SOCIAL CAPITAL: AN INDISPENSABLE RESOURCE IN GHANA

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ABSTRACT

This paper was prepared based on a cross-sectional literature review of articles and personal experience in Ghana. Social capital is an emerging issue that has been a focus of political attention to transform the existing welfare system in Australia. Social capital is about trust and quality relationships within and among groups, families, friends and communities which is noted as a huge accumulation of resource that could be utilized to address poverty in communities. The theories, principles and the various types of social capital have been discussed. The merits, limitations, the contrasting views of some authors and the social capital issues observed in Ghana are briefly presented. It emerged that Ghanaians achieved impressive feat in the past by using social capital. The possibility of using the concept to enhance dissemination of Agricultural Extension technologies as well as sustaining rural development programmes was emphasized.

Keywords: Social Capital; Agricultural Extension; Technology Dissemination; Resource; Development

INTRODUCTION

The concept of social capital is presently receiving some level of attention from development agencies, communities and educational institutions across the world. The word ‘social’ relates to the way people in groups behave and interact, while ‘capital’ refers to resources that can be used to generate economic wealth (Encarta Dictionary, 2008). Though, there are many forms of capital such as Financial Capital, Physical Capital, Natural Capital, Human Capital among others, this write up is about Social Capital and its potential as a tool for development in Ghana.

It can be deduced from the above stated definitions that Social Capital refers to ‘people’s interactions in groups’ as a resource that can be used to generate financial prosperity in society. Usually, trust evolves from continuous interactive engagements among people and this facilitates coordinated actions towards the achievement of desired group goals in our communities, churches and other organizations. According to Glaeser (2001), there is a very strong relationship between years of schooling and social capital, and community homogeneity also strongly increases social capital investment. In Ghana, one can say that social capital is rooted in tradition and culture as we see children having ‘play groups’ from which they derive joy and share food with one another. In some farming communities, farmers form labour groups (“Nnoboa kuo”) that enable them to get access to shared labour pool at no monetary cost during the main farming season. The basic idea of social capital is that, one’s family, neighbors, friends and associates constitute an important asset that can be called upon during crisis as well as during ceremonies.

Having stated so, the definition of social capital has been viewed by many authors with various lenses as follow: (i) Social Capital is a network of quality relations which operate as a resource to collective action (Winter, 2000). (ii) Social Capital is the Features of social organizations, such as trust, norms and networks (of civil engagement), that can improve the efficiency of society by facilitating co-ordinated actions. (Putnam, Leonardi & Nanetti
,1993). (iii) *Social Capital* is the institutions, relationships and norms that shape the quality and quantity of a society’s social interactions. (World Bank, 2000). (iv) *Social Capital* is the rules, norms, obligations, reciprocity and trust embedded in social relations, social structures and society’s institutional arrangements which enable members to achieve their individual and community objectives (Narayan, 1997)

**THEORIES OF SOCIAL CAPITAL**

Interestingly, three key theorists of social capital appear to use the concept to mean different things.

(i) Coleman (1988) focuses upon the structure of social relationships particularly as they relate to the acquisition of human capital.

(ii) Bourdieu (1993) is concerned with the ability of social capital to generate economic resources.

(iii) Putnam (1993; 1995) is concerned with cooperative relationships leading to democracy with membership in civic groups.

*Theories explained*

**Theory one:** The structure of social relationships particularly as they relate to the acquisition of human capital (Coleman, 1988). The meaning of the keywords in Coleman’s (1988) theory are: ‘Human capital’ is defined by the Organization for Economic Cooperation and Development [OECD] (1998) as “the knowledge, skills, competences and other attributes embodied in individuals that are relevant to economic activity. Duration of schooling and levels of qualification are the standard measures. ‘Structure’ is also defined by Encarta Dictionary (2008) as a system or organization made up of interrelated parts functioning as a whole. In other words, Coleman’s theory is indicating that, the relationship within and among the various organizations or groups in society is a huge accumulation of useful information, facts, ability, talent, expertise and competences that are necessary for profitable activities in communities. In 2000, an expert reference group was formed in Australia to report on welfare reform options to the government. The report of the reference group was entitled ‘Participation Support for a More Equitable Society’ (also known as the McClure Report).

