Aresi and Menze

Dear Participant

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PURPOSE OF THE STUDY

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DESCRIPTION OF STUDY AND YOUR INVOLVEMENT

The research will study the link between social capital and informal political institutions. For this purpose, it will make an enquiry on individual's level of involvement on association life (participation in social and civic associations). In addition, it will also seek to understand on individuals' view towards generalized and interpersonal trust. This information gathered in rural Ethiopia through different data collection instruments including the **Key Informant Interviews** in which you are made to be a participant. As a participant, you are supposed to provide an information on your level of participation in associational life and your perception towards trust.

The guide line is translated from English to the local languages and all issues will be discussed in a language you understand.

CONFIDENTIALITY

Please be advised that the results of the study will neither divulge the organisation's particulars nor the individual particulars, as to maintain confidentiality at all times. Any information that can connect the responses to an individual or organisation will remain confidential and will be disclosed only with your permission. The researcher shall keep all records and tapes of your participation, including a signed consent form which is required from you should you agree to participate in this research study, and locked away at all times. Thus, all the data will be kept in password protected computer files known only to the researcher. Data collection sheets and audio tapes will be kept safely in a lockable filing cabinet accessed only by the researcher. All raw data including written documents and tapes will be destroyed after three months of the final dissertation being marked and graded. If we write a report or article about this research project, your identity will be protected.

RISKS OF THE STUDY

The only risks to you as a participant of this study is the inconvenience of giving 30 to 40 minutes of your time to for interview. Any other risk concerns arise regarding this study like disclosure of your identity or attaching what you say to your identity will be dealt with by ensuring utmost confidentiality. There are no other anticipated risks occurring as a result of your participation in this study.

BENEFITS OF THE RESEARCH

The Benefits of this research are outlined as follows:

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PAYMENT FOR PARTICIPATION

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INFORMED CONSENT

Your signed consent to participate in this research study is required before I proceed to interview you. I have included the consent form with this information sheet so that you will be able to review the consent form and then decide whether you would like to participate in this study or not.

QUESTIONS

Should you have further questions or wish to know more, I can be contact as follows:

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Email: research-ethics@uwc.ac.za

CONSENT FORM FOR INTERVIEWEES

RESEARCH TITLE: *An Assessment of Social Capital in Rural Ethiopia: The Case of Aresi and Menze*

I have read the information presented in the information letter about a study being conducted by **Fikrewold Y. Tamirat** towards the Doctoral Programme at the School of Government (SOG) at the University of the Western Cape.

This study has been translated and presented to me in my own language and I freely and voluntarily agree to participate. My questions about the study have been answered.

I understand that my identity will not be disclosed and was informed that I may withdraw my consent at any time by advising the student researcher.

I agree for this interview to be audio recorded and transcripts to be produced, from which all transcripts would be labeled by code rather than my real name. I understand that when the researcher analyzes transcripts, write articles or presents research findings, he will not use my real name. I also understand that that origin of my audio recordings will be stored electronically in a separate location with restricted access, protected by a password. My questions about the study have been answered.

With full knowledge of all foregoing, I agree to participate in this study.

Participant Name : _____

Participant ID Number : _____

Participant Signature : _____

Date : _____

Place : _____

Student Researcher : Fikrewold Y. Tamirat

Student Researcher Signature : _____

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Interview Guidelines

What is your position in the organization?

Can you explain me the administrative structure of the organization?

How the organization leaders are got assumed their position?

When does this organization start operation in the area?

What kind of service you provide to the members and the community?

How decisions are made? Who have the final say in your decision making procedure?

What are you complain handling mechanism?

If a disagreement appear over your decision you managed to resolve it?



Appendix E

DICRIPTIVE STATSTICS

Table E.1. The Sample Population by Socio-Demographic Characteristic

Category	Frequency	Percent
<u>Sex</u>		
Male	610	83.0
Female	125	17.0
Total	735	100.0
<u>Age</u>		
18-29	116	15.8
30-39	154	21.0
40-49	198	26.9
50-59	136	18.5
60 and Above	131	17.8
Total	735	100.0
<u>Education</u>		
Illiterate, no schooling	183	24.9
Literate, no schooling	137	18.6
Primary incomplete	222	30.2
Primary complete	54	7.3
Secondary incomplete	71	9.7
Secondary complete	46	6.3
Vocational college	22	3.0
University	-	-
Total	735	100.0
<u>Religion</u>		
Orthodox Christians	374	50.9
Muslim	330	44.9
Protestant	31	4.2
Total	735	100.0
<u>Wealth</u>		
Rich	145	19.7
Middle Income	346	43.0
Poor	274	37.3
Total	735	100.0

Source: Author's Survey, 2019

Table E.2. The Sample Population by Socio-Demographic Characteristic

Category	Frequency	Percent
<u>Occupation</u>		
Farmer	722	98.2
Trader	10	1.4
Handy craft	1	0.1
Public Employ	2	0.3
Others	-	-
Total	735	100.0
<u>Marital Status</u>		
Single	5	0.7
Married	645	87.8
Divorced	37	5.0
Widowed	48	6.5
Total	735	100.0
<u>Household Size</u>		
1	6	0.8
2	33	4.5
3	90	12.2
4	109	14.8
5	103	14.0
6	100	13.6
7 and Above	294	40.0
Total	735	100.0

Source: Author's Survey, 2019

Table E.3. Descriptive Statistics of Explanatory Variables

Variable	Mean	Median	Min.	Max.	Standard Deviation	Excess Kurtosis	Skewness
Family and Relatives Contact	2.864	3	1	4	0.873	-0.384	-0.482
Friends Contact	2.392	2	1	4	0.96	-0.969	0.046
Neighborhood Contact	2.805	3	2	5	0.739	-0.428	0.509
Organizational Membership	5.525	6	1	9	1.443	-0.079	-0.015
Generalized Trust	0.223	0	0	1	0.416	-0.224	1.333
Need to be alert in dealing with Villagers	0.322	0	0	1	0.467	-1.424	0.761
Villagers trust in Lending and Borrowing	0.57	1	0	1	0.495	-1.925	-0.284
Villagers are Honest	0.415	0	0	1	0.493	-1.886	0.346
There is someone to help me	2.795	3	1	4	0.736	0.322	-0.538
Villagers willing to help the needy	2.762	3	1	4	0.744	-0.038	-0.337
People are always interested only in their own welfare	2.659	3	1	4	0.79	0.037	-0.688

