

**A STUDY ON THE ROLE OF SELF HELP GROUPS IN
SOCIAL CAPITAL FORMATION IN KERALA**

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By

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CERTIFICATE

I, Dr. A.K. Sarada, do hereby certify that this thesis entitled "**A STUDY ON THE ROLE OF SELF HELP GROUPS IN SOCIAL CAPITAL FORMATION IN KERALA**" is a record of bona fide study and research carried out by **Mr. BABU P.** under my supervision and guidance.

He is permitted to submit the thesis.

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D E C L A R A T I O N

I, Babu. P, hereby declare that this thesis –“ **A STUDY ON THE ROLE OF SELF HELP GROUPS IN SOCIAL CAPITAL FORMATION IN KERALA**” - has not been submitted by me for any award of Degree or Diploma in this or any other University earlier.

Calicut University,
December 2014.

BABU P.

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*Calicut University Campus
December 2014*

Babu P.

Dedicated to
My dear parents

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LIST OF ACRONYMS

SHG	Self Help Group
UPS	Usual Principal activity Status
UPSS	Usual Principal Subsidiary Status
CWS	Current Weekly Status
CDS	Current Daily Status
NGO	Non Governmental Organisation
HDR	Human Development Report
SCI	Social Capital Index
TSCI	Total Social Capital Index
SGSY	Swarnajayanthi Gram Swarozgar Yojana
SJSRY	Swarnajayanthi Shahari Gram Swarozgar Yojana
NRLM	National Rural Lively hood Mission
DWCUA	Development of Women & Children in Urban Areas
NHG	Neighbourhood Group
ADS	Area Development Society
CDS	Community Development Society
UWEP	Urban Wage Employment Programme
USEP	Urban Self Employment Programme
UWSP	Urban Women Self-help Programme
CBOs	Community Based Organisations

LIST OF APPENDICES

1.	Questionnaire I
2.	Questionnaire II

CHAPTER I

INTRODUCTION

- ♣ *Social capital*
- ♣ *Poverty in India*
- ♣ *Social capital and Poverty in India*
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1.1. Introduction

Most Communities in the world have evolved different types of social networks to enable them cope with their specific social and economic requirements. These social networks support its members in times of need with various kinds of resources that they collectively command. Such networks are governed by well defined norms of trust and reciprocity that are followed by the members of that community to enable them avail the benefits of these relationships. Those who decline to subscribe to these norms -free riders- are easily identified and denied access to the benefits of collectivity. The members of the community follow the norms on their own, often, without even noticing the fact that they are actually adhering to the requirements of a rule which offered them access to the collective resources. These types of social collectivities enable people meet their individual and common requirements by providing access to resources otherwise inaccessible. Such informal relationships are common among communities all over the world especially in the developing country contexts, where formal institutions catering to the requirements of people are not adequately developed. Under volatile living conditions people manage to get along and get ahead on the buffer of these social networks. Society at large supports its members in times of contingencies with its visible and invisible hands. Social capital acts as the glue that holds these networks together and as the lubricant that keeps them going.

1.2. Social capital

During the last few years there has been a tremendous growth in the literature on social capital positing it as a social antidote to problems of underdevelopment and poverty. It is suggested as an adjunct to traditional forms of capital namely physical, financial and human capital in determining economic success and wellbeing. Social capital might be a new production factor which must be added to human and physical capital, or it might enter as a reduction in either transaction or monitoring costs (Paldam, & Svendsen, 1999). Apparent relationship has been identified between social capital stocks and economic success of firms and

regions. Social capital has also been found relevant to small and micro business success (Woodworth (2008)).

According to John Field (2003), the central thesis of social capital theory is that 'relationships matter. Social networks are a valuable asset'. Bourdieu is responsible for bringing the concept of social capital into present day discussions. He defines social capital as "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition, or in other words, to membership in a group which provides each of its members with the backing of the collectivity-owned capital, a credential which entitles them to credit, in the various senses of the word". Thus social capital is resources embedded in social connections.

In the words Loury (1992) 'naturally occurring social relationships among persons which promote or assist the acquisition of skills and traits valued in the marketplace. . . an asset which may be as significant as financial bequests in accounting for the maintenance of inequality in our society'. Nan Lin considers social capital as "Investment in social relations with expected returns in the marketplace".

Statistics New Zealand considers social capital to be "relationships among actors (individuals, groups, and/or organisations) that create a capacity to act for mutual benefit or a common purpose".

Putnam (1993) transformed the concept from an individual or group based perspective in to one of the nature of an attribute of the community. According to Putnam, Social capital refers to "the features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions" (Putnam et al. 1993). In his view, social capital is a productive resource embedded in social relationships that enables the democratic resolution of collective action problems, greases the wheels that allow communities to advance smoothly, and develops and maintains character traits that are good for the rest of

society (Putnam, 2000). In the words of James Wolfensohn, the former head of World Bank, Social Capital is the glue that holds societies together.

The formation of social capital has been highlighted as a solution for a wide variety of human problems. Researchers from various fields have also reported empirical evidences for many such propositions. In the words of Boix and Posner (1998) “the creation of social capital has been embraced as a solution for social problems as diverse as urban poverty and crime, economic underdevelopment and inefficient government”. Social capital has been promoted as the missing link in development (Grootaert, 1998). It is frequently seen as a panacea for the ills of social and economic exclusion, and deprivation and as a way of rebuilding the social and economic foundations of distressed communities by promoting horizontal forms of association and mutual support amongst such communities, and by linking the disadvantaged and excluded in vertical forms of association with those in power. By building social capital in distressed areas, employability will improve, employment rates will increase, social ills will decrease, and overall economic development and economic inclusion will occur. Moreover, all this will be done at the grass roots level by the people themselves (Woolcook, 2001, Miles and Tully, 2006). Putnam (2000) and Fukuyama (1995) argue that social capital will lead to civic communities having better educated children, safer neighbourhoods, more favourable social welfare indicators, stronger economies, and a healthier and more personally satisfied populace. It also leads to better use of natural resources and protection of environment. Thus social capital formation has been looked upon as a solution to many of the problems of the developing countries.

1.3. Poverty in India

A study of social capital gains special significance under the Indian situation as poverty continues to be the prime concern of planners in India. From first to the latest, our five year plans states poverty alleviation as a primary objective. But the pace of poverty reduction in India has been frustratingly low (Kannan1999). As per the World Bank estimates, during the last three decades, there has been only a marginal decline in the number of poor from 429 million in 1981 to 400 million in

2009-10. About one-third of the world's poorest people are Indians. 47.4% of the Scheduled Tribes (ST), 42.3% of the Scheduled Castes (SC), and 31.9% of Other Backward Castes (OBC), are in extreme poverty in rural India while in urban areas the rates are 30.4%, 34.1% and 24.3% respectively. 50% of agricultural labour and 40% casual labour of rural areas and 47.1% casual labour of urban areas are in poverty. Over 35% of Indians are illiterates and more than 20 million children are out of school. About 50% of people enslaved in the world are also Indians (The global slavery index 2013). The global hunger index 2013, classifies Indian situation as 'alarming'. As per the estimates of WHO, "about 49 percent of the world's underweight children, 34 percent of the world's stunted children and 46 percent of the world's wasted children, live in India."(Hindu.com. Chennai, India: 18 March 2009). According to the Planning Commission of India, poverty rate in India is 22% during 2011- 12. Under the Tendulkar methodology, the number of poor is now estimated at 269.3 million, of which 216.5 million reside in rural India. But, the World Bank study group warns that many of India's newly non-poor remain vulnerable and even minor shocks could easily push them below the poverty line (India Development Update, October 2013).

1.4. Social capital and poverty in India

The oppressive social structure prevailing in India has been found to be a major reason behind unending sufferings of a major part of India's population. Social capital in the form of caste, creed and religion have been tools for promoting inequality and keeping the majority out of education, power and development. The frustratingly slow pace of poverty alleviation in other parts of India is primarily because of the hierarchical and oppressive social structure that is heavily loaded against the emancipatory demands of the poorer sections (Kannan1999). Caste, ethnicity and religion exacerbate the economic dimensions of poverty and vulnerability through processes of cultural devaluation which assign certain groups of people a lower position in the social hierarchy (Kabeer 2005). The poor depend largely on social relationships than on material assets. These include relations with authorities and community organisations, gender relationships, and the ability (but

often unfulfilled desire) to participate in civil society. Thus poverty is not simply a lack of material resources (Spicker 2007). A defining feature of being poor is that one is not a member of - or is even actively excluded from-certain social networks and institutions that could be used to secure good jobs and decent housing (Wilson, 1996).

In India, women are subject to contempt only. Women are the poorest of the poor and targets of assault and discrimination (Bhide and Mehta 2004). Large numbers of women in rural villages face a daily challenge of survival (Chant 2007). Women have less access to land, poorer health, lower average education attainment levels, and higher dependency ratios. They are targets to social stigma, harassment, exploitation and all sorts of discriminations. Besides, they are overloaded by a feminization of responsibility. Gender disparity and discrimination continue to be the dominant features of rural society in India (Lahiri-Dutt and Samanta 2006).

The social capital concept highlights the idea that people or groups with the “right” types of social connections can more effectively employ other types of capital they possess (such as financial resources, knowledge, skills, and abilities) to achieve their goals than can people or groups with social connections of a different type. People with the right connections occupy a position in the network of social exchanges that allows them to bring their resources to bear on problems in a more timely and effective manner (Burt, 2000; Portes, 1998). The social capital prevalent in Indian villages denies vertical association in the name of caste, creed and other social walls curtailing social mobility, freedom and development. Cultivation of positive social capital among the poor could be an effective strategy that would lead them out of the vicious circle of deprivation.

1.5. Poverty alleviation through Self Help Groups

The promotion of small-scale entrepreneurship, as a means to alleviate poverty, has recently received increased attention given the rapid spread of microfinance institutions throughout the developing world (Gomez and Santor (2001). In India also promotion of women self employment through SHG women micro entrepreneurship has been an important strategy adopted by central and state

governments towards poverty reduction since 1990s. An SHG, both by definition and in practice is a group of individual members who by free association, come together for a common collective purpose (Sathish 2005). In practice, SHGs comprise individual members known to each other, coming from the same village, community and even neighbourhood. That is, they are homogeneous and have certain pre-group social binding factors. The basis of the concept of SHG is self-organization of the poor at the community level driven by desire and an inherent capacity to improve their living conditions by themselves.

NABARD (1997) defines SHGs as "small, economically homogenous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group members' decision". Self help groups are formed when women come together in groups of 10 to 20 people, and pledge their loyalty and support to each other through various means (Dasgupta 2005). Women micro entrepreneurship movement towards poverty alleviation attracted special attention as income earned by women is subject to less leakages and is fully used in nurturing the family contributing to better human capital development and there by obviating the perpetuation of poverty. The growth of SHGs in India has been phenomenal with above 7000000 SHGs being formed by the year 2012.

1.6. Poverty in Kerala

Compared to other parts of India, Kerala has made remarkable progress in curbing poverty during the last four decades. Poverty rate has decreased to 12% during 2009-10 from about 60% during 1973-74. The following table portrays the poverty situation in Kerala and India during the last four decades.

Table: 1.1
Poverty situation in Kerala and India

Year	Kerala			India		
	Rural	Urban	Total	Rural	Urban	Total
1973-74	59.19	62.74	59.79	56.40	49.00	54.88
1977-78	51.48	55.52	52.22	53.10	45.20	51.32
1983	39.03	45.68	40.42	45.60	40.80	44.48
1987-88	29.10	40.33	31.79	39.10	38.20	38.86
1993-94	25.73	24.55	25.43	50.10	31.80	35.97
1999-00	09.40	19.80	12.72	27.10	23.60	26.10
2004-05	20.20	18.40	19.60	28.30	25.70	27.50
2009-10	12.00	12.10	12.00	33.80	20.90	29.80
2011-12*	09.14	04.97	07.05	25.70	13.70	22.00

Source: Planning Commission, Govt. of India.

*Estimates under the Tendulkar methodology.

The rate of rural and urban poverty in Kerala was 59.19% and 62.74 % respectively during 1973-74, as against 56.4 and 49.00 for India. The combined poverty ratios were 59.79 for Kerala and 54.44 for India. Compared to the national experience, poverty alleviation has been more successful in Kerala as the rates were 12 % for rural areas and 12.1% for urban areas for the period 2009-10 with a combined poverty ratio of 12 %. The national rates for the same period are 33.8 and 20.9 respectively with a combined poverty ratio of 29.80%.

Kerala's progress in poverty alleviation and social development deserves special attention as it was made possible even in the absence of enough economic progress through a long process of public action supported by a pro-poor Government (Kannan1999; Heller1996). Social emancipation of the poor from the clutches of parasitical classes through education facilitated by public action paved the base for it. Public action played a dual role in removing the fundamental social constraints as well as in giving a political voice to the poor.

Studies emphasize the central role of women's education in Kerala's demographic transition and poverty reduction (Datt & Ravallion, 1996). Women contributed to improvement in educational and health status in Kerala. However, their participation in the economic sphere has been lower than their due share, particularly in terms of employment and earnings.

12% of Keralites still remain poor. Further, the mismatch between social development and economic growth has been raising formidable challenge. Inadequacy of infrastructure, shortages of technology and labour militancy to a certain extent, are considered inhibiting forces in the transition of social development into economic progress (Kannan1999). Besides, the ill effects of urbanization like increase in cost of land, scarcity of safe drinking water, hike in number of slum dwellers, deterioration of ecology and environment; high rate of alcoholism, etc., are among issues yet to be addressed properly. It is also observed that a big share of the APL in Kerala is living actually on the economic border line and their economic independence and living standards are highly vulnerable. Kerala seeks to achieve a break in participatory poverty reduction through Kudumbashree, which is implemented by the State Poverty Eradication Mission through the local self government institutions. All urban local governments and village Panchayats have been included under the Kudumbashree (Economic Review 2010). The need to go beyond poverty alleviation has now become imperative for Kerala if it has to meet the challenges of unemployment and further enhancement of the quality of life of its people.

1.7. Unemployment in Kerala

Kerala continues to be ranked high among Indian states in terms of unemployment especially educated unemployment among youth. Kerala stands in the fourth position with an unemployment rate of 9.9% behind three smaller states namely, Goa (17.9%), Tripura (14.1%) and Sikkim (12.6%). According to Current Daily Status Approach, Kerala (14.3 per cent) is in the second position behind Tripura (17.2 percent) (Labour Bureau 2012-13). Thus, among larger states

unemployment rate is highest in Kerala. The estimates of unemployment in Kerala are shown in table 1.2.

Table: 1.2
Unemployment Rate in Kerala based on different approaches 2012-13
(per cent)

Approach	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
UPS*	3.2	21.4	8.2	4.0	37.5	14.5	3.4	26.2	9.9
UPSS*	2.9	18.8	7.6	4.0	35.2	13.9	3.2	23.4	9.2
CWS*	3.6	21.8	8.9	4.8	36.1	14.6	3.9	25.8	10.4
CDS*	8.8	24.9	13.2	7.4	39.2	17.2	8.4	29.1	14.3

Source: Report on Second Annual Employment & Unemployment Survey, Labour Bureau, Ministry of Labour and Employment, Govt. of India, quoted by Economic Review, Kerala 2012-13.

Unemployment rates are higher in urban areas compared to rural areas for both men and women. Similarly it is high among women (as high as 39% under CDS approach in urban areas) compared to men in both urban and rural areas. The higher unemployment rates according to the Current Daily Status (CDS) approach compared to the Current Weekly Status (CWS) and Usual Status Approaches (UPS and UPSS) indicate a high degree of intermittent unemployment. (Economic Review 2012-13). Women outnumber men in jobseeker's list in Kerala. Out of 40, 16,853 registrants in the live register of Employment Department of Kerala Government, 24,13,322 (60%) are women (employmentkerala.gov.in).

1.8. Women Self Employment in Kerala

Though the role played by women in the human and social development of Kerala has been well recognised, they remained reluctant to partake in the economic sphere till recently. While many of them believed that women were not required to seek economic independence in spite of being capable, others lacked the

wherewithal it demanded. 'Wage Employment' and 'Self Employment' are the two options open to people for self deployment. Opportunities for gainful wage employment to educated women are limited in Kerala. Many prefer wage employment due to their disinclination to the risk associated with self employment. This is particularly true of women who are taught to perceive themselves as having lower human resource capabilities than men. This has been one reason that prevented many women from initiating economic endeavors in spite of impressive educational attainments. But modern sociologists are of the view that it is the difference in training that leads to differences between men and women. Empirical studies show that women are capable of undertaking all types of jobs, even heavy manual work and intellectual tasks requiring high degree of endurance.

However, the SHG movement that took momentum during the last few decades has been instrumental in removing many such obstacles and prompting large numbers of women enter economic arena by starting their own micro enterprises. Promotion of women micro entrepreneurship has been the primary aim of many poverty alleviation programmes instituted by the State and National Governments. But, entrepreneurship is an area that demands specialized knowledge and expertise. True entrepreneurial traits are considered a scarce resource and its development requires constant learning and exercise. Therefore, though the new women micro entrepreneurs possess necessary formal education, most of them are acutely lacking in character traits and resources that are necessary for playing their entrepreneurial role effectively. The success rate of women micro business units has been stunningly low. It is in this context that Social Capital Formation gains significance as a strategy for promoting successful women micro entrepreneurship.

1.9. Social capital and Micro Enterprises

Numerous studies emphasize the relevance of social capital in successful entrepreneurship. Women micro entrepreneurs are mostly forced entrepreneurs. Most of them do not possess basic entrepreneurial traits and talents necessary to play the entrepreneurial role effectively in a competitive market. As new entrants in the business field they need all sorts of support including information, education,

training, technical know-how, financial support, managerial aid, protection from exploitation etc. Micro enterprises with low capital base and low human resource capabilities are operating on a very small scale with indigenous technology and so are in acute need to reduce transaction cost to the minimum. They need to be properly connected to various agencies to smoothen their path in the entrepreneurial arena. Social capital is considered an important element in all these respects. A number of studies focus on the role of social capital in encouraging and sustaining micro entrepreneurship. Networks can open pathways to resources and solutions.

Social capital built through micro lending is useful in obtaining flexible repayment schedule, training and skill upgradation, networking with suppliers and customers as well as sharing responsibilities such as child care, etc. Field studies in Bulgaria and Philippines suggest that social capital building leads to high survival rates and success among self employed entrepreneurs (Morris et al 2006). Woodworth (2008) suggests that social capital that micro entrepreneurs could amass through the micro lending group activity is in fact more significant than the micro credit loan amount in fostering their entrepreneurial success. In Philippines, he reports a success rate as high as 93% among micro entrepreneurs who draw on social capital for mutual support and advice. It helps in leveraging relationships in building customers and suppliers, expanding businesses, reducing stress in times of economic crisis and building commitments towards enterprises. Gomez and Santor (2001) also share similar views.

The success of any cooperative endeavor requires sincere attempts on the part of members to improve efficiency and productivity. It is possible only in a highly cohesive work environment-where members co-operate with one another with a common goal. This is particularly important in a micro enterprise collectively owned by ordinary village women where exercise of authority is rather difficult. Social capital determines how easily people can work together (Paldam and Svendsen, 1999). Intra-firm social capital is thus an important determinant of the survival of an SHG.

Putnam (1993) observes that regions where firms are engaged in a mix of competition and cooperation become economically more successful than others. Micro enterprises in a locality may choose to co-operate among themselves for common gains from collective operation, i.e., the economies of operating on a larger scale. Inter-firm cooperation may take a variety of forms from sharing of information to collective bargaining for efficient negotiations. Informal cooperation based on mutual trust and common values may help them attain better performance standards and inter-firm co-operation is another manifestation of social capital (bridging social capital). Thus Social capital is an important element that enables cooperation at all levels.

While intra-firm and inter-firm co-operation is instrumental for minimising the cost of operations, efficient linking to regional/ national /global market is essential to ensure survival and growth in the long run. This problem of linkage can be dealt with by creating durable networks of relationships with institutions/agencies at various levels. The SHG federations and consortiums can facilitate such linkages. It enables the entrepreneurs overcome the problems related to asymmetry of information, mobility, trust and reliability. Thus SHG networks can provide linking social capital to rural micro enterprises. By way of links with broader market, micro enterprises are able to gain access to various resources at lower costs which, otherwise, may remain out of their reach.

Societies endowed with high social capital stock offer better environment for business. High trust societies facilitate enhanced economic cooperation and development. Social Capital curbs opportunistic behaviour, reduces crime rates, corruption, and other social and institutional weaknesses. It acts as an antidote to poverty and seclusion; fosters harmony, social cohesion and stability.

1.10. Statement of the problem

SHG micro entrepreneurship has been looked upon as a lantern that would help the deprived millions find their path out of poverty. It is perhaps the last call for the weak to come out of the dungeon of deprivation where one-sixth of the world's population has been caught up. It aims at breaking the vicious circle of poverty

through the provision of small doses of hassle free finance for self employment to poor women and demands them to join together for becoming worthy of credit. Thus it points to the importance of Social Capital in the form of mutual cooperation, peer pressure and unity for survival and development. Social capital has been highlighted as an important element in successful micro entrepreneurship, poverty reduction and regional economic progress. SHG activity has also been cited as an instrument of social capital formation.

In Kerala, the SHG movement has been vibrant during the last two decades. But the number of live women micro enterprises is far below the number actually initiated showing a high rate of failure. However no serious attempt has been made so far by researchers to examine social capital formation by SHGs among women micro entrepreneurs in Kerala. In this context this study is an attempt to examine the extent of social capital formation that has taken place among SHG women micro entrepreneurs in Kerala and its relevance for their entrepreneurial performance and wellbeing.

1.11. Significance of the study

India is home for about one-third of the world's poorest people. Seven decades of self rule could exert only a marginal influence on deprivation. Inadequacy of official social security measures to the poor, the new economic policies, problems in agriculture, low human development, exploitation by landlords, money lenders and middlemen, caste based discriminatory social structure, prevalence of corruption and cronyism, all have a crushing effect on the life of the poor in India.

One of the main strategies of poverty alleviation has been the promotion of women micro entrepreneurship through self employment programmes. But the success rate of these micro enterprises has been very low. A growing literature on social capital projects it as an important determinant of success in micro entrepreneurship. Social capital formation has also been posited as an instrument for attaining regional economic development and a way of handling many of the problems of the developing countries like corruption, high crime rates and

inefficient governance. Better social capital stocks enable more efficient use of resources leading to superior economic performance of individuals, organizations and communities. However, these claims are not unanimous.

Kerala's progress in the social sector and the human capital development so attained could not be fully reflected in the economic front. Women, constituting more than half of Kerala's adult population, remained skeptical in entering the economic arena for various reasons including economic barriers and social taboos. The SHG movement, however, has opened up opportunities for women to become micro entrepreneurs and lead their own micro enterprises. The sustainability of such enterprises is contingent on their ability to leverage resources and relationships in their favour. As the SHG women are short of financial capital and entrepreneurial skills, social capital can be an important resource determining their success. This study is an attempt to explore the degree of social capital development and its influence among SHG women micro entrepreneurs in Kerala as a corollary of their involvement with the SHGs.

This study intends to contribute to the present understandings regarding:

1. Is social capital an important determinant of success in micro entrepreneurship?
2. Does social capital influence wellbeing?
3. What all socio personal factors determine social capital endowments?
4. Do SHGs help to create social capital among women micro entrepreneurs?
5. What types of groups stimulate social capital building?
6. How the efficacy of an SHG in social capital building of its members can be improved by carefully planning its composition?

As a growing body of literature suggests social capital formation as an emerging strategy towards the problems of economic underdevelopment, poverty, micro business failure, etc. these information gain great significance.

1.12. Scope of the study

The study is confined to SHG women micro entrepreneurs in Kerala promoted under Government initiatives. Micro enterprises operating for a period of

one year or above only are selected for study. A major part of the subjects belongs to socially and economically disadvantaged sections of Kerala's population leading an ordinary village life.

1.13. Objectives of the study

The main objectives of the study are:

1. To study the extent of social capital formation that has taken place among SHG women micro entrepreneurs in Kerala.
2. To identify the socio economic factors influencing social capital endowments among women in the social settings of Kerala.
3. To identify the group characteristics of SHGs promoting or retarding social capital formation among SHG women micro entrepreneurs.
4. To examine relationship, if any, between social capital stock and the entrepreneurial performance of SHG women micro entrepreneurs.
5. To explore relationship, if any, between social capital stock and life satisfaction of SHG women micro entrepreneurs in Kerala.

1.14. Hypotheses

Based on the objectives set, the following hypotheses have been formulated and tested.

1. There is no significant difference in the social capital scores of SHG women micro entrepreneurs as before and after joining the SHGs.
2. The social capital scores of SHG women micro entrepreneurs do not differ significantly with their socio economic back ground.
3. The social capital scores of SHG women micro entrepreneurs as at present do not differ significantly with the characteristics of the group to which they are affiliated.
4. The entrepreneurial performance of SHG women do not differ significantly with their social capital scores.
5. The level of life satisfaction as perceived by the SHG women micro entrepreneurs do not differ significantly with their social capital scores.

1.15. Operational Definition of Concepts

Social capital

Social Capital in the context of SHG women can be understood as social relationships and personal networks available for help and support in times of need. It includes family ties, neighbourhood connections and all sources of help and support by virtue of membership in groups and networks including access to those in centres of power especially the Local Self Government, and such other organizations.

Social Capital Formation

Social capital formation is understood as a process involving several stages that promote creation of social relationships enabling the acquisition of skills and capabilities valuable in the market place. The process visualized involves development of personal capabilities; neighbourhood connections; availability of supports; community feeling; awareness and participation in social activities; creation of linking networks; development of trust and association with groups & networks. The model used for the study is discussed in chapter V.

SHG Women micro entrepreneurs

SHG women micro entrepreneurs are those SHG women who are running a micro enterprise at least for one year under any of the poverty eradication/self employment programmes of the state or central Government.

Entrepreneurial Performance

One of the main purposes of this study is to examine whether higher social capital stocks helps to improve the earning capacity of micro entrepreneurs. Therefore, entrepreneurial performance of micro entrepreneurs is measured in terms of average annual income earned by the SHG women micro entrepreneur from the enterprise. Income from enterprise is the direct and immediate indicator of the earning capacity of an entrepreneur/enterprise. The total income including wages earned for work in the enterprise and share of profits are considered. Since reliable

data regarding income generated by most group enterprises are available, other indicators like value of assets created etc. which are subject to considerable amount of overlapping of incomes earned by other family members, are not considered.

Life satisfaction

Life satisfaction of SHG women are measured on the basis of an index calculated from the perceptions of respondents. Since majority of the population under study belongs to socially and economically disadvantaged sections, variables related to life satisfaction of people leading an ordinary life only are considered for construction of the index.

1.16. Methodology

The study is both descriptive and analytical. It makes use of both primary and secondary data.

Secondary data used for the study are collected from various publications of Planning Commission and State Planning Board, Web sites of various Government Departments and relevant Organisations, Published Study Reports, journals, Periodicals and Research literature in the field.

Primary data were collected from 392 sample respondents from selected districts of Kerala through direct personal interview using structured and pre-tested interview schedule.

1.17. Sample Design

The sample respondents were selected through a four-stage sampling process. Three districts namely Kozhikode, Ernakulam and Alappuzha were selected from north, central and south Kerala respectively by following the purposive sampling method. From each district a number of Local Self Governments (LSGs) were selected in consultation with SHG officials in the area. Then a list of live micro enterprises were obtained from officials concerned at each selected local body. The final selection of micro units to be included in the study was made by following simple random sampling method from the list so obtained. From each unit so

selected, one respondent each was selected at random out of members available in the premises, to constitute the final sample. Table 1.3 shows the sample frame of the study.

Table: 1.3
Sample Frame

Districts selected	No. of local bodies selected	No. of live independent units listed by officials	No. of units selected to sample	No. of respondents selected
Kozhikode	10	256	134	134
Ernakulam	8	264	133	133
Alappuzha	9	238	125	125
Total	27	758	392	392

1.18. Tools for data collection

A structured schedule covering all aspects of the study was prepared by the researcher on the basis of variables identified from literature available on the subject. The schedule was pre-tested by conducting a pilot study among 36 respondents from Malappuram district. Necessary modifications were made in the schedule on the basis of the pilot study.

1.19. Variables used for the study

Back ground variables:

Demographic variables like age, education, economic status, caste, etc are used for examining their influence on social capital scores. The characteristics of the group like number of members, type of activity, dominant age group in the group etc are used for examining the influence of such variables on the present social capital scores.

Study variables:

The social capital variables are measured on a continuous order scale ranging from 1 to 5, i.e. from very low to very high. Table 1.4 depicts the variables used for assessing social capital.

Table: 1.4
Variables used for assessing Social Capital Formation

Variable	Citations*	Cronbach's Alpha (Before)	Cronbach's Alpha- (After)
Capability:	Kilpatrick 1999	.903	.915
Ability to interact with others			
Ability to communicate			
Feeling of self confidence			
Ability to bargain			
Ability to lead the group			
Neighbourhood/locality Attachment	Feigenberg et.al (2010) Kilpatrick-1999 Lochner et al 1999	0.917	0.887
Knowing personal details of others			
Knowing the geography of locality			
Knowing manners, norms and values practiced			
Freedom of interaction in the locality			
Mobility in the Area			
Availability of Support and Advice:	Basargekar (2010)	0.911	0.834
Possibility of borrowing some money(Rs.1000) from others			
Possibility of discussing a personal problem with a friend			
Possibility of obtaining an advice about the education of child			
Possibility of accessing benefits of Govt./other programmes			
Community Feeling and Commitment:	Putnam, 1994; Krishna,(1999) Kilpatrick (1999) Grootaert (1999) Lochner,et al 1999	0.862	0.769
Willingness to sacrifice for common benefit			
Preferences given to SHG products in purchases			
Willingness to participate in a demonstration for the community			
Cooperation among members outside the group			
Participation in Gramasabha			

Variable	Citations*	Cronbach's Alpha (Before)	Cronbach's Alpha (After)
Awareness and Participation	Putnam, 1994; Krishna, 2003;	0.922	0.882
Health awareness			
Participation in women-empowerment programmes			
Participation in voluntary service			
Thought and action against social ills			
Concern for environment			
Linking Networks:	Harper & Kelly (2003) World Bank	0.898	0.806
Accessibility to LSG member			
Accessibility to SHG/LSG/Govt. officials			
Accessibility to bank officials			
Accessibility to a district level leader			
Accessibility to helpful business men			
Social and Institutional Trust:	Grootaert, et al. (2003, 2004)	0.899	0.773
Trust in Local People			
Trust in Local Government			
Trust in General Public			
Trust in Political Leaders			
Trust in Government officers			
Groups and Networks	Putnam (1995) Grootaert (1999) Harper & Kelly (2003)		
No. of Group Memberships			
No. of Meetings attended in a month			
No. of helpful Friends			
Frequency of participating in Life Cycle Events			

*As some of the indicators originally used by researchers do not apply in the context under study, necessary modifications have been made to suit the situation.

Estimated average annual income earned by the respondent from micro enterprise is taken as the indicator of her entrepreneurial performance. The level of life satisfaction as perceived by the member is measured on a five point Likert scale (from strongly disagree to strongly agree) using the following variables:

Table: 1.5
Variables used for assessing life satisfaction

Sl. No.	Variable	Cronbach's Alpha
1.	Now I have a good job	.899
2.	I get enough remuneration for my job	
3.	I have a reasonably good house	
4.	I consume good quality articles	
5.	I get good health care	
6.	I can give good education to my children	
7.	My opinions are respected at home	
8.	I have good friends	
9.	I like to live in this locality	
10.	I am respected by others	
11.	I feel safe and secured	
12.	I have enough opportunities for recreation	
13.	I have healthy living conditions	
14.	I am now happy in life	

The Social Capital Indices

No unanimously accepted method is available for assessing social capital. Social capital remains an elusive idea not amenable to measurement. Researchers use different kinds of variables depending on the context of the study. These variables, though do not directly measure social capital, are indicative of the degree to which social capital is present in a given situation.

Many of the indicators used in this study are also mere indicators for the presence or development of social capital among women. As the study is primarily concerned with understanding the changes in social capital attributes of ordinary Kerala women, attempt has been made to take in to account even slight changes in their social capital attributes. Adoption of a five point ordinal scale became

necessary as a larger one becomes less understandable to them. Appropriate reference points for evaluating responses were given.

The study variables used for analysis have been obtained as described below:

1. Total scores represent the sum of variables under each head. For this weights from 1 to 5 were assigned respectively to responses from ‘very low’ to ‘very high’.
2. Mean scores are arrived at by dividing the sum of variables under each head with the respective number of variables.
3. The total score for the variable ‘Groups & Networks’ are calculated by aggregating the weight assigned to each class of response as shown in table 1.5.

Table: 1.6

Groups & Networks: classification of responses and their respective weights

No. of group memberships *		No. of meeting attended in a month		No. of friends		Frequency of participation in life cycle events	
Class	Weight	Class	Weight	Class	Weight	Class	Weight
Upto 1	1	Upto 1	1	Upto 2	1	Very low	1
2	2	2-4	2	3-5	2	Low	2
3	3	5-7	3	6-10	3	Moderate	3
4	4	8-10	4	11-20	4	High	4
5/more	5	Above 10	5	Above 20	5	Very high	5

*Excluding the SHG.

4. While calculating the total score for Groups & Networks double weightage was given to the first three indicators in order to reduce the influence of the fourth one which is a perceived value.
5. The Total Social Capital Index (TSCI) is the aggregate of all the eight social capital variables considered for assessing social capital formation viz.

Capability, Neighbourhood attachment, Availability of support and advice, Community feeling, Awareness & Participation, Linking networks, Trust and Groups & Networks.

6. The Social Capital Index (SCI) is the aggregate of only two variables viz. Groups & Networks and Trust which are the most widely used variables for assessing social capital.

1.20. Analysis of Data

The extent of social capital formation by SHGs among SHG women micro entrepreneurs is studied by comparing the social capital scores of SHG women before and after joining the SHGs. The t test is applied for testing the significance of difference.

The factors affecting social capital formation are identified using the Mann-Whitney U test, the Kruskal- Wallis H test, and the Jonckheere Terpstra test.

The relationships between the social capital scores and entrepreneurial performance and the social capital scores and life satisfaction index are examined using the Kruskal- Wallis H test, and the Jonckheere Terpstra test.

1.21. Period of study

The study uses secondary data and recall information since spread of SHGs in Kerala in 1990s. The primary data were collected during the period from March to September 2013.

1.22. Limitations of the study

Recall errors by respondents, limitations in sampling, limitations in scaling, absence of standardized measurement tools etc might have adversely affected the quality of the study. The study is primarily based on information provided by the respondents. The accuracy of such data cannot be guaranteed as most of them are qualitative and are based on the perceptions of respondents. In spite of such limitations earnest attempt has been made to collect reliable data and arrive at realistic conclusions from the data.