The McClure report further explained Coleman’s theory by stating that ‘Community capacity building’ is one of the processes of accumulating social, financial and human capital within disadvantaged communities.’ The report also explained social capital as a source of labour market opportunities and a general sense of cooperation in community life.

**Theory two:** The ability of social capital to generate economic resources (Bourdieu, 1993).

According to Encarta Dictionary (2008), ‘Economic’ means ‘profitable’ and ‘Resource’ means ‘source of help’. The Bourdieu theory is therefore concerned with the capability of social capital as a profitable source of help to people, communities and nations. McClure report also stipulates that social partners, business and communities have complementary roles to play in community capacity building, and can engage in community economic development, community-business partnerships, social entrepreneurship and fostering of micro-businesses.

**Theory three:** Cooperative relationships leading to democracy with membership in civic groups (Putnam, 1993; 1995).

According to Thesaurus Dictionary, cooperative is synonymous to mutual or supportive, and civic is about public or community. Civic groups are usually community organizations that take interest in people’s needs, rights and affairs. Putnam’s theory is therefore concerned about the fellow feeling and supportive relationship within and among groups which could lead to social equity and classlessness. It also assumes that within these quality relationships there is civic
mindedness which could advocate for fairness and justice in society. From an extensive longitudinal study of the Italian regions, Putnam provides evidence regarding the causal link between social capital and economic factors. Analyzing data from the nineteenth century to the 1980s, Putnam found that the level of civic engagement around the end of the century predicted subsequent levels of economic development up to 60 and 70 years later. The study indicated that interpersonal trust would lead to democracy and shape economic life and vice versa.

**PRINCIPLES OF SOCIAL CAPITAL**

In the year 2000, Australian Minister for Family and Community Services, Senator Jocelyn Newman released a discussion paper on a welfare reform that was meant to replace the Australian social security system with Social Capital concept. Following the discussion paper, an expert group led by McClure developed the underneath five principles:

- **i. a move to individualize service delivery;**
- **ii. a simple and responsive income support structure;**
- **iii. changes to incentives and financial assistance;**
- **iv. mutual obligations;**
- **v. Social partnerships – building community capacity.**

*Principles explained*

**Principle one:** a move to individualize service delivery. This principle depicts the belief of delivering service to suit individual requirements rather than generalizing distribution of welfare packages.

**Principle two:** a simple and responsive income support structure. This second principle is about a welfare arrangement that will respond quickly to people’s income needs.

**Principle three:** changes to incentives and financial assistance. The signal from this principle is that, there is the need to modify the social security system to use the social capital concept to train individuals to become self-reliant.

**Principle four:** Mutual obligations. This fourth principle states the opinion of shared moral or legal duty for communities, families, neighbors and societies to be concerned of one another.

**Principle five:** Social partnerships - building community capacity. This last principle has been noted to be the most relevant to the discussion of social capital. It laid emphasis on social partnership and coalition which reflects a perceived lack of community– business partnership in some communities, and it is an attempt to strengthen weak communities, such that communities can accommodate their citizens, including provision of labour market opportunities and a general sense of cooperation in community life.

**KEY PROPONENTS OF SOCIAL CAPITAL CONCEPT**


**TYPES OF SOCIAL CAPITAL**

The government social capital refers to enforseeability of societal contracts, rule of law, and the extent of civil liberties. The civil social capital refers to common values, shared traditions, norms, informal networks and associational membership. The Structural social capital involves various forms of social organization, including roles, rules, precedents and procedures as well as a variety of networks that contribute to co-operation.

The Cognitive social capital includes norms, values, attitudes and beliefs. Structural and cognitive social capitals are complimentary: structures help translate norms and beliefs into well co-ordinate goal-orientated behavior. Collier (1998) states that, in societies where government social capital is limited a large proportion of contracts may depend on civil social capital and trust. Rose (1999) in a social capital study in Russia found that individuals call upon networks that involve informal, diffuse social co-operation to compensate for formal organization failure.