Source: Author's Survey, 2019

Appendix F

PLS-SEM RESULT

Table F.1. Statistics of the Measurement Model

Variable	Indicator	Mode	Weight	P-Value
Informal Network	Family and Relative contact	Formative	0.602	0.00
	Neighborhood contact	Formative	0.286	0.016
	Friends contact	Formative	0.652	0.00
Formal Network	Associational Membership	Formative	1.000	-
Generalized Trust	Generalized Trust	Reflective	1.000	-
Particularized Trust	In the village, one has to be alert, or someone is likely to take advantage	Reflective	0.562	0.00
	Most people in this village/neighborhood are basically honest and can be trusted	Reflective	0.367	0.09
	Trust in Lending and Borrowing	Reflective	0.747	0.00
	The propensity to Farm a Plot of Land Jointly	Reflective	0.435	0.001
Norms of Reciprocity	Villagers are always interested only in their welfare	Reflective	0.845	0.00
	If I have a problem, there is always someone to help me	Reflective	0.566	0.003
	Most people in this village are willing to help if they need it	Reflective	0.618	0.00

Source: Author's Survey, 2019

Table F.2. Path Coefficient for the Inner Model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Informal Networks -> Participation	0.952	0.945	0.038	24.881	0
Formal Networks -> Participation	0.21	0.21	0.105	2.004	0.046
Generalized Trust -> Attitude	0.293	0.295	0.093	3.132	0.002
Norms of Reciprocity -> Attitude	0.615	0.611	0.073	8.419	0.00
Particularized Trust -> Attitude	0.585	0.567	0.102	5.732	0.00
Participation (Structural Social Capital) -> Social Capital	0.433	0.431	0.017	25.057	0.00
Attitude (cognitive Social Capital)-> Social Capital	0.76	0.759	0.014	55.167	0.00

Source: Author's Survey, 2019

Table F.3. Indirect Effect Analysis

	Original Sample (O)	Sample Mean (M)	(STDEV)	T Statistics (O/STDEV)	P Values
Formal Networks -> Social Capital	0.11	0.082	0.045	2.029	0.045
Informal Networks-> Social Capital	0.411	0.408	0.022	18.831	0
Generalized Trust-> Social Capital	0.227	0.226	0.071	3.177	0.002
Particularized Trust -> Social Capital	0.438	0.43	0.074	5.928	0
Norms of Reciprocity -> Social Capital	0.471	0.466	0.053	8.939	0

Source: Author's Survey, 2019



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Appendix G

ANOVA RESULT

Table G.1. ANOVA Results for the Geographic Distribution of Social Capital

Forms of Social Capital		Descriptive Statistics			Test of Homogeneity of Variances			ANOVA				
		N	Mean	Std. Deviation	Leven Statistic	df1	Sig.	Sum of Squares	df	Mean Square	F	Sig.
Formal Network	Aresi	362	-.21440	.916374	4.215	(1, 733)	.040	32.856	(1, 733)	32.856	34.294	.000
	Menze	373	.20850	1.035803								
	Total	735	.00021	1.000760								
Informal Network	Aresi	362	.39867	.889817	7.357	(1, 733)	.007	113.382	(1, 733)	113.382	133.687	.000
	Menze	373	-.38694	.950152								
	Total	735	-.00001	1.000715								
Generalized Trust	Aresi	362	.00722	1.007298	.160	(1, 733)	.689	.040	(1, 733)	.040	.040	.842
	Menze	373	-.00757	.995919								
	Total	735	-.00029	1.000884								
Particularized Trust	Aresi	362	.09910	.881459	29.682	(1, 733)	.000	7.006	(1, 733)	7.006	7.057	.008
	Menze	373	-.09618	1.096423								
	Total	735	.00000	1.000470								
Norms of Reciprocity	Aresi	362	.02884	1.036314	3.323	(1, 733)	.069	.594	(1, 733)	.594	.593	.442
	Menze	373	-.02804	.965363								
	Total	735	-.00003	1.000657								
Aggregate Social Capital	Aresi	362	.20682	.780145	66.265	(1, 733)	.000	30.511	(1, 733)	30.511	31.745	.000
	Menze	373	-.20071	1.141572								
	Total	735	.00000	1.000688								

Source: Author's Survey, 2019

Table G.2. ANOVA Results for the Gender Distribution of Social Capital

Forms of Social Capital		Descriptive Statistics			Test of Homogeneity of Variances			ANOVA				
		N	Mean	Std. Deviation	Leven Statistic	df1	Sig.	Sum of Squares	df	Mean Square	F	Sig.
Formal Network	Men	610	.08832	.943554	7.211	(1, 733)	.007	27.840	(1, 733)	27.840	28.853	.000
	Women	125	-.42972	1.153841								
	Total	735	.00021	1.000760								
Informal Network	Men	610	.09679	.961952	5.238	(1, 733)	.022	33.606	(1, 733)	33.606	35.117	.000
	Women	125	-.47237	1.054578								
	Total	735	-.00001	1.000715								
Generalized Trust	Men	610	.00587	1.005713	.559	(1, 733)	.455	.136	(1, 733)	.136	.135	.709
	Women	125	-.03032	.980390								
	Total	735	-.00029	1.000884								
Particularized Trust	Men	610	.00854	.988039	2.415	(1, 733)	.121	.262	(1, 733)	.262	.261	.627
	Women	125	-.04168	1.062213								
	Total	735	.00000	1.000470								
Norms of Reciprocity	Men	610	-.00451	.999871	.065	(1, 733)	.799	.072	(1, 733)	.072	.072	.790
	Women	125	.02184	1.008234								
	Total	735	-.00003	1.000657								
Aggregate Social Capital	Men	610	.05189	.972840	6.660	(1, 733)	.010	9.656	(1, 733)	9.656	9.758	.002
	Women	125	-.25320	1.096132								
	Total	735	.00000	1.000688								

Source: Author's Survey, 2019

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Table G.3. ANOVA Results for the Wealth and Social Capital Distribution

Forms of Social Capital		Descriptive Statistics			Test of Homogeneity of Variances			ANOVA				
		N	Mean	Std. Deviation	Leven Statistic	df1	Sig.	Sum of Squares	df	Mean Square	F	Sig.
Formal Network	Rich	145	-.01117	.958275	2.438	732	.088	36.959	2	18.479	19.375	.000
	Middle Income	316	.23600	.941114								
	Poor	274	-.26569	1.025194								
	Total	735	.00021	1.000760								
Informal Network	Rich	145	.41261	.856545	12.151	732	.000	54.465	2	27.233	29.290	.000
	Middle Income	316	.08525	.905008								
	Poor	274	-.31670	1.077472								
	Total	735	-.00001	1.000715								
Generalized Trust	Rich	145	.07952	1.060233	7.591	732	.001	3.616	2	1.808	1.809	.165
	Middle Income	316	.04030	1.031665								
	Poor	274	-.08933	.926903								
	Total	735	-.00029	1.000884								
Particularized Trust	Rich	145	.18315	.918296	4.519	732	.011	7.745	2	3.873	3.900	.021
	Middle Income	316	.00477	.961808								
	Poor	274	-.10242	1.072662								
	Total	735	.00000	1.000470								
Norms of Reciprocity	Rich	145	-.11311	1.170290	10.498	732	.000	3.965	2	1.983	1.985	.138
	Middle Income	316	.07709	.854388								
	Poor	274	-.02912	1.054967								
	Total	735	-.00003	1.000657								
Aggregate Social Capital	Rich	145	.22070	.915799	17.114	732	.000	26.730	2	13.365	13.812	.000
	Middle Income	316	.10810	.862734								
	Poor	274	-.24146	1.137203								
	Total	735	.00000	1.000688								