1.23. Chapterisation

Chapter 1: Introduction

Chapter 2: Review of Literature

Chapter 3: Social Capital - a Theoretical Overview

Chapter 4: Self Help Groups - a snapshot

Chapter 5: SHGs and Social Capital Formation – analysis

Chapter 6: Determinants of Social Capital – analysis

Chapter 7: Effects of Social Capital – analysis

Chapter 8: Summary, Findings, Suggestions and Conclusions.

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CHAPTER II

REVIEW OF LITERATURE

- ♣ *Social capital and Development*
- ♣ *Social capital and Education*
- ♣ *Social capital and innovation*
- ♣ *Social capital and business*
- ♣ *Miscellaneous studies on social capital*
- ♣ *Studies on creation of social capital*
- ♣ *Studies on self help groups and SHGS and social capital*
- ♣ *References*

During the past two decades there has been a tremendous growth in the literature on social capital. In spite of considerable degree of confusion and debate regarding various aspects of the concept, it has found acceptance and regard in various fields of research including education, health, economics, business, politics, management, psychology and the like. Empirical studies bring to light the efficacy of social capital in dealing with human problems as varied as economic underdevelopment and poverty to increasing crime rates.

Though studies on social capital are limited in the context of Kerala and India, researchers are enthusiastically working on the subject in other parts of the world. The studies reviewed by the researcher as part of this enquiry are briefly discussed below.

Studies regarding social capital and developmental issues are given in the beginning. Studies dealing with social capital and education are discussed in section 2. Sections 3 and 4 respectively deal with studies on social capital and innovative capability and social capital and business performance. Various other studies regarding social capital are grouped as miscellaneous under section 5. Studies on creation of social capital are dealt with in section 6 and section 7 narrates studies on self help groups and self help groups and social capital.

2.1 Social capital and Development

Putman (1993) through his research in Italy in the 1970s found that the cultural contexts in different regions of the country influenced the quality of government and economic development in those regions. The more 'civic' the community, the more vibrant and effective the local government and the more prosperous is the society in general. Putnam argues that social capital is a vital ingredient for economic development. His study reveals that regions with a large number of small firms engaged in a mix of competition and co-operation, that is, areas, where there was a high level of horizontal integration among firms, were economically successful. In his view, the flexibility that came from high horizontal and low vertical integration in the economy allowed the firms and their regions to succeed in a fast-moving economic world.

Fukuyama (1995) argues that economic prosperity in countries such as the USA is linked to its capacity to build and sustain social capital. At present, in his view, trust and sociability (two key elements of social capital) are in decline across the United States and this will have implications for both capitalism and democracy in that country. Fukuyama also suggests that societies which exhibit high levels of trust between people outside direct family and close kinships ties have greater opportunities to create business that are larger and more efficient than those whose business structures are based on close family ties. These larger, more efficient organisations have greater ability to compete in a global marketplace. High trust societies have 'spontaneous sociability' which is an important factor that enhances economic activity through more effective group behaviour, reduced transaction costs and better access to information.

Putnam (1995) in his historical paper on the decline of social capital in America brings to light that civic engagement among Americans, which has been considered an important factor in the economic and social development of America, is on a steady decline since 1970s. On the basis of data regarding decline in membership among Americans in various groups and associations, he argues that the vibrancy of civic society of America is on a fall and social trust and trust in Government among Americans is ever time low. In his words, "Americans have also disengaged psychologically from politics and government over this era. The proportion of Americans who reply that they "trust the government in Washington "only "some of the time" or "almost never" has risen steadily from 30 percent in 1966 to 75 percent in 1992". Loosening of family bonds and weakening of neighborliness are cited among other things, as two possible reasons for this social 'decapitalization'.

Heller Patrick (1996) portrays the unparalleled social development of Kerala as a product of social capital formation through class mobilisation and subsequent state intervention that took place under the leadership of the Communists since 1940s. The paper, in a nutshell, discusses working class mobilisation, land reforms, pro-labour role of progressive Governments, trade unionism and labour militancy,

emergence of class compromise and the institutional framework and organisations for labour even in the unorganized sector. He considers the term unorganized sector as a misnomer in the context of Kerala. The paper concludes that the synergy between working class mobilisation and state capacity has directly contributed to building the political and institutional foundation capable of managing the contradictions of democratic capitalist development.

Isham, Kaufman and Pritchett (1997) analyzed the impact of the “quality of governance” on the performance of hundreds of World Bank-financed projects in various developing countries over the 1974-93 period. They found that rates of return are higher in nations with greater civil liberties, as measured by the Gastil index of civil liberties.

Brunetti, et al (1997) reported significant association between their ‘credibility of rules index’ and investment in their study of a 41 nation sample. Each 1-category improvement in the 1-6 credibility scale is found to be associated with a 3.7 % point rise in GDP investment rate and a 1.5-point increase in annual average income growth.

Narayan and Pritchett (1997) show highly significant association between village social capital and household income. The study made in rural Tanzania, using data from Tanzania social capital and poverty survey, reveals that a one standard deviation increase in village social capital leads to an increase in household income by 20 to 30 percent. Through the study the authors prove beyond doubt that social capital is truly the capital to the rural poor.

Krishna and Uphoff (1999) examined the relationship between social capital and development outcomes in 64 villages of Rajasthan where a watershed conservation and development programme funded jointly by the Government of India and the World Bank was carried out. The study found that an index of social capital variables is related positively and consistently with superior development outcomes both in watershed conservation and in cooperative development activities. In addition to social capital, two other variables – political competition and literacy –also found to have some significant associations with the development

performance. The study finds significant associations between social capital and variables like information, participation in decision-making, the existence of rules, prior experience with collective action, as well as historical legacy.

Grootaert (1999) studied the impact of social capital on household welfare and poverty in Indonesia. The study found positive correlation between social capital and household welfare. Social capital, measured with focus on membership in local associations is found to have an effect near to that of human capital in increasing household income. A 20 percent increase in education leads to 3.4 percent increase in income and a similar increase in social capital results in 2.3% increase in income.

The study measures social capital along six dimensions: density of memberships, internal heterogeneity of associations (by gender, age, education, religion, etc.), meeting attendance, active participation in decision making, payment of dues (in cash and through work), and community orientation. Among these, the strongest effects were reported to come from:

1. The number of memberships: each additional membership (which is a 20% increase in memberships, on average) raises household expenditure per capita by 1.5%;
2. Internal heterogeneity: an increase of 20% in the heterogeneity index correlates with a 3.3% higher expenditure level;
3. Active participation in decision making: an increase of 20% in the participation index correlates with a 3.2% higher expenditure level.

In the words of Grootaert “In heterogeneous associations the potential pool of knowledge to be shared is larger and hence the potential benefit to members is higher. Heterogeneity along dimensions such as education, occupation and economic status (which are likely to correspond to differing knowledge) confers the greatest benefits. Social capital reduces the probability of being poor and the returns to household investment in social capital are higher for the poor than for the population at large. This is especially the case for the number of memberships and households' active participation in decision making. This underscores the potential pay-off to

poor households from investing more time in creating social capital by participating actively in local associations. We found that at low income levels the returns to social capital exceed those of human capital, while the reverse is true at the upper end of the distribution”.

Stephen Knack (1999) reviews studies on the impact of social capital on economy-wide measures of performance, such as growth of GDP or rates of investment. Results indicate that the impact of social capital is progressive: higher levels of social capital are found to be associated with subsequent improvements in the distribution of income.

Narayan (1999) deals with two important aspects of social capital- cross cutting ties and the interaction between formal and informal institutions. The paper argues that as most societies are divided by class, caste etc, groups differ in their access to resources and power and it is cross cutting ties that enable disadvantaged groups to access economic opportunities. The study views the interaction between formal and informal institutions as that of ‘complementarity’ or ‘substitution’. It offers a simple framework of analysis in which the institutions of the state vary from ineffective to well-functioning along the vertical axis, and the extent of crosscutting ties varies from low to abundant along the horizontal axis. The four resulting quadrants are characterized as:

- a) Well-being (well-functioning government complemented by abundant cross-cutting ties),
- b) Exclusion (well functioning government, low cross-cutting ties),
- c) Conflict (poorly functioning state and low cross-cutting ties), and
- d) Coping (abundant crosscutting ties substituting for poorly functioning government).

The four types represented by the quadrants are shown to correspond reasonably closely to the empirical evidence available about the situation in a number of countries and communities within countries.

Sorensen (2000) illustrates how social networks, local organizations and

participation can have an effect on common property management, risk management, agricultural productivity, marketing of agricultural products, and vertical relations. The study, while admitting the possible negative consequences of social capital, concludes that social capital can be of significant consequences in fostering rural development.

Haan (2001) examines the role social capital plays within group-based technology transfer and how it is beneficial for women. The study found that social capital, along with the ability to access and manage information are important factors in obtaining benefits from community based development projects.

Oyen (2002) examines Social Capital Formation as a Poverty Reducing Strategy and suggests that as the networks of the poor and the non poor are different in character and as the poor are not allowed access to the networks of the non poor, at present social capital formation is not a useful instrument for poverty reduction. However the author does not discount efforts on social capital formation as it is necessary to mobilise the poor if any changes in their living conditions are to occur.

Woolcock (2002) describes the rise of social dimensions of development, examines the various approaches to defining and conceptualizing social capital, responds to various criticisms leveled against the concept and explains how social capital aids economic development. The study suggests that the goal of a social capital based policy should be the reduction of social and economic divisions, increasing the responsiveness and accountability of public institutions, and encouraging openness to and interaction among people from different walks of life.

Prakash (2002) points out how social exclusion and poverty are associated and emphasizes the need for the creation of bridging as well as linking social capital among the poor. Bonding social capital is the only form of social capital that the poor can have. However the author becomes skeptical as to how social capital can be spelt out as a final answer to the problem of poverty in the southern rural countries where governments are often not responsive to the problems of the poor. The paper also critically examines different approaches in recent social capital research.

D'silva and Pai (2003), show that the presence of social capital is a crucial element for the successful functioning of participatory programmes such as joint forest management and watershed development. The study made in three villages of Adhilabad district in Andhra Pradesh uses ten indicators for measuring social capital and finds that villages with higher stocks of social capital perform better in collective action for common benefit.

Joe Wallis et al (2004) narrate the key developments in the field of social capital during the past few years. The authors are of the view that social capital contributes to a measurable degree to the economic progress and wellbeing of people in the developing countries. The paper argues that the advent of social capital represents a partial convergence of social and mainstream economics and economic activity is essentially embedded on its social and political context.

Iyer et al (2005) examines the relationships between social capital, economic performance and regional development. In contrast to the conventional macroeconomic approach of using indicators of social capital in formal growth models, the study argues for the evaluation of the impact of social capital by region. The paper examines social capital data from the Social Capital Community Benchmark Survey 2000, which provides social capital data for more than 24 000 individuals living in 40 communities, grouped into nine regions, in the USA. These data show remarkable diversity of social capital by region. Multivariate analysis is used to examine the impact of economic and social determinants of social capital and shows that education is important for nearly all indicators of social capital, and that ethnic diversity is associated with lower levels of social capital. Furthermore, analysis indicates the need to distinguish between local and non-local forms of social capital. The paper concludes by suggesting that future analysis of social capital will benefit from a more region-specific approach towards examining its development and impacts.

Western et al (2005) discuss the measurement of social capital based on existing and new scales. It identifies four primary scales and fifteen subscales for measuring the dimensions of social capital. The primary scales measure different

aspects of formal and informal structures or networks and the formal and informal norms that govern behaviour in these networks. The study reveals significant level of association between incidence of high social capital and better quality of life in four case study areas in Australia.

Callois and Aubert (2007) provide an understanding of the interaction of social factors and economic phenomena in rural areas. The study made in French rural areas demonstrates that social capital is at least a bi-dimensional concept involving bonding and bridging components. The study supports the view that social factors have an impact on economic performance. According to the authors, though cohesion and co-operation often play a significant role, more attention should be given to external links as a factor of development.

Lewandowski (2008) explains the social aspects of human poverty. He identifies poverty as a shared normative characterized by constraints on human action and interaction. According to the author it is the dearth of vertical social capital that is primarily responsible for prevalence of poverty and any poverty eradication strategy should consider both a bottom up approach towards creating vertical social capital and a top down approach aimed at diversification of existing horizontal social capital.

Morris Matthew () makes a comparative study of social capital endowment and poverty reduction among different Indian states using macro level data. Using an econometric model that captures the effect of physical, human and social capital as determinants of poverty, the study offers proof that social capital stocks of different Indian states have implications for their poverty rates.

2.2 Social capital and Education

A study by Portes (2000) on the educational attainments of immigrant children in United States shows that parental social capital is having only a marginal effect on the educational attainments of children. She had reservations regarding the efficacy of social capital and concluded as follows:

‘The key point of this analysis is that the ready attribution of positive effects to social capital, be it in its individual garb as social networks or in its collective one as civic spirit, is premature because observed effects may be spurious or because they are compatible with alternative explanations arising from different theoretical quarters. There is a need for both logical clarity and analytic rigor in the study of these processes, lest we turn social capital into an unmitigated celebration of community. While the popularity of the social capital solution in official and philanthropic circles offers a tempting prospect, it is not advisable to jump so quickly onto this band-wagon. We will serve science and the public better by withholding judgment until firmer knowledge is at hand’.

Mythily (2002) examines the role of social capital in obtaining quality education in Tirthahalli, a high literacy taluk in Shimoga, Karnataka, and found that community provides both physical and human facilities, and also exerts pressure on the teachers leading to higher quality of education. The study shows that the role of community is crucial for achieving higher quality of education in rural areas.

Temple (2006) examines the effect of social capital in the success of international programmes on Polish and Romanian higher education and argues that the differences in the effectiveness of programmes can be attributed to differences in social capital. In his view, the creation of networks, reciprocity and trust seem to be fundamental in allowing change to occur smoothly and institutional managements may need to give more consideration to the development and maintenance of social capital while planning change.

2.3 Social capital and innovation

Dakhli and Clercq (2004) examine the effect of human capital and social capital on innovation. The study, made using data from World development Report and the World Values Survey across fifty-nine different countries finds strong association between human capital and innovation. However the study gives only partial support for the positive effect of trust and associational activity on innovation. According to the study the relationship between norms of civic behaviour and innovation is negative.

Tura and Harmaakorpi (2005) analyses the concept of social capital and problems connected to it. They introduce a conception of social capital defining it functionally as a field-specific social resource of an actor. The study suggests that the number of social relations in a region is not, in itself, critical for the development of regional innovative capability. Rather, it is the diversity of these relations that enhances the regional ability to take advantage of different sources of information, and thus promotes the chances for successful regional innovation processes. It is the bridging connections between different fields of social capital that provides better innovative capability. The paper also introduces the concept of 'creative social capital' as a condition for fostering innovation.

Hauser C et al (2007) give empirical proof for the importance of social capital in the innovative capacity of societies. Using data from European Value Study the authors establish the significance of social capital on regional innovation process. However all the dimensions of social capital do not exhibit the same explanatory power and the dimension 'associational activity' represents the strongest factor in knowledge production and patenting.

Song and Wang (2010) examine the effects of inter-firm trust and learning on firm's subsequent innovation output. Using survey data from a sample of 194 firms from the mainland of China, the researchers prove that inter-firm trust and learning have positive impacts on innovativeness. It also reveals a positive interactive relationship between trust and learning.

2.4 Social capital and business

La Porta et al.(1997) in their study tested Fukuyama's 'firm scale hypothesis', regressing the revenues of the 20 largest firms as a proportion of GDP on per capita income, trust in people, and a measure of trust in family members. The study found that the scale measure was totally unrelated to income and it had strong relationship with the two trust measures. It revealed a strong positive relationship with trust in people and a negative relationship with trust in family members.

Kilpatrick (1998) explores the role of interaction between participants, and with 'expert' facilitators, in learning process which leads to changes in management

practices in Australian farm businesses. The study finds that group learning networks are effective in promoting successful changes for small business. Single and dual manager businesses have limited opportunities to engage in interactive learning, and so are less likely to innovate or make changes within the business.

Cooke and Wills (1999) assess government programmes to promote collaboration amongst SMEs for improving innovation capacity by increasing social capital through networking. It shows that, for a large proportion of programme-funded firms in Denmark, Ireland and Wales (U.K.) social capital building was associated with enhanced business, knowledge and innovation performance. The programme provided opportunity to the firms for linkage with external innovation networks, and the build-up of embeddedness, or the institutional basis for the enhancement of social capital.

Bell and Kilpatrick (2000) examine the relationships existing between small businesses and the community, including small business involvement in social and business networks. The study made in Scottsdale, North Eastern Tasmania, found that over 70% of businesses owners were involved in non-business networks. Over 90% were in some sort of business-related community-based group, with retail businesses least likely to be in a formal business group. Almost 90% of the businesses donated money, goods and services or expertise to community groups, with sporting groups the most frequent beneficiaries. It is reported that business-related groups have helped them learn of new ideas and latest business trends.

Marger (2001) in his study of use of social capital among Canadian business immigrants reveals that immigrants entering the host society with pre-migration intentions of business ownership, possess sufficient human capital to enable them to disregard the formation and utilisation of social capital in their economic adaptation and so such entrepreneurs use only a minimal reliance on social capital.

Bastos (2001) studies the cross- industry weak ties and learning among Japanese automobile firms and finds no significant association between cross industry collaboration and economic performance.

Anderson and Jack (2002) explain the nature of social capital in entrepreneurial networks and how such networks are created and maintained. Through the method of participant observation and interview, the authors found that relationships among successful entrepreneurs were created on the basis of an understanding of each other and their social capital is more than mere everyday interaction. The authors describe the interaction between entrepreneurs as highly interactive and reciprocal and characterized by learning about each other. To them, social capital formation is a process of negotiating to embed the self into an appreciative relationship with another. They identify four steps in social capital creation process namely, encountering another, exploring affinities, identifying communality, establishing congruence and discovering potentials.

Maula et al (2003) build and test a model on the effects of the initial conditions for the creation and leveraging of social capital in corporate venture capital. Using contemporary survey data from US portfolio firms, it is shown that complementarities and financial incentives constitute important initial conditions for the creation of social interaction and subsequent knowledge acquisition.

Arku (2003) reports inter firm collaboration is relatively common among small electronic firms in the Greater Toronto Area of Canada and the incidence of collaborative activities is likely to increase with company size. However the study does not find any significant impact for the Govt. programme aimed at creating co-operative attitude among firms.

Bjornskov and Svendsen (2003) make a detailed review of the various approaches to social capital measurement adopted by prominent authors so far and in the light of these studies attempt to develop one or a few explanatory variable capable of measuring social capital. By applying principal components analysis, they argue that four indicators measuring elements of social capital at the micro, meso and macro levels all powerfully load onto one single underlying component and hence social capital is a one-dimensional concept.

Bresnen et al (2005) explores the role of social capital in knowledge management for project based learning across a range of industrial sectors including

construction. The study finds that the attempt to increase and improve flows of engineering knowledge within the organization clearly depended to a large extent upon its ability to mobilize and use the existing social capital amongst engineers within the firm. The study supports the argument that social capital is of benefit to organizations and an important potential source of value creation within firms.

Westlund and Nilsson (2005) examine the concept of social capital in the context of economic enterprises. An enterprise's social capital includes internal and external social capital. Internal social capital is expressed in the form of company spirit, climate of co-operation etc. External social capital includes links to suppliers, partners, political decision makers, other enterprises, and relationships with customers etc. The authors classify external social capital as production related, environment related and market related. The study measures investment in social capital indirectly by applying proxy indicators as follows:

- Internal social capital: work related contacts with internal actors; social contacts at work and during leisure time; formal and informal meetings of staff in management functions and core activities; investment in training; co-ordination of training; investment in internal entertainment.
- External social capital:
 1. Production related: co-operation with local or non-local enterprises in the following six fields- transport, material purchases, production, marketing, sales, product development; number of co-operating firms; social contacts with suppliers.
 2. Environment related: work related contacts and social contacts with local public decision makers and local executives; co-operation with local university.
 3. Market related: cost of marketing and relation building.

Relationship of firm with the local civil society is measured in terms of sponsorship of local not for profit activities.

The study gives a method for measuring a firm's social capital and empirically reveals significant co variation between some of the direct investments in social capital and the growth of firms. According to the study, the sector composition of enterprise, the knowledge intensity of production and the enterprise's size and type of market are the factors determining the type of investment in social capital that are linked to growth. The study shows that only direct investment in social links can give a correct picture of firm's social capital.

Cooke (2007) makes a comparative study of SME performance and social capital usage across UK regions. He investigates in depth a number of representative and illustrative cases of SMEs deploying social capital in distinctive ways within markets. It shows that for many SMEs the 'market' is more or less wholly constituted by social capital and without social networks most of them cannot function in markets. The study found high performance firms to be the most intensive users of social capital.

Han (2007) proposes a conceptual model for analyzing the strategies of startups in the context of building social capital to achieve superior performance in internationalization. The study illustrates how a particular combination of ties (strength, number and content) and process of ties management can lead to superior startup internationalization performance. The author argues that generating numerous strong ties may be less productive because establishing and maintaining strong ties incurs high opportunity costs. Therefore, in the early period of internationalization, startups should generate many weak ties and limit themselves to a few strong ties.

Welter et al (2007) explore the effectiveness of entrepreneur support programmes including social capital formation among SMEs in an attempt to economically revive distressed urban districts of old industrialized agglomerations, in Rhur area of Germany. The study found considerable improvements in the performance of firms as a result of the programme.

Valdez (2008), considers how social capital affects ethnic entrepreneurs' economic success in United States. Using the non-public Characteristics of Business

Owners Survey, he examines the earnings-returns of four groups with disparate rates of business ownership in the United States: non-Hispanic Whites, Koreans, Mexicans and Blacks. The study suggest that social capital facilitates entrepreneurial participation; however, it is human and market capital that are essential for economic success and social capital sometimes has a detrimental effect on earnings.

Bstieler and Hemmert (2008) examines the role of communication quality, perceived fairness, and pre-existing social relationships for the formation of trust in 47 vertical new product development alliances in South Korea and found only relatively moderate importance for pre-existing social ties on trust formation compared to the other two variables.

Russo and Perrini (2009) investigate whether the notion of social capital is a useful way of understanding the CSR approach of SMEs. They observe that the CSR–SME relationship could be better explained if the notion of social capital is taken into account, but this should also be accompanied by a stakeholder view of the SME and social capital and stakeholder theory should be taken as alternative ways of explaining CSR in both large firms and SMEs.

Felzensztein and Gimmon (2009) reports that social networking elements, like trust and ‘respect reciprocity’ play a key role in inter-firm cooperation in marketing. The elements of networking are important for inter-firm cooperation. The study reveals the importance of informal relationships in the development of inter-firm cooperation. Informal contacts, acting as channels of knowledge flows, plays a key role in collaborative marketing activities.

Anbumozhi et al (2009) reveals the importance of social capital in tackling industrial wastage problem. The study made in a wood industrial cluster in Maniwa, Japan illustrates that through community based actions, building of social capital and provision of technology, waste can be converted into wealth and polluting SME clusters can be converted into eco-friendly industrial clusters.

Davies and Ryals (2010) find that social capital is a major contributing asset to the Fair Trade Companies in UK that enables them to achieve tremendous

business success. These companies utilize their fair trade values as a commercial resource for creation and exploitation of close ties with powerful organizations.

Qian et al (2010) explore the effects of the external horizontal social network, external vertical social network and internal vertical social network on growth of enterprises in China. The study based on data from the Pearl River Delta reveals that all the three dimensions of social network exert a positive impact on enterprise growth.

Mele (2010) analyses the practice of networking in the business context and distinguishes three types of networking: utilitarian, emotional, and virtuous. The paper specifies the requirements of a virtuous network and the types of unethical behaviour possible in a network.

Carlos et al (2010) investigates the importance of individual creativity and social networks, in both urban and rural areas of Denmark, with regard to the probability of becoming an entrepreneur and of surviving the crucial three years after start-up. The results show that while creativity increases the probability of becoming an entrepreneur in urban areas, social networks are found important in this regard in rural areas. Regarding the probability of surviving over the first three years, creativity is found insignificant in both urban and rural areas, while social networks are important particularly in rural settings.

Wiig and Ivar (2011) investigated the effect of human capital and social capital on the performance of entrepreneurs in Angola and found significant relationship between education and profits. According to the study, certain types of social capital have an impact on entrepreneurial profits while others may not. Profits are found to be 26-30 per cent higher for entrepreneurs who know a member of the local police.

2.5 Miscellaneous studies on social capital

Rose (1998) presents empirical evidence from a specially designed nationwide Russian social capital survey that examines the varied tactics that people adopt in one situation or another to substitute for or subvert organizational failures.

The study finds that a great majority of Russians appear to be helpless in some situations, but not in a majority of instances. Less than one percent claims to have a network for every situation, and only six percent claim to have tactics to get things done in all but one situation. Less than one percent feels excluded from every situation, and little more than one percent from all situations but one.

Pargal et al (2000) examines why certain communities undertake collective provision of public goods while many others do not, in the context of community based trash collection in Dhaka, Bangladesh. The study shows that trust, reciprocity and sharing are important determinants that enable such collective action. The study observes that public-private partnership and self help endeavors are more likely to succeed in neighbourhoods with high social capital.

Knack (2000) analyses social capital's impact on governmental performance in the U.S. states. Results strongly indicate that regions with high levels of general trust and adherence to civic norms also enjoy better governance and in areas where people are less trusting and civic minded, Governments perform less.

Stone (2001) gives a conceptually sound and theoretically informed measurement framework for the empirical study of social capital and analyses existing measures in the light of this framework. The alternative methods of measuring the key dimensions of social capital namely formal and informal networks and norms of trust and reciprocity are analysed. The paper proposes a set of guiding principles for empirical investigation of social capital.

Casey (2002) attempts to find out if there is any association between social capital endowment and devolution in various provinces of Great Britain. For measuring social capital, the author makes use of proxy indicators like associational activity, norms of civic co-operation, civic engagement, trust, political participation and associational membership. The study, however, does not find any specific relationship between the two phenomena in British Provinces.

Robison et al (2002) considers the issue of using capital metaphor and for the purpose, analyses various definitions given to it by different authors. The author

holds the view that the way social capital is defined by most authors creates the problem as such definitions combines different facets of social capital instead of specifying what it is. The authors equate the term social capital with 'sympathy' and define social capital as follows:

“Social capital is a person’s or group’s sympathy toward another person or group that may produce a potential benefit, advantage, and preferential treatment for another person or group of persons beyond that expected in an exchange relationship.”

With appropriate examples, the authors make it clear that the use of 'capital' metaphor is not incongruous as social capital posses various features of physical and human capital such as transformation capacity, durability, flexibility, substitutes and compliments, decay(maintenance), reliability, ability to create other capital forms, investment(disinvestment) possibility, and alienability. The authors also discuss the relationships among social capital, cultural capital and organization capital.

Mele (2003) outlines the four main features of Organizational Humanizing Cultures (OHCs)and also explains how OHCs, through these features, bring about trust and associability, two key components of social capital. Associability, or willingness to join a group, makes people more inclined to subordinate their individual goals in favor of collective goals and actions. When combined with trust, it provides a solid base for creating social capital, an asset that can generate profits by improving and drawing upon relationships between individuals, communities, networks and societies.

Harper and Kelly (2003) describe the measurement framework developed for Measuring Social Capital in the United Kingdom. The study considers social participation, civic participation, social networks and social support, reciprocity, trust and views of the local area as the principal dimensions to be measured.

Grootaert et al (2004) proposes an integrated questionnaire for the measurement of social capital under developing country contexts. The measurement tool incorporates the following six dimensions of social capital: groups and

networks; trust and solidarity; collective action and cooperation; information and communication; social cohesion and inclusion; empowerment and political action. The paper also provides guidance for the use and analysis of data.

Takhar (2006) explores issues concerning the concepts of social capital and multiculturalism, and how their use impact on the lives of South Asian women. On the basis of the study of a self-selected group of activists working at grass roots level in London-based voluntary or statutory bodies, it is suggested that multiculturalism simultaneously encourages and erodes relations of trust, obligations and reciprocity which are considered the essential elements of social capital.

Inoguchi and Hotta (2006) attempt to identify some major dimensions of social capital as found in the Asia Barometer 2005 data, to place 14 Central and South Asian countries – Kazakhstan, India, Pakistan, Afghanistan, Sri Lanka, Bangladesh, Maldives, Bhutan, Mongolia, Nepal, Tajikistan, Turkmenistan, Kyrgyzstan, and Uzbekistan --on those dimensions, and to reflect on the nature of political culture in 14 Asian societies in terms of social capital. Using principal component analysis the study identifies three components of social capital namely general trust in interpersonal relations, merit based utilitarianism and institutional engagement. The study classifies the countries into six groups based on their social capital features. India belongs to group 1 along with Sri Lanka and Bhutan. The groupings are found to be geographically and historically oriented and Group 1 revolves around India in terms of geography and history, and is characterized by middle-level general trust, high-level utilitarianism, and low level of institutional engagement.

Chan et al (2006) examine various definitions of social cohesion, propose their own definition and show how the concept differs from social capital. The study gives also a framework for measuring social cohesion.

Behtoui (2007) explores the role of social capital in status attainment process and the link between social capital pool and the labour hiring process. The analysis is based on a sample of newly employed low paid workers in municipal services at Malmo, a city of Sweden. the authors employed the ‘position generator method’ for

measuring social capital and finds a positive association between social capital stock and education level, work experience, active membership in voluntary associations and having a partner. Immigrants were found to have social capital deficiency. The study reveals a positive association between higher human and social capital and higher wages.

Zinnbauer (2007) examines how Information and Communication Technologies can be an effective tool for fostering social capital and social inclusion. The paper highlights ICT enabled opportunities for social capital, challenges to be faced and policy implication for the same.

Nieminen et al (2007) studies the variation of individual social capital according to socio-demographic factors, and attempts to develop a suitable way to measure social capital. Three dimensions of social capital are distinguished: social support, social participation and networks, and trust and reciprocity. The study, made in Finland, finds that People who are young, married, educated, and well-off have plenty of social capital than those who are not so.

Chen and Chen (2008) examine the effect of close guanxi in Chinese organizations and observe that while favor exchanges benefit guanxi parties, they may have serious negative externalities on non-guanxi parties and on the organization as a whole.

The paper 'Social Capital' by Smith (2009) provides an overview of the concept on the basis of the views adopted by prominent authors including Robert Putnam. The paper examines the nature of social capital, and gives a brief review of the 'bowling alone' thesis. It also addresses some of the issues surrounding the use of the concept and its significance for informal education. According to the author, as pointed out by Putnam, crime can be reduced, educational achievement enhanced and better health can be fostered through the strengthening of social capital.

Lin and Si (2010) explore the nature of social capital in China. The authors observe that Chinese social capital has evolved under general conditions of resource deficiency, and its social capital is set up to ensure the prosperity and survival of the

local group. Chinese social capital has therefore developed a high density of strong and a low density of weak-ties. It is characterized by low trust-radius, familism, and the lack of overarching norms. Though this type of social capital helps to reduce transaction cost and increase co-operation at the local level, it has side effects like market fragmentation, state intervention and rent seeking activities.

Poder (2011) makes a critical review of different approaches to social capital and observes that the multiplicity of meaning attributed to the term makes an integrated measurement of the phenomenon somewhat impossible. The study emphasises the need to define concepts in a manner less global, more precise and more directly measurable.

2.6 Studies on creation of social capital

Falk & Harrison (1998) examine the nature of the interactive productivity between the local networks in River town, a township community in rural Australia. The study identifies three groups of resources generated through interaction: knowledge resources, identity resources and consolidated resources. The study also gives a list of indicators for each category of resources identified.

Kilpatrick (1999) examines the role of interactions between individuals in building social capital and the relationship between learning and social capital for small business. The study analyses the processes that occur in an Australian small agricultural business 'learning community', Executive Link TM for evidence of use or generation of stores of social capital.

From the study of Executive Link TM the authors identify a more generally applicable process of developing the identity and knowledge resource of social capital resources through interactions. The sequential stages of the process are:

- (1) Acquisition of a high level of personal self-confidence by individual members and a high level of interpersonal skills, including leadership skills
- (2) Getting to 'know' each other as individuals (history and future aspirations), developing shared values and trust,
- (3) Coming to regard each other as credible sources of support and advice, and

(4) Commitment to fellow members, or being prepared to 'put in'.

The study found that by combining their knowledge and skills, Executive Link TM members were able to achieve better outcomes for their farm businesses.

The study by Mondal (2000) explores the role played by BRAC and PROSHIKA groups in social capital formation in Bangladesh. The study defines social capital as 'the cumulative capacity of individuals and social groups to work together for a common good'. The paper narrates the activities undertaken by the NGOs in order to promote trust and co-operation among villagers and highlights instances where social network of relations dominate other resources in helping poor people gain access to economic and financial resources. The study reveals robust positive outcomes of cooperation and collective action undertaken by people under the NGO groups.

John and Chathukulam (2002) examine the role of participatory planning in social capital formation in Kerala. The study made in Chempu village Panchayat of Kottayam District in Kerala finds increased participation of people especially women in development planning and execution after the proliferation of SHGs and neighbourhood groups under Kudumbasree.

Olivera (2002) presents in a nutshell the formation of social capital in Brazil and describes the recent developments in community participation and activism. The author opines that community networks for mutual support and co-operation are prevalent in all societies and the real challenge is to identify and utilize the same for poverty eradication and development.

Ewan and Ennals (2005) examine the concept and practice of 'Healthy Working Centres' within the context of new forms of work organization and finds that Healthy Working Centre concept is sound and provides the mechanism for the creation of social capital and, eventually, possible regional development.

O'Brien, et al (2005) examines various strategies of creating bridging social capital between indigenous social groups and global economy and suggests that the strategy adopted should be consistent with the nature of social capital that the group

already possesses. The study reveals that in the post agricultural reform period in Russia, there has been an increase in the use of bonding social capital among villagers but there is a sharp decline in trust, an important element of social capital, outside immediate bonding relationships. It also examines the efficacy of American tribal colleges in creating bridges between native American community and the mainstream economy of America.

Inen And Lehtonen (2006) examines social capital in 21 countries and finds that social capital emerges expressly in societies with strong welfare state institutions. According to the authors, it is also possible that the welfare state may both prevent and promote the development of social capital, depending on the respective meanings given to the concept.

Miles and Tully (2007) examines whether social capital of individuals in distressed communities could be enhanced through local community development programmes and whether the employability and opportunities of people improve through participation. The results of the study indicate that participation in the five case-study community development projects have improved the confidence, well-being and the social networks of the project participants and thereby, helped them to increase their social capital. Furthermore, participation in the projects has improved the employability of many of those who participated. However, only a small percentage of those interviewed and who had been participants in the case study community development projects has secured employment.

Labonne and Chase (2008) explore the impact of large scale community driven development projects in Philippines on community social capital. The study finds simultaneous improvement in formal social capital and decline in group membership and informal collective activities.

Birch and Whittam (2008) explain how the third sector (social economy, social enterprise and social entrepreneurship) contribute to formation of social capital and thereby promotes economic development at regional levels.

