

RESEARCH ARTICLE

# The Capacity of Women Self-Help Groups in Social Capital Formation by Agro-Processing

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## ABSTRACT

Social capital is simply the network of connections and contacts that a person has accumulated during their lifetime or can be described as, a type of capital that generates public goods for a shared goal. In the case of bonding social capital, some social relationships already exist and should be used in the best way possible. Building social capital leads to the development of new ties outside of one's own social circle. Linkage social capital can be considered as developing relationships with influential people in order to advance with the aid of their authority and influence. Self-help groups includes all the three forms of social capital. Social Capital Assessment Tool (SOCAT) developed by the World Bank was used for social capital formation analysis. The study conducted here, revealed that self-help groups working on the basis of agro-processing were able to produce medium level of social capital. More raw materials related to their agro-processing unit and financial assistance can be provided, which will boost social capital formation. By stimulating more cooperation and collective action, members will develop a greater sense of trust in one another, which will ultimately support the empowerment of women by encouraging them to collaborate within self-help groups.

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## INTRODUCTION

The fundamental concept of social capital states that networks of relationships among those who live and work in a community are necessary for that society to function well. Social capital involves the efficient functioning of social groups through interpersonal relationships shared sense of identity, shared understanding, shared norms, shared values, trust, cooperation and reciprocity. The features of social organization, such as trust, norms and networks, can increase society's effectiveness by promoting coordinated activities (Putnam, 1993). Social capital is simply the network of connections and contacts that a person has accumulated during their lifetime or can be described as, a type of capital that generates public goods for a shared goal. Primarily, two forms of social capital are observed: bonding social capital and bridging social capital (Putnam, 1995). Bonding social capital is formed inside a group with similar interests and objectives, and it entails strengthening the bonds we currently have. In the case of bonding social capital, some social relationships already exist and should be used in the best way possible. Building social capital between groups is referred to as bridging social capital. This leads to the

development of new ties outside of one's own social circle. Linkage social capital can be considered as an extension of bridging social capital, developing relationships with influential people in order to advance with the aid of their authority and influence.

Self-help groups and social capital formation have a mutually beneficial effect and are strongly interconnected. There are three types of social capital that can be produced through the active participation of women in self-help groups: bonding social capital, bridging social capital, and linkage social capital (Burra et al., 2005). Self-help group members are more closely bonded to one another because they have closer relationships with one another and act together in numerous scenarios to achieve a common goal. To accomplish their objectives and meet their needs, some self-help groups collaborate and maintain their connections. The members maintain constant contact with banks and governmental departments for financial assistance and to acquire information related to the group. This collaborative work, bonding, and linkages foster trust both inside and outside the organization, boosting social capital formation (Nayak, 2015).

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This study focuses mostly on the advantages of social capital, such as how happy people tend to be when they have larger amounts of social capital. The country's GDP is mostly contributed by the agricultural industry. One of the biggest issues our nation faces is the perishability of agricultural products. Thus, agro-processing—the processing of agricultural products—is crucial. The main takeaway from this study is how women who work together in self-help groups contribute more to the development of social capital, particularly in the sector of agricultural processing, by creating and marketing agro-based goods,

## MATERIAL AND METHODS

Identification and analysis of the social network inside and outside the group, including who interacts with whom, how frequently and under what circumstances, plays a key role in the flow of resources via that network (Ronald, 2000). The study areas were Thiruvananthapuram district of Kerala and Ratnagiri district of Maharashtra. Social capital formation was analysed using the Social Capital Assessment Tool developed by world bank which included six dimensions – groups and networks, trust and solidarity, collective action and cooperation, information and communication, social cohesion and inclusion, empowerment and political action. The respondents were interviewed based on questions prepared on the basis of quantitative method of SOCAT tool which consist of integrated questionnaire based on six dimensions and were categorised into low medium and high.

### (i) Groups and Networks

The questions were centred on the type and degree of a member's involvement in an organisation, as well as the scope of contributions one makes and gets from them. It also took into account the diversity and evolution of group's membership through.

### (ii) Trust and Solidarity

The questionnaire based on SC-IQ methodology focused on how much a person trusts different categories of individuals as well as humans in general.

### (iii) Collective action and Cooperation

The concept of collective action and cooperation focuses on how and whether the participants have collaborated on projects together and how they handled a crisis. A significant value of social capital is required for collective action - a crucial component of community life - to be feasible. It also takes into account the possible consequences of going against the community's participation norms.

### (iv) Information and Communication

The questions attempted to identify the sources of two types of information: market data and government activity.