Source: Author's Survey, 2019

Table G.4. Post hoc Test for the Wealth and Social Capital Distribution of

Multiple Comparisons for Wealth Category							
Tukey HSD							
Dependent Variable	(I) Wealth Category	(J) Wealth Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Informal Network	Rich	Middle Income	.327361*	.096718	.002	.10022	.55450
		Poor	.729315*	.099022	.000	.49676	.96187
	Middle Income	Rich	-.327361*	.096718	.002	-.55450	-.10022
		Poor	.401954*	.079596	.000	.21502	.58888
	Poor	Rich	-.729315*	.099022	.000	-.96187	-.49676
		Middle Income	-.401954*	.079596	.000	-.58888	-.21502
Aggregate Social Capital	Rich	Middle Income	.112595	.090219	.426	-.10005	.32524
		Poor	.462153*	.102488	.000	.22093	.70338
	Middle Income	Rich	-.112595	.090219	.426	-.32524	.10005
		Poor	.349557*	.084114	.000	.15183	.54728
	Poor	Rich	-.462153*	.102488	.000	-.70338	-.22093
		Middle Income	-.349557*	.084114	.000	-.54728	-.15183
Games-Howell							
Formal Networks	Rich	Middle Income	-.247162*	.095582	.028	-.47240	-.02193
		Poor	.254521*	.100841	.032	.01704	.49200
	Middle Income	Rich	.247162*	.095582	.028	.02193	.47240
		Poor	.501683*	.081478	.000	.31021	.69315
	Poor	Rich	-.254521*	.100841	.032	-.49200	-.01704
		Middle Income	-.501683*	.081478	.000	-.69315	-.31021

Source: Author's Survey, 2019

Table G.5. ANOVA Results for the Age and Social Capital Distribution

Forms of Social Capital		Descriptive Statistics			Test of Homogeneity of Variances			ANOVA				
		N	Mean	Std. Deviation	Leven Statistic	df	Sig.	Sum of Squares	df	Mean Square	F	Sig.
Formal Network	18-29	116	-.25097	.978912	.936	4	.443	18.748	4	4.687	4.776	.001
	30-39	154	.06931	.940453								
	40-49	198	.15883	.959135								
	50-59	136	.08736	1.011378								
	60 and above	131	-.18879	1.079630								
	Total	735	.00021	1.000760								
Informal Network	18-29	116	-.34503	1.082693	2.252	4	.062	28.271	4	7.068	7.300	.000
	30-39	154	-.09877	.963349								
	40-49	198	.18346	.959064								
	50-59	136	.20451	.965920								
	60 and above	131	-.06802	.972015								
	Total	735	-.00001	1.000715								
Generalized Trust	18-29	116	-.27676	.710355	21.278	4	.000	17.393	4	4.348	4.421	.002
	30-39	154	-.08491	.932308								
	40-49	198	.14236	1.097617								
	50-59	136	.15453	1.105755								
	60 and above	131	-.03232	.978567								
	Total	735	-.00029	1.000884								
Particularized Trust	18-29	116	-.20196	.963385	.429	4	.788	6.057	4	1.514	1.517	.176
	30-39	154	-.00606	1.001501								
	40-49	198	.05916	1.009501								
	50-59	136	.05752	.995160								
	60 and above	131	.03682	1.015201								
	Total	735	.00000	1.000470								
	18-29	116	-.05747	.871241	5.844	4	.000	1.700	4	.425	.423	.792

Norms of Reciprocity	30-39	154	.05278	1.039884								
	40-49	198	.04627	.924334								
	50-59	136	-.02779	.916876								
	60 and above	131	-.05238	1.236372								
	Total	735	-.00003	1.000657								
Aggregate Social Capital	18-29	116	-.34852	.999899	1.484	4	.205	23.902	4	5.975	6.134	.000
	30-39	154	-.03940	1.005843								
	40-49	198	.17846	.956323								
	50-59	136	.14231	.910882								
	60 and above	131	-.06254	1.071166								
	Total	735	.00000	1.000688								

Source: Author's Survey, 2019



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Table G.6. Post hoc Test for the Age and Social Capital Distribution

Multiple Comparisons							
Games-Howell							
Dependent Variable	(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Formal Network	18-29	30-39	-.320286	.118339	.056	-.64553	.00496
		40-49	-.409802*	.113609	.003	-.72210	-.09750
		50-59	-.338334	.125627	.058	-.68357	.00690
		60 and above	-.062180	.130991	.990	-.42217	.29781
	30-39	18-29	.320286	.118339	.056	-.00496	.64553
		40-49	-.089517	.101928	.905	-.36909	.19006
		50-59	-.018049	.115171	1.000	-.33429	.29819
		60 and above	.258106	.121000	.209	-.07428	.59049
	40-49	18-29	.409802*	.113609	.003	.09750	.72210
		30-39	.089517	.101928	.905	-.19006	.36909
		50-59	.071468	.110306	.967	-.23139	.37433
		60 and above	.347622*	.116378	.025	.02789	.66736
	50-59	18-29	-.338334	.125627	.058	-.00690	.68357
		30-39	.018049	.115171	1.000	-.29819	.33429
		40-49	-.071468	.110306	.967	-.37433	.23139
		60 and above	.276154	.128136	.200	-.07582	.62813
	60 and above	18-29	.062180	.130991	.990	-.29781	.42217
		30-39	-.258106	.121000	.209	-.59049	.07428
		40-49	-.347622*	.116378	.025	-.66736	-.02789
		50-59	-.276154	.128136	.200	-.62813	.07582
Informal Network	18-29	30-39	-.246262	.127010	.300	-.59547	.10294
		40-49	-.528494*	.121453	.000	-.86258	-.19441
		50-59	-.549549*	.130252	.000	-.90765	-.19145