Pastoriza et al (2008) examine the issue of social capital formation in organizations and argue that managers should be the mediating figures whose behavior based on the true concern for the well-being of employees, as well as their motivational and ethical development, can be particularly important for the generation of social capital in the organization. According to them manager's behaviour should be based on three principles: following exemplary behaviour, helping the employees to value the consequences of their actions in other persons, and not betraying employee's trust.

Feigenberg et al (2010), provide experimental evidence that building social capital in the context of microfinance is economically beneficial as it encourages economic cooperation and risk sharing among clients and significantly reduces the default rates. The study made in Kolkata, provides evidence that more frequent interaction enhances economic cooperation among clients and suggests that by broadening and strengthening social networks the group-based lending model used by MFIs may provide an important impetus for the economic development of poor communities and the empowerment of women.

Islam and Morgan (2011) examine the role of two NGOs namely Proshika and Practical Action Bangladesh in social capital formation and community empowerment in Bangladesh. The overall contributions of the two NGOs for social capital formation were summarized as follows:

Participatory planning: create routes for social capital;

Channel of communications: sharing values, norms, and mutual benefits;

Relation matrix, market channel, and market map: examples of collective actions;

Income generation programmes (IGPs) versus social trust.

The study points out some limitations in the work of the two NGOs and their approaches. The NGOs' contribution towards collective actions, sharing mutual benefits, developing local leadership, empowering organizational structure, and increasing control over management, was weak. The NGOs failed partially to create a congenial atmosphere that allows local producers work properly in the market.

Paula Russell demonstrates that residents' groups can often utilize social capital in exclusionary ways. In order to understand the manner in which these more negative elements of social capital are utilised, the paper argues that it is not enough to focus on residents' associations and their actions alone. What is required is an exploration of the manner in which social capital is shaped by the socio-economic context of the neighbourhood and by the wider political context. The paper highlights the lack of congruence between attempts at national level to foster active citizenship and the reality at neighbourhood level, where the most active citizens often feel that much of their activity is prompted by failures in the actions of State institutions and local authorities.

2.7 Studies on Self Help Groups and SHGs and social capital

Harper et al (1998) studied over 1000 members from 72 SHGs in Orissa, Uttar Pradesh, Maharashtra and Karnataka and found significant improvements in living standards members in terms of diet, assets and education. The evidence suggested that nearly all members benefited to some extent although the benefits to poorer members were less or delayed compared to the better off. Only 31% of the families of poorer members increased their assets, 44% improved their food consumption and 15% improved their education.

Puhazhendi and Satyasai, (2000) studied the changes in socio-economic conditions of 560 members of 223 SHGs in 11 states before and after their association with the SHG.

The study shows that SHG members realized major increases in assets, income and employment. Also, women members were found to have become more assertive in confronting social evils and problem situations. Nearly half the poor member households had crossed the poverty line. The study reveals that:

- Average value of assets per household (including livestock and consumer durables) rose by 72.3 during the period.
- Average net income per household from income generating activities where loan amounts were deployed, increased from Rs. 20,177 prior to group formation to Rs. 26,889.

- Employment increased by 17% and average saving per member was about Rs. 1,000 in 1998-99.
- Borrowing for income generation activities increased from 50% to 70%.
- It was estimated that 112 households or 47.8% of the poor had crossed the poverty line

Puhazhendi, V. (2000) studied the performance of 70 SHGs found that 61% of groups were performing well, 29% were on an average performance and 10% performed poorly. The study found improvement in members' family income, literacy levels, housing facilities and food security. Community and political participation of members also improved during the period.

Bastelaer (2000) reviews studies on the role of social capital in facilitating access to credit for the poor and explains how social capital is associated with the operations of ROSCA, money lenders, trade credit and group based microfinance. The study finds that the role of social ties is determined by the existence of durable credit systems where the borrowers have a close relation with the source of funds. On the other hand, when there is no a priori relationship between the borrower and the lender social factors are less likely to be central elements in explaining credit discipline, and their mobilization requires significantly more effort. The study considers vertical social capital between bank staff and borrowers as an important element in the success of group based micro finance.

ASSEFA(2001) attempted to study impact on SHG members of its women's development programme and finds mixed results. The study of 2754 households made in Tamil Nadu found that 47% of their members belonged to extreme poor families. The study revealed that only 55% of SHGs had repayment rates above 80%, and 40% of members do not have access to financial assistance from ASSEFA projects. 95% of members reported increases in annual income and 52% have reported an increase in net worth over Rs. 10,000. 80% of the respondents reported a range of social impact such as attitude of family members, control over additional income, self-confidence etc.

Mayoux (2001) endeavored to study the interrelationship between microfinance, social capital and women empowerment in Cameroon and found that micro finance that facilitates social capital formation among women have considerable potential to contribute to women empowerment. However the current practice that ignores the need for creating inter-linkages should change and conscious attempts are necessary to build the right type of social capital to ensure economic empowerment of women on a sustainable basis.

Gomez and Santor (2001) study the effect of social capital on small and micro enterprises that are customers of micro lending programmes and find significant positive relationship between social capital and better economic performance. According to the study, better economic performance is due to better instrumental support such as provision of startup capital, non-interest bearing loans, cheap or free labour, etc; productive information such as transfer of business knowledge, valuable referrals, etc, and psychological support in handling personal problems and helping in times of emotional stress. The study concludes that social capital contributes to better economic performance and individual entrepreneurs with no or little financial collateral may benefit more from increased level of social capital.

Tankha (2002) analyses the development of self-help groups (SHGs) and their role in financial services delivery in India. The paper considers issues related to the cost of rendering such services and their financial sustainability. The study observes that as community based organisations with lower overheads and decentralised functioning the SHG federations have the potential to provide cost-effective financial services once necessary investments are made to strengthen their management.

Kropp and Suran (2002) in his study of the linkage banking programme of NABARD, describes the programme as highly successful on all fronts. According to them the concept of SHG-Banking has fully honoured the needs, wisdom and discipline particularly of low income women, who were living under extreme economic pressure and uncertainties, to manage their financial operations according

to their day to day as well as business needs; they have gained risk management capacities, enjoy now a new dimension of social security. Loans allowed them to add new micro-entrepreneurial activities to the family's source of income, attain a greater diversification of the sources of income of the household, smoothen the income stream and build up additional productive and financial assets. They feel liberated from exploitative labour relationships and financial bondages; They also argue that the programme has opened a new era in the banking sector in India that the needs of the poor are properly addressed and the bank staff have also become more enthusiastic and satisfied.

Seibel and Dave (2002) examined the commercial and social performance of linkage banking programme and found that apart from attaining commercial profitability and sustainability, the programme also had indirect social and economic benefits including:

1. an increase in the bank's overall repayment rate, due to the influence of the SHG women members
2. increased overall vibrancy in branch business, due to the economic activities of SHGs in the villages, very much welcomed by the branches where "large underutilized capacities" exist
3. substantial decrease in the reliance on moneylenders, many of whom have reportedly gone out of business, while the remaining ones have tended to lower their interest rate (from 5% to 3% on the declining balance).
4. Improvements in women literacy rates and decline in population growth.
5. Improvement in school enrollment and vaccination of children.
6. Empowerment of women, who are increasingly involved in community development programs and local politics
7. Exposure of bad habits of family members harassment of women, resulting changing male attitudes and behavior.
8. Exposure of social evils such as child marriage, child labour and dowry.
9. Improved sanitation and access to drinking water
10. Changing male attitudes and behavior, reduction in drinking and smoking

11. Voicing of objections against child marriage, child labour and dowry.
12. Decline in adherence to local extremist groups

Ismawan (2002) explained the effect of micro finance programme on existing social capital. He stated that the programme sometimes strengthens existing social capital such as local communities, local government, etc and destroys social capital such as money lenders, social hierarchy, etc. He states that microfinance helps building social capital to enhance degree of information sharing, democratic participation, collective decision making and sustainable development.

Bislev (2003) makes a critical evaluation of micro credit programme in Yunnan, China and finds that social capital may not be facilitated if the objective of micro finance programme is only making members collectively responsible for better repayment without having focus on poverty alleviation. The higher sense of participation and transfer of vital information and knowledge will take place only if microfinance programme has some higher content outside providing low interest loans. Microfinance may create negative social capital as its selection for credit provision is anti industrial and anti technology and in favour of tiny, informal, non industrial areas with no clear direction towards sustainable development. He further states that by emphasizing on individual survival as a function of individual entrepreneurial success and higher focus on cost recovery of services, the existing bonds of solidarity are likely to get destroyed.

The study undertaken by Brata (2004) in Javanese villages throws light on the impact of social capital on access and repayment of rural credit. In the study, social capital is assessed in terms of number of membership in a group, meeting attendance and participation in decision making. The study found that regularity in attendance of meetings and the higher positions in the group have positive influence over the amount of formal credit provided by the group.

Anand (2004) examined the efficacy of SHGs in addressing poverty in Kerala and found that SHGs' intervention can make big changes in living standards, through regular savings, improved level of family earnings, expanded assets, better socio/political access thereby reducing vulnerability and poverty contributing to a

wide range of developmental goals. They are also found to be helpful in changing peoples' social outlook and attitudes. The study made in Malappuram district of Kerala found that the general backwardness of the area i.e. poor educational background, ignorance, adherence to traditional values etc. have hindered the pace of development. The paper suggests that the voluntary agencies should attach more importance to informal education, building awareness and organizing skill up gradation programmes at the grassroots level.

Ronchi (2004) states that social capital and micro finance reinforce each other. According to him any sustainable development requires combination of natural capital, physical capital and human capital. Micro finance programmes makes use of existing social capital in the society and links that to physical capital to foster economic growth. At higher levels of social capital cost of non compliance is high and so it enhances repayment performance. The study made in Ecuador finds that micro finance has also resulted in wider political participation, stronger interventions in decision making process and better bargaining power for poor women.

Kadiyala Suneetha, (2004), discusses the scaling up process of Kudumbashree on the basis of available literature and qualitative data collected from participants and officials of Kudumbashree. In a nutshell, she describes how the Urban Basic Services Programme was eventually transformed into Kudumbashree and the issues and constraints it had to overcome. On the basis of field study she observes that:

1. Awareness about various programs and services has increased (as reported by NHG women), resulting in improved access of such programs and services.
2. However, participatory planning still remains largely a supply-driven, demand-driven process, where planning is limited primarily to availing individual benefits from government programs.

3. In active NHGs, women are confident and are capable of articulating their demands. The women have a voice and are appreciative of the platform that the NHGs provide.
4. Group activities have led to greater cohesion, serving as a social safety net in times of crisis, reducing the feeling of vulnerability, e.g., women contribute to the treatment of sick members of NHG households.
5. Considerable savings are being generated due to TCS, which provide credit both for consumption smoothing and productive purposes.
6. Thrift and credit societies are slowly but surely attracting bank credit facilities, based on the strength of the savings. However, NHGs are still facing constraints in realizing such linkages to the full potential.
7. NHG members are undertaking both group and individual micro enterprises.
8. There have been instances where the NHGs have shown the potential for public action against social and economic injustice, e.g., women took action against illicit liquor brewing and domestic violence.
9. If implemented consistently, CDS has great potential to enlarge freedoms and capabilities of poor women.

The study points out non cooperation from some Local Self Government institutions as a problem affecting the performance of Kudumbashree. It also mentions the rivalry of some NGOs operating in the field.

Frances Sinha (2005) endeavored to examine the effect of microfinance on the poor in India and found that it is making a significant contribution to both the savings and borrowings of the poor. The study made across eight states including Kerala shows that the performance of the SHG model is exceptional in providing a savings-based mechanism for internal group credit to meet household requirements. However the operation of microfinance does not have any influence on the exploitative terms and conditions of informal credit providers. Though the operations of MFIs are linked to social development, the coverage of such programmes is limited and not properly integrated to microfinance.

Dasgupta (2005) examines the trend of microfinance in India and discusses

its various models. The study observes that the per capita credit to the poor by Formal Financial Institutions (FFIs) has been too small in spite of heavy demand. The excessive incurrence of NPA due to lack of information is one among the reasons attributed to this gap. Microfinance through groups and its various models enable FFIs to overcome this problem. The paper calls for a microfinance reform to ensure sustainable development of the sector. The study categorises Andhra Pradesh, Karnataka, Kerala and Tamil Nadu as SHG developed states with (i) high SHG credit per poor, (ii) high penetration among poor through SHG, and (iii) widespread coverage of poor. Bihar and Madhya Pradesh is classified as SHG backward states with (i) low SHG credit per poor, (ii) low penetration among poor through SHG, and (iii) low spread coverage of poor. More concentration of effort is required in the latter group.

Nair (2005) emphasises the need for considering some vital developmental issues before up-scaling the operations of microfinance in the country and points out that the spread of operation without due prudence may lead to widespread failures and financial indiscipline. Citing an empirical example, the study argues that though the provision of micro loans may technically improve the earning capacity of the poor, it may not be transformed into actual earnings due to structural reasons that are not addressed by MFIs.

Prabhu Ghate (2005) studied the remittance services rendered by Shramik Sahayog, an organisation of Oriya migrants in Gandhidham and finds that the services are beneficial to the migrants, who are often illiterates, as it enables them, make timely remittances within reasonable cost. The study illustrates that once the number of migrants from any particular area of origin reaches a critical minimum in a particular destination, it becomes feasible for a microfinance institution to provide remittance services sustainably by establishing a presence in both areas.

T K Sreedharan (2005) found a moderate level of social empowerment among the women micro entrepreneurs under Kudumbasree mission in Kerala. However the economic empowerment is found to be low. As per the study

Kudumbasree mission is one of the most effective schemes for the uplift of rural masses especially women entrepreneurs in Kerala.

Basu and Srivastava (2005), empirically analyse the outreach of the SHG-bank linkage programme and finds that the reach of the model is very limited when compared to demand. The study finds that the loan amount is too small and the operations are concentrated among the southern states. The study also addresses issues like the sustainability of the programme and makes suggestions for meeting concerns and improving outreach.

CS Reddy(2005) examines the SHG operating model, the state of SHGs today, their impact on civil society and how they need to be supported going forward. The paper analyses the non financial impact of SHGs such as political participation, social harmony, social justice, and community development. It calls for efforts towards imparting training on governance, and awareness programmes on legal rights and entitlements.

Morris et al (2006) studies the effect of cooperative micro lending on entrepreneurial success and finds that as cooperative lending provides opportunities for building social capital that are useful in many ways. Social capital helps them obtain flexible repayment schedule, training and skill up gradation, networking with suppliers and customers as well as sharing responsibilities such as child care, etc. Two field studies are cited by authors in support of their claims. The first examines a microfinance cooperative structure in Bulgaria as a means to secure credit, savings, technical support and networking opportunities for cooperative members. The second looks at a cooperative microfinance institution in the Philippines that appears to create greater socio-economic growth for poor entrepreneurs as well as NGO financial viability. Both studies suggest that cooperative microlending leads to high survival rates and success of self-employed entrepreneurs by facilitating social capital through their organizational processes.

Dutt and Samanta (2006) endeavored to analyze the reasons behind the failure of DWCRA self help groups in Burdwan, West Bengal and found that the acute lack of co-operative mentality and cohesion was the major reasons behind

failure in many cases. The study points out many cultural peculiarities of the Burdwan society that make information flow and cooperation difficult. The study suggests that the unique features of the target group should be understood well and development projects should be tailor made to suit the requirements of the society.

A study of SHGs in India by Frances Sinha et al (2006) shows that SHGs have not been very successful in realizing their social potential. It calls for greater efforts from SHPAs in this direction and suggests that clustering of SHGs may be of greater help in this regard. The study made on the basis of samples drawn from four states, calls for more clarifications on some issues concerning the operation of SHGs in India. These include the purpose of promoting SHGs, the target group, issues of transparency and record keeping, participation in local politics, promotion of group enterprises etc.

Vasimalai and Narender (2007) study the impact of The Kalanjiam programme of Dhan foundation and reports significant improvement in access to affordable credit, creation of assets, family income, and status of women. The paper strongly argues that if micro-credit is not integrated into the larger development perspective there is a danger that it may result in over-indebtedness and financial bondage of the poor

Oommen (2007), in his study of Kudumbashree in Kerala, found significant improvement in most social capital indicators including willingness to cooperate, mutual trust, trust and cooperation with members of local self governments etc. The study found that a major part of SHG members involve in active interaction in the group and are ready to help each other and contribute some money and work voluntarily for the benefit of other members.

The study “A report on the success and failure of SHGs in India – impediments and paradigm of success” made by Voluntary Operation in Community and Environment (VOICE) examines in detail the implementation of SGSY scheme in India on the basis of data collected from 2064 SHGs from five states namely Andhra Pradesh, Chhattisgarh, Bihar, Uttar Pradesh and Gujarat. The study points out pitfalls in the implementation of the scheme and gives recommendations for their correction.

B Deepa (2009) examined social capital, trust and life satisfaction among people engaged in collective action in southern parts of Kerala and coastal areas of Tamil Nadu using data collected from 180 SHG members belonging to 90 groups. The study considers two dimensions for social capital viz. neighbourhood attachment and social networks. Using binomial logistic regression models the study finds that social capital is having significant impact on life satisfaction of people engaged in collective action. The study concludes that informal social networks with neighbours and intimate friends are important aspects of social capital affecting peoples' attitudes, values and key aspects of their life chances on the work and non-work realms.

John (2009) examines the operations of Kudumbashree in Kerala and finds that the programme is having substantial impact on various sectors and areas covering health, education, agriculture, animal husbandry, dairy development, enterprise development, child development, women empowerment and rehabilitation of the destitute. It has successfully addressed problems related to revamping of traditional sector and improving basic amenities such as shelter, drinking water, safe latrines, employment etc. The merits of the micro finance operations - flexible financial services, timely and convenient availability of credit, transparency in operations, informal banking facilities, low transaction costs, weekly repayment, need -based loan disbursement etc- have instilled confidence and self esteem among poor women and enabled them run their own micro enterprises.

Muhamad (2009) states that the Bangladesh Grameen bank has succeeded in integrating unbankable poor villages into the banking sector and at the same time has failed to achieve its declared social objective of poverty alleviation. In the paper Ann Muhamad criticizes the Grameen bank model on the grounds that microfinance has become an area where global financial institutions make huge profits by lending at exorbitant rates to poor villagers at very low risk pattern. The hidden 'transcripts' of 'women empowerment' include the ease of lending to and recovery from women because of their positional vulnerability. Women are easily traceable and are having culturally patterned behaviour -they are shy, passive and submissive therefore money can be lent to them at low cost and risk.

Ssendi and Anderson (2009) examined the role of micro credit with special reference to Small Entrepreneurs Loan Facility (SELF), which is intended to address the needs of rural micro entrepreneurs in Tanzania. The study finds that SELF has been moderately successful in improving profitability of micro enterprises run by rural women and slightly improving their social wellbeing, but, with little effect on long term assets.

Nidheesh KB, (2009), studies the process of change that has occurred to women in Kerala as a result of participation in Kudumbashree. The study made in the backward district of Wynad in Kerala, describes how Kudumbashree has brought about dramatic changes in women's role at home as well as in the public space. Membership in Kudumbashree leads to improvement in gender relationships, enhanced capabilities and awareness, better bargaining power, and improved decision making capacity. It also reveals improvement in income and better standard of living. On the basis of the Kudumbashree experience, the study points out that women empowerment is, perhaps, the best strategy for poverty eradication.

Basargekar (2010) analyses the meaning and role of social capital with specific reference to microfinance programme and attempts to measure its impact on social empowerment of women in the SHGs organized by Forbes Marshall Co. Ltd. The study of 217 women SHG members shows positive relationship between the years of association of the SHG members and the social empowerment which is created with the help of social capital. The study uses a Likert scale to find out the perceptions of SHG members about the changes due to microfinance programme in their lives with respect to 15 parameters related to awareness building, capacity building and active and collective participation in social and political life to bring out desirable changes. According to the author regular microfinance activities such as weekly meetings, peer monitoring of financial transactions, collective action etc result in creation of social capital.

Subramanian S (2011) analyses the socio economic impact of SHG activity on women participants of Tirunelveli district of Tamil Nadu and finds significant improvement in self confidence, helping tendency, role in family, communication,

awareness and resistance against social evils and political participation. Regarding economic impacts, the study finds improvement in awareness level of savings and use of loan for productive purposes. Consumption expenditure of members shows considerable increase after joining SHGs. The SHG activity is found to have more pronounced impact on social factors followed by psychological, economic and political factors. While SHG performance is found unaffected by tenure of existence, education of leader is an important factor in it.

Singh and Singh (2012) investigated the social impact of microfinance on SHG members of Manipur in terms of self confidence, decision making ability, skill development, social responsibility and awareness, access to health services and other social infrastructure on the basis of a random sample of 120 members selected from 60 SHGs working under 20 NGOs in Manipur. The study found significant improvement in all these aspects of empowerment among members after joining the SHG movement.

None of the above studies addresses the issues related to the role of different SHGs in social capital building among micro entrepreneurs in Kerala and its implications for the performance of SHG micro enterprises. The present study seeks to fulfill this gap in theory and therefore, is highly relevant and important.

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CHAPTER III

SOCIAL CAPITAL: A THEORETICAL OVERVIEW

- ❖ *Introduction*
- ❖ *Evolution of the concept*
- ❖ *Defining social capital*
- ❖ *Features of social capital*
- ❖ *Dimensions of social capital*
- ❖ *Levels of social capital*
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SOCIAL CAPITAL

3.1. Introduction

There is a growing recognition that differences in economic outcomes, whether at the level of the individual or household or at the level of the state, cannot be explained fully by differences in traditional inputs such as land, labour and physical capital. The role of ‘social capital’ in improving the productivity of these traditional inputs and thus contributing to the wellbeing of households and the development of communities and nations is increasingly gaining attention. The positive association identified between success rate of development programmes and the level of social capital existing in the community is one reason for this. Thus various issues such as what is social capital, how to measure it, how can it be generated, how it can be used more effectively for mutual benefit and development, etc are increasingly becoming vital for policy makers as well as for practitioners and researchers.

In the words of Oliveira, “Civic virtues, such as solidarity, reciprocity, trust and cooperation for the mutual benefit, are old notions that today are gaining new meaning and value. In each and every community, no matter how poor, resources - in the sense of social capital - are available, and almost always on a scale greater than imagined by an external observer. The challenge for policymakers is to identify and mobilise this local social capital, and then tailor programmes and public services after it so that beneficiaries can fully participate in their design and implementation and in the resulting actions”.

3.2. Evolution of the concept

The concept of social capital is not new. It is linked to concepts such as civil society and social connectedness. The history of the idea has deep and diverse roots that can be traced to eighteenth and nineteenth centuries. Though the term was not used, the concept is linked to historical authors such as Durkheim, Simmel, Marx and Weber among others and to theories such as social exchange theory and psychological contract theory. Researchers have identified links between the

discussions of Aristotle and other early Greek philosophers on civic society and social capital theory.

The term social capital was first used by L.J. Hanifan, a social reformer, in 1916, to refer to 'goodwill, fellowship, mutual sympathy, and social intercourse among a group of individuals and families. In his words:

"I do not refer to real estate, or to personal property or to cold cash, but rather to that in life which tends to make these tangible substances count for most in the daily lives of people, namely, goodwill, fellowship, mutual sympathy and social intercourse among a group of individuals and families who make up a social unit... If he may come into contact with his neighbor, and they with other neighbors, there will be an accumulation of social capital, which may immediately satisfy his social needs and which may bear a social potentiality sufficient to the substantial improvement of living conditions in the whole community. The community as a whole will benefit by the cooperation of all its parts, while the individual will find in his associations the advantages of the help, the sympathy, and the fellowship of his neighbors" (Hanifan 1916).

Woolcock and Narayan give a brief overview of the subsequent development of the concept:

"After Hanifan the idea of social capital disappeared for several decades but was reinvented in the 1950s by a team of Canadian urban sociologists (Seely, Sim and Loosely,1956), in the 1960s by an exchange theorist (Homans,1961), and an urban scholar (Jacobs, 1961), and in the 1970s by an economist (Loury,1977)....The seminal research by Coleman (1988) on education and by Putnam (1993), on civic Participation and institutional performance, however, has the inspiration for most of the current work".

The modern development of the concept came from mainly three authors Bourdieu, Coleman and Putnam with many others from various fields contributing to the growth of a multidisciplinary theory.

Bourdieu is responsible for bringing the concept of social capital into present-day discussions. In his view, social capital facilitates intra-group identification, trust and normativity—that is, mutual recognition, solidarity, and obligations among individual group members. Yet, it equally promotes inter-group distrust and conflicts between and among groups whose networks of trust and social norms are dependent upon suspicion, misrecognition or exclusion of others' networks and norms (Lewandowski 2008).

The concept of social capital has, in recent years, been recognised by sociologists and economists as an adjunct to traditional forms of capital: financial, physical and human. It is network memberships that enable command over scarce resources. Social capital does not constitute the resources themselves but rather the ability of the individual to mobilize those resources on demand.

James Coleman (1988), views upon social capital as something that rests in social structures and creates productive outcomes. He explores how the productive nature of social capital might offset deficiencies in other forms of capital such as human and cultural capital (Teachman et al. 1997).

Robert Putnam, a political scientist enjoys the credit of popularizing the concept of social capital through his study of civic engagement in Italy. The study found that where trust is high, development is also high. His study about decline in social capital in America made the idea a subject for wide academic deliberation and research.

Since 1990s literature on social capital has been growing at an amazing pace with contributions by people from various fields including economics, business, psychology, health, and education.

3.3. Defining social capital

According to John Field (2003), the central thesis of social capital theory is that 'relationships matter'. The key idea is that 'social networks are a valuable asset'. Interaction enables people to build communities, to commit themselves to each other, and to knit the social fabric. A sense of belonging and the concrete experience

of social networks (and the relationships of trust and tolerance that can be involved) can, it is argued, bring great benefits to people (Olivera). The idea, originally proposed by L.J. Hnifan (1916), and popularized recently by Robert Putnam has been adopted by the World Bank as a major research arena in view of promoting it as a social antidote to the problem of prevalent economic and societal underdevelopment. Management experts think of it as a way of fostering organizational effectiveness. A growing body of research suggests that where trust and social networks flourish, individuals, firms, neighbourhoods, and even nations prosper economically. Social capital can help to mitigate the insidious effects of socio-economic backwardness.

Very broadly, social capital refers to the social relationships between people that enable productive outcomes. The creation of social capital has been considered a possible solution for social problems as diverse as poverty, crime, economic underdevelopment, corruption, and inefficient government. It was the French sociologist Pierre Bourdieu (1980) who brought the concept into present-day discussions. He defines social capital as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition, or in other words, to membership in a group which provides each of its members with the backing of the collectivity-owned capital, a credential which entitles them to credit, in the various senses of the word”.

James Coleman, an American sociologist, defines social capital as “a variety of entities with two elements in common: they all consist of some aspect of social structure, and they facilitate certain actions of actors...within the structure” – that is, social capital is anything that facilitates individual or collective action, generated by networks of relationships, reciprocity, trust, and social norms.

Robert Putnam, an American political scientist, transformed the concept from an individual or group based perspective in to one of the nature of an attribute of the community. According to Putnam, Social capital refers to “the features of social organization, such as trust, norms, and networks that can improve the

efficiency of society by facilitating coordinated actions” (Putnam et al. 1993). For Putnam, social capital, despite its potential dark side in the form of closed networks and clientism, is on balance a productive resource that enables the democratic resolution of collective action problems, “greases the wheels that allow communities to advance smoothly,” and develops and maintains “character traits that are good for the rest of society” (Putnam, 2000).

3.4. Some other definitions of social capital are:

‘Social capital is about the value of social networks, bonding similar people and bridging between diverse people with norms of reciprocity’ (Dekker and Uslaner 2001).

‘The goodwill available to individuals or groups. Its source lies in the structure and content of the actor's social relations. Its effects flow from the information, influence, and solidarity it makes available to the actor’ (Adler and Kwon 2002, p. 23).

Social capital is something “made up of social obligations ('connections'), which is convertible, in certain conditions, into economic capital and may be institutionalized in the form of a title of nobility” (Bourdieu 1986, p. 243).

According to Adler and Kwon (2002, p. 17), social capital refers to the ‘goodwill that is engendered by the fabric of social relations and that can be mobilized to facilitate action’.

"Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Social capital is not just the sum of the institutions which underpin a society; it is the glue that holds them together." (World Bank, 2001).

‘The number of people who can be expected to provide support and the resources those people have at their disposal’ (Boxman et al. 1991, p. 52).

‘Friends, colleagues, and more general contacts through whom you receive opportunities to use your financial and human capital’ (Burt 1992, p. 9).

'the ability of actors to secure benefits by virtue of membership in social networks or other social structures' (Burt 1992, p. 9).

'Social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: They all consist of some aspect of social structure, and they facilitate certain actions of individuals who are within the structure' (Coleman 1990, p. 302).

The Australian Bureau of Statistics (ABS) adopted the following definition: "social relations of mutual benefits characterized by norms of trust and reciprocity" (ABS, 2000).

“The ability of people to work together for common purposes in groups and organizations” (Fukuyama 1995, p-10).

'Social capital can be defined simply as the existence of a certain set of informal values or norms shared among members of a group that permit cooperation among them' (Fukuyama 1997).

'Features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit' (Putnam 1995, p.67).

'naturally occurring social relationships among persons which promote or assist the acquisition of skills and traits valued in the marketplace. . . an asset which may be as significant as financial bequests in accounting for the maintenance of inequality in our society' (Loury 1992, p. 100).

"Investment in social relations with expected returns in the marketplace". Nan Lin. Statistics New Zealand considers social capital to be “relationships among actors (individuals, groups, and/or organisations) that create a capacity to act for mutual benefit or a common purpose”. They further add that "social capital is the social resource that is embodied in the relations between people. It resides in and stems from contact, communication, sharing, co-operation and trust that are inherent in ongoing relationships" (Spellerberg, 2001).

'The sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or

social unit. Social capital thus comprises both the network and the assets that may be mobilized through that network' (Nahapiet and Ghoshal 1998, p. 243).

“Social capital is a person’s or group’s sympathy toward another person or group that may produce a potential benefit, advantage, and preferential treatment for another person or group of persons beyond that expected in an exchange relationship.” Lindon J. Robison.

All studies discuss social capital in relation to the particular discipline, study level, and context and this study adopts the following definition and conceptualization for social capital.

“All formal and informal relationships among people, groups and institutions that are expected to bring productive outcomes”.

“Relationships among actors (individuals, groups, and/or organizations) that create a capacity to act for mutual benefit or a common purpose. (Statistics New Zealand 2002:3).

3.5. Features of social capital

The important features of social capital as identified by prominent authors on the subject are given below:

1. “Social capital has no finite basis, as does physical capital, nor does it display clearly observable bases, as in the case of human capital. Rather, social capital inheres in the structure of relations between actors and among actors’. Forms of social capital, then, are aspects of social structure that facilitate action (Coleman 1988).
2. “Where as economic capital is in people's bank accounts and human capital is inside their heads, social capital inheres in 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).

3. It can be used for multiple purposes and can be converted to other forms of capital;
4. It requires maintenance, and it may depreciate with non-use, but not with use.
5. It cannot be 'owned' by an individual, nor can it be traded. It is a 'public good'.
6. It exists only where there is mutual commitment and cooperation from contributing parties (Adler & Kwon 1999, Uphoff & Krishna 1999).
7. It is both a public and private good. (Putnam 1993).
8. Social capital is field specific. An actor's high social capital in a particular field may not automatically benefit him outside that field. (Tura and Harmakorpi, 2005).
9. Social capital can develop only if people are willing (Shortall 2008).

3.6. Aspects of Social Capital

Social capital theory covers various aspects such as dimensions, levels, types, determinants, benefits and downsides. The dimensions are structural and cognitive including trust, rules and norms governing social action, types of social interactions and network resources. Interrelations and interactions at various levels such as family, community, professions, and countries is another dimension of social capital. Social capital can be classified into different types such as bonding or bridging relations (horizontal or vertical), weak or strong relations open or closed relations or geographically dispersed or circumscribed relations, etc. The nature and the quality of social capital is determined by various factors such as history and culture, socio-economic stratification in the community, strength and characteristics of civic society, families and kinship connections, institutional and policy framework and rules, norms that regulate public life, etc.

3.7. Levels of Social Capital

Gomez and Santor (2001) points out three levels at which Social capital can be defined: Country, community and the individual. At the country level, social capital is viewed as the generalized trust worthiness of Government or other societal

institutions. This includes the willingness to participate in civil society, obey the law and a general efficacy in the workings of civil administration. At the community level, in their words “social capital exists as ‘neighbourhood networks’, or as Putnam (1995) suggests, it signifies “features of social life – networks, norms, and trusts – that enable participants to act together more effectively to pursue shared objectives.” That is, social capital could be thought of as the extent and quality of connections within communities”. At individual level, “Social capital is that individual’s social characteristics – including charisma, status and access to networks – that enable that person to extract private returns from interactions with others (Glaeser et al (2000)).”

3.8. Dimensions of Social Capital

Nahapiet and Ghoshal (1998), suggest that social capital should be considered in terms of three different dimensions- structural, relational and cognitive.

Structural dimensions of social capital relate to an individual’s ability to make weak and strong ties to others within a system. This dimension focuses on the advantages derived from the configuration of an actor's either individual or collective network. It is concerned with types of network members and the resources they can share with others. Multiple ties across different fields of expertise provide social capital, leading to greater benefits for the organisation or individual (Burt, 1997).

The relational dimension focuses on the character of the connection between individuals. This is best characterized through trust of others and their cooperation and the identification an individual has within a network. It refers to ‘the kind of personal relationships people have developed with each other through a history of interactions’ (Nahapiet and Ghoshal, 1998, p. 244). The behavioral norms governing social interaction such as trust and reciprocity are considered important here.

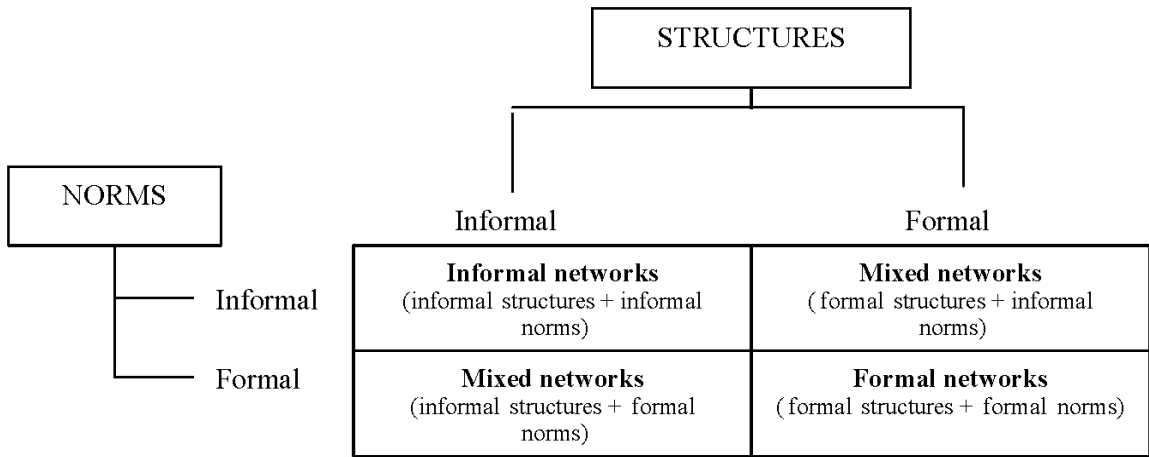
The cognitive dimension is concerned with the codes, language or narratives (myths and stories) shared across organisations and networks. Authors have referred

to these antecedents as shared values, culture or goals (Inkpen and Tsang, 2005; Tsai and Ghoshal, 1998). Shared values and understandings benefit members by reducing conflicts and risk in relationships. These are often considered a valuable business asset as it helps to create belongingness and improve cohesion, efficiency, productivity and collective learning.