### (v) Social cohesion and Inclusion

The analysis of inclusion, sociability, and conflict and violence is done under a single roof of these three interconnected issues. Frequent daily social engagement is one of the benefits of having a high level of social capital in a particular group; as a result, questions about these encounters were included in this session.

### (vi) Empowerment and Political action

Empowerment, according to the World Bank (2002), is the improvement of a person's resources and capacity to engage in interactions with and exert influence over institutions that have an impact on their life. Respondents were personally questioned in order to better understand respondents' feeling of satisfaction and their ability to have an impact on both local events and more general political outcomes.

## RESULTS AND DISCUSSION

The total social capital formation is found to be medium for majority of the respondents (36.67 per cent), 35.83 per cent of the respondents have low social capital formation and 27.50 per cent of the respondents have high social capital formation as shown in Figure 1. Though there is only a small difference among the three categories, 35.83 per cent of the respondents comes under low category and only 27.50 per cent of the respondents comes under high category. This difference might be explained using the six dimensions of social capital formation under SOCAT, groups and networks; trust and solidarity; collective action and cooperation; information and communication; social cohesion and inclusion; empowerment and political action.

Frequent daily social engagement is one of the benefits of having high level of social capital in a particular group and hence social cohesion and inclusion are really important dimension of social capital formation. The analysis of inclusion; sociability; conflict and violence, we can understand that, majority of the respondents, that is 41.67 per cent of the total respondents falls under low category of social cohesion and inclusion as depicted in Table 1. This, may have influenced the low total social capital formation.

In case of collective action and cooperation majority of the respondents (46.67 per cent) falls under medium category and in the remaining 53.33 per cent, 35.00 per cent of the respondents belongs



to low category. Collective action and cooperation focus on the collaborative behaviour of the respondents and how they tackle the problems ahead. A significant amount of social capital formation is required for collective action to be feasible and hence this might also have been a factor which caused low social capital formation.

30.00 per cent of the respondents falls under low empowerment and political action, while only 25.00 per cent of the respondents comes under high category. As empowerment analyses the improvement of person's resources and capacity to engage in interactions and studies the respondents feeling of satisfaction after joining the group, low value of empowerment and political action may have also have been a reason for low social capital formation.

In association with information and communication, 28.33 per cent of the respondents falls under low category. The channels and methods via which respondents of under-resourced communities learn about market conditions and government services, as well as the degree of their access to communication infrastructure is examined under the fourth dimension of social capital formation analysis, which indicate that their connectivity to resources need to be enhanced.

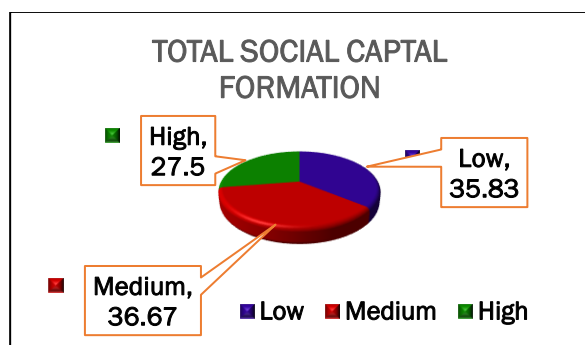


Figure 1. Distribution of respondents according to total social capital formation

Table 1. Distribution of respondents according to social capital formation based on six dimensions

Dimensions	Categories	Total	
		Frequency	Percentage
Groups and Networks	Low	35	29.17
	Medium	50	41.66
	High	35	29.17
	Total	120	100
Trust and solidarity	Low	35	29.17
	Medium	64	53.33
	High	21	17.50
	Total	120	100
Collective action	Low	42	35.00

and cooperation	Medium	56	46.67
	High	22	18.33
	Total	120	100
Information and communication	Low	34	28.33
	Medium	57	47.50
	High	29	24.17
Social cohesion and inclusion	Total	120	100
	Low	50	41.67
	Medium	30	25.00
Empowerment and political action	High	40	33.33
	Total	120	100
	Low	36	30.00
Empowerment and political action	Medium	54	45.00
	High	30	25.00
	Total	120	100

### CONCLUSION

The overall social capital formation through women self-help groups by agro-processing is found to be medium; by stimulating more cooperation and collective action, members will develop a greater sense of trust in one another, which will ultimately support the empowerment of women by encouraging them to collaborate within self-help groups. Women will feel valued and inspired if more projects focused on women are implemented and sufficient training resources for agro-processing are made available. The government agencies can offer appropriate credit and financing options. Extension agents can provide training to society regarding encouraging agro-processing units. Women should be given more encouragement to pursue their own sources of income.

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