		60 and above	-.277012	.131597	.221	-.63881	.08478
	30-39	18-29	.246262	.127010	.300	-.10294	.59547
		40-49	-.282232	.103304	.051	-.56560	.00113
		50-59	-.303287	.113519	.061	-.61494	.00837
		60 and above	-.030750	.115059	.999	-.34670	.28520
	40-49	18-29	.528494*	.121453	.000	.19441	.86258
		30-39	.282232	.103304	.051	-.00113	.56560
		50-59	-.021055	.107265	1.000	-.31551	.27340
		60 and above	.251482	.108894	.145	-.04753	.55049
	50-59	18-29	.549549*	.130252	.000	.19145	.90765
		30-39	.303287	.113519	.061	-.00837	.61494
		40-49	.021055	.107265	1.000	-.27340	.31551
		60 and above	.272538	.118628	.149	-.05330	.59837
	60 and above	18-29	.277012	.131597	.221	-.08478	.63881
		30-39	.030750	.115059	.999	-.28520	.34670
		40-49	-.251482	.108894	.145	-.55049	.04753
		50-59	-.272538	.118628	.149	-.59837	.05330

Tukey HSD

Generalized Trust	18-29	30-39	-.191850	.121917	.515	-.52525	.14155
		40-49	-.419122*	.115951	.003	-.73620	-.10204
		50-59	-.431288*	.125336	.006	-.77403	-.08854
		60 and above	-.244438	.126432	.301	-.59018	.10130
	30-39	18-29	.191850	.121917	.515	-.14155	.52525
		40-49	-.227273	.106549	.207	-.51864	.06410
		50-59	-.239439	.116692	.242	-.55855	.07967
		60 and above	-.052588	.117869	.992	-.37491	.26974
	40-49	18-29	.419122*	.115951	.003	.10204	.73620

		30-39	.227273	.106549	.207	-.06410	.51864
		50-59	-.012166	.110444	1.000	-.31419	.28986
		60 and above	.174684	.111687	.521	-.13074	.48010
	50-59	18-29	.431288*	.125336	.006	.08854	.77403
		30-39	.239439	.116692	.242	-.07967	.55855
		40-49	.012166	.110444	1.000	-.28986	.31419
		60 and above	.186850	.121401	.537	-.14513	.51883
	60 and above	18-29	.244438	.126432	.301	-.10130	.59018
		30-39	.052588	.117869	.992	-.26974	.37491
		40-49	-.174684	.111687	.521	-.48010	.13074
		50-59	-.186850	.121401	.537	-.51883	.14513
Games-Howell							
Aggregate Social Capital	18-29	30-39	-.309121	.123242	.092	-.64778	.02954
		40-49	-.526982*	.115056	.000	-.84331	-.21066
		50-59	-.490826*	.121325	.001	-.82436	-.15730
		60 and above	-.285975	.131825	.195	-.64826	.07631
	30-39	18-29	.309121	.123242	.092	-.02954	.64778
		40-49	-.217861	.105776	.240	-.50804	.07232
		50-59	-.181705	.112563	.489	-.49071	.12730
		60 and above	.023146	.123808	1.000	-.31687	.36316
	40-49	18-29	.526982*	.115056	.000	.21066	.84331
		30-39	.217861	.105776	.240	-.07232	.50804
		50-59	.036156	.103536	.997	-.24800	.32031
		60 and above	.241007	.115662	.230	-.07675	.55877
	50-59	18-29	.490826*	.121325	.001	.15730	.82436
		30-39	.181705	.112563	.489	-.12730	.49071
		40-49	-.036156	.103536	.997	-.32031	.24800
		60 and above	.204851	.121900	.448	-.13006	.53976

	60 and above	18-29	.285975	.131825	.195	-.07631	.64826
		30-39	-.023146	.123808	1.000	-.36316	.31687
		40-49	-.241007	.115662	.230	-.55877	.07675
		50-59	-.204851	.121900	.448	-.53976	.13006
*. The mean difference is significant at the 0.05 level.							

Source: Author's Survey, 2019



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Table G.7. ANOVA Result for the Educational level and Social Capital Distribution

Forms of Social Capital		Descriptive Statistics			Test of Homogeneity of Variances			ANOVA				
		N	Mean	Std. Deviation	Leven Statistic	df	Sig.	Sum of Squares	df	Mean Square	F	Sig.
Formal Network	Illiterate, no schooling	183	-.20714	1.141707	3.619	6,728	.002	15.822	6	2.637	2.669	.014
	Literate, no schooling	137	.19070	1.024763								
	Primary incomplete	222	.04616	.909656								
	Primary complete	54	.08407	.851635								
	Secondary incomplete	71	.07624	.859382								
	Secondary complete	46	-.19248	.958507								
	Vocational college	22	.02691	1.088616								
	Total	735	.00021	1.000760								
Informal Network	Illiterate, no schooling	183	-.40424	.980099	1.439	6, 728	.197	54.698	6	9.116	9.755	.000
	Literate, no schooling	137	-.00157	1.041910								
	Primary incomplete	222	.05144	.902763								
	Primary complete	54	.15643	.936316								
	Secondary incomplete	71	.29454	1.038980								
	Secondary complete	46	.44417	.931406								
	Vocational college	22	.58968	.891965								
	Total	735	-.00001	1.000715								
Generalized Trust	Illiterate, no schooling	183	.07059	1.053599	6.464	6, 728	.000	8.737	6	1.456	1.459	.190
	Literate, no schooling	137	.14980	1.103075								
	Primary incomplete	222	-.03995	.970719								
	Primary complete	54	-.07400	.947967								
	Secondary incomplete	71	-.06808	.951128								
	Secondary complete	46	-.22009	.793035								
	Vocational college	22	-.26491	.741497								
	Total	735	-.00029	1.000884								
	Illiterate, no schooling	183	-.09021	1.028282	2.791	6, 728	.011	3.701	6	.617	.614	.719

Particularized Trust	Literate, no schooling	137	-.03900	.977622								
	Primary incomplete	222	.05843	1.059325								
	Primary complete	54	.12167	.986989								
	Secondary incomplete	71	.01690	.922684								
	Secondary complete	46	-.03720	.759175								
	Vocational college	22	.12823	1.055791								
	Total	735	.00000	1.000470								
Norms of Reciprocity	Illiterate, no schooling	183	-.03617	1.071660	2.892	6, 728	.009	6.462	6	1.077	1.076	.375
	Literate, no schooling	137	-.02763	.894967								
	Primary incomplete	222	.12777	1.049297								
	Primary complete	54	-.19637	.852863								
	Secondary incomplete	71	-.05620	.871553								
	Secondary complete	46	-.06133	1.122503								
	Vocational college	22	-.02564	.946229								
	Total	735	-.00003	1.000657								
Aggregate Social Capital	Illiterate, no schooling	183	-.22625	1.056675	1.257	6, 728	.275	13.467	6	2.245	2.265	.055
	Literate, no schooling	137	.02894	1.003468								
	Primary incomplete	222	.09857	1.012507								
	Primary complete	54	.01719	.902171								
	Secondary incomplete	71	.10096	.906189								
	Secondary complete	46	.06617	.936530								
	Vocational college	22	.20082	.837595								
	Total	735	.00000	1.000688								