Networks:

Formal and informal networks are central to the concept of social capital. They are defined as the personal relationships which are accumulated when people interact with each other in families, work places, neighbourhoods, local associations and a range of informal and formal meeting places (ABS, 2000). Depending up on the nature of networks formed, there can be bonding, bridging or linking social capital. Networks of social relations may be large or small and formal or informal. In discussing formal, informal networks, Putnam (1998) suggests that informal networks include relationships people have with their families, partners, friends and neighbours; whereas formal networks include relationships at work, within community groups and churches, and with formal bodies such as businesses and governments. In this way, social capital can be thought of as comprising four broad groupings: informal structures, formal structures, informal norms and formal norms.

Fig: 3.1. Structures and norms in social capital



(Source: Western et al (2005). Measuring Community Strength and Social Capital - Centre for Research into Sustainable Urban and Regional Futures (CR-SURF) and The UQ Centre for Social Research, The University of Queensland, Brisbane 4072, Australia).

Putnam suggests that the existence of networks lowers the cost of transactions between members of the community. They also foster norms of reciprocity, improve flow of information about trustworthiness of other members of the community, and reinforce a community culture (tradition) of the worthiness of collaboration. Putnam emphasises the importance of the 'horizontal' nature of networks. Flora (1998) and Woolcock (1998), suggest that vertical networks which link a locality to resource centres and organisations at a regional or State level, are essential for the macro forms of social capital necessary for economic development. Other features of networks considered important include network density and diversity, interlinking and overlaps of networks, network inclusiveness, and flexibility of networks.

Shared norms, values and understandings

Shared norms, values and understandings relate to shared attitudes about behaviour which are common in society and which are accepted by most individuals and groups as a "good thing" to do. Norms governing network behavior relate to trust, unity and reciprocity.

Trust

The trust, others place in an actor itself is a kind of capital. Trust capital signifies the resources and benefits one can activate because of his reputation for being trustworthy (Esser 2000). It is this that helps to obtain strategic information, resources and services even if costs of abuse of trust are high. Trust emerges from the actor's reliability in keeping promises.

Within informal networks individuals have what is called particularized trust; a trust that is specific to the individual a person knows. This is different to the trust people have for strangers since the integrity of a stranger cannot be predicted with the same certainty as it can for a person known to the individual. The trust afforded to strangers is by its very nature generalized and is termed 'generalized trust'. Trust in formal networks, which is referred to as institutional trust, is similarly general because it is not aimed at individuals but rather at institutions and relates to, for

example, trust of ‘the government’, of ‘the police’ or of ‘the church’(Western et al.(2005).

Trust is the ingredient in relationships that enable cooperation. It sustains relationships, enhances commitment, and acts like a lubricant that makes groups or organisation run effectively (Fukuyama 1995; Dasgupta 2005).

Unity

Unity is a feeling of belonging to a network together with the feeling that a two-way relationship exists between the individual and the network. It creates a sense of mutual ownership of the task and a two-way relationship between the institution and individuals.

Reciprocity

Reciprocity concerns the exchanges that take place within a network. Individuals are likely to offer assistance to others if they believe that in the future the assistance will be reciprocated. Volunteering is a good example of reciprocity within a formal context where an individual may feel that he/she is ‘giving something back’ to the community. Trust, unity and reciprocity are closely related.

For the normative dimension, a high level of social capital is indicated by particularized trust, generalized trust, unity and reciprocity. High levels of social capital are associated with high levels of trust, unity and reciprocity in informal networks, such as family and friendship networks, and in formal networks such as the community at large, local groups and associations and institutions.

Davies and Ryals (2010) in their study of fair trade organisations in UK highlight the importance of ‘shared values’, ‘desired values’ and ‘assimilated values’ in the success of fair trade. In their words:

“The shared value of third world development or co-operation was an important driver for the creation of relationships. Partner selection included a distinct preference for organisations with similar values and beliefs, particularly during the formative years of all three case organisations”.

With regard to financial performance their study suggests that “possession of desired values is extremely valuable for financial performance. More often than not, relationships formed through desired values led to the highest level of resource exchange”.

Kilpatrick (1999) considers norms as part of communities’ attitudinal infrastructure. In his words, “Trust, the values, norms, attitudes and visions that are shared, and the degree to which community members are prepared to act on behalf of others without an immediate return (reciprocity) are part of the community’s value/attitudinal infrastructure”. According to him, “The degree to which values, norms and visions are shared with the community will influence the outcomes of interpersonal interactions, by affecting the ease with which community members interact and the degree of sharing of knowledge resources which occurs”.

3.9. Types of Social Capital

Different types of social capital can be described in terms of different types of networks (Putnam, 2000).

Bonding social capital:

Bonding social capital is made up of closer connections between people and is characterized by strong bonds e.g. among family members or close friends. It is good for "getting by" in life. It connects similarity and enables cooperation. A high level of such social capital is seen in situations where there are cohesive networks of considerable density and where interactions are governed by norms of trust and reciprocity. Cohesive and strong communities, therefore, are characterized by high levels of bonding social capital, where as weak communities are characterized by low levels of social capital. But bonding social capital need not always be good for an economy. Horizontal associations can hinder growth as they may encourage special interests and group lobbying that are against the wider interests of the society. Highly cohesive communities may promote policies of exclusion and can be resistant to changes.

Bridging social capital:

Bridging social capital is described as more distant connections between people and comprises of weaker but more cross-cutting ties. These are less dense than bonding social capital and it cuts across groups rather than within them. Bridges are characterized by heterogeneity of membership that entails ties that cut across characteristics of social groups such as gender, wealth, religion, etc. (Krishna and Shrader 1998). It is good for "getting ahead" in life e.g. connections with business associates, acquaintances, friends of friends, etc.

Linking Social Capital:

Links are connections with people in positions of power and is characterized by relations between those within a hierarchy where there are differing levels of power; it is good for accessing support from formal institutions. It is concerned with relations between people who are not on an equal footing. According to Woolcock (2002), "the capacity to leverage resources, ideas and information from formal institutions beyond the community is a key function of linking social capital".

The distinction between bonding and bridging social capital is important because the impact of social capital depends on the form it takes in different circumstances. For instance, in childhood and old age, bonding social capital is more important to health. However, as people seek employment, bridging social capital becomes more important. Links are merely a special case of bridges and are measures of the bridges people have with authoritative organizations (Putnam. *et al.*, 1993, 2000). Where bridging social capital is essentially horizontal (that is, connecting people with more or less equal social standing), linking social capital is more vertical, connecting people to key political (and other) resources and economic institutions—that is, across power differentials. Links are important in the development context where those working in NGOs, other agencies and institutions play a key role in providing local communities with access to information, resources and support system necessary for development. Studies reveal that it is an appropriate combination of bonding, bridging and linking social capital that is responsible for the observed outcomes of social capital.

3.10. Benefits of Social capital

In the words of Putnam (1995), “For a variety of reasons life is easier in a community blessed with a substantial stock of social capital. In the first place, networks of civic engagement foster sturdy norms of generalized reciprocity and encourage the emergence of social trust. Such networks facilitate coordination and communication, amplify reputations, and thus allow dilemmas of collective action to be resolved. When economic and political negotiation is embedded in dense networks of social interaction, incentives for opportunism are reduced. At the same time, networks of civic engagement embody past success of collaboration, which can serve as a cultural template for future collaboration. Finally, dense networks of interaction probably broaden the participants' sense of self, developing the "I" into the "we", or (in the language of rational-choice theorists) enhancing the participants' "taste" for collective benefits”.

Thus, the formation of social capital has been highlighted as a solution for a wide variety of human problems. Researchers from various fields have also reported empirical evidences for many such propositions. In the words of Boix and Posner (1998) “the creation of social capital has been embraced as a solution for social problems as diverse as urban poverty and crime, economic underdevelopment and inefficient government”. Social capital has been promoted as the missing link in development (Grootaert, 1998). “It is frequently seen as a panacea for the ills of social and economic exclusion, and deprivation and as a way of rebuilding the social and economic foundations of distressed communities by promoting horizontal forms of association and mutual support amongst such communities, and by linking the disadvantaged and excluded in vertical forms of association with those in power. By building social capital in distressed areas, employability will improve, employment rates will increase, social ills will decrease, and overall economic development and economic inclusion will occur. Moreover, all this will be done at the grass roots level by the people themselves”, (Miles and Tully, 2006). Putnam (2000) and Fukuyama (1995) argue that social capital will lead to civic communities having better educated children, safer neighbourhoods, more favourable social welfare

indicators, stronger economies, and a healthier and more personally satisfied populace.

Esser (2008), while discussing individual and collective aspects of social capital, identifies six typical forms of resources or benefits associated with social capital. They are:

1. Access to information and a certain kind of social life through relationships.
2. Readiness of actors to become trustfully involved in risky ventures with other actors.
3. The production of support, help and solidarity.
4. The availability of social control and a certain level of attention to the fate and action of other members of a network like in family, among relatives or neighbourhood.
5. A climate of trust in the network like among colleagues at a research institute.
6. Validity of norms, values and morality within a group, organisation or society.

Esser considers the first three as private good originating from individual efforts or relational capital of the individual. The other three are collective phenomena -public good - that cannot be produced through individual effort alone and is the fruit of the system capital prevailing in the network.

Porta et al, (1997) finds that across countries, a one-standard deviation increase in their measure of trust increases judicial efficiency by 0.7 of a standard deviation and reduce government corruption by 0.3 of a standard deviation. Other authors have found connections between social capital and health at the individual level. There is also a clear correlation between membership in organizations and self-reported happiness (Glaeser, E. L. (2001).

Other benefits identified by researchers include:

1. The prospects of getting employed improve with social capital.
2. High social capital is associated with better individual wellbeing.

3. Social capital enhances information flows, reduces transaction costs and lowers risk associated with economic activities.
4. Social capital is a key factor in creating successful, economically inclusive clusters of firms.
5. It facilitates knowledge creation and sharing within and across organisations.
6. It facilitates transfer of technology.
7. It strengthens democracy.
8. Social capital has deep impact on child development-opportunities and choices, educational achievement, attitudes and personality development.
9. In high social-capital areas public spaces are cleaner, people are friendlier, and the streets are safer with lower crime rates.
10. High social capital shows strong association with better health and researchers attribute a cause effect relation between the two.

3.11. Negative Social Capital

Social Capital may also have undesirable outcomes. The same type of social ties that lead to a wide variety of benefits may also exhibit some downsides with serious negative consequences. It is often a double edged sword. As Woolcock and Narayan point out “There are also costs in that these same ties can place considerable non-economic claims on members’ sense of obligation and commitment, with negative economic consequences. Group loyalties may be so strong that they isolate members from information about job opportunities, foster a climate of ridicule towards efforts to study and work hard or siphon off hard-won assets”. The same ties that bind also exclude. Powerful networks can restrict access to opportunities, for example the caste system in India, with its rigid boundaries restricted social mobility to the deprived for a long time. Social capital often fetters individual freedom.

Some authors are of the view that negative social capital is the result of a disproportionate amount of bonding and bridging connections. Without ‘bridging’ social capital, ‘bonding’ groups can become isolated and disenfranchised from the rest of society and, most importantly, from groups with which bridging must occur

in order to denote an "increase" in social capital. Excessive bonding may produce more harmful effects than benefits and the operations of criminal gangs, corruption and cronyism are commonly cited examples. The strengthening of insular ties can lead to a variety of effects such as ethnic marginalization or social isolation. In extreme cases even ethnic cleansing may result if the relationship between different groups is so strongly negative.

3.12. Factors affecting social capital

Authors differ widely with regard to their opinion on the factors responsible for social capital stock of individuals and communities. Factors identified include:

- ***Social structure:*** Communities based on egalitarian social structures tend to have higher social capital stock compared to those fostering inequalities. Exploitative social order, as in the case of a major part of India, promotes disparity of all kinds leading to erosion of trust among social groups. Studies show that in India, dominant caste/class groups or factions have been able to capture most of the benefits of government welfare and developmental programmes. Divisive social norms have destroyed trust and social capital in villages making collective action very difficult. The social capital in such communities sets examples for negative social capital as the norms of social order primarily work to legitimize injustice and promote exclusion. Regarding individuals, one may be endowed with better access to social capital as a result of his parents or family enjoying high socio economic status in the community. The position of the family in the social structure is considered an important source of social capital. Families placed in the upper strata of the social structure are able to access diverse networks possessing varied kinds of resources while those in lower strata suffer.
- ***Education:*** Education is considered an important factor influencing the social capital stock. It provides people the capacity to interact and socialize easily with strangers. Self confidence and perception of the ability of individual to contribute and influence the environment are important factors in social capital formation.

- ***Past experience of collective action:*** Social capital is produced by opportunities for collective action. According to Boix and Posner (1998) repeated cooperation increases the available stock of social capital, and high stocks of social capital, in turn, make it possible to sustain social cooperation.
- ***Strong Leadership:*** Strong and effective leadership, has been considered effective in building social capital and ensuring collective action in traditional as well as modern communities. Good and able leaders are respected, listened to carefully and their directions are complied with. Kilpatrick describes leadership as a part of communities' interactional infrastructure. According to him, "The quality of leadership and its distribution in a community can facilitate and coordinate access to social capital resources within and outside a community. Leadership is part of a community's interactional infrastructure."
- ***Memories of collective sufferings:*** Communities bearing the prints of massive mishaps and disasters are more likely to maintain higher levels of sociability and cooperation and develop faster. The growth of Japan after World War II and the society oriented culture of its people are often cited as examples.
- ***Age:*** Young people are found to be more particular in building social capital as they hope to stay on the planet for many more years. As people grow old, they slowly withdraw from creating many more connections for various reasons including health.
- ***Home ownership and period of stay in an area:*** These are found to be important in determining peoples' investment in social capital. Long period of stay leads to higher social capital stocks due to long term interaction and spread of kin and kith relationships. Home owners nurture social capital purposefully as it is necessary for protection and maintenance of the property and other interests.

3.13. Social Capital and Poverty

The basic idea of social capital is that one's family, friends, and associates constitute an important asset, one that can be called upon in a crisis, enjoyed for its

own sake, and/or leveraged for material gains. In the development literature, those communities endowed with a rich stock of social networks and civic associations have been shown to be in a stronger position to confront poverty and vulnerability and share beneficial information. Poverty and vulnerability are not purely economic phenomena, reflecting what people have; they are also social phenomena, reflecting who they are. The south Asia region is characterized by various kinds of historically entrenched group-based inequalities. Caste, ethnicity and religion exacerbate the economic dimensions of poverty and vulnerability through processes of cultural devaluation which assign certain groups of people a lower position in the social hierarchy (Kabeer 2005). The poor depend largely on social relationships than on material assets. These include relations with authorities and community organisations, gender relationships, and the ability (but often unfulfilled desire) to participate in civil society. Thus poverty is not simply a lack of material resources (Spicker 2007). A defining feature of being poor is that one is not a member of-or is even actively excluded from-certain social networks and institutions that could be used to secure good jobs and decent housing (Wilson, 1996). Without access to employment information networks, residents of inner city ghettos find themselves trapped into low wage occupations. Living on the margins of existence, the social capital of the poor is the only asset they can potentially draw upon to help negotiate their way through an unpredictable and unforgiving world. As Dordick (1997) notes, “the very poor have “something left to lose”, namely each other. While much of the discourse surrounding poor people and poor economies is one of deficits, a virtue of the social capital perspective is that it allows theorists, policymakers, and practitioners to take an approach based on assets.” The social capital concept highlights the idea that people or groups with the “right” types of social connections can more effectively employ other types of capital they possess (such as financial resources, knowledge, skills, and abilities) to achieve their goals than can people or groups with social connections of a different type. People with the right connections occupy a position in the network of social exchanges that allows them to bring their resources to bear on problems in a more timely and effective manner (Burt, 2000; Portes, 1998).

The fight against poverty means strengthening the capacity of people and communities to satisfy their needs, solve problems and improve their quality of life through their active participation and involvement to which end creation of social is perhaps the most effective strategy.

Social Capital – A remedy to “Social Darwinism”

Woodworth (2006), points out Social Capital as an antidote to “Social Darwinism” a term he used to describe the idea of “survival of the fittest” in the human society. In his words “To me, social capital is an intangible, yet significant, resource that bridges human relationships through common or shared interests. It generates a sense of mutual interdependence in which human beings develop a level of confidence and interest in one another, along with respect and willingness to help each other. I suggest that micro credit approaches must have a high degree of social capital. Micro credit is not just about money. It is not simply a financial construct. Instead, genuine micro credit must generate social dynamics between the borrowers during their acquisition of micro loans and their progress out of poverty”.

3.14. Social capital and Human capital

The human development (HD) approach to development emerged in the late 1980s on the conceptual foundation provided by Dr. Amartya Sen and Dr. Mahbub ul Haq. The HD approach puts people at the centre of the development agenda, where economic growth and wealth are considered means to development, rather than the end by itself. In the words of Sen, “the twin recognition that human beings can 1) fare far better, and 2) do much more to bring this about may sensibly be seen as the two central thesis of the human development approach”,(HDR 2012-13). Accordingly, purpose of development is to improve human lives by not only enhancing income but also by removing the obstacles to what a person can be and do in life, such as lack of income, illiteracy, ill health, lack of access to resources, or lack of civil and political freedoms.

It is now widely acknowledged that social capital is having far reaching impact on the development of human capital in a society (Bourdieu 1986, Coleman

1990). Well connected parents and social ties can enhance the possibilities for individuals to obtain better education, training, and skill. It facilitates greater investment in public education system, greater community participation in the management of educational institutions opens up new avenues of skill development and provides greater access to credit. Narayan and Pritchett provide evidence that social capital is associated with higher levels of parental participation in schools and higher level of school quality. In high trust societies employee hiring decisions are more influenced by educational credentials than by kinship or personal association leading to better returns on human capital investment. Education and human capital development, on the other hand, also lead to better social capital attainment. Better educated ones are generally able to involve in diverse networks that are rich in resources.

Individuals cannot flourish alone. Individuals are bound up with others. Social institutions affect individuals' identities and choices. Being a member of a healthy society is an essential part of a thriving existence. An integrated society relies on effective social institutions that enable people to act collectively, enhancing trust and solidarity between groups. These institutions include formal nongovernmental organizations, informal associations and cooperatives, as well as norms and rules of behaviour. They influence individual human development outcomes, social cohesion and social stability (HDR 2013-p-35). The development of social institutions that are favourable for human flourishing is essential for the development of any society.

A question that is constantly raised regarding the two is whether human capital or social capital that is more important in accessing of resources. Several studies show that in most societies social capital is as important as human capital and in societies characterized by low human and economic development social capital turns out to be more important than human capital. Boxman and Flap (1991) found that human capital had its greatest effect on income when social capital was low and human capital had its least effect on income when social capital was high. Therefore what studies reveal is that in status attainment process and accessing of resources, who you know is at least equally important as what you know.

3.15. Social capital and collective action

Social capital is considered an important determinant of the ability of a society to take collective decisions and undertake mutually beneficial collective action. The key components of social capital like trust, networks, norms and shared values facilitate co-operation among people (Fukuyama 1995; Dasgupta 2005). Networks are instrumental in locating collective action opportunities and providing information regarding reliability and reputation of parties. Social capital instills trust among actors as it increases potential cost of opportunistic behaviour. There is significant agreement that social capital plays a useful role in enabling collective action initiatives (like SHGs) to operate (Ibrahim 2006; Shortall 2008). Social capital nurtures trust and reciprocity, helps group members to reach collective decisions, permits information sharing, and provides social protection. It also enhances the bargaining power of individual members of the group, in addition to enhancing their new individual and collective rights (Ibrahim 2006; Putman 2000). By fostering robust norms of reciprocity and fair dealings it reduces cost of cooperation. Collective action and decision making attains particular importance in rural settings where common property resources, such as water, forestry or grazing land, need to be managed by a community. Studies reveal that trust and perception of shared values have a key role in addressing collective action requirements.

Communities with high internal homogeneity exhibit better cooperative capacity. Chrzstiaan Grootaert in his study of Indonesia observes that: “the highest participation in collective action comes from members of internally more homogeneous organizations”, and “the ability to organize collective action is more a function of trust and a shared perception of a common good. It stands to reason that this is more readily achieved among people who are kin or share religious convictions”, (Grootaert, 1999, p.46).

Grootaert also observes that compared to the poor, wealthier households are less inclined towards participating in collective action. Trust is considered highly significant as it has a direct bearing on peoples’ expectation regarding the sharing of collective benefits.

3.16. Social Capital and Economic Development

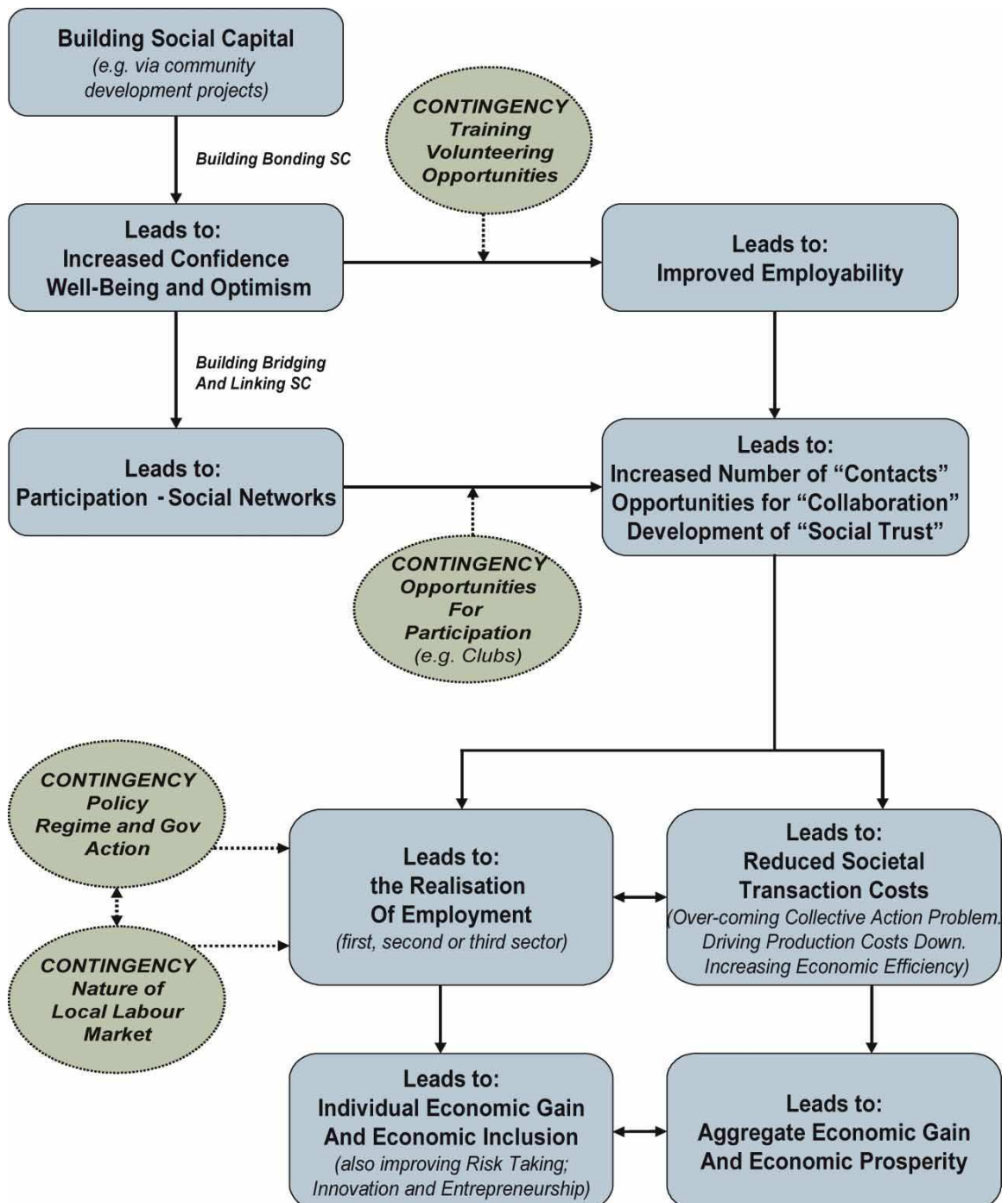
There is a growing consensus among researchers that social capital is an important factor contributing to economic advancement and wellbeing of a society. They are of the view that traditional composition of natural capital, physical capital, and human capital needs to be broadened to include social capital. Social capital refers to the internal social and cultural coherence of society, the norms and values that govern interactions among people and the institutions in which they are embedded. Social capital is the glue that holds societies together without which there can be no economic growth or human well-being. Much of the literature which focuses on social capital and economic development highlights a correlation and attributes a causal relationship between social capital and economic development. Creation and use of social capital is considered to be one of the emerging tools of development programmes. Researchers across disciplines are of the view that social capital has a bearing on development.

In the words of Michael Woolcock, “In economics, Nobel laureate Douglass North (1990) argued that formal and informal institutions (the legal structures and normative “rules of the game”) were crucial to understanding economic performance. In political science, Robert Putnam (1993) showed that the density and scope of local civic associations laid the foundations for the widespread dissemination of information and social trust, thereby creating the conditions underpinning effective governance and economic development. (See also Fukuyama, (1995). In sociology, Peter Evans (1992, 1995, and 1996) demonstrated that whether a State was “developmental” or “predatory” was crucially dependent on both the capacity of its public institutions and the nature of State-society relations. By the late 1990s, the development literature on institutional capacity, social networks, and community participation inspired by these works began to coalesce around a general framework loosely held together by the idea of “social capital.”

Knack and Keefer (1997) show that a one-standard deviation increase in a measure of country-level trust increases economic growth by more than one-half of a standard deviation.

Studies identify the means through which social capital may facilitate improved economic performance. The model given below shows how social capital would eventually lead to economic prosperity and inclusion.

Figure 3.2. From social capital to economic prosperity and inclusion



(Source: Miles and Tully, (2007).)

Putnam suggests that the existence of networks lowers the cost of transactions between members of the community. They also foster norms of reciprocity, improve flow of information about trustworthiness of other members of the community, and reinforce a community culture (tradition) of the worthiness of collaboration. Putnam emphasises the importance of the 'horizontal' nature of networks. Flora (1998) and Woolcock (1998), suggest that vertical networks which link a locality to resource centres and organisations at a regional or State level, are essential for the macro forms of social capital necessary for economic development. According to Woolcock, where there are strong intra-community ties and strong extra-community ties, there exists the greatest possibility for economic success. He also suggests that for maximum efficiency, there must be forms of social capital which promote linkages and integrity between civil society with government and a high degree of integrity in the functioning of both public and private organisations.

Fukuyama (1995) observes that high trust societies have many 'intermediate' social groups (based on multiple voluntary associations) and exhibit what he calls 'spontaneous sociability'. This spontaneous sociability is an important factor which enhances economic activity through more effective group behaviour, reduced transaction costs and better access to information. He also suggests that such communities have better opportunities for the creation of larger and more efficient business organisations.

Social capital improves cohesiveness in group behaviour leading to higher productivity and lower costs. It leads to early adoption of better technology and fosters innovativeness. Social capital reduces the possibilities of opportunistic behaviour and the problems related to contract enforcement is minimized. The prevalence of trust and loyalty allows a substantial decrease in transaction costs. Economic agents save on contracting, management and monitoring, as many relationships are informal.

Social relationships facilitate collective action, and in particular informal insurance mechanisms like rotating credit associations. Mutual aid can be a crucial element in societies that lack efficient risk management institutions. They also help

in smoothing various fluctuations of the economic activity. In addition collective action may also involve the production of public goods such as common waste management, often avoiding the problem of incurring high fixed costs.

3.17. Social Capital in Organizations

Leana and Rousseau (2000) describe Organizational Social Capital (OSC) as generalized associability and trust that relies not on knowledge of individuals but on norms and behaviors generally held by those within the social unity. It is an attribute of the organization as a whole, rather than a resource property of particular individual members. It is “a resource reflecting the character of social relations within the organization, realized through members collective goal orientation and shared trust”. OSC is a collective good as opposed to a private property; it focuses largely on the indirect benefits of social capital to its members. Social capital is a resource tightly bound with the organization, it cannot be traded on an open market and it cannot be easily exchanged from one social system to another. As such, social capital could result in firm’s most enduring source of competitive advantage if management can influence its development and appropriate its value (Adler and Kwon, 2002; Moran, 2005).

OSC has two main components: employees’ collective goal orientation – associability – and shared trust. Leana and Buren (1999) define associability as “the willingness and ability of organizational members to subordinate their parochial interests to firm’s collective goals”.

The issue of social capital building at organizational level is rather under developed in social capital literature. Some authors argue that at organizational level, the creation of social capital is not very different from the creation of human capital: it is done through education, and therefore requires investments in training and an institutional infrastructure within which the training can take place. Unlike conventional human capital, which involves the transmission of certain specific skills and knowledge, social capital requires the inculcation of shared norms and values, and it is often brought about through habit, shared experience, and leadership. Domenec Mele (2003) calls for the creation of an ‘organizational

humanizing culture’ for the creation of trust and associability –the key aspects of social capital – inside the organisation. A high level of organisational social capital may lead to:

- Better knowledge sharing, due to established trust relationships, common frames of reference, and shared goals.
- Lower transaction costs, due to a high level of trust and a cooperative spirit (both within the organization and between the organization and its customers and partners).
- Low labour turnover rates, reducing severance costs and hiring and training expenses, avoiding discontinuities associated with frequent personnel changes, and maintaining valuable organizational knowledge.
- Greater coherence of action due to organizational stability and shared understanding.

3.18. Role of social capital in microfinance

The link between microfinance and social capital is stronger and clearer than any other development programme. Finance of any sort is based on information, trust and credit worthiness. Most microfinance clients, as individuals, fail to meet these requirements and so are outside the purview of formal credit. Micro lending to individuals is unattractive to bankers as credit information of clients (who fail to offer collateral securities) is unavailable and the risk of adverse selection is very high. Besides, it is also uneconomical as servicing large numbers of small loans is highly expensive. SHGs formed by banks and microfinance institutions cultivate social capital by facilitating regular interaction and applying peer group pressure and monitoring among members. Social capital so cultivated facilitates microfinance transactions by reducing information asymmetry and replacing conventional collateral requirements with the groups’ social collateral. Social capital formation thus improves the credit worthiness of millions of microfinance clients all over the world. It contributes to the cultivation of trust, community feeling, and mutual dependence during emergency. Monitoring and mutual control by group members contributes to better microfinance performance by reducing the incidence of

defaults. From the part of financier, it also tackles the problem of economies of scale by facilitating allocation of larger advances instead of a large number of small ones.

3.19. Social Capital of Business Enterprises

According to Burt (1992), an enterprise's social capital is made up of relationships within and beyond the firm. Westlund and Nilsson (2005) classify the social capital of an enterprise broadly into two categories as internal and external social capital. Internal social capital signifies team spirit and climate of cooperation existing inside the enterprise. External social capital consists of connections that are related to production, environment and market. Thus according to them, social capital of a firm has four components (see table below).

Table: 3.1

The components of social capital of an enterprise

Internal SC	External SC		
	Production-related	Environment-related	Market-related
Links / relations that create and distribute attitudes, norms, traditions etc, that are expressed in the form of: Company spirit , Climate of cooperation, methods of codifying knowledge, product development, conflict resolution etc.	Links or relation to suppliers, product users, partners in cooperation and development	Links / relations to the local regional environment, to political decision makers, (including investment in lobbying), universities (non production related links) and other enterprises.	General customer relations built through marketing, customer clubs, programmes etc and expressed in, for example, trade marks.

Source: Westlund and Nilsson (2005).

Internal social capital essentially depends on the quality of relationships between the management and work force and among workers themselves. These relationships depend, among other things, on the type of organisation of work,

nature of production process and the knowledge gap existing between managers and workers. A team or work group will not be able to successfully complete its tasks unless there is a certain amount of positive social capital among its members. The organisation can contribute to the creation of group social capital by creating opportunities for repeated interaction among members by convening regular meetings, team building courses, training, internal entertainment etc. However the most important aspect is selection of group members so as to form an efficient group with complementary characteristics and capabilities without any particular personal or social tension among them.

The production related social capital indicates the social contacts with suppliers, other firms and organisations in production related matters including purchasing, transport, product development etc. Such links based acquaintanceship and trust enhances flow of knowledge and information, cuts costs, improve innovative capability and increases the competitive strength of enterprises. Westlund and Nilsson (2005) consider work related contacts, social contacts with local public decision makers and executives, local sponsorship and cooperation with the local university as indicators of environment related social capital. Cost of building and maintaining relationship with customers is taken as indicators of market related social capital.

3.20. Building Social Capital

Social capital has come to be increasingly recognised as a policy instrument which can be used to promote economic inclusion. One among the first to pursue the benefits of social capital as a research and development resource was the World Bank. The World Bank's **Social Capital Initiative (SCI)**, intended to define, monitor and measure social capital, was established specifically to 'improve our understanding of social capital and suggest ways through which the donor community can invest in social capital and create an enabling environment in which social capital can be strengthened' (World Bank 1998).

The creation and promotion of social capital is thus regarded as a holistic social antidote to the problem of economic and social exclusion prevalent among a major part of the third world population.

Building of social capital can be achieved by helping individuals and groups develop social networks, trust and behavioral norms, which, *inter alia*, will improve their own employability, increase opportunities to access employment, and enhance community capacities and capabilities. Social capital can be built or accumulated when people interact in a purposeful manner with each other in families, workplaces, neighbourhoods, local associations and a range of informal and formal meeting places.

According to Tarrow (1996), the state can play a key role in producing social capital especially 'good' social capital. However the efficacy of institutional intervention depends on the historical context and the specific requirements of the area and people.

Fukuyama (2002) suggests that in low trust societies the only way to building social capital on a society-wide basis is to strengthen the rule of law and the basic political institutions on which it rests. LEYS (2001) maintains that social capital has declined everywhere where the state has withdrawn from the provision of important community support and development institutions and functions. Development projects undertaken by the state and other agencies based on participatory development approach are found to be effective in social capital formation in various communities. Opportunities for cooperation and collective decision making offered by such projects result in creation of social capital. Boix and Posner (1998) posited theories of social capital as an equilibrium concept; According to him, repeated cooperation increases the available stock of social capital, and high stocks of social capital, in turn, make it possible to sustain social cooperation.

Self help Groups promoted by Governments and NGOs as a means for attaining financial inclusion among the poor are also thought of as creating and strengthening social capital among the deprived millions. Micro finance

organisations make use of this social capital pool as collateral for their lending decisions.