CONTRASTING VIEWS ON SOCIAL CAPITAL

Putnam et al (1993), argue that co-operation among members of a group creates habits and attitudes towards serving the greater good that carry over to members’ interactions with non-members. Putnam (1993) argues that social capital in Italy is a legacy of long periods of historical development, and therefore it cannot be added to in the short-run. This prognosis is challenged by a number of recent empirical studies (Schneider, Teske, Marschall, Mintrom and Roch, 1997). For example, it has been shown that changing the structure and composition of school boards can enhance significantly the level of parental involvement in school-related activities and in turn help build social capital. Others present similar conclusions about the design of irrigation projects (Ostrom, 1994 & Lam, 1996). Many people argue that it is possible to create social capital, although the process is incremental. Falk and Kilpatrick (1999) argue that the accumulation of social capital is the outcome of the process of learning interactions. Learning interactions require a learning event (an actual occasion) and occur in a contextual dimension (the broad, socio-cultural and political frame of reference). A precondition to building social capital is the existence of a sufficient quantity and quality of learning interactions. For example, Falk and Kilpatrick suggest that quality learning interactions includes historical context, external interactions, reciprocity, trust, shared norms and values. The planning and implementation of community projects may be one of such learning interactions.

STRENGTHS OF SOCIAL CAPITAL

According to Narayan and Pritchett (1997), it is widely agreed that social capital facilitates results in mutually beneficial collective action and contribute to society in the following ways: Improves society’s ability to monitor the performance of government, either because government officials are more embedded in the social network or because monitoring the public provision of services is a public good. Increase possibilities for co-operative action in solving problems with a local common property element; Facilitates the diffusion of innovations by increasing inter-linkages among individuals; Reduce information imperfections and expand the range of enforcement mechanisms, thereby increasing transactions in output, credit, land and labour markets; Increase informal insurance (or informal safety nets) between households, thereby allowing households to pursue higher returns, activities and production techniques.

LIMITATIONS OF SOCIAL CAPITAL

There is still no agreed definition; social capital measurement is problematic; and it is highly dependent on context, which causes difficulties when it comes to attempting to aggregate it across level. Olson (1982) argues that groups may
be willing to impose costs on non-members to achieve their goals. Social capital can also erode faster and more easily than it can be created.

**DISCUSSION OF SOCIAL CAPITAL ISSUES IN GHANA**

*Merits*

Social capital is the type of influence that is derived from social cohesion in the world, Africa and Ghana in particular for as long as society has been in existence. The communal spirit for festivals, work, war and for nurturing can be deemed as social capital. In many communities in Ghana, aside kingship, we have clans, sub-community groupings, drumming groups, and funeral associations. We also have house of royal elders, community defenders’ groups and groupings based upon common language. Others are associations of farmers, fishermen, hunters, traders, processors, herdsmen, weavers/craftsmen and many more. The benefits that accrue within and among these local groupings to members and society are priceless.