Source: Author's Survey, 2019

Table G.8. Post hoc Test for the Educational level and the Distribution of Social Capital

Multiple Comparisons						
Dependent Variable: Formal Network						
Tukey HSD						
(I) Years of schooling including adult schooling	(J) Years of schooling including adult schooling	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Illiterate, no schooling	Literate, no schooling	-.397843*	.112299	.008	-.72987	-.06582
	Primary incomplete	-.253304	.099246	.143	-.54674	.04013
	Primary complete	-.291216	.153936	.486	-.74634	.16391
	Secondary incomplete	-.283382	.138979	.391	-.69429	.12753
	Secondary complete	-.014664	.163946	1.000	-.49939	.47006
	Vocational college	-.234051	.224299	.944	-.89722	.42911
Literate, no schooling	Illiterate, no schooling	.397843*	.112299	.008	.06582	.72987
	Primary incomplete	.144539	.107994	.834	-.17476	.46383
	Primary complete	.106627	.159716	.994	-.36559	.57884
	Secondary incomplete	.114461	.145355	.986	-.31530	.54422
	Secondary complete	.383179	.169385	.264	-.11762	.88398
	Vocational college	.163792	.228305	.992	-.51121	.83880
Primary incomplete	Illiterate, no schooling	.253304	.099246	.143	-.04013	.54674
	Literate, no schooling	-.144539	.107994	.834	-.46383	.17476
	Primary complete	-.037912	.150823	1.000	-.48384	.40801
	Secondary incomplete	-.030077	.135524	1.000	-.43077	.37061
	Secondary complete	.238640	.161027	.756	-.23745	.71473
	Vocational college	.019253	.222175	1.000	-.63763	.67614
Primary complete	Illiterate, no schooling	.291216	.153936	.486	-.16391	.74634
	Literate, no schooling	-.106627	.159716	.994	-.57884	.36559
	Primary incomplete	.037912	.150823	1.000	-.40801	.48384
	Secondary incomplete	.007835	.179480	1.000	-.52282	.53849

	Secondary complete	.276552	.199440	.809	-.31311	.86622
	Vocational college	.057165	.251412	1.000	-.68616	.80049
Secondary incomplete	Illiterate, no schooling	.283382	.138979	.391	-.12753	.69429
	Literate, no schooling	-.114461	.145355	.986	-.54422	.31530
	Primary incomplete	.030077	.135524	1.000	-.37061	.43077
	Primary complete	-.007835	.179480	1.000	-.53849	.52282
	Secondary complete	.268718	.188136	.786	-.28753	.82496
	Vocational college	.049330	.242543	1.000	-.66777	.76643
	Secondary complete	Illiterate, no schooling	.014664	.163946	1.000	-.47006
Literate, no schooling		-.383179	.169385	.264	-.88398	.11762
Primary incomplete		-.238640	.161027	.756	-.71473	.23745
Primary complete		-.276552	.199440	.809	-.86622	.31311
Secondary incomplete		-.268718	.188136	.786	-.82496	.28753
Vocational college		-.219387	.257663	.979	-.98119	.54242
Vocational college	Illiterate, no schooling	.234051	.224299	.944	-.42911	.89722
	Literate, no schooling	-.163792	.228305	.992	-.83880	.51121
	Primary incomplete	-.019253	.222175	1.000	-.67614	.63763
	Primary complete	-.057165	.251412	1.000	-.80049	.68616
	Secondary incomplete	-.049330	.242543	1.000	-.76643	.66777
	Secondary complete	.219387	.257663	.979	-.54242	.98119
Dependent Variable: Informal Network (Games-Howell)						
Illiterate, no schooling	Literate, no schooling	-.402671*	.114774	.009	-.74351	-.06183
	Primary incomplete	-.455682*	.094447	.000	-.73566	-.17570
	Primary complete	-.560666*	.146575	.004	-1.00274	-.11860
	Secondary incomplete	-.698776*	.143014	.000	-1.12760	-.26995
	Secondary complete	-.848414*	.155268	.000	-1.31935	-.37747
	Vocational college	-.993922*	.203501	.001	-1.64037	-.34748
Literate, no schooling	Illiterate, no schooling	.402671*	.114774	.009	.06183	.74351

	Primary incomplete	-.053011	.107680	.999	-.37302	.26700
	Primary complete	-.157995	.155431	.949	-.62506	.30907
	Secondary incomplete	-.296105	.152078	.453	-.75098	.15877
	Secondary complete	-.445743	.163655	.105	-.93989	.04841
	Vocational college	-.591251	.209971	.104	-1.25262	.07012
Primary incomplete	Illiterate, no schooling	.455682*	.094447	.000	.17570	.73566
	Literate, no schooling	.053011	.107680	.999	-.26700	.37302
	Primary complete	-.104984	.141089	.989	-.53191	.32194
	Secondary incomplete	-.243094	.137386	.571	-.65605	.16986
	Secondary complete	-.392732	.150101	.138	-.84971	.06424
	Vocational college	-.538240	.199587	.140	-1.17602	.09954
Primary complete	Illiterate, no schooling	.560666*	.146575	.004	.11860	1.00274
	Literate, no schooling	.157995	.155431	.949	-.30907	.62506
	Primary incomplete	.104984	.141089	.989	-.32194	.53191
	Secondary incomplete	-.138109	.177310	.987	-.66990	.39368
	Secondary complete	-.287748	.187334	.723	-.85200	.27651
	Vocational college	-.433256	.228908	.497	-1.14284	.27633
Secondary incomplete	Illiterate, no schooling	.698776*	.143014	.000	.26995	1.12760
	Literate, no schooling	.296105	.152078	.453	-.15877	.75098
	Primary incomplete	.243094	.137386	.571	-.16986	.65605
	Primary complete	.138109	.177310	.987	-.39368	.66990
	Secondary complete	-.149639	.184562	.983	-.70464	.40536
	Vocational college	-.295147	.226644	.847	-.99824	.40794
Secondary complete	Illiterate, no schooling	.848414*	.155268	.000	.37747	1.31935
	Literate, no schooling	.445743	.163655	.105	-.04841	.93989
	Primary incomplete	.392732	.150101	.138	-.06424	.84971
	Primary complete	.287748	.187334	.723	-.27651	.85200
	Secondary incomplete	.149639	.184562	.983	-.40536	.70464
	Vocational college	-.145508	.234569	.996	-.87069	.57968