Education has been described as another important means of building social capital in a society as it provides socialization and creates common values and ideas (Fukuyama 2001). Education, especially at higher levels, enables individuals to construct bridging and linking connections, thereby, improving accessibility to diverse resources.

3.21. The Process of social capital formation and learning outcomes for small business

Kilpatrick (1999) examines the role of interactions between individuals in building social capital and the relationship between learning and social capital for small business. He outlines the way in which a small business community develops social capital through individual interactions facilitating collective learning and identifies a more generally applicable process of social capital formation. The sequential stages of the process are:

(1) Personal development- self-confidence, interpersonal and leadership skills:

People should understand their own strength and weaknesses and realize their ability to contribute useful ideas to the group to take active part in the process of social capital formation. Assuming leadership roles in the group, developing empathy and improving interpersonal skills of listening are important in this regard. The initial development of self confidence and skills such as leadership through a variety of interactions assists in people 'getting to know each other'.

(2) Knowing each other as individuals and developing shared values and trust:

Knowing each other occurs when members share their personal histories experiences and future aspirations. It creates a sense of freedom and openness allowing frank exchanges and constructive criticism. Knowing each other results in the formation of trust, which makes them regard each other as credible sources of advice and support.

(3) Coming to regard each other as credible sources of support and advice:

As people come to know each other, they develop a sense of belonging, and a feeling that all group members could make valued contributions. Only at this stage are they

able to decide whether fellow members and the group as a whole are credible as sources of support.

(4) Commitment to fellow members, or being prepared to ‘put in’: According to Kilpatrick, ‘Commitment’ represents the point at which personal development and ‘getting to know each other’ combine with sufficient reserves of trust between members to result in a commitment to future action. It is at this point that social capital can be used effectively (Kilpatrick 1999).

3.22. Elements of Social Capital

On the basis of his study of Social capital building process by Executive Link TM, Kilpatrick analyze social capital into two distinct components namely Knowledge resources and Identity resources.

1. Knowledge Resources: Knowledge resources are a knowledge of who, when and where to go for advice or resources, and knowledge of how to get things done. It comprises of common understandings related to knowledge of people, places, ideas and relationships. This knowledge is drawn from sources internal and external to the community. It includes the knowledge of:
 - The skills, knowledge and affective attributes of others in the community including values. This has both a historic as well as present dimension.
 - The common physical resources of the community including aspects of place, formal and informal networks, procedures, rules and precedents, internal and external resources and sources of information.
2. Identity resources: These are cognitive and affective attributes that allow community members to be able and willing (committed) to act for the benefit of the community and its members. Here interaction creates common understandings related to personal, individual and collective identities. Identity resources build a sense of ‘belonging’ and encourage participation, as well as providing the framework for people to reorient their views of self and others in order to be ‘willing to act’ in new ways.

It includes the role of interactions in:

- Producing and reproducing identities of self, others and place as a product of varied knowledge, skills, values and collective resources;
- Shaping and shifting identity-formation in such a way that facilitates people's agency, willingness or capacity to act for the benefit of the community, and in new and different roles, including leadership roles, than their previous perceptions of self allowed.

Knowledge and identity resources together enable community members to combine their skills and knowledge (human capital) with the knowledge and skills of others. They are micro level social capital resources, that is, they reside in the individuals in a community.

According to Kilpatrick, personal self-confidence, high level interpersonal communication and leadership skills are a part of identity resources, the willingness and ability to act for the group. As they come to know each other, they develop shared values and trust, a sense of belonging and commitment, and a sense that all group members could make valued contributions, that is, they build identity resources. Coming to regard each other as credible sources of support and advice is a further stage in the building of knowledge resources. Commitment to the collectivity and fellow members or being prepared to 'put in' is at the core of identity resources.

3.23. Model of simultaneous building and use of social capital

Based on the composition of social capital as comprising of Knowledge resources and identity resources, the Centre for Research and Learning in Regional Australia have developed a model describing the process of simultaneous building and using of social capital through interactions between individuals. The model is reproduced below:

Figure: 3.3 Model of simultaneous building and use of social capital in interactions

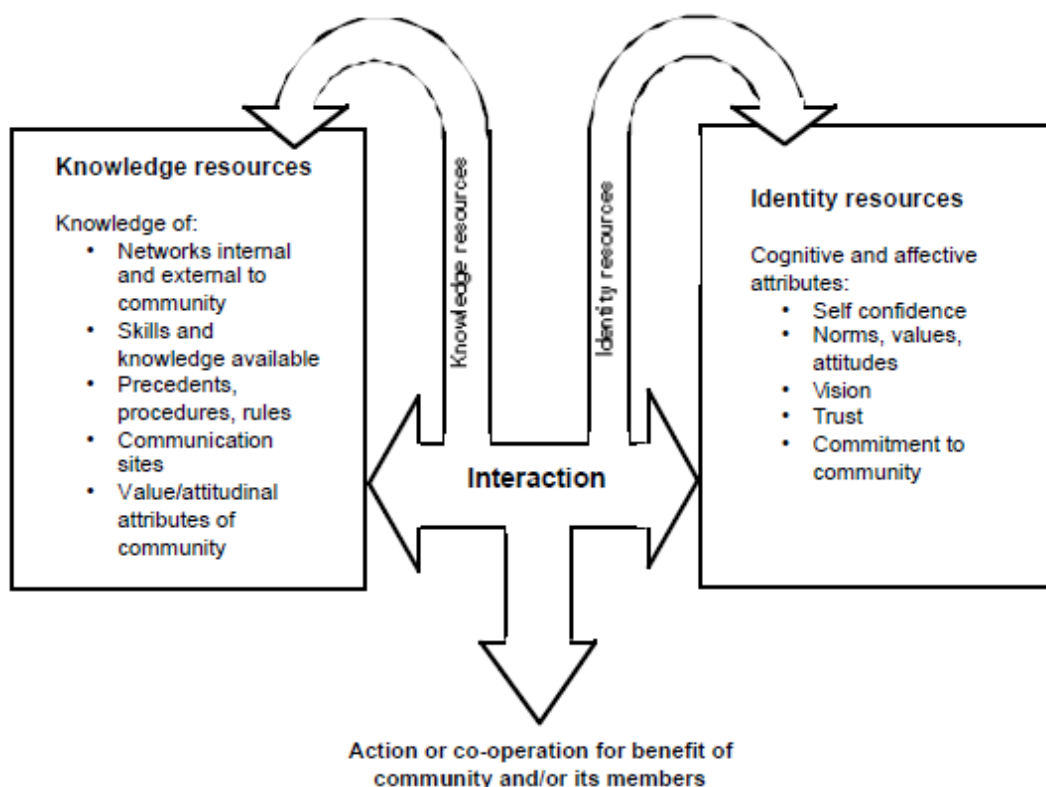


Figure : 3.3 Simultaneous building and using of social capital in interactions between individuals. Source: Kilpatrick (1999), Centre for Research and Learning, Regional Australia.

According to Kilpatrick, participation in activities in a community provides opportunities for interaction, these being opportunities for building social capital and for using social capital to enhance economic or social outcomes. The use of social capital results in changes in knowledge and identity resources. Social capital is dynamic and its quality is constantly changing as interactions improve understanding of resources possessed or values shared.

In his view, all interactions do not build social capital or have positive outcomes to individuals or communities. Production of social capital and benefits depends on the availability and accessing of it through interactions.

3.34. Quality of social capital used and built in interactions

The quality of social capital built in interactions depends on the richness of knowledge resources and identity resources embedded in the networks. It is

important that the available resources should be relevant to the purpose of interaction. Quality of social capital depends on the degree to which knowledge resources are shared and this in turn is dependent on the quality of identity resources available.

Kilpatrick (1999) considers the following as important aspects of the quality of social capital:

- The extent and relevance of knowledge of skills, knowledge and values of those within the community (quality of internal networks).
- The extent and relevance of knowledge of skills, knowledge and values of people external to the community (quality of links between internal and external networks).
- The degree of shared experience and understanding of aspects of history - personal, community, precedents (historicity).
- The extent to which shared visions (futuricity) reconcile historical experience.
- Ease of communication (physical sites, rules, procedures and degree of shared language).
- The extent to which norms, values and attitudes are shared.
- The degree to which participants build each others' self confidence or encourage positive identity shifts.
- Levels of trust and commitment.

3.35. Social capital of community and society

Individual interactions among community members build up the social capital stock of the community. These interactions are based on the social capital of the community and wider society to which they belong.

Kilpatrick identifies two kinds of community and societal level social capital that is utilised and fostered through interactions: **Interactional Infrastructure** and **Value or Attitudinal Infrastructure**.

Interactional infrastructure consists of networks that enable identification of parties with whom to interact, possible meeting places and opportunities, and guides for interaction in the form of procedures and leadership. It is similar to knowledge resources at individual level.

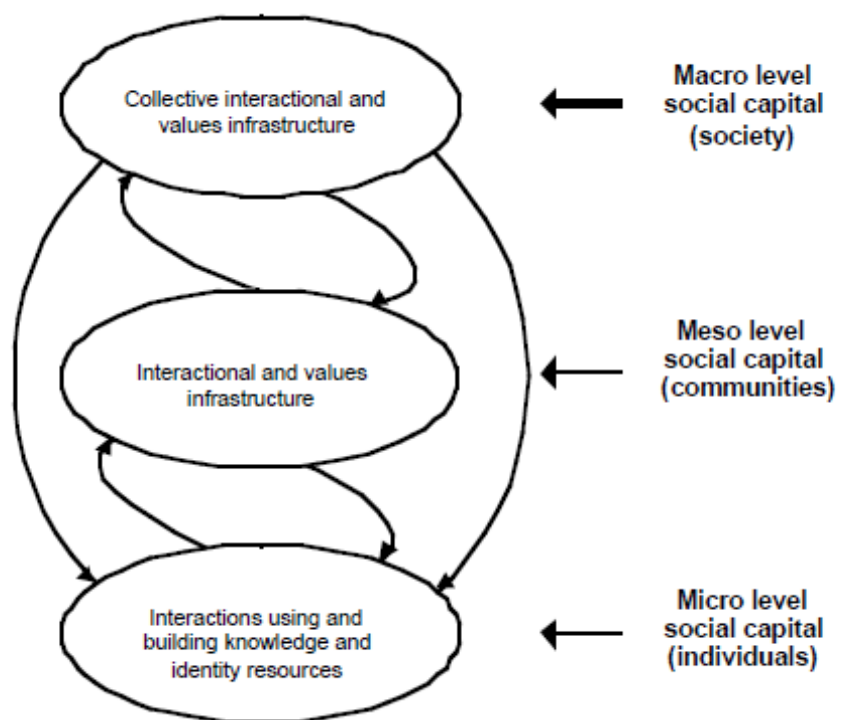
Value / attitudinal infrastructure implies the degree of trust and sharing of norms, values, attitudes and vision that underlies all interactions and determine the ease and efficacy of such interactions. It is similar to the micro level identity resources. Kilpatrick observes that Individuals' knowledge and identity resources and community and societal social capital resources are interdependent.

Linking and cross-cutting connections

Linking connections enable the members of a community to access resources that are not available within the community. External interactions are necessary to cope with changes that occur in the environment. Kilpatrick observes that a community which has access to knowledge and identity resources from the broader society has a wider pool of social capital upon which to draw for various purposes, and so is more resilient to 'shocks' and can achieve better outcomes. Kilpatrick suggests a model describing how the individual, micro level social capital, made up of knowledge and identity resources, interacts with community level (meso) and societal level (macro) social capital. Macro level social capital can be thought of as collective interactional and values infrastructure.

According to Kilpatrick, the quality of social capital built at individual level is influenced by the quality of social capital present at community and societal levels, which in turn, is built and sustained by interactions at micro level.

Figure: 3.4. Societal and community level social capital resources sustained by inter-personal interactions.



Source: Kilpatrick (1999).

3.36. Avenues of Social Capital Formation

Social capital formation takes place on platforms where people get opportunities to interact with others sharing similar values, norms and identity, resulting in the expansion of the radius of trust. Some such arenas that create and sustain social capital are briefly discussed below:

3.36. a. Religion and Social Capital

Religion is perhaps the biggest form of social capital in the world. Every individual born on the earth becomes the member of some religion by virtue of birth itself. The members of a religion are expected to follow the norms and customs of that religion and uphold the faith and values promoted by it. The most fundamental web of relationships and understandings to which a person is naturally oriented is mostly embedded in religious beliefs and customs. One's perception regarding the goal of life, norms to be observed, attitudes to be adopted, values to be promoted,

even the sense of beauty and justice, all are basically governed by religious beliefs. Regardless of its merit or otherwise, it has become an important factor influencing human behaviour. In the words of Coleman, “Religious organisations are among the few remaining organisations in society, beyond the family, that cross generations. Thus they are among the few in which the social capital of an adult community is available to children and youth” (Coleman 1990: 336).

Saguaro seminar on civic engagement in America states that: “Houses of worship build and sustain more social capital – and social capital of more varied forms – than any other type of institution in America. Churches, synagogues, mosques, and other houses of worship provide a vibrant institutional base for civic good works and a training ground for civic entrepreneurs. Roughly speaking, nearly half of America's stock of social capital is religious or religiously affiliated, whether measured by association memberships, philanthropy, or volunteering. Houses of worship run a variety of programs for members, from self-help groups to job training courses to singles’ clubs. Houses of worship also spend \$15- to \$20-billion each year on social services, such as food and housing for the poor and elderly. Regular religious services attendees meet many more people weekly than non-worshippers, making religious institutions a prime forum for informal social capital building”

Emile Durkheim, one of the early sociologists, regarded community as the essence of religion. Regular worshippers are more likely to create and maintain stronger relationships to the community and uphold religious rules as supreme. More religious communities are likely to develop spontaneous sociability and better cooperation among members and attain speedy improvement in living conditions, provided, they are properly linked to centres of power, resources and opportunities. However, it may also lead to everlasting misery and slavery if used in a way detrimental to the majority as is true of the caste system in India.

Religion provides both interactional infrastructure and attitudinal infrastructure necessary for social capital building. The stipulation regarding periodical assembly of devotees at places of worship, the role of priests, shared

language, manners etc constitute interaction-al infrastructure. The assumption regarding preexistence of norms, values and the shared identity serve as attitudinal infrastructure.

All religions posit rules and regulations to be observed by people in individual and collective life for the benefit of all and the community. In return, it offers a better life after life. Certain religions exercise rigorous ‘system control’ over its members and impose the rules of the game set by it through coercion - a function performed by the Government in modern societies. Viewed in this way, it looks like a primitive type of government that claims to have endowed with the laws of the almighty with authority and responsibility for its observance.

Religious social capital is basically exclusionary in character and so is easily amenable to misuse for selfish ends. People, generally, are more sentimental about their beliefs and religious issues often invite violent responses. This type of danger is very high with religions that promote very strong bonding social capital while discouraging bridges and links.

In Kerala mainly there are three religions namely Hindus, Muslims and Christians. Hindus constitute about 58% of the population while Muslims and Christians come about 22% and 20% respectively. As distinct from other parts of India, Kerala is a state where people of all religions and castes live together in peace and harmony. Keralites are considered very tolerant and respectful to others’ beliefs and customs. A study made by Kerala Sastra Sahitya Parishad (KSSP, 2008), gives some indications regarding the caste and religious orientation of people in Kerala. See tables 3.2 and 3.3 below.

Table: 3.2**Proportions of Keralites describing oneself or others by caste or religion**

Groups	% of people describing oneself by religion/caste	% of people describing neighbour by religion/caste
Economic groups:		
Very poor	14	27.2
Poor	11.6	25.1
Middle class	8.5	21.7
High income group	5.9	17.4
Religion:		
Hindu	8	22.7
Muslim	12.9	26
Christian	11.8	21.4
Caste:		
Backward castes	7.1	22.1
Forward castes	7.7	22.9
Scheduled castes	10.1	26
Scheduled tribes	18.4	24.1
Political affiliation		
LDF	7	21.4
UDF	12	25.4
BJP	14.8	26.9
Total	9.8	23.1

Source: Kerala Sastra Sahitya Parishad (KSSP, 2008) Kerala padanam, p-146.

Table: 3.3**Some indicators of caste / religious orientation of Keralites**

Groups	% supporting religion based politics	% supporting caste based politics	% preferring schools of own caste/religion	% who do not approve inter-caste marriage of children	% who do not approve inter-religious marriage of children
Economic groups:					
Very poor	5.1	4.4	11	25.2	44.7
Poor	4.3	3.6	10.9	28.6	44
Middle class	2.8	3	13.3	26.5	40.5
High income group	3.5	3.3	8.8	21.9	36.3
Religion:					
Hindu	3.5	3.6	9.3		31.3
Muslim	5.5	4.1	13.1		72
Christian	2.1	2	16.6		37.5
Caste:					
Backward castes	3.2	3.1	9.3	25.3	30
Forward castes	4.2	4.1	9.1	31.3	37.2
Scheduled castes	4	4.6	9.9	19.3	23.2
Scheduled tribes	3.4	3.4	10.7	39.6	42.6
Political affiliation					
LDF	2.4	2.5	9.3	22.8	33.6
UDF	4.8	4.1	15.6	28.6	49.3
BJP	11.6	8.6	14.6	38.2	47.5
Total	3.7	3.4	11.7	26.5	41.7

Source: Kerala Sastra Sahitya Parishad (KSSP, 2008) Kerala Padanam, p-147).

Though people in general are against caste/ religious intervention in politics, they exhibit strong caste / religious orientation while coming to personal and family affairs. 11.7% of keralites prefer own caste/religion school for their children. While 26.5% do not permit inter-caste marriage of children, the proportion is as high as 41.7% (72% for Muslims) for inter-religious marriages. Thus, religion and caste continues to be among the primary concerns of Keralites.

3.36. b. Government and Social Capital

The broadest definition of social capital includes government (Collier 1998, p-6). Government is a formally established form of social capital with a system of internally self enforcing rules under a legal system which makes use of force against free riding. A government is considered legitimate "to the extent that its claim is grounded in moral or political principles generally acceptable to its people and so long as its actions remain consistent with those principles" (Magstadt and Schotten, 1984). Therefore a legitimate government represents the collective social capital of a community backed by the power and capacity for coercion. Laws represent officially accepted norms of behaviour the violation of which shall invite punitive action from the formal monitoring mechanism. With the power of coercion, government addresses the problem of free riding. In the words of Narayan (1999) "a state is not just the state apparatus, but a set of social relations which establishes social order and backs it up with a centralized coercive guarantee within a given territory. Many of these relations are codified in the legal system. The laws and the underlying norms provide society with the most important public goods, namely generalized social predictability and broad equality among citizens (not just political rights, but the right to fairness from the state and the legal system)".

Through an authoritative organisation structure, it achieves collective action enabling the delivery of public goods and the management of common pool resources on a far larger scale than would otherwise be possible (Collier 1998). It also addresses opportunism through commercial and criminal law. Taxes, in this sense, may be thought of as levies on members towards the cost of running this system of provision of public goods. Thus government policies should obviously

be directed towards the provision of public goods like education, health, sanitation, justice and a host of other common utility facilities and services which cannot be produced through individual effort alone.

Many of the functions of a government may be performed in a similar or better way by informal organisations also. An informal network has fewer resources and rules but more flexibility and, in the literal sense, more sympathy than a formal organization. A formal organization cannot behave like individuals interacting informally, for its employees are officials of a rule-bound formal organization.

In spite of rigid institutional controls, social norms and values play a vital role in shaping individual and social life in any community. In the words of Douglass North, “In the modern Western world, we think of life and the economy as being ordered by formal laws and property rights. Yet formal rules in even the most developed country make up a small (although very important) part of the sum of constraints that shape choices. In our daily interactions with others, whether within the family, in external social relations or in business activities, the governing structure is overwhelmingly defined by codes of conduct, norms of behavior, and conventions” (North, 1990: 36). Thus informal institutions play a complementary role to formal institutions in regulating social life in even modern societies.

In the underdeveloped world, governments in many countries including India has failed to fulfill its due role in providing public goods especially to the poor and very poor. Growth of social capital is often considered an antidote to these deficiencies of the state. Besides, developmental programmes of governments are expected to produce better results if complemented by growth in social capital. Conscious attempts by governments in this direction may be fruitful. Any attempt in this regard should aim at improving the organisational capacity of the poor through their active participation along with the creation of cross-cutting ties and linking connections. The remedy of social capital formation, however, should not be taken by the state as an easy way of discarding the poor to their destiny.

3.36. c. Social capital: Groups and local associations

Associational abundance and increased group membership are considered important aspects of high social capital. Groups in this context are very broadly defined and may refer to: geographical groups (e.g. people living in a specific neighbourhood), professional groups (e.g. people in the same occupation, members of a local association or voluntary organisation), and social groups. According to Portes (1998), “social capital stands for the ability of actors to secure benefits by virtue of membership in social networks or other social structures”. In the words of Grootaert (1999) “at the level of the community, local associations can be a manifestation of social capital”. However, it must be emphasized that social capital and local associations are not synonyms. Social capital can and does exist outside the context of local institutions (whether formal or informal). For example, two neighbors who help each other in times of trouble have social capital but may never embody their bond in an association. Vice versa, the mere presence of an association does not prove the existence of social capital. Local branches of political parties, with mandatory membership, are associations which may display little or no social capital. For that reason, it is important to look at membership conditions (voluntary or not, payment of fees, etc.) and the degree of effective participation in associations before inferring social capital effects”.

The most important indicators adopted for measuring community level social capital includes density of associations, their internal heterogeneity, frequency of meeting attendance, extend of participation in decision making, payment of dues and the community orientation of such associations.

Kerala is often described as a region where high level of associational life has taken place. Researchers point out the synergy between state and civil society social capital of Kerala as the most important reason for its high level of social development. In the words of Heller (1996), “By any account, these development successes are tied to what are clearly exceptionally high level of social capital. Even the most casual observer of Kerala society would be quick to note the sheer density of civic organisations and the vigor of associational life. Keralites of all walks of

life, it would seem, have an irresistible inclination to combine, associate, and organise and to do so without the outbreaks of violent disorder Huntingtonians might have anticipated”. However, more recently, there has been growing criticism on the decline of social participation particularly by the middle class.

3.36. d. Social capital: Political Parties and Trade unions

Rate of political participation is considered an important indicator of the social capital stock of a community (Putnam, 2000). Political parties are entities representing public opinion and social capital and political parties are often considered like natural compatriots. Membership in political parties and political activism provides ample opportunities for social capital building as it facilitates abundant opportunities for interaction with many from various walks of life. It facilitates creation of links with centres of power and sources of scarce resources. Political participation causes the radius of trust to expand and develop generalized trust. Putnam considers the decline in political party membership as an indicator of declining social capital in America.

However, this argument is not without criticism. For example, Katz and Mair (1995) argue that modern political parties have become like cartels. Modern parties are like businesses, controlled from above and forsaking ideological purity. As party membership has fallen, control of the party apparatus has shifted to the parliamentary parties, which have sought greater autonomy from constituency groups.

According to Uslaner (2004), “Party activity is all about building *particularized trust* (in-group trust) rather than generalized trust. Strongly ideological activists are likely to see co-operating with the opposition as illegitimate”. It is a widely acknowledged criticism that political parties are concerned primarily with winning office rather than protecting public interest. Uslaner observes that “major political parties are elite institutions focused on winning elections and formulating public policies to govern the nation. In each case, social capital may prove to be more of a hindrance than a help to a party’s mission.

Too much participation can push a party to an ideological extreme and make it more difficult for the party to win an election”.

Kerala is known for wide political awareness and participation of people. Trade union activity has been very vibrant in almost all fields including unorganized sector. The major political parties include Communist Party of India (Marxist) leading the Left Democratic Front (LDF), The Indian National Congress and Indian Union Muslim League leading the United Democratic Front (UDF), and the Bharatiya Janatha Party (BJP). A study made by KSSP (2008) in Kerala found that 23.3% of the sample respondents are members of political parties and 16.3% are members of trade unions. Compared to higher income groups (16.7%), lower income groups (24%) are more inclined to party politics. In trade unions, however, the former (20.2%) shows more interest than the latter (16%). The study reveals that in total about 30% of people approach political parties for support while facing problems.

3.36. e. Internet and Social Capital Formation

Internet offers tremendous opportunities for social capital formation as it provides the media for communicating and sharing one’s views and ideas with numerous like minded people living all over the world at a very low cost. Social networking sites like Facebook, MySpace, Orkut, Twitter, whats App, etc are fast becoming the most vibrant social networks through which opinion formation takes place on a large scale. These are virtual networks that enable people to create both bonding and bridging social capital. Unlike face to face interaction, people can instantly connect with others in a targeted fashion by placing specific parameters with internet use. This means that individuals can selectively connect with others based on ascertained interests, and backgrounds. These networks may bring huge benefits to individuals as it does not have any kind of limitations pertaining to face to face interaction like time, place, proximity etc, of course, with a potential dark side. However, internet and social networking sites has also become a target for criticism. The major criticisms are:

1. The internet tends to replace strong bonding connections of people with online weak ties or “with socially empty interactions with the technology itself”.
2. Internet and social networking may erode the breadth and diversity of social relationships- it may create a world of “narcissism of similarity,” where sociability is reduced to interactions between those that are similar in terms of ideology, race, or gender.

Because of the vast potential of these media in mobilizing public opinion and arousing community action, even some national governments are behind some of these sites in the name of maligning contents.

3.36. f. Self Help Groups and Social Capital Formation

A Self Help Group (SHG) is an informal organisation of upto 20 people from the poorer section of the society, organised, owned, operated and controlled by the members, based on solidarity, reciprocity, common interest and resource pooling which are considered the key elements of social capital of a community. Thus the very foundation of self help groups rests on social capital. More than any other development programme the link between microfinance and social capital is stronger and clearer. Social capital cultivated through peer group pressure and monitoring replaces conventional collateral requirements and improves credit worthiness of millions of clients especially women. Along with that it also contributes other benefits such as greater sense of community, trust, reliance on each other in times of crisis, sharing of information, skill up-gradation, better decision making and bargaining power, within family and in community and creation of support system. (CIDA:1999-quoted by Basargekar 2010,p.29).

Oommen (2007), in his study of Kudumbashree in Kerala, found significant improvement in most social capital indicators including willingness to cooperate, mutual trust, trust and cooperation with members of local self governments. The study found that a major part of SHG members involve in active interaction in the group and are ready to help each other and contribute some money and work

voluntarily for the benefit of other members. The study indicates that the promotion of SHGs can be an effective strategy for building social capital.

In the words of Sinha et al (2006), “SHGs which were originally established to produce economic benefits for members eventually became an associational framework for collaborative actions that produce public goods”.

According to Ajay Tankha (2002), “Apart from accessing funds from the formal financial sector, SHGs can also become a forum for dissemination of development ideas and information, an association for community mobilisation or an organisational unit for linking up with other economic, social and political interventions”.

SHGs provide a platform for voicing the needs of the poor and exercising their collective capabilities towards their attainment. Groups can pool scattered individual resources there by enhancing their productivity. SHG networks can act as powerful linkages to strengthen this process of empowerment. According to Sinha et al, “SHGs are initially formed on the foundation of the accumulated endowment of bonding social capital already existing in the community. The social capital produced by the SHG as it matures through creation of new ties and linkages, strengthens the community’s cooperative capacity to the achievement of group government. When the SHGs grow they begin to articulate the community demands as they become aware of their rights and therefore attitude of the government bureaucratic officials changes and they become more responsive to the needs of the community i.e., with the maturity of SHG the state-society relationship begin to change at the local level towards the better” (Sinha Frances et al (2006).

Thus, SHGs promoted primarily with the objective of poverty alleviation has been recognised as a means of attaining social capital formation among the deprived millions. Creation of social capital plays a very vital role in creating collective consciousness amongst disempowered women. Though group formation was considered a way of providing credit information and ‘social collateral’ for micro-loans, it has eventually become an instrument for social mobilisation enabling mutually beneficial collective action.

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CHAPTER IV
SELF HELP GROUPS
A SNAPSHOT

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- ♣ *Features of SHGs*
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SELF HELP GROUPS

4.1. Introduction

The Self-Help Group (SHG) movement gained significance, especially after 1976 when Prof. Mohammed Yunus began experimenting with women SHGs and micro-credit in Bangladesh. SHGs are small informal associations created for the purpose of enabling members to reap economic benefits out of mutual help, solidarity and joint responsibility. SHGs enable the poor to mobilise small savings, avail credit facilities and run group enterprises for self employment. Self Help Group (SHG) is a self-governed, peer-controlled small and informal association of the poor, usually from socially and economically homogeneous families who are organized around savings and credit activities (Swadeshi Jagaran Foundation, 2004). Members of SHG meet regularly on a weekly or fortnightly basis to deposit their small savings and discuss group matters and common village problems, plan solution, share information and make efforts to improve their performance. The saving deposits mobilised by the group is used for extending credit to needy members. Most SHGs in India have 10 to 20 members, who can be only men, only women, only youth, or a mix of these. As women's SHGs have been promoted by a wide range of government and non-governmental agencies, they now make up about 90% of all SHGs. In India SHGs are integral parts of the National Bank for Agriculture and Rural Development (NABARD) programme for linking banks and SHGs. They are generally not registered.

NABARD (1997) defines SHGs as "small, economically homogenous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group members' decision". Self help groups are formed when women come together in groups of 10 to 20 people, and pledge their loyalty and support to each other through various means (Dasgupta 2005).

An SHG, both by definition and in practice is a group of individual members who by free association, come together for a common collective purpose (Sathish 2005). In practice, SHGs comprise individual members known to each other, coming

from the same village, community and even neighbourhood. That is, they are homogeneous and have certain pre-group social binding factors. The basis of the concept of SHG is self-organization of the poor at the community level driven by desire and an inherent capacity to improve their living conditions by themselves.

Today, in India, SHGs have become a potential tool for the empowerment of women facilitating social solidarity and socio-economic betterment of the poor in their own setting. SHGs provide the context for members to gain the unique benefits that may arise from helping someone who have the same problem as the helper ((Swadeshi Jagaran Foundation, 2004). The Savings and credit facility offered by SHGs provides its members with some control over capital enabling them partake in economic activity. They offer the venue for, shared experience; emotional support and social learning and can help to constitute a social identity. Other major outcomes of self-help groups include: emotional support, acceptance, empathy, affirmation, spirit of hope and sharing of feelings; provision of factual information and sharing of experiential knowledge; development of a sense of community; and individual and collective empowerment. They create an environment of collective perception, collective decision-making and collective implementation of programme for common benefits. This organization can provide strength and act as a social antidote to the helplessness of the poor.

4.2. Features of SHGs

The common features of SHGs are:

1. Self-help groups are mostly informal groups where members pool savings as thrift deposits.
2. The functioning of the group is governed by its by-law, rules and regulations determined by members and facilitating agencies.
3. Most groups are homogenous with regard to gender, income, social status etc.
4. Number of members can be up to 20 or above.
5. Most members belong to economically backward classes.
6. Minimum age for entry to the group is 18 years.

7. Members are mostly self selected.
8. SHGs hold periodic meetings regularly.
9. SHGs are self managed entities characterized by participatory and collective decision making.
10. The basis of an SHG is the mutuality and trust existing among its members.

4.3. Micro credit

Micro credit is a novel approach of banking with the poor that aims at the alleviation of poverty. It is different from other poverty alleviation programmes as it treats the poor as active participants and aims at provision of credit to suit their true requirements. Most micro credit programmes have adopted the SHG approach as it has the distinct benefits of high repayments of loans and low transaction cost. Loans under micro credit programs are very small, on an average less than \$100 by world standards and in hundreds or a few thousands of rupees by Indian standards. Micro credit continues to target the rural and urban households, with emphasis on women borrowers.

In the context of micro credit, SHGs are formed around the need for savings and credit. A small group of individuals, mostly from the same neighbourhood, become members, and pool their savings on a regular basis to form a collective fund. This fund is then rotated as credit amongst the members as per self generated norms. Hence the basis of the SHG is the mutuality and trust in depositing individual savings in group funds. Once the initial trust is established, the incentive or motivation for a member is the access provided to financial services through the common pool fund, which is higher than the individual contributions made. According to Ajay Tankha, “Barring a few exceptions, savings and credit has been used as a practical entry-point activity around which to organise (poor) women into SHGs. These SHGs are potential “micro-banks”, either on their own or through higher levels of association, capable of using their own resources, grants and borrowed funds for financial intermediation” (Tankha, A. (2002).

Once the stability, credit worthiness and the capacity of the group to handle savings are proven through successful operation for a certain period, the group can

get additional credit from the micro credit provider (an NGO, bank or Government agency) without any collateral security. The group exercises peer-pressure and monitoring to ensure prompt repayment of dues and proper use of funds by members. Thus micro credit and microfinance providers use 'social collateral' for ensuring sustainability of their operations.

A major hurdle faced by banks and other formal agencies in financing the poor has been the comparatively high transaction cost in reaching out to a large number of people who required very small doses of credit at frequent intervals. The same has been true of the costs involved in providing savings facilities to the small, scattered savers in the rural areas. SHG approach helps to overcome most such problems pertaining to credit information, scale, adverse selection, security, and recovery (Chakravarty, S., & Shahriar, A. Z. (2010).

4.4. SHGs and Poverty Alleviation

In India poverty tends to cluster among social groups (such as low caste and female headed households), that are the traditional targets of stigma, segregation, corruption and discrimination (Dreze and Sen 2002). Women are amongst the poorest of the poor and the most vulnerable. Micro credit helps women develop capabilities to make their own choices. This has positive effects on their quality of life and contributes to development (Garikipati 2008).

The SHG system offers women the possibility to break gradually away from exploitation and isolation. They engage actively in thrift and credit, income generating activities and community services such as natural resources management, literacy, child care, nutrition, etc. Loans, savings and insurance schemes help them smooth out income fluctuations and maintain consumption levels during lean seasonal periods (Littlefield et al. 2003). Loans are used for individual needs such as health, education, water supply, sanitation blocks, house construction or small business creation (Satish 2001).

The present approach towards poverty alleviation in India is based on the formation of self-help groups at the grass root level. The Government, Banks and

Many NGOs are promoting the SHG mechanism and linking it to various other development interventions. Micro enterprises are promoted to undertake income generating activities (IGAs) that are expected to generate adequate income on a sustainable basis. Self help groups have a positive effect on the poor as it allows them to protect; diversify and increase their sources of income. The development planners including the Government of India and the State Governments also recognised the real potential of the SHG movement in development of the poor and it was made an essential ingredient of all poverty alleviation programmes of the Government (NABARD 2011-12). As observed by Hiatt and Woodworth (2006), “It seems to us that village banking services to very poor micro entrepreneurs may come to be one of the most promising social inventions in this new 21st century”.

4.5. Growth of SHGs in India

In India the advancement of women was incorporated into national policy with the fifth Five Year Plan for 1974-78 periods (TNCDW 2000). Subsequent five year plans and government enquiries into the effectiveness of women’s programs have upheld the objective to achieve empowerment of women through self help groups. Thus this period marked the beginning of a process of empowering women and building capacity of delivery organisations (PC 2007, 2009; RBI 2005). The 10th Plan (1999 – 2004) committed the GOI “to encourage (the) SHG mode to act as the agent of social change, development, and empowerment of women” (PC 2002).