One can disagree with Putnam’s assertion that social capital cannot be added to in the short run. This is because, day in day out some institutions, associations, relationships both local and foreign are breaking down while new ones are coming on board with a lot of benefits to society and individuals. Some Organizations even merge in order to get better marketing power to maximize their returns. For example, Vodafone and Ghana Telecom, Areeba and Space phone. Again, sister city relationship between Elmina community and the Netherlands was initiated by the opinion leaders of Elmina led by Dr Annan Prah in 2007. As part of the benefits from the said relationship many of the dilapidated mansions in Elmina have been rehabilitated. Students’ representative councils of tertiary institutions are formed every year in Ghana and they either purchase a bus or continue a building project or leave some asset for the student body at the end of each year. In the Ashanti Kingdom of Ghana we have Otumfuo Osei Tutu II educational scholarship fund for the youths, and has been in existence for less than ten years. These can be deemed as addition to social capital. Sponsorships for brothers, sisters, nieces, cousins, nephews and other relations either in school or apprenticeship are not uncommon in Ghanaian culture. Religious societies visit their members in sick beds or during mourning or during celebrations, out of fellow feeling, love and belongingness. Living in a community with an active neighborhood watch group that patrols, based on trust, we benefit from our individual trustworthiness irrespective of our participation in the patrol group. One can notice social capital at display during festivals like: Homowo in Accra, kente festival at Agortime Kpetoe, Yam festival at Ho, Fetu Afahye at Cape Coast and Aboakyir festival at Wemniba, Here, the bond of solidarity and oneness is placed at the fore, and broken relationships are mended while new ones are made to forge ahead. Relationships that develop at such festivals sometimes lead to marriages, building of mansions, investment in business enterprises, rehabilitation of schools and health centers as well as sponsorship package for the youths in the communities. The worldwide success of indigenous rotating-credit societies (e.g ‘Susu’ fund), collaboration to manage common pooled resources, and various arrangements among poor farmers to share labor (e.g “Nnobua” group) and tools, are manifestations of social capital as a productive asset. The bilateral relationships between and among countries in Africa such as Ghana and Nigeria, and the world such as Ghana and China are usually built on trust, interest and willingness to help one another. ECOWAS countries’ help to Liberia, Sierra Leone, Cote d’Ivoire and Kenya during their political turmoil is part of social capital resource. In the same vein Ethiopia extended support to the Somalia Government recently.
Demerits

Social Capital can however degenerate into chaos if the trust in the relationship is betrayed. The conflict between Alavanyo and Nkonya traditional area in the Volta Region, the conflict between the Kusasi and Mamprusi tribes in Upper East Region and the conflict between the Kokomba and Nanumba tribes in the Northern Region of Ghana are examples of social capital fallout. When clan marriages hit on rock, the resultant rancor linger more than divorce between unrelated marriage partners. The same acrimony applies to people who were once upon a time close friends. Whatever the situation, social capital has been with mankind and will forever stay with us.

SOCIAL CAPITAL IN SUSTAINABLE RURAL DEVELOPMENT

The common characteristics of the rural communities in Ghana include: inadequate access to credit facilities, poor agricultural practices, insufficient potable water, inadequate educational infrastructure and lack of all year round good road network. Others are: lack of ready market for farm produce, inadequate healthcare infrastructure, indecent housing, lack of recreational facilities, poor telecommunication services and insecurity.

Owing to sustainable intentions, some of the development interventions were undertaken in a participatory manner by both government and the local people. Some of the interventions are in progress while others are yet to start. Self-help efforts of the people (e.g. communal labor) have been united with those of the government agencies to build toilets, school buildings and market sheds among others. In order for the rural communities to address their investment fund problems, they have formed informal savings and credit groups based on trust (social capital) that are popularly known as susu groups. The groups operate according to their specific objectives. For instance, where a group of 10 members need working capital, they do regular savings that is credited to each member in turn at zero interest rate. Another strategy developed by the people based on trust to mobilize fund involves daily contribution of money to individual savings collectors (susu collectors) for a month, which they return at the end of the month, minus one day’s amount as a commission. This networking that enable people to communicate with one another and work together as a unit or system is the huge resource termed social capital.

Where social capital is largely considered in development project identification and implementation in the rural setting, sustainability becomes conspicuous. One can see this where the government decides to bridge the gap between the rural and urban areas in the distribution of social amenities such as electricity and community centers. In such situations, the rural folks do assist in diverse ways such as erection of poles and contribution of some fund towards the building of community centers. In recent time, the government of Ghana engaged skilled men and ladies such as: dressmakers, mobile phone repairers and security experts to train the youths so that they can be self-employed while at the same time discouraging rural- urban migration. Decentralized approach of developing the rural areas is also gradually taking root in Ghana. Hence, specialized government departments that carry out individual programmes such as Agricultural Extension Service, Health and Nutrition Service, Feeder road and Cooperative Units sometimes collaborate to implement development programmes. Putting together a number of these interrelated programmes for integrated rural development is being seen as the way forward for local governance.