Vocational college	Illiterate, no schooling	.993922*	.203501	.001	.34748	1.64037
	Literate, no schooling	.591251	.209971	.104	-.07012	1.25262
	Primary incomplete	.538240	.199587	.140	-.09954	1.17602
	Primary complete	.433256	.228908	.497	-.27633	1.14284
	Secondary incomplete	.295147	.226644	.847	-.40794	.99824
	Secondary complete	.145508	.234569	.996	-.57968	.87069



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Multiple Comparisons						
Dependent Variable: Informal Network (Games-Howell)						
Games-Howell						
(I) Years of schooling including adult schooling	(J) Years of schooling including adult schooling	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Illiterate, no schooling	Literate, no schooling	-.402671*	.114774	.009	-.74351	-.06183
	Primary incomplete	-.455682*	.094447	.000	-.73566	-.17570
	Primary complete	-.560666*	.146575	.004	-1.00274	-.11860
	Secondary incomplete	-.698776*	.143014	.000	-1.12760	-.26995
	Secondary complete	-.848414*	.155268	.000	-1.31935	-.37747
	Vocational college	-.993922*	.203501	.001	-1.64037	-.34748
Literate, no schooling	Illiterate, no schooling	.402671*	.114774	.009	.06183	.74351
	Primary incomplete	-.053011	.107680	.999	-.37302	.26700
	Primary complete	-.157995	.155431	.949	-.62506	.30907
	Secondary incomplete	-.296105	.152078	.453	-.75098	.15877
	Secondary complete	-.445743	.163655	.105	-.93989	.04841
	Vocational college	-.591251	.209971	.104	-1.25262	.07012
Primary incomplete	Illiterate, no schooling	.455682*	.094447	.000	.17570	.73566
	Literate, no schooling	.053011	.107680	.999	-.26700	.37302
	Primary complete	-.104984	.141089	.989	-.53191	.32194
	Secondary incomplete	-.243094	.137386	.571	-.65605	.16986
	Secondary complete	-.392732	.150101	.138	-.84971	.06424
	Vocational college	-.538240	.199587	.140	-1.17602	.09954
Primary complete	Illiterate, no schooling	.560666*	.146575	.004	.11860	1.00274
	Literate, no schooling	.157995	.155431	.949	-.30907	.62506
	Primary incomplete	.104984	.141089	.989	-.32194	.53191
	Secondary incomplete	-.138109	.177310	.987	-.66990	.39368
	Secondary complete	-.287748	.187334	.723	-.85200	.27651

	Vocational college	-.433256	.228908	.497	-1.14284	.27633
Secondary incomplete	Illiterate, no schooling	.698776*	.143014	.000	.26995	1.12760
	Literate, no schooling	.296105	.152078	.453	-.15877	.75098
	Primary incomplete	.243094	.137386	.571	-.16986	.65605
	Primary complete	.138109	.177310	.987	-.39368	.66990
	Secondary complete	-.149639	.184562	.983	-.70464	.40536
	Vocational college	-.295147	.226644	.847	-.99824	.40794
Secondary complete	Illiterate, no schooling	.848414*	.155268	.000	.37747	1.31935
	Literate, no schooling	.445743	.163655	.105	-.04841	.93989
	Primary incomplete	.392732	.150101	.138	-.06424	.84971
	Primary complete	.287748	.187334	.723	-.27651	.85200
	Secondary incomplete	.149639	.184562	.983	-.40536	.70464
	Vocational college	-.145508	.234569	.996	-.87069	.57968
Vocational college	Illiterate, no schooling	.993922*	.203501	.001	.34748	1.64037
	Literate, no schooling	.591251	.209971	.104	-.07012	1.25262
	Primary incomplete	.538240	.199587	.140	-.09954	1.17602
	Primary complete	.433256	.228908	.497	-.27633	1.14284
	Secondary incomplete	.295147	.226644	.847	-.40794	.99824
	Secondary complete	.145508	.234569	.996	-.57968	.87069
*. The mean difference is significant at the 0.05 level.						

Source: Author's Survey, 2019

Table G.9. ANOVA Result for the Marital Status and Social Capital Distribution

Forms of Social Capital		Descriptive Statistics			Test of Homogeneity of Variances			ANOVA				
		N	Mean	Std. Deviation	Leven Statistic	df	Sig.	Sum of Squares	df	Mean Square	F	Sig.
Formal Network	Single	5	.07440	.851408	.340	731 (3)	.796	55.093	3	18.364	19.741	.000
	Married	645	.09870	.962764								
	Divorced	37	-.64214	.934508								
	Widowed	48	-.83573	1.018472								
	Total	735	.00021	1.000760								
Informal Network	Single	5	-.98760	1.069349	.328	731	.805	35.249	3	11.750	12.273	.001
	Married	645	.07162	.954605								
	Divorced	37	-.81305	1.161295								
	Widowed	48	-.23294	1.128148								
	Total	735	-.00001	1.000715								
Generalized Trust	Single	5	-.49400	.000000	9.885	731	.000	5.011	3	1.670	1.672	.172
	Married	645	.02563	1.020325								
	Divorced	37	-.28968	.697346								
	Widowed	48	-.07400	.949087								
	Total	735	-.00029	1.000884								
Particularized Trust	Single	5	-.46820	.969559	.286	731	.835	8.345	3	2.782	2.799	.082
	Married	645	.02471	.992481								
	Divorced	37	-.42722	.990941								
	Widowed	48	.04604	1.060730								
	Total	735	.00000	1.000470								
Norms of Reciprocity	Single	5	-.11300	.999173	2.518	731	.057	8.145	3	2.715	2.731	.133
	Married	645	-.00373	.980302								
	Divorced	37	-.31400	1.282074								
	Widowed	48	.30358	.976039								
	Total	735	-.00003	1.000657								
Aggregate Social Capital	Single	5	-.75300	.915151	1.118	731	.341	28.139	3	9.380	9.700	.003
	Married	645	.05351	.967375								
	Divorced	37	-.79562	1.179278								
	Widowed	48	-.02729	1.039553								
	Total	735	.00000	1.000688								