SHG movement in India was inspired by the success story of Prof. Mohammed Yunus who, in 1976, started women’s groups in Bangladesh to foster thrift and savings among the poorest which later on became the Bangladesh Grameen Bank. Propelled by this success many Non-Governmental Organisations (NGOs) in India became involved in organizing SHGs and they served as an agent between the bank and the poor. Inspired by the success of the Bangladesh Grameen experiment, there has been a phenomenal growth in the number of SHGs formed in various parts of India under Governmental or NGO programmes in recent years. In India the Self-Employed Women's Association (SEWA) is the pioneer in this field. SEWA was started as a trade union for women in the unorganized sector in 1972, even before

the inception of Gramin. In Southern India organisations like PRADAN, MYRADA, ASSEefa, MALAR etc. are some prominent SHG networks. In India major promotional institutions include the Government, banks and NGOs. India is experiencing a huge expansion in terms of households linked to microfinance, more specifically linked to Self-Help Groups. An average annual growth rate of 82 % was observed in the period from March 1993 to March 2006, in relation to a 110 % growth rate in terms of credit amounts (Fouillet and Augsburg 2007). The most important programme behind this development is the SHG Banking Linkage Programme. The small beginning of linking only 500 SHGs to banks in 1992, had grown to over 0.5 million SHGs by March 2002, 2.5 million SHGs covering 40 million households by 2007 and further to 7.96 million SHGs with 104 million members by March 2012 (NABARD 2012).

Table: 4.1

**Client outreach of SHGs from 2006-07 to 2011-12
Borrowers with outstanding accounts (in millions)**

year	Bank -SHGs	MFI SHGs	TOTAL	Adjusted for overlap
2006-07	38.00	10.00	48.00	44.90
2007-08	47.10	14.10	61.20	56.00
2008-09	54.00	22.60	76.60	70.00
2009-10	59.60	26.70	86.30	71.00
2010-11	62.50	31.80	94.30	76.70
2011-12	56.60	26.80	83.40	68.20

Source: SHG data from provisional data provided by NABARD and MFI data from Sa-Dhan. The Bharat Micro Finance Quick report 2012 and Mix Market data, Quoted by: Puhazhendhi, Venugopalan (2013) 'Microfinance India State of the Sector Report 2012', Sage publications.

4.6. Banks as Self Help Promotion Institutions

Though organized efforts towards the provision of formal credit to rural agricultural sector of India began during the first decade of 20th century itself with

the passing of Co-Operative Societies Act in 1904, a vast majority of India's agricultural community remained unbankable under the debt trap of money lenders even towards the close of the century. Since the introduction of social control in 1967 and subsequent nationalization of major banks in 1969, the mainstream banking system has always been involved in improving credit access to the poor as a special area of their operation under policy directions from Government as part of various poverty alleviation programmes. The establishment of the Regional Rural Banks in 1975 was a further step towards financial inclusion of the poor through the provision of small loans.

The establishment of NABARD in 1981 opened a new era in Indian banking with greater emphasis on provision of financial services in credit starved rural areas where over 75% of the population lived. NABARD initiated some research projects on Self-Help Groups as a channel for delivery of microfinance in the late 1980s. Amongst these the Mysore Resettlement and Development Agency's (MYRADA) sponsored action research project on "Savings and credit management of SHGs" was partially funded by NABARD in 1986-87. In 1988-89, in collaboration with some of the member institutions of the Asia-Pacific Rural and Agricultural Credit Association (APRACA), NABARD undertook a survey of 43 NGOs in 11 states in India, to study the functioning of microfinance SHGs and their collaboration possibilities with the formal banking system. Both these research projects disclosed encouraging possibilities and subsequently, in 1992, NABARD introduced a Pilot Programme called the 'Bank Linkage Programme' for starting and lending to SHGs. Banks were required to extend loans to SHGs as part of the programme. In 1992 NABARD issued a broad set of flexible guidelines to the formal rural banking system, explaining the project's modalities. The project was extended to the regional rural banks and co-operative banks in 1993. Encouraged by high repayment rate of micro credit many banks are now eager to lend to SHGs. NABARD also provides training support, Grant cum Aid support for micro credit under its different schemes. Initially there was only a slow progress in the programme up to 1999 as only 32,995 groups were credit linked during the period from 1992 to 1999. Since then the programme has been growing rapidly and the number of SHGs financed annually

increased from 81,780 in 1999-2000 to more than 6.20 lakhs in 2005-06 and 7.01 lakhs in 2007-08. But the pace of growth showed a declining trend during the last few years with 2012 registering a negative growth of 9%. However the amount of loans advanced has registered an increase of 19 percent adding Rs.57.23 billion during 2012 (Puhazhendhi, Venugopalan (2013)).

Table 4.2

Growth of SHG Bank Linkage Programme.

year	No.of SHGs provided with Bank loans	Average loan size per group (Rs.)	Outstanding loans (Rs. Billion)	Increment in No of groups (Million)	Increment in Loans (Rs. Billion)
2006	2238565	37574	-	-	-
2007	2924973	44343	123.66	0.69	123.66
2008	3625941	46800	169.99	0.70	46.33
2009	4224338	74000	226.76	0.60	56.77
2010	4587178	115820	272.66	0.36	45.90
2011	4813684	122744	306.19	0.22	33.53
2012	4354567	144086	363.41	(-)0.05	57.22

Source: Puhazhendhi, Venugopalan (2013) 'Microfinance India State of the Sector Report 2012', Sage publications.

4.7. Government and Self Help Promotion

The failure of the top down approach to development prompted the planners in India also think of the importance of people's participation in the success of development programmes. During the past few decades the Government of India and many of the State Governments have made concerted efforts to enhance participation of people through the promotion of SHGs. The government entered Self Help Group movement with the Rashtriya Mahila Kosh, through which NGOs were granted funds for forming and nurturing SHGs. Later, the Indira Mahila Yojana came into existence, which also facilitated group formation and nurturing process.

The Government of India has launched two major SHG schemes namely Swarnajayanthi Gram Swarozhar Yojana (SGSY) and Swarnajayanthi Shahari Swarozhar Yojana (SJSRY) with a view to fostering self help group micro enterprises respectively among rural and urban households of the country. These schemes provide a subsidy of 30% for individual enterprises and 50% for group enterprises.

4.8. Swarnajayanti Gram Swarozgar Yojana (SGSY)

The SGSY was introduced by the Government of India from 1.4.1999 to provide assistance to the rural poor (Swarozgaris) by helping them establish micro enterprises. SGSY is conceived as a holistic programme covering all aspects of self employment viz. formation of self help groups (SHGs), capacity building, planning activity, clusters and infrastructure build up, technology, credit and marketing. This programme lays emphasis on skill development through training courses (Economic Review 2010). Since the inception of the SGSY 42.05 lakh SHGs have been formed, of which approximately 60 per cent are women SHGs. Total investment under the SGSY is 42,168.42 crores comprising 28,824.53 Crores as credit and ` 13,343.89 Crores as subsidy. Approximately 168.46 lakh swarozgaris have been assisted with bank credit and subsidy (Economic Survey 2012-13).

National Rural Livelihood Mission (NRLM or Aajeevika)

The SGSY now restructured as the NRLM has been renamed Aajeevika and implemented in mission mode across the country since 2011. The main features of Aajeevika are (Economic Survey 2012-13):

- a) One woman member from each identified rural poor household to be brought under the SHG network,
- b) Ensuring 50 per cent of the beneficiaries from SC/STs, 15 per cent from minorities, and 3 per cent persons with disability while keeping in view the ultimate target of 100 percent coverage of BPL families,
- c) Training for capacity building and skill development,
- d) Ensuring revolving fund and capital subsidy,
- e) Financial inclusion,

- f) Provision of interest subsidy,
- g) Backward and forward linkages, and
- h) Promoting innovations.

SGSY IN KERALA

Assistance provided to micro entrepreneurs in Kerala under SGSY during 2010-11 comes to Rs. 33.56 Crores out of which 25.85 Crores are granted to group enterprises and 6.71 crores are granted to individual entrepreneurs.

Table: 4.3

Credit and Subsidy disbursed under SGSY in Kerala (Rs. Lakhs).

Year	Credit Disbursed			Subsidy Disbursed		
	SHG entrepreneurs	Individual entrepreneurs	Total	SHG entrepreneurs	Individual entrepreneurs	Total
2008-09	6062.54	2192.95	8259.49	2579.24	730.94	3310.18
2009-10	6962.69	2292.28	9254.97	2890.57	717.63	3608.20
2010-11	2685.42	670.65	3356.07	1080.32	204.01	1284.33

Source: Economic Review 2010.

The Physical achievement of SGSY in Kerala in terms of number of individual and group beneficiaries is shown below:

Table: 4.4.

Number of individual and group beneficiaries under SGSY in Kerala

Year	No. of group entrepreneurs assisted					No. of individual entrepreneurs assisted				
	SC	ST	Women	Disabled	Total	SC	ST	Women	Disabled	Total
2008-09	10740	984	21966	407	28448	5839	474	3789	755	7474
2009-10	12014	1738	26840	324	31894	5770	618	4279	757	7356
2010-11	3182	532	8601	91	10499	1553	115	1096	204	2049

Source: Economic Review 2010.

4.9. Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) is a centrally sponsored urban poverty alleviation programme initiated in 1997. The programme is financed

by the Central and State Governments in the ratio of 75: 25. The programme aims at providing gainful employment to the urban unemployed and underemployed poor by setting up self employment ventures and taking up wage employment in public works. It also aims at empowering the community to tackle the issues of urban poverty through suitable self-managed community structures like Neighbourhood Groups (NHGs), Neighbourhood Committees (NHC), Community Development Society (CDS), etc. The programme is being implemented by the Urban Local Bodies through Community Based Organization of the poor.

SJSRY includes the following components (Economic Review 2010):

- 1) Urban Self Employment Programme (USEP): For providing assistance to individual urban poor beneficiaries for setting up gainful employment ventures –Micro enterprises.
- 2) Urban Women Self-help Programme (UWSP): For encouraging under-employed and unemployed urban poor to set up small enterprises relating to manufacturing, servicing and petty business.
- 3) Urban Women Self-help Programme (UWSP): For providing Revolving fund for enterprise groups as working capital support and incentive to neighbourhood groups for bank linkage.
- 4) Technology, Marketing and Other Services (TMOS): Aimed at the creation of support mechanism for Micro enterprises on various areas of business management.
- 5) (STEP-UP) for Self Employment Training: For enabling correct selection of beneficiaries for USEP and UWSP enterprises and to build necessary skills for them to run the enterprises.
- 6) STEP-UP – Placement oriented training: For enabling urban poor to build skills and access employment opportunities in various sectors of the economy.
- 7) Urban Wage Employment Programme (UWEP):- This programme seeks to provide wage employment to urban BPL beneficiaries by utilizing their labour for construction of socially and economically useful public assets.

- 8) Urban Community Development Network (UCDN) which focus on the strengthening of community structures and community development networks.
- 9) A&OE for Meeting administrative expenses at the State and District levels.
- 10) Information, Education and Communication (IEC): For undertaking information, communication and education activities to promote SJSRY.

The scheme has been revamped w.e.f. April 2009. The annual budgetary provision for the SJSRY for the year 2012-13 was 838 Crores and of this 516.77 Crores had been released upto 7 February 2013. A total of 4, 06,947 people have benefited from this scheme during 2012-13(Economic Survey 2012-13).

SJSRY in Kerala

In Kerala, Kudumbashree Mission is the State Level Nodal Agency for SJSRY and the programme is implemented through kudumbashree. Details of the micro enterprises are given below:

Table: 4.5.

Physical achievements of SJSRY from 2006 to 2010.

year	No. of individual enterprises developed	No. of group enterprises developed	No. of Persons trained	Wage employment created(man days)
2006-07	2010	241	4731	12080
2007-08	1493	189	5344	0
2008-09	2079	357	718	13796
2009-10	781	283	2519	13995
2010-11	-	-	-	5698

Source: Economic Review 2010.

As per Kudumbashree statistics, so far, it has developed 27820 individual enterprises and 2234 group enterprises under SJSRY benefiting 49794 families. It

has also created 4.57 lakhs person days of wage employment under the Wage Employment Programme (www.kudumbashree.org).

4.10. THE KUDUMBASHREE MISSION, KERALA: AN OVERVIEW

4.10.1. Kudumbashree is the community oriented poverty eradication programme of Government of Kerala. As its name indicates the project aims at the prosperity of households in Kerala through the empowerment of women. It has been envisaged as an approach to poverty alleviation focusing primarily on micro finance and micro-enterprise development, and integrally linked to local self-government institutions. The project launched on 17th May 1998 has adopted the self help group approach for organizing women. Under Kudumbashree, women have organized themselves under a three – tier community based organization with neighbourhood groups (NHGs) at the bottom level, Area Development Society (ADS) at ward level and Community Development Society (CDS) at Panchayat /Local body level. As on March 2013, Kudumbashree has covered above 38,00,000 families through 2,10,688 NHGs, 19,773 ADSs and 1,072 CDSs (www.kudumbashree.org).

Kudumbashree provides microfinance-thrift and credit- facility to members through bank linkage programme. It operates in close association with rural and urban local self governments and acts as a nodal agency for anti-poverty programmes of the government with a focus on micro-enterprise development among the poor. It has become a medium for the implementation of various government programmes. Since a great majority of the women micro entrepreneurs belong to Kudumbashree, various aspects of its operations are briefly discussed below.

4.10.2. The background

During 1990s, in spite of remarkable advancement attained by Kerala in all human development indicators, the fact remained that it was still lagging far behind other comparable communities in matters concerning gender equality and female work participation. Educated unemployment among women was five times higher in rural areas and three times higher in urban areas compared to men. They were

subject to all forms of discrimination and exploitation at work places besides discriminatory wages. They lacked command over resources preventing their economic independence. Violence against women and sexual harassment continued to register a growing rate year by year. All these seemed to indicate some of the deficiencies of the Kerala model of development. It was in this social milieu that kudumbashree took shape during 1990s.

4.10.3. The mission

The mission of Kudumbashree is “to eradicate absolute poverty in ten years through concerted community action under the leadership of local governments, by facilitating organization of the poor for combining self-help with demand-led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty, holistically” (www.kudumbashree.org).

4.10.4. Specific objectives

The specific objectives of Kudumbashree (www.kudumbashree.org) are:

1. Identification of the poor families through risk indices based surveys, with the active participation of the poor and the communities to which they belong.
2. Empowering the poor women to improve the productivity and managerial capability of the community by organizing them into community based organisations (CBOs).
3. Encouraging thrift and investment through credit by developing Community Development Societies (CDSs) to work as informal bank of the poor.
4. Improving incomes of the poor through improved skills and investment for self-employment.
5. Ensuring better health and nutrition for all.
6. Ensuring basic amenities like safe drinking water, sanitary latrines improved shelter and healthy environment.
7. Ensuring a minimum of 5 years of primary education for all children, belonging to risk families.

8. Enabling the poor to participate in the decentralization process through the CDS, as it is a subsystem of the local government, under which it works.

4.10.5. History

Kudumbashree is an expansion of the Alappuzha (1992) model of poverty alleviation which won the UN Award at the 50th Anniversary of UN at New York in 1995. The project stood different from other poverty alleviation programmes in the sense that it incorporate the target group as active participants rather than passive beneficiaries. The project was planned and executed by the Local Administration Department of the Government of Kerala in Alappuzha Municipality. Hierarchical community groups of urban poor women were created and they were empowered to take up community based action in various sectors. The programme was a great success and was extended to other urban areas in the State. In 1994, the Government implemented a replication of the programme in the whole of Malappuram District including the rural areas. It was further extended to the entire state of Kerala in 1998.

4.10.6. Organisation

The following are the community structures adopted by Kudumbashree:

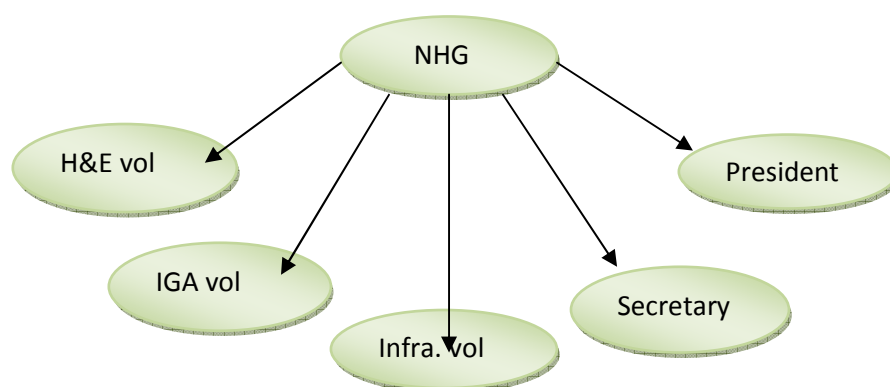
- Kudumbashree Ayalkoottam (Neighbourhood Group or NHG)
- Kudumbashree Ward Samithy (Area Development Society or ADS)
- Kudumbashree Panchayat Samithy (Community Development Society or CDS)

Neighbourhood group (NHG):

Women residing in a particular neighbourhood and belonging to more or the same socio-economic milieu can organise themselves into a Kudumbashree Ayalkoottam. There can be 10 to 40 members in a NHG. However for ease of operation and convenience, small groups are desirable and a maximum strength of 20 is recommended. Homogeneity of the group is important as it influences the propensity for intra-group cooperation. Usually women from identified poor families willing to work and cooperate in the group are chosen as members. Women from

APL families are also included. However it is stipulated that majority of the office bearers of the group should be from BPL families. Each group should have a bi-law approved by its general body. Some times Government officials are invited to the meeting for explaining the schemes implemented by them. In the weekly meeting all members bring their thrift, which will be collected and recycled, to the system by way of sanctioning loans. The group, through a democratic process, elects five of its members as office bearers to hold the following positions and lead its activities:

Figure: 4.1. Organisation of NHGs.



Source- Kudumbashree Mission

President chairs the weekly meetings and imparts necessary leadership and guidelines to the group members. Secretary records the proceedings of the meeting and make necessary follow up including team building.

Community Health Volunteer is responsible for the proper monitoring and coordination of various programmes of the health and social welfare department in the neighbourhood. She looks after health related requirements of group members including women, children and the aged.

Income generating activities of the group are under the supervision of IGA volunteer and she is liable for the collection, consolidation and upkeep of registers and books of accounts related to all economic activities including thrift mobilisation and distribution.

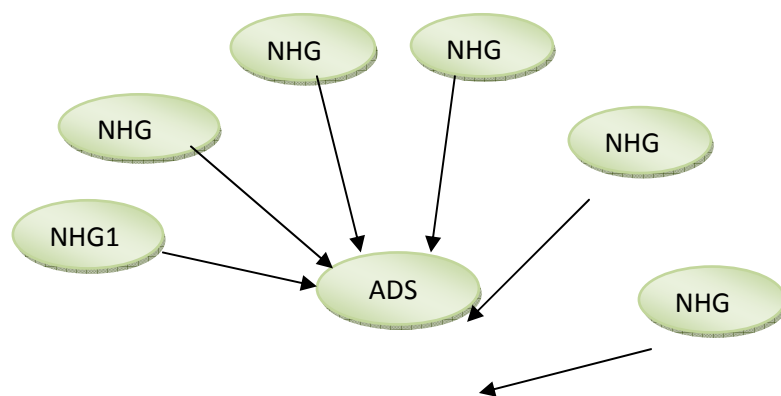
Infrastructure volunteer addresses the issue of infrastructural backwardness of group and the area and attempts to tackle such problems with the help of various

ongoing government programmes. She acts as a link between local self government and the group for facilitating local development (www.kudumbashree.org).

Area Development Society (ADS)

ADS is the ward level confederation of all NHGs operating in a Panchayat (Municipal) ward. Its general body consists of all the elected office bearers of all NHGs in the ward.

Figure: 4.2. Area Development Society



Source: Kudumbashree Mission.

The governance of ADS is vested in the hands of a committee of seven members elected from the general body. The chairperson and convener of ADS are elected from among the governing committee members. The ADS is responsible for provision of proper training, direction, supervision, coordination and support for the conduct of NHG activities.

ADS offers a link between the Local Self Government (LSG) and the NHGs. LSG ward members play a vital role in fine-tuning the activities of NHGs with the policy framework of LSGs through their key role in ADS as patron.

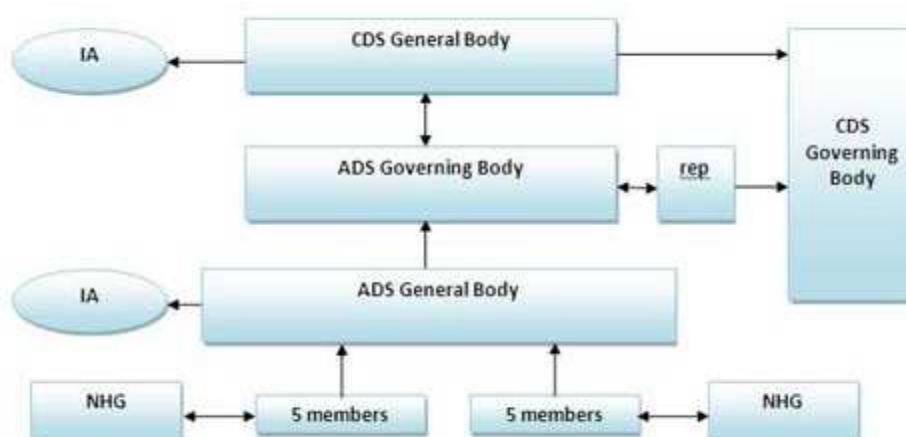
ADS coordinates and monitors the operations of NHGs in the respective wards of local government. Its responsibilities include evaluation and guidance of thrift and credit operations, identification and support of individual and group ventures and facilitating training to NHG members. It also has a critical role in obtaining bank linkages, availing of various loan facilities and benefit schemes.

Micro plans of NHGs are incorporated in to mini plans at ADS level. The evaluation and consolidation of activities of various NHGs under the ADS is made in the monthly executive committee meeting convened for the purpose. It also has to submit periodical reports to the CDS (www.kudumbashree.org).

Community Development Society (CDS)

CDS is the Panchayat / Municipal level confederation of all ADSs in that Panchayat or local body. It is a body registered under the Charitable Societies Act. General Body consists of all the Chairpersons and Governing Body members of all ADSs along with Resource Persons and Officers of the Local Body who are involved in implementing various Poverty Alleviation and Women Empowerment Programmes. A governing committee of nine members is elected by the general body to look after its operations. The chairperson and convener are elected from the governing body. The President of the gram Panchayat is the patron of the CDS. The standing committee Chairperson (welfare), all women members of the Panchayat and the Secretary of the Gram Panchayat are ex-officio members of the CDS. The Block Panchayat member/Members of the respective Block division/divisions are also Ex-officio members. A monitoring & advisory committee at municipality/corporation level is constituted with Mayor/Municipal Chairperson as Chairperson and the Municipal Secretary as the convener (www.kudumbashree.org).

Figure: 4.3. Community Development Society



Source: Kudumbashree Mission.

CDS is entrusted with a broad spectrum of responsibilities for ensuring the survival and growth of NHGs. Its duties include monitoring, evaluation, guidance and coordination of all important activities of NHGs in the Panchayat. It acts as a link between NHGs and Government or other agencies including banks. It should create opportunities for learning and capability building for Kudumbashree members. It has to develop and support micro ventures. It should foster the spirit of cooperation among NHGs and ensure the provision of all sorts of support including consultancy wherever needed. It is entrusted with overall supervision of Kudumbashree activities in the Panchayat including strategic planning and negotiations.

4.10.7. Strategies: Activities leading to social capital formation

The operations of the Kudumbashree mission have been based on the following strategies.

1. Formation of women groups.
2. Education and Training.
3. Skill Development Training.
4. Thrift and Credit Operations.
5. Sustainable Development through Micro Enterprises.
6. Infrastructure for Better Living Conditions.
7. Facilitating Participation and Empowerment.
8. Developing Leadership Qualities.
9. Community Development.

4.10.7. a. Formation of Women Groups

Kudumbashree has been instrumental in the formation of women groups at neighbourhood level throughout the length and width of Kerala. Women organised into self help groups are federated democratically to ADS at ward level and CDS at Panchayat level, thereby creating a well defined network structure that facilitates collective action. The neighbourhood groups (NHGs) are the basic instruments of women mobilisation and are federated into ward level Area Development Societies (ADSs) and Local Body level Community Development Societies (CDSs). The

Kudumbashree network of community organizations now covers about half of the total families in the State. Involvement in group activities, opportunity for wide social interaction, acceptance of responsibilities and leadership roles, and exposure to social issues is facilitated through this group involvement. These groups offer plenty of opportunities for economic and social cooperation to ordinary Kerala women.

Table:4.6. Growth of CBO network from 2007-08 to 2012-13.

year	No. NHGs	No. of families covered	No. of ADSs	No. of CDSs
2007-08	185309	3653655	16950	1061
2008-09	194000	-	17000	1061
2009-10	202879	3737000	17486	1061
2010-11	-	-	-	1061
2011-12	-	3800000	-	1072
2012-13	210688	3900000	19773	1072

Source: Kudumbashree, Govt. of Kerala.

The Total Inclusion Campaign implemented by Kudumbashree recently has attracted 456182 new members including 58936 from Scheduled Castes and 14222 from Scheduled Tribes.

4.10.7. b. Education and Training

Kudumbashree has adopted the strategy of educating and training women to enable them adopt a better outlook in matters connected to health, education and other social and economic aspects. The weekly meetings, discussions, sharing of experiential knowledge etc., are highly useful in this regard.

Skill development training:

Kudumbashree impart large numbers of trainings & orientation programmes year by year with the objective of fine tuning the skills and capabilities of Kudumbashree micro entrepreneurs, Organizational and network leaders and office

bearers in the areas of micro enterprise formation and other social & economic development programmes. Trainings provide a positive environment for the effective implementation of Kudumbashree programmes. Kudumbashree's training programmes are pro-active, and are aimed at being more than mere knowledge or information delivery (www.kudumbashree.org).

The major streams of training include Organisational Training, Enterprise Training, Financial Services Training, and Social and Gender Empowerment Training. Organisational Training helps to enhance the quality of functioning of the organizational network, focusing on developing abilities of the women in leadership and management. About 10 lakh women have been involved in Organizational Training, so far. Enterprise Training to help individual and group entrepreneurs enhance their business capabilities. Financial Services Training is in the area of Micro Finance and provides additional support to the community organization for engaging with financial institutions in an effective manner. Social - Gender Empowerment Training aims at the mainstreaming of the issues of the marginalized, particularly, those of women and SC-ST communities. It is intended to be a separate training and self learning programme for assessing and addressing rights based issues of the weak and the marginalized (www.kudumbashree.org).

Details of trainings conducted by the Mission during the year 2009-10 under various programmes are given in tables 4.7 and 4.8.

Table: 4.7. District wise details of EDPs and skill training to micro entrepreneurs during 2009-10.

District	No.of EDPs	No.of participants	No.of Skill Training	No.of participants
Thiruvananthapuram	34	2169	60	4191
Kollam	52	3412	14	588
Pathanamthitta	20	1782	6	630
Alappuzha	49	3675	6	65
Kottayam	55	3420	18	1019
Idukki	20	800	122	4768

District	No.of EDPs	No.of participants	No.of Skill Training	No.of participants
Ernakulam	284	16016	76	7195
Thrissur	57	3854	56	13074
Palakkad	47	2894	88	3341
Malappuram	1	68	1	35
Kozhikkode	60	736	62	786
Wayanad	20	724	18	601
Kannur	16	2550	87	2406
Kasargode	46	1725	1	1
Total	761	43825	615	38700

Source: Kudumbashree Annual Administration Report 2009-10.

Table: 4.8. Details of other Training Programmes conducted by Kudumbashree during 2009-10.

Sl. No	Type of training	Type of participants	No. of Participants
1.	PIP training	Micro entrepreneurs	1021
2.	Accounting training	Micro entrepreneurs	1282
3.	Skill training	CDS executives	2849
4.	Accounting training	New CDS accountants	855
5.	Skill training	KDMS-NREGS mates	61580
6.	Special orientation programme	Kudumbashree officials	278
7	Special training	KDMS member secretaries	809
8.	CDS Action Plan Training:		
	District level	Resource persons	332
	Block level	CDS Executives	8289
	Municipal level	CDS Executives, Member Secretary, CDS Accountants	890
	Panchayat level	CDS Executive members	11525
	ADS level	7 member Executive committee members	125845
	NHG level	5 member Committee members	842587

Sl. No	Type of training	Type of participants	No. of Participants
9.	Skill training	Resource persons	33
10.	Skill training	Micro enterprise consultants	250
11.	Trainings for the CDS executive committee	CDS executives	21000
12	Block level workshops	CDS executives	7000
Total			1017751

Source: Kudumbashree Annual Administration Report 2009-10.

4.10.7. c. Training Facilities

Kudumbashree has developed elaborate mechanisms for providing appropriate training to micro entrepreneurs and others. For this, institutional tie-ups have been made with established training agencies. Kudumbashree's training enterprises like EKSAT and KAASS are also conducting training programmes in entrepreneurial development and financial services. Pools of resource persons have been developed at different tiers of kudumbashree network with specific orientation to deal with capacity building at their respective levels. This voluntary resource pool is made up of about 5000 persons at local level and 1000 resource persons at the state level (www.kudumbashree.org).

EKSAT is a group of young training professionals who have the double advantage of knowing the community network inside out as well as being equipped with unique participatory training methodologies. There are three EKSAT teams-one each at Alappuzha, Ernakulam and Kozhikode. They provide organisational capacity building to the network, and conduct orientation programmes on enterprise and livelihood development. KAASS, the Kudumbashree Accounts and Audit Service Society, ensures proper account keeping and audit in kudumbashree networks. Each district has a KAASS team made up of commerce graduates guided by professional chartered accountants. These teams facilitate management of accounts at the NHG, ADS and CDS levels, point out defects and make rectifications where ever needed.

They also function as a concurrent audit mechanism giving inputs to the mission teams on capacity building requirements for financial management. There are over 350 members in 43 KAASS groups across the state (www.kudumbashree.org). Institutional tie-ups have been made with established training agencies like Entrepreneur Development Institute and it has linkages State Institute of Rural Development (SIRD), Kerala Institute of Local Administration (KILA), and such other institutes for imparting training.

4.10.7. d. Thrift and Credit Operations

Access to credit is the first step towards economic independence and empowerment. Small savings generated in families are pooled at various levels as thrift that are used as a basis for attracting credit from banks and the system operates as an informal bank for the poor. The NHGs are formed under the umbrella of thrift and credit operations as is the case in any micro credit programme. Women meet weekly once at a member's home for depositing their small savings (thrift), distributing credit and discussing other issues. Total thrift collected was Rs. 1440.61 Crores and loans granted amounted to Rs. 4075 Crores up to 30.09.2010. The details are shown in tables 4.9 and 4.10.

Table: 4.9. District wise status of thrift and credit operations of Kudumbashree in rural Kerala as on 30.09.2010.

Sl. No.	Districts	No. of GPs	Total NHGs	No. of Families covered	Thrift (Rs)	Thrift Loans(Rs)
1.	Thiruvananthapuram	78	20194	361446	1501419096	3658539664
2.	Kollam	71	12444	228392	889588235	1950223003
3.	Pathanamthitta	54	6753	136746	53537856	868532235
4.	Alappuzha	73	14351	252486	1052249533	2940517724
5.	Kottayam	75	11694	226257	724651960	1400149029
6.	Idukki	52	10840	175285	897969948	2042881733
7.	Ernakulam	88	13991	223909	967134118	4113435398
8.	Thrissure	92	16853	277378	889322513	3738809685
9.	Palakkad	91	20653	351134	1488423320	5963932108

Sl. No.	Districts	No. of GPs	Total NHGs	No. of Families covered	Thrift (Rs)	Thrift Loans(Rs)
10.	Malappuram	102	16607	340033	1214874855	1889552213
11.	Kozhikode	78	15816	298844	1397395569	3887898654
12.	Wayanad	25	7837	117155	530213504	1788564016
13.	Kannur	81	12112	218962	856343835	3197848988
14	Kasargode	39	6827	136075	641276981	2290747776
Total		999	186972	3344102	13104401323	39731632226

Source: Kudumbashree, Govt. of Kerala.

Table: 4.10. Status of thrift and credit operations of Kudumbashree in urban areas as on 30.09.2010.

Districts	No. of NHGs	No. of ADS	No. of CDS	No. of Families covered	Amount of Thrift (Rs.)	Amount of Loan (Rs.)
Thiruvananthapuram	2481	206	6	61616	82551449	75119407
Kollam	1625	145	4	38774	100642748	117351392
Pathanamthitta	427	68	3	17420	19518108	13267100
Alappuzha	1080	102	5	33269	140947331	137221946
Kottayam	449	61	4	12855	27556036	30177349
Idukki	70	10	1	2100	4716805	3653180
Ernakulam	1994	210	10	54636	147062709	251398641
Thrissure	1324	183	7	24945	61962488	99192778
Palakkad	1390	127	4	28201	61456239	122083630
Malappuram	1005	152	5	27839	59928714	48243411
Kozhikode	1400	73	4	28220	56532663	66909817
Wayanad	79	11	1	2471	4216650	4596602
Kannur	666	146	6	16588	28464901	33420139
Kasargode	488	72	2	9186	24181726	15786453
Total	14478	1566	62	358120	819738567	1018421845

Source: Kudumbashree, Govt. of Kerala.

The total thrift collected by NHGs in the state comes to Rs 1041 Crore and the internal loans generated comes to Rs 4591Crore as on November 2011(www.kudumbashree.org).

4.10.7. e. Linkage Banking:

The Community Development Societies (CDSs) facilitate bank linkages for farming, micro housing and micro insurance on the basis NABARD's 15-point index for rating NHGs . Table 4.11 gives district wise data on linkage banking as on 30.09.2010.

Table: 4.11. District wise data of Kudumbashree on linkage banking as on 30.09.2010.

Sl. No.	District	NHGs linked	Amount (Rs. Lakhs)
1.	Thiruvananthapuram	14227	12081.34
2.	Kollam	11863	11972.14
3.	Pathanamthitta	3455	4670.27
4.	Alappuzha	13321	10876.02
5.	Kottayam	5757	5286.03
6.	Idukki	7773	13243.49
7.	Ernakulam	11875	6864.38
8.	Thrissure	10020	8714.10
9.	Palakkad	14806	10784.35
10.	Malappuram	6532	3247.35
11.	Kozhikode	7703	4727.56
12.	Wayanad	5991	6850.67
13.	Kannur	4988	6376.26
14	Kasargode	4566	2600.75
Total		122877	108294.71

Source: Kudumbashree, Govt. of Kerala.

So far, 1,50,755 NHGs were graded under Linkage Banking Programme, out of which 1,27,467 NHGs are linked with banks and an amount of Rs.1140crores is mobilised as credit. (www.kudumbashree.org).