Ministry of Food and Agriculture has also given keen attention to improved agricultural extension services, formation of farmers associations, establishment of demonstration farms, encouraging farmers to build better storage facilities and
considering good marketing avenues among others in its programmes. Landing beach committees have also been formed to manage pre-mixed fuel issues for fishermen along the coastal communities while in the forest belt cocoa societies manage cocoa farmers’ issues. Similarly, community water and sanitation committees have been formed to manage water issues while school management committees see to educational issues to ensure sustainable development in the rural areas of Ghana.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Mankind is gregarious by nature, and this is supported by the scriptures. In Genesis 2:18, God said, ‘it is not good for the man to live alone. I will make a suitable companion to help him’. This shows the beginning and the essence of relationship or partnership of which social capital is about. Social capital has the potentials to make peace better than battalions of soldiers. It can provide support to people more than the World Bank can do. There is tremendous wealth in credible relationships that could be used to alleviate the poverty that is bedeviling the world especially developing nations. If organizations are promoted at the community, national and international levels to organize debates, seminars and fora to sensitize the world about the pivotal role of social capital, development will be swift. The key actors in the social capital crusade could be households, opinion leaders, educational institutions, churches, radio stations, television stations, civil society groups, political parties, health institutions, youth groups, private and state media, mobile phone companies and voluntary individuals.

Implication of Conclusion to Agricultural Extension

The underlying implications of social capital viewpoint are that, investment in networks and group development will enhance knowledge and skills acquisition and accelerate economic returns to individual farmers and collectively to society. A strong network linking agro-input companies to: Research, Extension Services, Farmers (i.e. Farmer-based Organizations), Traders (Local & International), Processors, Consumers, Universities, Media, Donors, Government, District Assemblies and the Credit Institutions will help to transform Agricultural Extension Service delivery.

This suggests that, Agricultural Extension Service must build confidence and trust among stakeholders and strengthen institutional coordination with other Organizations so as to make service delivery more effective and efficient. It also suggests that, regular organization of discussion fora for farmers on social capital issues and how best to use it in knowledge and skills sharing will enhance technology dissemination and diffusion to cover more farmers and increase production and productivity.

Agricultural Extension Service Department of Ministry of Food and Agriculture has to relate strongly to churches, schools, local radio stations and the District Assemblies to facilitate service delivery. Farmer award winners could constitute hands-on experience sharing group to educate other farmers’ bi-monthly on television. Farmer video viewing clubs could be organized on quality products and improved farm practices at the community level to complement extension efforts.

Implications for Sustainable Rural Development

Chilcote (2003) defined development as a gradual progressive growth which in the field of politics, it is gains made in democracy; in the field of economics it is good planning for improving the standard of living; in the field of sociology it is the provision of people’s basic needs such as food, shelter, healthcare, education and employment; in the field of
culture it is fostering of collaboration, solidarity, selflessness, political consciousness and social responsibility. This is an indication that, rural development requires a multifaceted approach of which social capital as a resource is highly needed for effective implementation and sustenance. A developed rural area must have improved agricultural practices in use, potable water, good educational infrastructure, all year round good road network, market facilities, health care facilities, good telecommunication services, security and protection opportunities, proper housing and some recreational facilities.

RECOMMENDATIONS

Strong institutional setting and good networking among government agencies should be promoted by their respective heads. This is required among departments such as: Feeder road, Health, Agriculture, Security, Works and Housing, Parks and Garden, Telecommunication Companies and Water Companies. These are necessary for good work and timely implementation of projects and programmes. For sustainability of rural development programmes, social capital becomes paramount in terms of community participation and strong sense of ownership for maintenance. Non-Governmental Organizations and Governments should see Social Capital as a potential resource that needs to be harnessed for sustainable rural development in developing countries especially those in Africa. Our workplaces are prime environments for connecting with others (Gamble, n.d.). This is based on the fact that many of us got our jobs because of our social capital, that is, our social connections or social networks (i.e. whom we know) and our human capital which is ‘what we know.’

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