Source: Author's Survey, 2019

Table G.10. Post hoc Test for Marital Status and Social Capital Distribution

Multiple Comparisons							
Games-Howell							
Dependent Variable	(I) Marital status	(J) Marital status	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Formal Network	Single	Married	-.024298	.382644	1.000	-1.56691	1.51831
		Divorced	.716535	.410587	.387	-.75659	2.18966
		Widowed	.910129	.408153	.229	-.56630	2.38656
	Married	Single	.024298	.382644	1.000	-1.51831	1.56691
		Divorced	.740833*	.158240	.000	.31691	1.16475
		Widowed	.934427*	.151813	.000	.53186	1.33700
	Divorced	Single	-.716535	.410587	.387	-2.18966	.75659
		Married	-.740833*	.158240	.000	-1.16475	-.31691
		Widowed	.193594	.212633	.799	-.36426	.75145
	Widowed	Single	-.910129	.408153	.229	-2.38656	.56630
		Married	-.934427*	.151813	.000	-1.33700	-.53186
		Divorced	-.193594	.212633	.799	-.75145	.36426
Informal Network	Single	Married	-1.059220	.479702	.262	-3.00015	.88171
		Divorced	-.174546	.514928	.985	-2.02585	1.67675
		Widowed	-.754662	.505190	.504	-2.62232	1.11299
	Married	Single	1.059220	.479702	.262	-.88171	3.00015
		Divorced	.884674*	.194581	.000	.36245	1.40690
		Widowed	.304558	.167116	.275	-.13895	.74806
	Divorced	Single	.174546	.514928	.985	-1.67675	2.02585
		Married	-.884674*	.194581	.000	-1.40690	-.36245
		Widowed	-.580117	.250926	.104	-1.23916	.07893
	Widowed	Single	.754662	.505190	.504	-1.11299	2.62232
Married		-.304558	.167116	.275	-.74806	.13895	

		Divorced	.580117	.250926	.104	-.07893	1.23916
Aggregate Social Capital	Single	Married	-.806512	.411037	.332	-2.46560	.85257
		Divorced	.042622	.452865	1.000	-1.52812	1.61337
		Widowed	-.725708	.435906	.424	-2.31736	.86595
	Married	Single	.806512	.411037	.332	-.85257	2.46560
		Divorced	.849133*	.197578	.001	.31886	1.37941
		Widowed	.080803	.154806	.953	-.32975	.49136
	Divorced	Single	-.042622	.452865	1.000	-1.61337	1.52812
		Married	-.849133*	.197578	.001	-1.37941	-.31886
		Widowed	-.768330*	.245154	.013	-1.41306	-.12360
	Widowed	Single	.725708	.435906	.424	-.86595	2.31736
		Married	-.080803	.154806	.953	-.49136	.32975
		Divorced	.768330*	.245154	.013	.12360	1.41306

*. The mean difference is significant at the 0.05 level.

Source: Author's Survey, 2019

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Table G.11. ANOVA Result for Family Size and Social Capital Distribution

Forms of Social Capital		Descriptive Statistics			Test of Homogeneity of Variances			ANOVA				
		N	Mean	Std. Deviation	Leven Statistic	df	Sig.	Sum of Squares	df	Mean Square	F	Sig.
Formal Network	1	6	-.55683	1.267336	1.318	4, 728	.246	37.885	6	6.314	6.593	.000
	2	33	-.64588	1.076520								
	3	90	-.25936	1.104212								
	4	109	-.07358	.970224								
	5	103	-.02323	1.008763								
	6	100	.37478	.921707								
	7 and above	294	.07173	.931136								
	Total	735	.00021	1.000760								
Informal Network	1	6	-.05867	1.572598	6.602	4, 728	.000	104.189	6	17.365	20.039	.000
	2	33	-.42355	1.073073								
	3	90	-.55584	1.045225								
	4	109	-.25402	1.044057								
	5	103	-.26535	1.021633								
	6	100	-.08328	.941544								
	7 and above	294	.43434	.767213								
	Total	735	-.00001	1.000715								
Generalized Trust	1	6	-.07400	1.028786	8.628	4, 728	.000	11.290	6	1.882	1.892	.080
	2	33	-.11218	.917556								
	3	90	-.24200	.760235								
	4	109	.08398	1.064351								
	5	103	-.10254	.917279								
	6	100	.18640	1.124414								
	7 and above	294	.02886	1.023613								
	Total	735	-.00029	1.000884								
Particularized Trust	1	6	-.57450	.823995	1.133	4, 728	.341	8.256	6	1.376	1.379	.205
	2	33	.11282	.900626								
	3	90	-.07348	1.067631								
	4	109	-.07659	1.052468								
	5	103	-.14278	1.046666								
	6	100	.01741	1.021544								
	7 and above	294	.09405	.943730								
	Total	735	.00000	1.000470								
Norms of Reciprocity	1	6	.21317	.975129	1.069	4, 728	.379	3.909	6	.652	.649	.771
	2	33	-.19833	1.216069								
	3	90	.01740	.990316								
	4	109	-.04125	.937892								
	5	103	-.09921	1.044512								
	6	100	.00325	.986035								

	7 and above	294	.06147	.993420								
	Total	735	-.00003	1.000657								
Aggregate Social Capital	1	6	-.22117	1.297609	6.886	4, 728	.000	42.645	6	7.108	7.473	.000
	2	33	-.31227	1.106068								
	3	90	-.33310	1.053559								
	4	109	-.14575	1.093222								
	5	103	-.24331	1.103967								
	6	100	.04946	1.034291								
	7 and above	294	.26400	.798285								
	Total	735	.00000	1.000688								



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Table G.12. Post hoc Test for Family Size and Social Capital Distribution

Multiple Comparisons							
Games-Howell							
Dependent Variable	(I) Family Size Final	(J) Family Size Final	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Formal Network	1	2	.089045	.550280	1.000	-2.15700	2.33509
		3	-.297478	.530318	.996	-2.57770	1.98275
		4	-.483255	.525667	.954	-2.77497	1.80846
		5	-.533600	.526849	.932	-2.82226	1.75506
		6	-.931613	.525534	.606	-3.22368	1.36046
		7 and above	-.628568	.520230	.866	-2.93554	1.67840
		2	1	-.089045	.550280	1.000	-2.33509
	3		-.386523	.220603	.585	-1.06014	.28710
	4		-.572301	.209175	.111	-1.21542	.07082
	5		-.622646	.212127	.069	-1.27353	.02823
	6		-1.020659*	.208838	.000	-1.66295	-.37837
	7 and above		-.717613*	.195108	.012	-1.32507	-.11016
	3		1	.297478	.530318	.996	-1.98275
		2	.386523	.220603	.585	-.28710	1.06014
		4	-.185778	.148942	.874	-.62995	.25840
		5	-.236123	.153060	.719	-.69249	.22025
		6	-.634136*	.148469	.001	-1.07704	-.19123
		7 and above	-.331090	.128439	.141	-.71577	.05359
		4	1	.483255	.525667	.954	-1.80846
	2		.572301	.209175	.111	-.07082	1.21542
	3		.185778	.148942	.874	-.25840	.62995
	5		-.050345	.136072	1.000	-.45549	.35480