4.10.7. f. Sustainable Development through Micro Enterprises

One of the most important objectives of Kudumbashree is to achieve local economic development and empowerment of women through micro enterprise development and gainful wage employment. This is sought to be attained through active support and collaboration of Local Self Governments, development agencies and technical organizations.

Kudumbashree proposes to develop a unique community brand that is ethnic, homely and environment-friendly, while seeking no compromise on quality. One of the successful strategies of Kudumbashree has been the conversion of social needs into business opportunities. This approach has reaped good dividends in areas as diverse as solid waste management, supplementary nutrition and digitization of records (www.kudumbashree.org). More than 150 Kudumbashree products are now in the market. Table 4.12 shows the district wise details of rural micro enterprises formed during 2009-10 and 2010-11.

Table: 4.12. Details of rural micro enterprises formed during 2009-10 and 2010-11.

Sl. No.	District	2009-10	2010-11
1.	Thiruvananthapuram	432	126
2.	Kollam	149	30
3.	Pathanamthitta	86	48
4.	Alappuzha	767	103
5.	Kottayam	159	15
6.	Idukki	298	51
7.	Ernakulam	1095	12
8.	Thrissure	174	30
9.	Palakkad	144	18
10.	Malappuram	352	202

Sl. No.	District	2009-10	2010-11
11.	Kozhikode	372	10
12.	Wayanad	233	17
13.	Kannur	162	55
14	Kasargode	69	7
Total		4492	724

Source: Kudumbashree, Govt. of Kerala.

Up to Nov 2011 Kudumbashree has started 25050 individual enterprises and 1757 group enterprises of women in urban areas and 3516 individual enterprises and 10620 group enterprises of poor women in rural areas. Besides, 570 group enterprises and 810 individual enterprises were started under the Special Employment Programme 'Yuvashree', 248 'Thelima' entrepreneur groups were formed for the municipal solid waste management in urban areas, and 74 Kudumbashree IT units were formed with 1,024 beneficiaries (www.kudumbashree.org).

The Community Development Societies serve as the delivery point for skill up gradation and market development support to micro enterprises. As on 31 Oct 2010 Kudumbashree has started 2,547 micro enterprises under DWCUA programme and 26,076 micro enterprises under USEP programme of central Government in urban areas (www.kudumbashree.org).

Table: 4.13. District wise list of urban micro enterprises started by Kudumbashree under DWCUA and USEP as on 31 Oct 2010.

Sl. No.	District	DWCUA	USEP
1.	Thiruvananthapuram	458	3320
2.	Kollam	119	2007
3.	Pathanamthitta	41	1164
4.	Alappuzha	196	2977
5.	Kottayam	105	1304
6.	Idukki	17	139
7.	Ernakulam	609	3729
8.	Thrissure	253	1747

Sl. No.	District	DWCUA	USEP
9.	Palakkad	137	2588
10.	Malappuram	127	1330
11.	Kozhikode	201	2264
12.	Wayanad	21	162
13.	Kannur	202	2350
14	Kasargode	61	995
Total		2547	26076

Source: Kudumbashree, Govt. of Kerala.

4.10.7. g. Lease Land Farming:

Lease land farming is an area where kudumbashree has attained remarkable progress during the last few years. Joint Liability Groups (JLGs) of women farmers are formed under the collective farming initiative to help women cultivators to access agricultural credit from banks. These JLGs are structured along NABARD guidelines, and open bank accounts in the name of the JLG. They are brought under the purview of Interest Subsidy Scheme (ISS) of Kudumbashree. They become eligible for ISS when they avail agricultural loan from banks. 5% subsidy on 7% interest agricultural loan is provided by state government of Kerala through Kudumbashree (www.kudumbashree.org). Table 4.14. depicts the district wise details of lease land farming upto 31st Oct 2010.

Table: 4.14. District wise details of lease land farming by Kudumbashree upto 31st Oct 2010.

Sl. No.	District	No. of GPs	No. of NHGs	No. of families covered	Area in Acres
1.	Thiruvananthapuram	55	1773	8865	6652.0
2.	Kollam	71	1204	6020	1093.4
3.	Pathanamthitta	49	2872	14360	617.5
4.	Alappuzha	69	2504	12520	1121.3
5.	Kottayam	68	1773	8865	2688.8
6.	Idukki	48	9805	49025	20313
7.	Ernakulam	80	3988	19940	5265

Sl. No.	District	No. of GPs	No. of NHGs	No. of families covered	Area in Acres
8.	Thrissure	55	4979	24895	2440.2
9.	Palakkad	72	3812	19060	3255
10.	Malappuram	81	5004	25020	8701.5
11.	Kozhikode	69	2090	10450	2928.8
12.	Wayanad	24	1316	6580	4619.5
13.	Kannur	75	2308	11540	6540.0
14	Kasargode	39	3016	15080	1419.2
Total		855	46444	232220	67655.2

Source: Kudumbashree, Govt. of Kerala.

During 2009-10 there were 232220 women cultivators in 46444 NHGs and 11916 Joint Liability Groups formed.

4.10.7. h. Micro enterprise consultants:

Kudumbasree has micro enterprise consultants (MECs) who are to take care of the requirements of micro enterprises. Each MEC is given charge of 6 existing ME units and they are entrusted to visit these ME units at least once every month. As on 31st March 2010, the total strength of MECs comes to 250 including 130 new MECs appointed during the year.

4.10.7. i. Clustering and networking

Kudumbashree makes arrangements for the clustering and networking of similar micro enterprises for utilizing economies of scale and ensuring effective marketing linkage. 'Nutrimix' units are thus clustered at district level and marketing linkage is facilitated through tie up with the Local Self Governments.

4.10.7. j. ME Meets

Kudumbashree conducts ME meets at block level throughout the State to identify enterprises in need of Kudumbashree support and market facilitation. These meets help in networking enterprises that have not availed subsidy support from

Kudumbashree (www.kudumbashree.org). Kudumbashree provides support in the following areas:

1. Skill trainings
2. Accounting support through KAASS
3. Release of revolving fund / subsidy
4. Productivity improvement programmes
5. Marketing support
6. Inter district product transfer

Table: 4.15. No. of ME meets and MEs supported during 2008-09 and 09-10.

Year	No. of ME meets	MEs supported
2008-09	87	5399
2009-10	340	11560

Source: Kudumbashree Annual Reports-2008-09, 09-10.

4.10.7. k. Monthly Markets

Kudumbashree organise monthly markets across districts to help micro entrepreneurs overcome marketing problems to a great extent. These fairs provide marketing opportunities to a large number of MEs. Table 4.16. gives district wise details of monthly markets organised by Kudumbashree.

Table: 4.16. District wise details of monthly markets organised by Kudumbashree.

Sl.No	District.	2008-09		2009-10	
		No.	Sales	No.	Sales
1.	TVM	46	5451574	52	970939
2.	KLM	39	3139842	153	6284257
3.	PTA	8	964607	64	468211
4.	ALP	28	492044	16	123080
5.	KTM	14	1934524	17	132287
6.	IDK	63	4612908	281	2682037
7.	EKM	73	7265526	59	3577077
8.	TSR	42	2942686	30	601129

Sl.No	District.	2008-09		2009-10	
		No.	Sales	No.	Sales
9.	PKD	48	3740914	57	694092
10	MLPM	94	2404548	101	3053010
11.	KKD	18	611430	65	916316
12.	WYD	21	851820	27	386952
13.	KNR	57	2704187	61	4194722
14.	KSD	119	4424381	63	988664
TOTAL		670	41540991	1046	25072773

Source: Kudumbashree Annual Reports-2008-09, 09-10.

4.10.7. 1. Ramzan, Onam and State Trade Fairs

Ramzan, Onam and State Trade fairs provide marketing opportunities for most micro enterprises. Most CDSs with the active support of LSGs conduct Onam fairs in their respective local bodies in which almost all micro entrepreneurs under the CDS participate.

Table: 4.17. Details of trade fairs conducted by Kudumbashree.

Sl. No	District.	2009-10		2010-11		2011-12	
		No.	Sales	No.	Sales	No.	Sales
1.	TVM	81	87.62	84	338.26	89	250.24
2.	KLM	76	80.15	76	142	76	211.74
3.	PTA	38	75.82	79	127.7	70	145.00
4.	ALP	112	187.91	83	262.4	83	312.00
5.	KTM	58	31.20	81	73.72	86	115.35
6.	IDK	60	42.41	58	75.14	57	93.96
7.	EKM	109	237.13	129	301	110	416.72
8.	TSR	101	111.03	117	150.9	126	193.00
9.	PKD	82	85.56	93	135.17	110	169.00
10	MLPM	75	50.70	110	136.2	124	448.33
11.	KKD	79	50.18	81	80.3	79	114.00
12.	WYD	28	22.45	25	43.57	24	30.52

Sl. No	District.	2009-10		2010-11		2011-12	
		No.	Sales	No.	Sales	No.	Sales
13.	KNR	83	82.75	107	103	114	108.89
14.	KSD	45	23.63	46	35.94	58	40.17
TOTAL		1027	1168.54	1169	2005.3	1206	2,648.92
From all fairs*		2074	1419.26	-	-	-	-
Total number of entrepreneurs participated		-	-	38207	-	38482	-

Source: Kudumbashree Annual Report-2009-10, www.kudumbashree.org.

*Including monthly markets, seasonal fairs and others.

In 2009-10, Kudumbashree organised 354 Christmas fairs fetching revenue of Rs. 17946845.

4.10.7. m. Kudumbashree Home Shops

As the name indicates home shops are shops run at home by Kudumbashree women. It is a transformation of Kudumbashree community marketing network. The programme was started by women at Thrissur who spared some space in their home to stock local house hold products like soap powder, detergents etc., and spent a few hours a day meeting NHG members and others for selling these products. The products of local producers are sold under a local brand name. In 2009-10 over 500 women and 10 MEs were engaged in home shop business with a monthly turn over of Rs. 25 Lakhs (www.kudumbashree.org).

4.10.7. n. The Samagra project

Samagra is a programme for the total integration of micro enterprise activity. It aims at removing the limitations of tiny-small scale activity by facilitating integration at various levels including procurement, production and marketing. The activities of Samagra are aimed at:

- Scaling up of enterprise activities to bring economies of scale.
- Convergence of different activities/departments.
- Ensuring product diversification and quality enhancement.
- Employing the marketing strategies and techniques.

The Nendran Banana Project in Trivandrum District generating employment opportunities to 30,000 women, Harithashree vegetable cultivation project at Thiruvananthapuram giving employment to 5425 women, Nedumpna Apparel Park at Kollam, providing employment opportunities for 46 women, the Madhuram apiculture project of Pathnamthitta benefiting 10000 women, Marari Mushroom project at Kanjikuzhi block of Alappuzha directly benefiting 300 women, Goat Village Project of Kannur district aimed at providing regular source of income to 5,000 Kudumbashree members, Footwear Uppers units implemented in Cheruvannur–Nallalam Grama Panchayath in Kozhikode District employing 100 women, the Kondattom project of Palakkad aimed at employing 480 women, the Nivedyam project at Trissure etc., are some of the projects under Samagra (Kudumbashree Annual report 2009-10). Up to 2010-11 there were 17 Samagra projects functioning with the involvement of 32,121 women (www.kudumbashree.org).

4.10.7. o. Facilitating Participation and Empowerment

Kudumbashree is instrumental in the capability building of women to enable them take part effectively in democracy. For this the skill for identification of needs, fixing priorities, availing resources, bridging gap between needs and resources in a cost effective manner etc., are imparted to them in various phases. Thus Kudumbashree acts as a healthy subsystem facilitating participation of poor women in the planning, implementation and monitoring of the Programme (www.kudumbashree.org).

Developing leadership qualities: Experience gained from SHG activity enable women better understand the social realities leading to the emergence of leadership qualities. This will contribute to the development of efficient women leadership elected governments in future.

Women Political Participation:

There is widespread participation in political activities by women since their association with Kudumbashree activities. This is further enhanced by reservation of 33% of seats in local self government institutions to women. In the election to three

tier LSGs conducted on 23rd and 25th October 2010 in Kerala 11733 candidates were from among Kudumbashree workers. Out of this 5485 were elected as against 1408 in 2005. Now 57.5% of total elected women members in LSGs are from Kudumbashree. Table 4.18 shows the number of Kudumbashree women elected to LSGs in 2010.

Table: 4.18. Number of KDMS members elected to LSGs in 2010.

Levels	CDS chairpersons	CDS vice chairpersons	CDS members	ADS office bearers	ADS members	NHG office bearers	NHG members	Total
Grama Panchayat	101	130	751	557	596	467	2196	4796
Block Panchayat	24	9	46	15	30	34	146	304
District Panchayat	2	0	1	0	1	6	29	34
U L Bs	12	8	4	23	42	94	101	334
Corporations	1	1	2	3	0	1	7	15
Total	140	148	844	98	69	02	2479	5485

Source: Kudumbashree News Letter Jan. 2011.

4.10.7. q. Community Development

Reaching out family through women, and community through family, is the ultimate target of Kudumbashree (www.kudumbashree.org). Some of the community development initiatives of Kudumbashree are mentioned below.

Ashraya

Ashraya is a project of Kudumbashree to identify and rehabilitate destitute families under the Local self Governments. Those identified under the project are provided with livelihood necessities such as food, clothing, health coverage, pension, education, basic necessities like houses, water, sanitation facilities, development needs like vocational training, personality development trainings, care services like counselling and other training programmes. At present, 890 rural LSGs and 32 ULBs have implemented the Ashraya project. 72116 beneficiaries are covered by these projects and projects costing Rs.41075.82 lakhs are under different stages of implementation (www.kudumbashree.org).

Buds special schools

Buds is an innovative model developed by the Kudumbashree Mission for the development and protection of mentally challenged children to provide them access to education and training within their community. Now there are 31 Buds schools in the state registered under The People with Disabilities Act. Young children suffering from disabilities including Autism, Cerebral Palsy, blindness, deafness, and speech impairments due to cleft palates are provided with medical attention, physical and mental therapy, mobility equipment, hearing aids, individual vocational and educational training and other aids. Through these schools, the buds, their family and the community are learning the skills to ensure happy lives to these children-fulfilling their promise and potential (www.kudumbashree.org).

Special Tribal Project

The Special Tribal Project was implemented in selected Panchayats of Idukki, Wayanad, Palakkad, Kasargode, Trivandrum, Kollam, Pathanamthitta, Kottayam, Ernakulam, Trissure, Malappuram, Kozhikkode, Kannur and all Panchayats of Wayanad district. Kudumbashree has been able to bring a sizable portion of Tribals under the thrift and credit pattern of NHGs. During the year 2009-2010, 34384 Tribal families were organized in to 2574 NHGs. Besides 14222 ST families have joined the network thanks to the total inclusion programme. Formation of special Tribal ADS in areas where there are 2 or more Tribal NHGs ensures that they are not excluded from the decision making process within the community network (www.kudumbashree.org).

Cultural Programmes

Kudumbashree organize cultural programmes of members and their family members from time to time at various levels throughout the state. These programmes provide opportunities for self expression, personal development and enhance spirit of cooperation and community involvement in the society (www.kudumbashree.org).

Social cohesion

Entrepreneurship activities under Kudumbashree also promote social cohesion. It enables re-union of broken networks and help control antisocial

elements. This is particularly apparent in the riot stricken area of Marad, and some other beach areas of Kozhikode.

4.10.8. THE ROLE OF SHGs IN SOCIAL CAPITAL BUILDING

Kilpatrick (1999) identifies two broad classes of resources that facilitate social capital development of individuals namely knowledge resources and identity resources. At macro level these resources are transformed into interactional infrastructure and attitudinal infrastructure. While interactional infrastructure provides opportunities for interaction, attitudinal infrastructure stimulates association and cooperation.

This study examines the role played by SHGs in the social capital building of micro entrepreneurs on the basis of the perception of respondents with regard to the activities or circumstances that helped them create productive relationships.

The responses of the respondents regarding the role of SHGs in social capital development are summarized in table 4.19.

Table: 4.19. Role of SHGs in Social Capital Formation as perceived by the respondents.

Statement	Level of agreement					Total %
	SD* %	D %	N %	A %	SA %	
Interactional infrastructure:						
SHG facilitated group formation and membership	-	-	0.8	8.4	90.8	100
SHG helped to identify likeminded people		0.3	1.8	11.2	86.7	100
SHGs helped to develop shared norms, rules and values.			2.3	16.1	81.6	100
SHG provided opportunities for working together				13.2	86.8	100
We have friendly leaders, officials and trainers	0.8	3.1	5.1	43.6	47.4	100
SHG facilitated links with leaders etc through meetings and other programmes.		0.3	8.2	20.2	71.4	100
SHG encouraged participation in various activities			0.3	17.6	82.1	100
Attitudinal infrastructure:						
SHG activity cultivated we feeling among members			1	18.1	80.9	100
SHG encouraged mutual support, help and cooperation				17.1	82.9	100
Education & training programmes helped to develop awareness and attitude	0.8	4.3	9.9	39.8	45.2	100

Source: Survey Data. * SD- Strongly Disagree; D-Disagree; N- Neither agree nor disagree; A- Agree; SA- Strongly Agree.

The responses are thickly concentrated towards the right acknowledging the great role played by SHGs in social capital development of its members. About 80% of respondents strongly agree to all statements except a few.

More than 90% of the respondents strongly agree that the SHG had a great role in facilitating group formation and providing membership to them. About 97% of the respondents agree that the SHG had a great role in facilitating the identification of like minded people. About 97% strongly believe that the SHGs helped to develop shared norms, rules and values. All of them agree that it is SHG that provided an opportunity to work together. About 90% agree that they have friendly leaders. More than 90% agree that SHG has facilitated development of linking networks through various programmes.

More than 99% agree that SHG has encouraged participating in various activities. Almost all of them agree that SHG has cultivated we-feeling among them, encouraged mutual support, help and cooperation. 95% of them agree that education and training programmes were helpful in improving awareness and attitude.

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CHAPTER V
SELF HELP GROUPS
AND
SOCIAL CAPITAL FORMATION
An analysis

♣ *Personal Profile of Respondents*

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SELF HELP GROUPS AND SOCIAL CAPITAL FORMATION

The primary objective of this study has been to examine the extent of social capital formation that has taken place among SHG women micro entrepreneurs in Kerala. The population for the study is made up of SHG women who have set up micro enterprises for self employment under major poverty eradication programmes of the government. A sample of 392 SHG women micro entrepreneurs has been selected from three districts of Kerala viz. Kozhikode, Ernakulam and Alappuzha by following the multi-stage random sampling method. Since the study largely relies on the data provided by these respondents for drawing theoretical conclusions, an analysis of the socio personal characteristics of the sample is highly relevant. Hence, the first part of this chapter is used to describe the sample characteristics and the second part deals with SHGs and social capital formation.

V.1. Personal Profile of Respondents

The socio economic profile of the respondents is briefly described in this section. Factors likely to have some implications for the social capital stock of the respondents are considered here. While the tables given permit detailed examination of its various aspects, only those considered noteworthy are narrated.

Geographical distribution of sample SHGs

The respondents were selected from 392 SHG micro enterprises identified on the basis of the information provided by the officials of Local Self Governments. One member each from members available in each unit was selected on random sampling basis. Thus the total number of respondents comes to 392 of which 134 (34.2%) belongs to Kozhikode, 133 (33.9%) to Ernakulam and 125(31.9%) to Alappuzha. About 80% of the respondents are from Kudumbashree micro enterprises and the rest 20% are from other SHGs including SGSY, SJSRY and Theeramythri. From Kozhikode, 103 (76.9%) KDMS units and 31 (23.1%) other units were selected. From Ernakulam and Alappuzha districts the number of KDMS

units were 106 (79.7%) and 105 (84%) and that of other units were 27 (20.3%) and 20 (16%) respectively.

Table: 5.1. Distribution of sample according to SHG and geographical area.

Promoting agency * geographical area Cross tabulation						
			Area of data collected			Total
			CLT	EKLM	ALEPY	
Promoter	Kudumbashree	Count	103	106	105	314
		% within name of SHG	32.8%	33.8%	33.4%	100.0%
		% within area	76.9%	79.7%	84.0%	80.1%
		% of Total	26.3%	27.0%	26.8%	80.1%
	Others (SGSY/SJSRY/Theeramythri)	Count	31	27	20	78
		% within name of SHG	39.74%	34.62%	25.64%	100.0%
		% within area	23.1%	20.30%	16.00%	19.90%
		% of Total	7.9%	6.9%	5.1%	19.9%
Total	Count	134	133	125	392	
	% within area	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Distribution of Sample- Area and domicile

About 75% of all respondents are from rural Areas. From Kozhikode 102 (76%), from Ernakulam 98 (73.7%) and from Alappuzha 92 (73.6%) are from rural areas while 32 (23.9%) 35 (26.3%) and 33 (26.4%) are from urban areas of the three districts respectively. Micro entrepreneurs from tribal areas are not represented by the sample.

Table: 5.2. Distribution of sample according to Domicile and geographical area.

			Districts			Total
			CLT	EKLM	ALEPY	
Domicile	Rural	Count	102	98	92	292
		% within domicile-rural	34.9%	33.6%	31.5%	100.0%
		% within area	76.1%	73.7%	73.6%	74.5%
		% of Total	26.0%	25.0%	23.5%	74.5%
	Urban	Count	32	35	33	100
		% within domicile-urban	32.0%	35.0%	33.0%	100.0%
		% within area	23.9%	26.3%	26.4%	25.5%
		% of Total	8.2%	8.9%	8.4%	25.5%
Total	Count	134	133	125	392	
	% within area	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Distribution of Sample- Area and type of members

All members of SHGs are expected to undertake some leadership role on rotation basis. Majority of the respondents (64%) are either assuming/have assumed some leadership role for some time in the past. About 60% of respondents from Kozhikode, 71% from Ernakulam and 62% from Alappuzha are leaders or ex-leaders. Members who have not undertaken any leadership role during their tenure in the unit so far comes to 36%. Thus the sample represents both kinds of members adequately.

Table: 5.3. Distribution of sample according to type of member and geographical area.

			Districts			Total
			CLT	EKLM	ALEPY	
Type of member	Leaders/ Ex- leaders	Count	80	94	77	251
		% within Type of member	31.9%	37.5%	30.7%	100.0%
		% within area	59.7%	70.7%	61.6%	64.0%
		% of Total	20.4%	24.0%	19.6%	64.0%
	Ordinary Members	Count	54	39	48	141
		% within Type of member	38.3%	27.7%	34.0%	100.0%
		% within area	40.3%	29.3%	38.4%	36.0%
		% of Total	13.8%	9.9%	12.2%	36.0%
Total		Count	134	133	125	392
		% within area	100.0%	100.0%	100.0%	100.0%
		% of Total	34.2%	33.9%	31.9%	100.0%

Source: Survey Data.

Age wise distribution of Sample

The respondents are classified into five groups on the basis of age as shown in table 5.4.

Table: 5.4. Distribution of sample according to age and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Age of respondents	Up to 30	Count	4	0	10	14
		% within Age	28.6%	0.0%	71.4%	100.0%
		% within area	3.0%	0.0%	8.0%	3.6%
		% of Total	1.0%	0.0%	2.6%	3.6%
	31-40	Count	66	67	52	185
		% within Age	35.7%	36.2%	28.1%	100.0%
		% within area	49.3%	50.4%	41.6%	47.2%
		% of Total	16.8%	17.1%	13.3%	47.2%
	41-50	Count	53	37	44	134
		% within	39.6%	27.6%	32.8%	100.0%
		% within area	39.6%	27.8%	35.2%	34.2%
		% of Total	13.5%	9.4%	11.2%	34.2%
	51-60	Count	8	25	17	50
		% within Age	16.0%	50.0%	34.0%	100.0%
		% within area	6.0%	18.8%	13.6%	12.8%
		% of Total	2.0%	6.4%	4.3%	12.8%
	Above 60	Count	3	4	2	9
		% within Age	33.3%	44.4%	22.2%	100.0%
		% within area	2.2%	3.0%	1.6%	2.3%
		% of Total	.8%	1.0%	.5%	2.3%
Total		Count	134	133	125	392
		% within	34.2%	33.9%	31.9%	100.0%
		% within area	100.0%	100.0%	100.0%	100.0%
		% of Total	34.2%	33.9%	31.9%	100.0%

Source: Survey Data.

Majority (47%) of the respondents are aged between 30 and 40 and another 34% belongs to the age class 41-50. Respondents between 50 and 60 come to 13%. While only 3.6% are aged less than 30, only 2% are aged above 60. Age wise distribution is more or less similar in all districts.

Education wise distribution of Sample

Majority (60%) of the respondents possess high school education. While 19.4% have PDC/ HSC education, 9.4% possess higher education. Respondents educated up to U P School or below come to 11%. The educational profile of respondents from the three districts differs considerably. While about 16% from Kozhikode and 14% from Alappuzha possess only primary education or less, only 3.8% of respondents from Ernakulam belongs to this class. Majority from all districts possess high school education with 65% for Kozhikode, 55% for Ernakulam and 60% from Alappuzha. About 32% of respondents from Ernakulam and 18% from Alappuzha possess higher secondary education, while only 9% of respondents from Kozhikode come under this category. But the proportion of respondents with higher education is more or less similar in all the three districts with about 10% for Kozhikode and Ernakulam and 9% for Alappuzha.

Table: 5.5. Distribution of sample according to education of members and geographical area.

			Districts			TOTAL
			CLT	EKLM	ALEPY	
	UP School	Count	22	5	17	44
		% within Education of the member	50.0%	11.36%	38.6%	100.0%
		% within area	16.41%	3.8%	13.6%	11.22%
		% of Total	5.6%	1.3%	4.3%	11.22%
	High School	Count	87	73	75	235
		% within Education of the member	37.0%	31.1%	31.9%	100.0%
		% within area	64.9%	54.9%	60.0%	59.9%
		% of Total	22.2%	18.6%	19.1%	59.9%
	PDC/HSS	Count	12	42	22	76
		% within Education of the member	15.8%	55.3%	28.9%	100.0%
		% within area	9.0%	31.6%	17.6%	19.4%
		% of Total	3.1%	10.7%	5.6%	19.4%
	Degree and above	Count	13	13	11	37
		% within Education of the member	35.1%	35.1%	29.7%	100.0%
		% within area	9.7%	9.8%	8.8%	9.4%
		% of Total	3.3%	3.3%	2.8%	9.4%
Total	Count	134	133	125	392	
	% within area	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Marital Status wise distribution of respondents

About 90% of the respondents lead married life. The other 10% is made up of unmarried women, widows and divorcees. The proportion of single respondents is highest in Kozhikode (11.9%) and lowest in Alappuzha (6.4%).

Table: 5.6. Distribution of sample according to Marital Status of members and geographical area

			Districts			Total	
			CLT	EKLM	ALEPY		
Marital Status of Member	Married	Count	118	119	117	354	
		% within Marital Status	33.3%	33.6%	33.1%	100.0%	
		% within area	88.1%	89.5%	93.6%	90.3%	
		% of Total	30.1%	30.4%	29.8%	90.3%	
	Single	Count	16	14	8	38	
		% within Marital Status	42.1%	36.8%	21.1%	100.0%	
		% within area	11.9%	10.5%	6.4%	9.7%	
		% of Total	4.1%	3.6%	2.0%	9.7%	
	Total		Count	134	133	125	392
			% within area	100.0%	100.0%	100.0%	100.0%
% of Total			34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Sample by Type of Family

In all, 87% of the respondents live in nuclear families and 13% of them belong to joint families. While none of the respondents from Ernakulam live in joint family, 18% from Kozhikode and 22% from Alappuzha have joint families.

Table: 5.7. Distribution of sample according type of family of members and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Type of family	Nuclear family	Count	110	133	98	341
		% within Type of family	32.3%	39.0%	28.7%	100.0%
		% within area	82.1%	100.0%	78.4%	87.0%
		% of Total	28.1%	33.9%	25.0%	87.0%
	Joint family	Count	24	0	27	51
		% within Type of family	47.1%	0.0%	52.9%	100.0%
		% within area	17.9%	0.0%	21.6%	13.0%
		% of Total	6.1%	0.0%	6.9%	13.0%
Total		Count	134	133	125	392
		% within area	100.0%	100.0%	100.0%	100.0%
		% of Total	34.2%	33.9%	31.9%	100.0%

Source: Survey Data.

Distribution of sample by Size of family

Respondents are classified into four on the basis of number of members at home. The largest group of respondents (38.5%) have 4 members in their family. 13.8% of them have a smaller family of upto 3 members. Five member families come to 21% and about 28% of families have 6 or more members.

Table: 5.8. Distribution of sample according to size of family of respondents and geographical area.

			Districts			Total
			CLT	EKLM	ALEPY	
Family Size	Up to 3 Members	Count	19	16	19	54
		% within Family Size	35.2%	29.6%	35.2%	100.0%
		% within area	14.2%	12.0%	15.2%	13.8%
		% of Total	4.8%	4.1%	4.8%	13.8%
	4 Members	Count	53	52	46	151
		% within Family Size	35.1%	34.4%	30.5%	100.0%
		% within area	39.6%	39.1%	36.8%	38.5%
		% of Total	13.5%	13.3%	11.7%	38.5%
	5 Members	Count	23	34	24	81
		% within Family Size	28.4%	42.0%	29.6%	100.0%
		% within area	17.2%	25.6%	19.2%	20.7%
		% of Total	5.9%	8.7%	6.1%	20.7%
	6/more members	Count	39	31	36	106
		% within Family Size	36.8%	29.2%	34.0%	100.0%
		% within area	29.1%	23.3%	28.8%	27.0%
		% of Total	9.9%	7.9%	9.2%	27.0%
Total	Count	134	133	125	392	
	% within Family Size	34.2%	33.9%	31.9%	100.0%	
	% within area	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Sample by Size of Family Network

Size of family network may be important for social capital. In this study size of family network is classified into three groups viz. small, medium and large on the basis of the number of houses of relatives that the respondents interact frequently. Respondents having up to 5 such houses are included in ‘small’; from 6 to 10 in ‘medium’, and more than 10 in Large.

12% of the respondents are having only a small family network. While family network of 44% is medium that of the other 44% is large. While 66% from Alappuzha and 55% from Kozhikode claim to have large family network, only 13% from Ernakulam makes such a claim. Above 80% of the respondents from Ernakulam claim to have a medium sized family network.

Table: 5.9. Distribution of sample according to size of family Network of members and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Size of Family Network	Small	Count	25	9	14	48
		% within Size of family network	52.1%	18.8%	29.2%	100.0%
		% within area of data collected	18.7%	6.8%	11.2%	12.2%
		% of Total	6.4%	2.3%	3.6%	12.2%
	Medium	Count	36	107	29	172
		% within Size of family network	20.9%	62.2%	16.9%	100.0%
		% within area of data collected	26.9%	80.5%	23.2%	43.9%
		% of Total	9.2%	27.3%	7.4%	43.9%
	Large	Count	73	17	82	172
		% within Size of family network	42.4%	9.9%	47.7%	100.0%
		% within area of data collected	54.5%	12.8%	65.6%	43.9%
		% of Total	18.6%	4.3%	20.9%	43.9%
Total	Count	134	133	125	392	
	% within area of data collected	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Distribution of sample by Occupation before joining the Group

Majority of the respondents (52%) were house wives before joining the SHGs. While temporary employees and casual laborers together constituted about 39%, those who were self employed was only 5.6%. None of the respondents from Kozhikode was self employed before while 11 each from Ernakulam and Alappuzha were self employed. Thus all the respondents from Kozhikode, 92% from Ernakulam and 93% from Alappuzha were new to entrepreneurship.

Table: 5.10. Distribution of sample according to prior occupation of members and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Occupation before joining the group	Un-employed	Count	6	2	6	14
		% within Occupation	42.9%	14.3%	42.9%	100.0%
		% within area	4.5%	1.5%	4.8%	3.6%
		% of Total	1.5%	.5%	1.5%	3.6%
	House wife	Count	80	55	68	203
		% within Occupation	39.4%	27.1%	33.5%	100.0%
		% within area	59.7%	41.4%	54.4%	51.8%
		% of Total	20.4%	14.0%	17.3%	51.8%
	Casual labourer	Count	22	51	26	99
		% within Occupation	22.2%	51.5%	26.3%	100.0%
		% within area	16.4%	38.3%	20.8%	25.3%
		% of Total	5.6%	13.0%	6.6%	25.3%
	Private/temporary employee	Count	26	14	14	54
		% within Occupation	48.1%	25.9%	25.9%	100.0%
		% within area	19.4%	10.5%	11.2%	13.8%
		% of Total	6.6%	3.6%	3.6%	13.8%
	Self employed	Count	0	11	11	22
		% within Occupation	0.0%	50.0%	50.0%	100.0%
		% within area	0.0%	8.3%	8.8%	5.6%
		% of Total	0.0%	2.8%	2.8%	5.6%
Total	Count	134	133	125	392	
	% within area	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Distribution of sample according to Religion of respondents

Hindus constitute 72.7% of the sample. Muslims are 13.5% and the rest 13.8% are Christians. Respondents from Calicut consist of 80.6% Hindus, 16.4% Muslims and 3% only are Christians. From Ernakulam 52% are Hindus 16.5% are Muslims and about 32% are Christians. For Alappuzha the rates are 86%, 7.2% and 6.4% respectively.

Table: 5.11. Distribution of sample according to the Religion of members and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Religion of member	Hindu	Count	108	69	108	285
		% within Religion	37.9%	24.2%	37.9%	100.0%
		% within area	80.6%	51.9%	86.4%	72.7%
		% of Total	27.6%	17.6%	27.6%	72.7%
	Muslim	Count	22	22	9	53
		% within Religion	41.5%	41.5%	17.0%	100.0%
		% within area	16.4%	16.5%	7.2%	13.5%
		% of Total	5.6%	5.6%	2.3%	13.5%
	Christian	Count	4	42	8	54
		% within Religion	7.4%	77.8%	14.8%	100.0%
		% within area	3.0%	31.6%	6.4%	13.8%
		% of Total	1.0%	10.7%	2.0%	13.8%
Total		Count	134	133	125	392
		% within area	100.0%	100.0%	100.0%	100.0%
		% of Total	34.2%	33.9%	31.9%	100.0%

Source: Survey Data.

Caste - Social back ground of respondents

Backward communities together constitute 73.5% of the sample. Scheduled Castes and Tribes come to 7.4% and about 19% are from Forward Castes. 83% of respondents from Kozhikode, 61% from Ernakulum and 77% from Alappuzha belong to backward castes. 48% of SC/ST respondents and 51% of forward caste respondents are from Ernakulum.