		6	-.448358*	.130887	.013	-.83809	-.05863
		7 and above	-.145313	.107634	.827	-.46615	.17553
	5	1	.533600	.526849	.932	-1.75506	2.82226
		2	.622646	.212127	.069	-.02823	1.27353
		3	.236123	.153060	.719	-.22025	.69249
		4	.050345	.136072	1.000	-.35480	.45549
		6	-.398013	.135555	.056	-.80177	.00574
		7 and above	-.094968	.113264	.981	-.43302	.24309
	6	1	.931613	.525534	.606	-1.36046	3.22368
		2	1.020659*	.208838	.000	.37837	1.66295
		3	.634136*	.148469	.001	.19123	1.07704
		4	.448358*	.130887	.013	.05863	.83809
		5	.398013	.135555	.056	-.00574	.80177
		7 and above	.303045	.106979	.075	-.01612	.62221
	7 and above	1	.628568	.520230	.866	-1.67840	2.93554
		2	.717613*	.195108	.012	.11016	1.32507
		3	.331090	.128439	.141	-.05359	.71577
		4	.145313	.107634	.827	-.17553	.46615
		5	.094968	.113264	.981	-.24309	.43302
		6	-.303045	.106979	.075	-.62221	.01612
Tukey HSD							
Informal Network	1	2	.364879	.413143	.975	-.85662	1.58638
		3	.497178	.392500	.867	-.66329	1.65765
		4	.195352	.390356	.999	-.95878	1.34948
		5	.206683	.390949	.998	-.94920	1.36256
		6	.024613	.391272	1.000	-1.13222	1.18145
		7 and above	-.493003	.383895	.859	-1.62803	.64202
	2	1	-.364879	.413143	.975	-1.58638	.85662
		3	.132299	.189442	.993	-.42780	.69240

		4	-.169527	.184959	.970	-.71638	.37732
		5	-.158196	.186206	.979	-.70873	.39234
		6	-.340265	.186883	.534	-.89280	.21227
		7 and above	-.857882*	.170901	.000	-1.36317	-.35260
	3	1	-.497178	.392500	.867	-1.65765	.66329
		2	-.132299	.189442	.993	-.69240	.42780
		4	-.301826	.132585	.257	-.69383	.09017
		5	-.290495	.134320	.317	-.68763	.10664
		6	-.472564*	.135256	.009	-.87246	-.07267
		7 and above	-.990181*	.112143	.000	-1.32174	-.65862
	4	1	-.195352	.390356	.999	-1.34948	.95878
		2	.169527	.184959	.970	-.37732	.71638
		3	.301826	.132585	.257	-.09017	.69383
		5	.011331	.127920	1.000	-.36688	.38954
		6	-.170738	.128902	.840	-.55185	.21037
		7 and above	-.688355*	.104392	.000	-.99700	-.37971
	5	1	-.206683	.390949	.998	-1.36256	.94920
		2	.158196	.186206	.979	-.39234	.70873
		3	.290495	.134320	.317	-.10664	.68763
		4	-.011331	.127920	1.000	-.38954	.36688
		6	-.182070	.130686	.806	-.56846	.20432
		7 and above	-.699686*	.106587	.000	-1.01482	-.38455
	6	1	-.024613	.391272	1.000	-1.18145	1.13222
		2	.340265	.186883	.534	-.21227	.89280
		3	.472564*	.135256	.009	.07267	.87246
		4	.170738	.128902	.840	-.21037	.55185
		5	.182070	.130686	.806	-.20432	.56846
		7 and above	-.517617*	.107764	.000	-.83623	-.19900
	7 and above	1	.493003	.383895	.859	-.64202	1.62803

		2	.857882*	.170901	.000	.35260	1.36317
		3	.990181*	.112143	.000	.65862	1.32174
		4	.688355*	.104392	.000	.37971	.99700
		5	.699686*	.106587	.000	.38455	1.01482
		6	.517617*	.107764	.000	.19900	.83623
Aggregate Social Capital	1	2	.091106	.432814	1.000	-1.18855	1.37077
		3	.111933	.411188	1.000	-1.10379	1.32765
		4	-.075414	.408942	1.000	-1.28449	1.13367
		5	.022144	.409563	1.000	-1.18877	1.23306
		6	-.270627	.409901	.995	-1.48254	.94129
		7 and above	-.485163	.402173	.892	-1.67423	.70390
	2	1	-.091106	.432814	1.000	-1.37077	1.18855
		3	.020827	.198461	1.000	-.56594	.60760
		4	-.166520	.193765	.978	-.73941	.40637
		5	-.068962	.195072	1.000	-.64571	.50779
		6	-.361733	.195781	.516	-.94058	.21711
		7 and above	-.576269*	.179038	.023	-1.10561	-.04692
	3	1	-.111933	.411188	1.000	-1.32765	1.10379
		2	-.020827	.198461	1.000	-.60760	.56594
		4	-.187348	.138897	.828	-.59801	.22332
		5	-.089789	.140715	.996	-.50583	.32625
		6	-.382560	.141696	.100	-.80150	.03638
		7 and above	-.597097*	.117482	.000	-.94445	-.24975
	4	1	.075414	.408942	1.000	-1.13367	1.28449
		2	.166520	.193765	.978	-.40637	.73941
		3	.187348	.138897	.828	-.22332	.59801
5		.097558	.134010	.991	-.29866	.49377	
6		-.195212	.135040	.777	-.59447	.20405	
7 and above		-.409749*	.109362	.004	-.73309	-.08641	

	5	1	-.022144	.409563	1.000	-1.23306	1.18877	
		2	.068962	.195072	1.000	-.50779	.64571	
		3	.089789	.140715	.996	-.32625	.50583	
		4	-.097558	.134010	.991	-.49377	.29866	
		6	-.292771	.136909	.331	-.69756	.11201	
		7 and above	-.507307*	.111662	.000	-.83745	-.17717	
	6	1	.270627	.409901	.995	-.94129	1.48254	
		2	.361733	.195781	.516	-.21711	.94058	
		3	.382560	.141696	.100	-.03638	.80150	
		4	.195212	.135040	.777	-.20405	.59447	
		5	.292771	.136909	.331	-.11201	.69756	
		7 and above	-.214537	.112895	.481	-.54832	.11925	
	7 and above	1	.485163	.402173	.892	-.70390	1.67423	
		2	.576269*	.179038	.023	.04692	1.10561	
		3	.597097*	.117482	.000	.24975	.94445	
		4	.409749*	.109362	.004	.08641	.73309	
		5	.507307*	.111662	.000	.17717	.83745	
		6	.214537	.112895	.481	-.11925	.54832	
	*. The mean difference is significant at the 0.05 level.							

WESTERN CAPE