Table: 5.12. Distribution of sample according to the caste of members and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Caste of the member	SC/ST	Count	7	14	8	29
		% within Caste	24.1%	48.3%	27.6%	100.0%
		% within area	5.2%	10.5%	6.4%	7.4%
		% of Total	1.8%	3.6%	2.0%	7.4%
	Backward castes	Count	111	81	96	288
		% within Caste	38.5%	28.1%	33.3%	100.0%
		% within area	82.8%	60.9%	76.8%	73.5%
		% of Total	28.3%	20.7%	24.5%	73.5%
	Forward castes	Count	16	38	21	75
		% within Caste	21.3%	50.7%	28.0%	100.0%
		% within area	11.9%	28.6%	16.8%	19.1%
		% of Total	4.1%	9.7%	5.4%	19.1%
Total	Count	134	133	125	392	
	% within area	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Distribution of sample according to Economic status

The study uses the official BPL-APL classification for categorizing respondents with respect to their economic status. Almost half of the respondents are BPL and half of them are APL. The same is true with respect to samples from all areas under study.

Table: 5.13. Distribution of sample according to the Economic Status of members and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Economic status of member	BPL	Count	67	68	62	197
		% within Economic status of member	34.0%	34.5%	31.5%	100.0%
		% within area of data collected	50.0%	51.1%	49.6%	50.3%
		% of Total	17.1%	17.3%	15.8%	50.3%
	APL	Count	67	65	63	195
		% within Economic status of member	34.4%	33.3%	32.3%	100.0%
		% within area of data collected	50%	48.9%	50.4%	49.7%
		% of Total	17.1%	16.6%	16.1%	49.7%
Total		Count	134	133	125	392
		% within Economic status of member	34.2%	33.9%	31.9%	100.0%
		% within area of data collected	100.0%	100.0%	100.0%	100.0%
		% of Total	34.2%	33.9%	31.9%	100.0%

Source: Survey Data.

Education of parents

The parents of majority (51.5%) of the respondents had UP School education. While 21% had literate parents, about 16% of them had illiterate parents. Respondents with parents educated up to High School or above come to 11.5%. While 58% of illiterate parents are reported from Ernakulam, 47% of the UP School parents are from Kozhikode.

Table: 5.14. Distribution of sample according Education of Parents of members and geographical area

			Districts			TOTAL
			CLT	EKLM	ALEPY	
Education of parent	Illiterate	Count	11	37	16	64
		% within Education of parent	17.2%	57.8%	25.0%	100.0%
		% within area	8.2%	27.8%	12.8%	16.3%
		% of Total	2.8%	9.4%	4.1%	16.3%
	Literate	Count	17	31	33	81
		% within Education of parent	21.0%	38.3%	40.7%	100.0%
		% within area	12.7%	23.3%	26.4%	20.7%
		% of Total	4.3%	7.9%	8.4%	20.7%
	UP school	Count	86	57	59	202
		% within Education of parent	42.6%	28.2%	29.2%	100.0%
		% within area	64.2%	42.9%	47.2%	51.5%
		% of Total	21.9%	14.5%	15.1%	51.5%
	High school	Count	17	5	12	34
		% within Education of parent	50.0%	14.7%	35.3%	100.0%
		% within area	12.7%	3.8%	9.6%	8.7%
		% of Total	4.3%	1.3%	3.1%	8.7%
	PDC and above	Count	3	3	5	11
		% within Education of parent	27.3%	27.3%	45.5%	100.0%
		% within area	2.2%	2.3%	4.0%	2.8%
		% of Total	.8%	.8%	1.3%	2.8%
Total	Count	134	133	125	392	
	% within area	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Tradition in Social/Political activities

About 38% of the respondents claim to have some tradition in undertaking social / political activities. While 40% of respondents from Kozhikode and 56% from Alappuzha have some tradition in social/political activities only 18% from Ernakulam makes such a claim.

Table: 5.15. Distribution of sample according to tradition in social/political activity of members and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Tradition in social or political activity	Yes	Count	54	24	70	148
		% within Tradition	36.5%	16.2%	47.3%	100.0%
		% within area	40.3%	18.0%	56.0%	37.8%
		% of Total	13.8%	6.1%	17.9%	37.8%
	No	Count	80	109	55	244
		% within Tradition	32.8%	44.7%	22.5%	100.0%
		% within area o	59.7%	82.0%	44.0%	62.2%
		% of Total	20.4%	27.8%	14.0%	62.2%
Total		Count	134	133	125	392
		% within area	100.0%	100.0%	100.0%	100.0%
		% of Total	34.2%	33.9%	31.9%	100.0%

Source: Survey Data.

Distribution of sample by Time of work

The group micro enterprises provide full time employment to 61.5% of the respondents. The other 38.5% are employed only part-time (either less than 4 hours a day on all working days or full-day employment for four days or less in a week). 66% of respondents from Kozhikode, 56% from Ernakulam and 62% from Alappuzha get full-time employment in micro enterprises.

Table: 5.16. Distribution of sample according to time of work and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Time of work in the group	Part-time	Count	45	59	47	151
		% within Time of work	29.8%	39.1%	31.1%	100.0%
		% within area	33.6%	44.4%	37.6%	38.5%
		% of Total	11.5%	15.1%	12.0%	38.5%
	Full-time	Count	89	74	78	241
		% within Time of work	36.9%	30.7%	32.4%	100.0%
		% within area	66.4%	55.6%	62.4%	61.5%
		% of Total	22.7%	18.9%	19.9%	61.5%
Total		Count	134	133	125	392
		% within area	100.0%	100.0%	100.0%	100.0%
		% of Total	34.2%	33.9%	31.9%	100.0%

Source: Survey Data.

Distribution of sample by Religious/Caste Affiliation

About 31% of respondents have some association with Religion or Caste based organisations. 49% of respondents from Alappuzha and 32% from Ernakulam are affiliated with such organisations. In Kozhikode the ratio is about 15%. However, majority of respondents from all districts negate such affiliations.

Table: 5.17. Distribution of sample according to membership in Religious / Caste Associations and geographical area.

			Districts			Total
			CLT	EKLM	ALEPY	
Type of group membership - Religion/caste based groups	yes	Count	20	42	61	123
		% within Type of groups- Religion/caste	16.3%	34.1%	49.6%	100.0%
		% within area	14.9%	31.6%	48.8%	31.4%
		% of Total	5.1%	10.7%	15.6%	31.4%
	No	Count	114	91	64	269
		% within Type of groups - religion/caste	42.4%	33.8%	23.8%	100.0%
		% within area	85.1%	68.4%	51.2%	68.6%
		% of Total	29.1%	23.2%	16.3%	68.6%
Total		Count	134	133	125	392
		% within area	100.0%	100.0%	100.0%	100.0%
		% of Total	34.2%	33.9%	31.9%	100.0%

Source: Survey Data.

Political affiliation

36.5% of the respondents keep affiliation with Political Parties/ Trade Unions. 21% of respondents in Kozhikode, 27% in Ernakulam and 63% in Alappuzha are affiliated to political parties. About 55% of all respondents with political affiliation are from Alappuzha.

**Table: 5.18. Distribution of sample by membership in political parties
And geographical area**

			Districts			Total
			CLT	EKLM	ALEPY	
Type of group membership -Political	Yes	Count	28	36	79	143
		% within Type of groups - Political	19.6%	25.2%	55.2%	100.0%
		% within area	20.9%	27.1%	63.2%	36.5%
		% of Total	7.1%	9.2%	20.2%	36.5%
	No	Count	106	97	46	249
		% within Type of groups - Political	42.6%	39.0%	18.5%	100.0%
		% within area	79.1%	72.9%	36.8%	63.5%
		% of Total	27.0%	24.7%	11.7%	63.5%
Total	Count	134	133	125	392	
	% within area	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Affiliation with other Saving Groups

About 87% of the respondents are members in saving groups other than the present SHG. 74% from Kozhikode, 96% from Ernakulam and 92% from Alappuzha are members in saving groups.

Table: 5.19. Distribution of sample by Membership in saving groups and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Type of group membership -Saving groups	yes	Count	99	128	115	342
		% within Type of groups - Savings	28.9%	37.4%	33.6%	100.0%
		% within area	73.9%	96.2%	92.0%	87.2%
		% of Total	25.3%	32.7%	29.3%	87.2%
	No	Count	35	5	10	50
		% within Type of groups- Savings	70.0%	10.0%	20.0%	100.0%
		% within area	26.1%	3.8%	8.0%	12.8%
		% of Total	8.9%	1.3%	2.6%	12.8%
Total	Count	134	133	125	392	
	% within area of data collected	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Distribution of sample by membership in other SHGs

About 30% of the respondents hold membership in SHGs other than the one under which the micro business unit has been started. While 25% from Calicut and 49% from Alappuzha are members in other SHGs, only 16.5% from Ernakulam are members in other SHGs.

Table: 5.20. Distribution of sample by membership in other SHGs and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Type of group membership -Other SHGs	yes	Count	33	22	61	116
		% within Type of groups -Other SHGs	28.4%	19.0%	52.6%	100.0%
		% within area	24.6%	16.5%	48.8%	29.6%
		% of Total	8.4%	5.6%	15.6%	29.6%
	no	Count	101	111	64	276
		% within Type of groups-Other SHGs	36.6%	40.2%	23.2%	100.0%
		% within area	75.4%	83.5%	51.2%	70.4%
		% of Total	25.8%	28.3%	16.3%	70.4%
Total	Count	134	133	125	392	
	% within area	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.2%	33.9%	31.9%	100.0%	

Source: Survey Data.

Distribution of sample by membership in Other types of Associations

The term ‘Other associations’ is used to include all types of groups other than the ones discussed above including those for arts, sports, social service and culture. About 11% of the respondents are members in some such groups. About 17% of respondents from Kozhikode, 6% from Ernakulam and 9% from Alappuzha are affiliated to some such associations.

Table: 5.21. Distribution of sample by membership in other types of groups and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Type of group membership –Others	Yes	Count	23	8	11	42
		% within Type of groups - Others	54.8%	19.0%	26.2%	100.0%
		% within area	17.2%	6.0%	8.8%	10.7%
		% of Total	5.9%	2.0%	2.8%	10.7%
	No	Count	111	125	114	350
		% within Type of groups - Others	31.7%	35.7%	32.6%	100.0%
		% within area	82.8%	94.0%	91.2%	89.3%
		% of Total	28.3%	31.9%	29.1%	89.3%
Total		Count	134	133	125	392
		% within area	100.0%	100.0%	100.0%	100.0%
		% of Total	34.2%	33.9%	31.9%	100.0%

Source: Survey Data.

Distribution of sample by Age at the time of joining SHGs

Age of respondents at the time of joining the group is analyzed in table 5.22.

Table: 5.22. Distribution of sample by age of members at the time of joining the SHG and geographical area

			Districts			Total
			CLT	EKLM	ALEPY	
Age Before Joining the Group	Up to 25 Years	Count	11	11	13	35
		% within Age Class	31.4%	31.4%	37.1%	100.0%
		% within area	8.2%	8.3%	10.4%	8.9%
		% of Total	2.8%	2.8%	3.3%	8.9%
	26-30 Years	Count	41	34	33	108
		% within Age Class	38.0%	31.5%	30.6%	100.0%
		% within area	30.6%	25.6%	26.4%	27.6%
		% of Total	10.5%	8.7%	8.4%	27.6%
	31-35 Years	Count	44	41	44	129
		% within Age Class	34.1%	31.8%	34.1%	100.0%
		% within area	32.8%	30.8%	35.2%	32.9%
		% of Total	11.2%	10.5%	11.2%	32.9%
	36-40 Years	Count	26	13	17	56
		% within Age Class	46.4%	23.2%	30.4%	100.0%
		% within area	19.4%	9.8%	13.6%	14.3%
		% of Total	6.6%	3.3%	4.3%	14.3%
41 and Above	Count	12	34	18	64	
	% within Age Class	18.8%	53.1%	28.1%	100.0%	
	% within area	9.0%	25.6%	14.4%	16.3%	
	% of Total	3.1%	8.7%	4.6%	16.3%	
Total		Count	134	133	125	392
		% within area	100.0%	100.0%	100.0%	100.0%
		% of Total	34.2%	33.9%	31.9%	100.0%

Source: Survey Data.

The largest number of respondents (32.9%) belonged to the age group 31-35 at the time of their enrollment in SHGs. 27.6% of them were in the group 26-30 and about 9% were below 26. while 14% were aged from 36 to 40 16% were above 40.

V. 2. SELF HELP GROUPS AND SOCIAL CAPITAL FORMATION

The process of Social Capital Formation

This study visualizes social capital formation through SHGs as a cyclic process involving several stages as described below (figure 5.1):

1. Group membership: Group formation takes place on the basis of the existing level of social capital available in the neighbourhood. One becomes member of an SHG on the basis of information obtained from a friend, neighbour or relative. Most are attracted to groups initially as it offers chances of future economic gains in the form of subsidized loans and other benefits.

Formation of a group with specific objectives and norms of behaviour helps to strengthen these social connections through regular meetings enabling enhanced interaction and communication. Relationships become open and they engage in free discussion of common issues. The staffs of promoting agencies and group leaders play a great role in enabling this environment. Thus the group starts developing an inner cohesiveness.

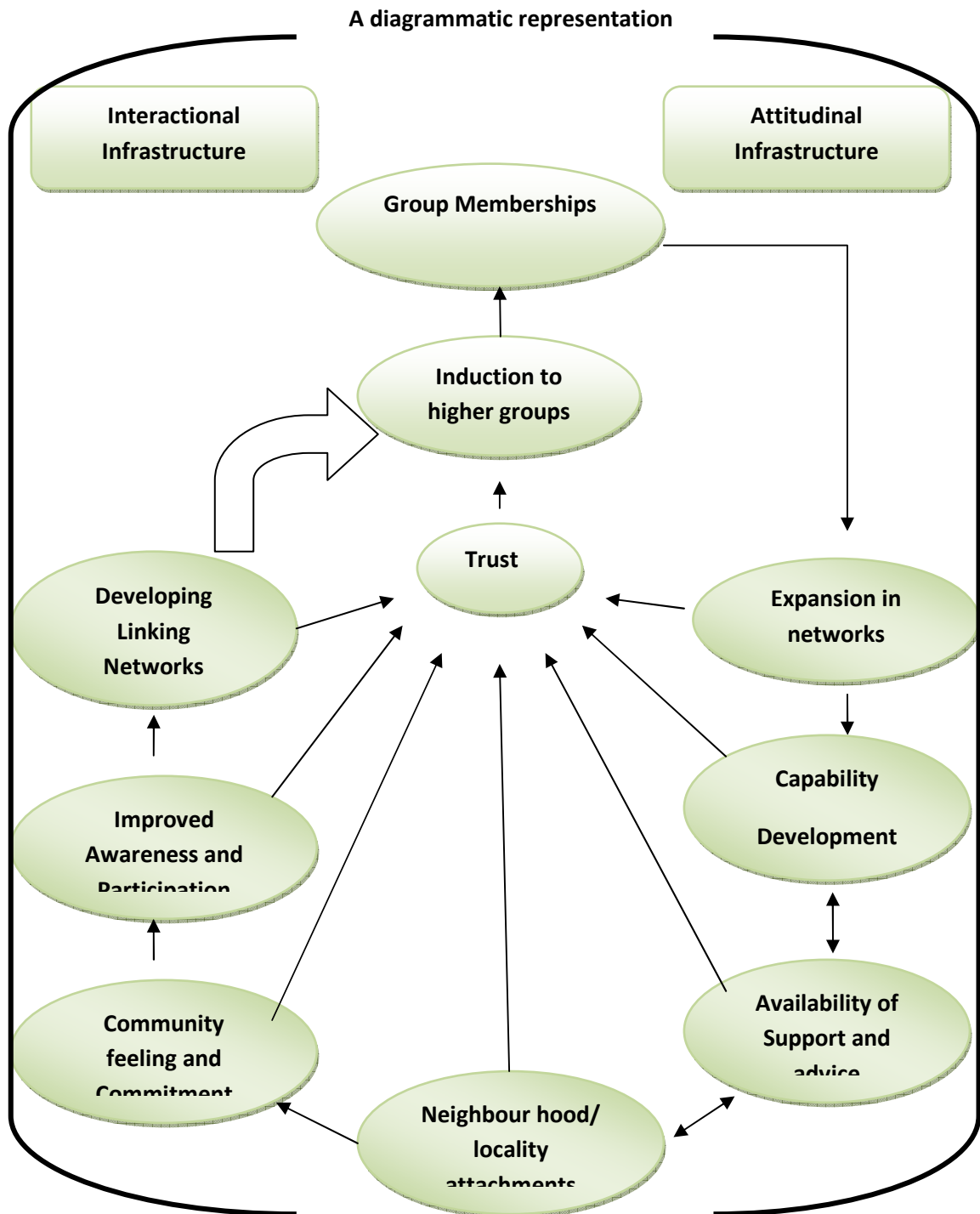
2. Expansion of the social network: Group formation leads to expansion in the number of people that a woman considers as her friend. Most women micro entrepreneurs agree that joining of SHGs have helped them find likeminded people for sharing their feelings and have brought about great expansion in their social networks.

3. Capability Development: Repeated participation in group activity, training and playing of leadership role enable members improve their human resource capabilities. Most respondents of this sample have responded that the group activity has enabled them learn a new way of behaviour. Majority of them report substantial

improvement in their ability to interact, ability to communicate, ability to bargain, feeling of self confidence and the ability to lead.

Figure: 5.1.

Social Capital Formation as a cyclic process



4. Availability of Support and Advice: SHGs opens up sources of support and assistances to members. They come into contact with their neighbours in an unprecedented manner as the group start addressing each others' problems as a collectivity. Support takes various forms depending on the needs of the member from financial to informational and intellectual. Most respondents now feel sure that they are now able to get a temporary loan of Rs. 1000 from a friend; find a close friend to discuss a personal problem; get an advice on the education of child; and obtain assistances from Government or other agencies.

5. Developing Neighbourhood / locality attachments: Women Micro entrepreneurs as a result of their group activity are able to expand their social circles beyond the group. Most respondents claim to have made substantial improvement in their knowledge of the personal details of people in the area; the geography of the locality; likes and dislikes of people; norms and values followed; feeling of freedom; mobility in the area and trust in local people.

6. Developing Community feeling and Commitment: Majority of respondents express their community feeling, integrity and commitment to the community in general and the SHG community in particular. Women declare that they are now confident to interact without any hesitation even with strangers as they are backed by a network that comes to their rescue in times of need. Most respondents claim to give highest priority to SHG products in purchases so far as they are available. Most are ready to work and make sacrifices for the benefit of the community at large. Most are now ready to participate in demonstrations for the cause of the community. They also claim to participate in the Gramasabha regularly.

7. Enhanced Awareness and improved Participation: The respondents have also gained considerable improvement in their awareness and outlook in matters concerning health; environment; women empowerment; fight against social ills like alcoholism and dowry and participation in voluntary social service.

8. Development of Linking Networks:

The SHG activity has helped the women micro entrepreneurs widen their social relationships beyond original social circles to centres of power and influence.

Most respondents have a close relationship with their Local Body representative and SHG/ Local Body/Government officials concerned. They also have developed good contacts with bank officials and helpful businessmen. Some of them also claims close connections with district level political leaders. Formation of links may open up opportunities to move up to the higher levels of the network; gain memberships in higher level groups; undertake greater responsibilities and gain accessibility to more amount of power and resources.

9. Trust: Trust is an essential ingredient in all meaningful relationships. Expansion of trust takes place continuously in all the above phases of social capital formation and trust is both a cause and an effect in all the above phases. Almost all respondents report substantial increase in their trust levels in various actors. They maintain that invariably there is high trust among most group members. All trust indicators namely trust in local people, trust in Local Government, trust in General Public, trust in officials concerned and trust in political leaders show considerable improvement after joining the SHGs.

Social Capital formation and Leadership Development:

One who is able to move forward through this process of social capital formation and complete successive cycles successfully becomes a leader of the community. With successive cycles one gets more and more access to higher level groups in the hierarchy and his/her radius of trust and trust worthiness also gets expanded. But the volumes of candidates who get inducted to higher level groups get reduced at every stage through a social process of elimination. Therefore, Social Capital formation can also be viewed as a process of evolution of leadership in the community.

The extent of Social Capital Formation

The primary objective of the study has been to examine the extent of Social Capital Formation that has taken place among SHG micro entrepreneurs after their joining the SHGs. For this the process of Social Capital Formation is visualized as one involving several stages comprising of Capability Development, development of

an Attachment to the Neighbourhood, expansion in Networks and Group memberships, improved availability of Support and Advice, development of Community Feeling, improvement in social outlook and participation , development of Linking Networks and the enhancement in Social and Institutional Trust. The change in these elements of Social Capital Formation among the respondents is examined on the basis of their own evaluation of their status with regard to selected indicators both before joining the SHGs and at the time of collecting these responses. The responses are collected on a five point interval scale ranging from 'Very Low' to 'Very High'. The t test is used to test the significance of difference in 'Before' and 'After' mean scores.

Ho: There is no significant difference in the mean values of the stated elements of Social Capital Formation among SHG micro entrepreneurs before and after joining the SHGs.

H1. There is significant difference in the mean values of the stated elements of Social Capital Formation among SHG micro entrepreneurs before and after joining the SHGs.

The elements are examined one by one below:

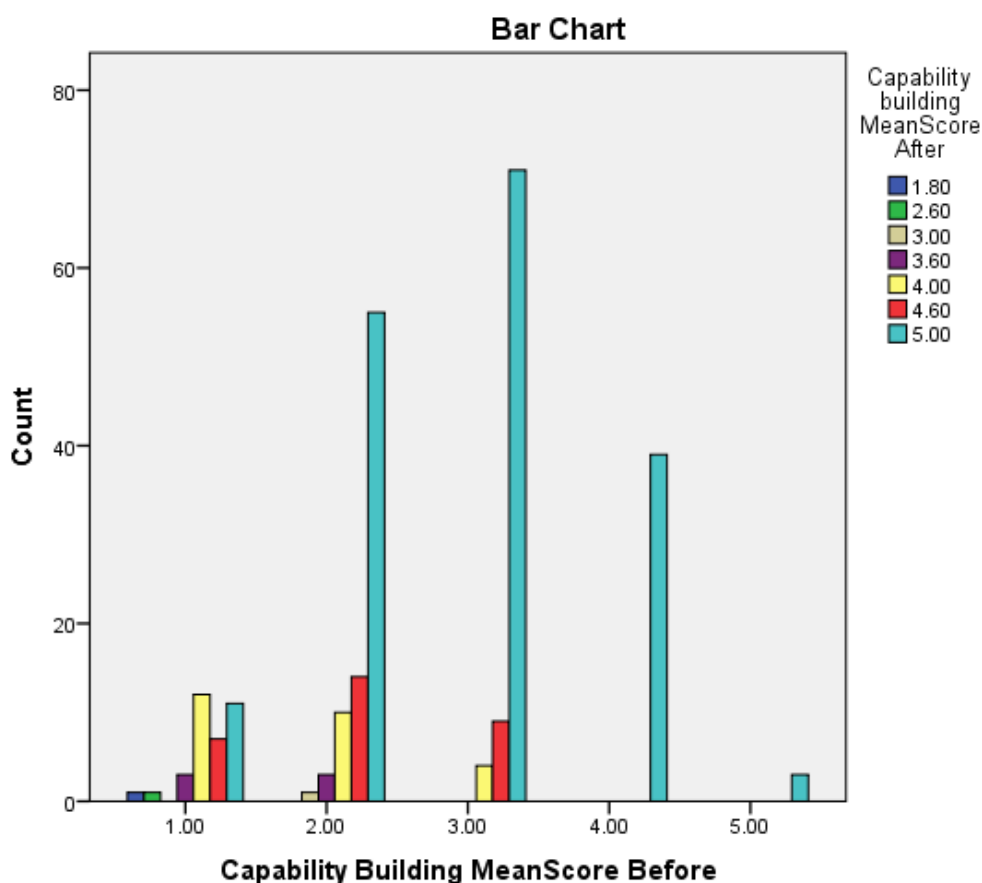
1. Capability Development

Kilpatrick (1999) considers the personal development of the individual as an essential element in social capital building. One's own perception of his/her ability to contribute to the group goal prompts him/her to take active part in the process of social capital formation. The ability to interact with people, ability to communicate, feeling of self confidence, ability to bargain, and the ability to lead the group as perceived by the respondents are the indicators used by the study for the measurement of capability.

The following diagram gives a vivid picture of the change in the capability of respondents. The original position of the respondents as before SHG enrolment is shown along the X axis and the Y axis gives their respective counts. The colors used

for bars indicate their present status. Some interim values are consolidated for clarity.

Figure: 5.2. Change in capability scores of respondents during the period of SHG activity.



Source: Survey Data.

The mean score of capability for a great majority of the respondents concentrated between very low to moderate levels of capability prior to SHG enrolment (as indicated by the total volume at each point). But the mean score after shows a similar concentration towards the higher levels in the scale (as indicated by respective colors of bars).

Thus the diagram shows considerable improvement in capability with a major part of respondents claiming to have attained high and very high degree of

capability irrespective of their original status. The results of t test are depicted in table 5.23.

Table: 5.23. Before - after comparison of the capability mean scores of respondents.

Variable	Mean	N	Std. Deviation	t value	DOF	Sig.
Capability Mean Score- Before	2.4903	392	.90087	-54.203	391	.000
Capability Mean Score- After	4.6974	392	.51672			

Source: Survey Data.

The mean score of capability has increased from 2.49 to 4.69 during the period of SHG involvement. The significance value of t test is less than 0.05. The H₀ is rejected at 5% level of significance. There has been significant improvement in the capability of respondents as perceived by the respondent during the period of SHG activity.

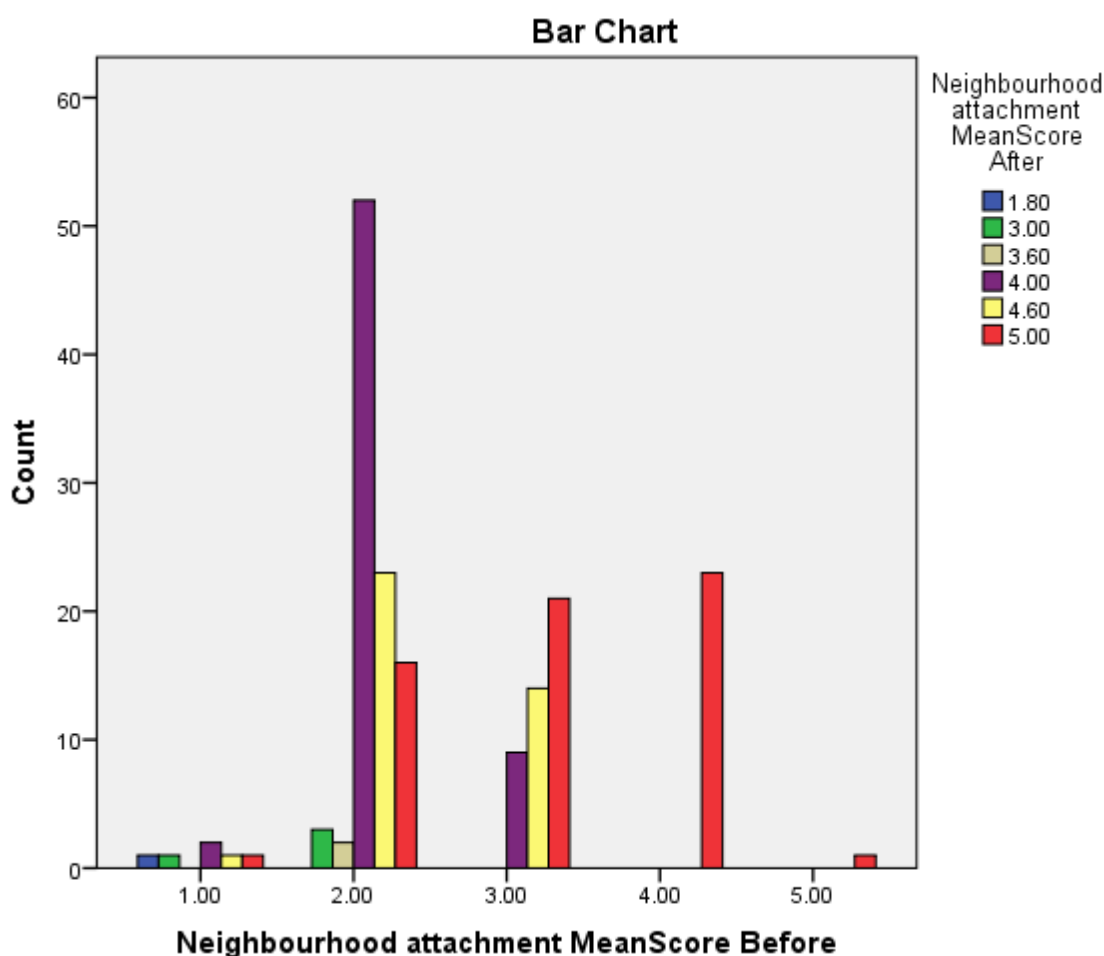
2. Neighbourhood or Locality Attachments

The development of trustful relationships among individuals is the basic element of social capital formation. It essentially needs knowing each other. Knowing each other occurs when members share their personal histories experiences and future aspirations. It creates a sense of freedom and openness allowing frank exchanges eventually contributing to the development of trust (Kilpatrick, 1999).

Social capital formation in the context of women SHGs essentially involves expansion in the social circles in the locality. The indicators used for measuring locality attachments includes knowledge of personal details of people; knowledge of geography of the locality; knowledge of manners, norms and values practiced; freedom of interaction in the locality and mobility in the area as perceived by the respondents.

The diagram below portrays the change in the neighbourhood/locality attachments of respondents. The original position of the respondents as before SHG enrolment is shown along the X axis and the Y axis gives their respective counts. The colors used for bars are indicative their current status. Some interim values are consolidated for clarity.

Figure: 5.3. Change in neighbourhood/locality attachments scores of respondents during the period of SHG activity.



The mean score of locality attachment of majority of the respondents concentrated between very low to moderate levels before SHG enrolment (as indicated by the total volume at each point). But the mean scores as at present are concentrated towards the higher levels in the scale (as indicated by respective colors of bars).

Thus the diagram shows significant improvement in neighbour hood connections with a major part of respondents claiming to have attained high and very high degree of attachment to the locality irrespective of their original status. The results of t test are shown in table: 5.24.

Table: 5.24. Before - after comparison of the neighbourhood/locality attachments (mean scores) of respondents.

Variable	Mean	N	Std. Deviation	t value	DOF	sig.
Neighbourhood Attachment-Mean Score-Before	2.5092	392	.76437	-56.603	391	.000
Neighbourhood Attachment-Mean Score-After	4.4689	392	.47918			

Source: Survey Data.

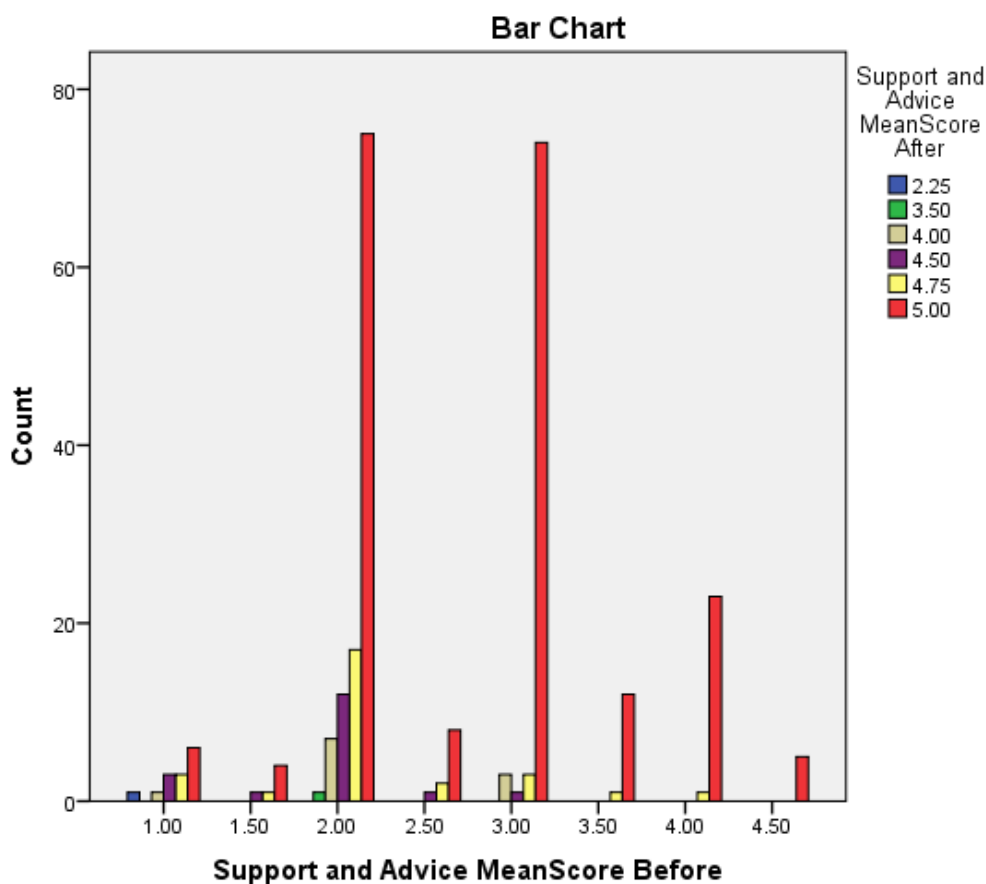
The mean scores of Neighbourhood Attachment are 2.51 and 4.47 for before and after values respectively. The difference between before- after values is significant at 5% level. Therefore, there has been significant improvement in the neighbourhood/ locality connections of respondents during the period of SHG activity.

3. Availability of Support and Advice

Regarding each other as credible sources of support and advice is an essential element in social capital development. As people come to know each other, they develop a sense of belongingness leading to enhancement in mutual support and cooperation. In the circumstances of SHG women, this element is crucial as they need supports of various kinds on their path out of poverty. The indicators used for the study includes: Possibility of borrowing some money(say, Rs.1000) from others; Possibility of discussing a personal problem with a friend; Possibility of obtaining an advice about the education of child and Possibility of accessing benefits of Govt./other programmes.

The following diagram describes the change in the availability of these forms of supports to respondents. The original position of the respondents as before SHG enrolment is shown along the X axis and the Y axis gives their respective counts. The colors of bars indicate their status as at present. Some interim values are consolidated for clarity.

Figure: 5.4. Change in availability of support and advice to respondents during the period of SHG activity.



The mean score of availability of support and advice stood below moderate level for majority of the respondents before SHG enrolment (as indicated by the total volume at each point). But the mean scores as at present are concentrated towards the higher levels in the scale (as indicated by respective colors of bars).

Thus the diagram shows significant improvement in their availability of supports with a great majority of respondents claiming to have high and very high

degrees of support availability irrespective of their original status. The results of t test are given below.

Table: 5.25. Before-After comparison of the availability of support and advice (mean scores) to respondents.

Variable	Mean	N	Std. Deviation	t value	DOF	sig.
Availability of Support and Advice- Mean Score -Before	2.57	392	.79106	-58.571	391	.000
Support and Advice -Mean Score -After	4.84	392	.33596			

Source: Survey Data.

The mean score for Availability of Support and Advice has increased from 2.57 to 4.84 after joining SHGs. The difference is significant at 5% level. There has been considerable increase in the availability of support and advice to the respondents since their SHG affiliation.

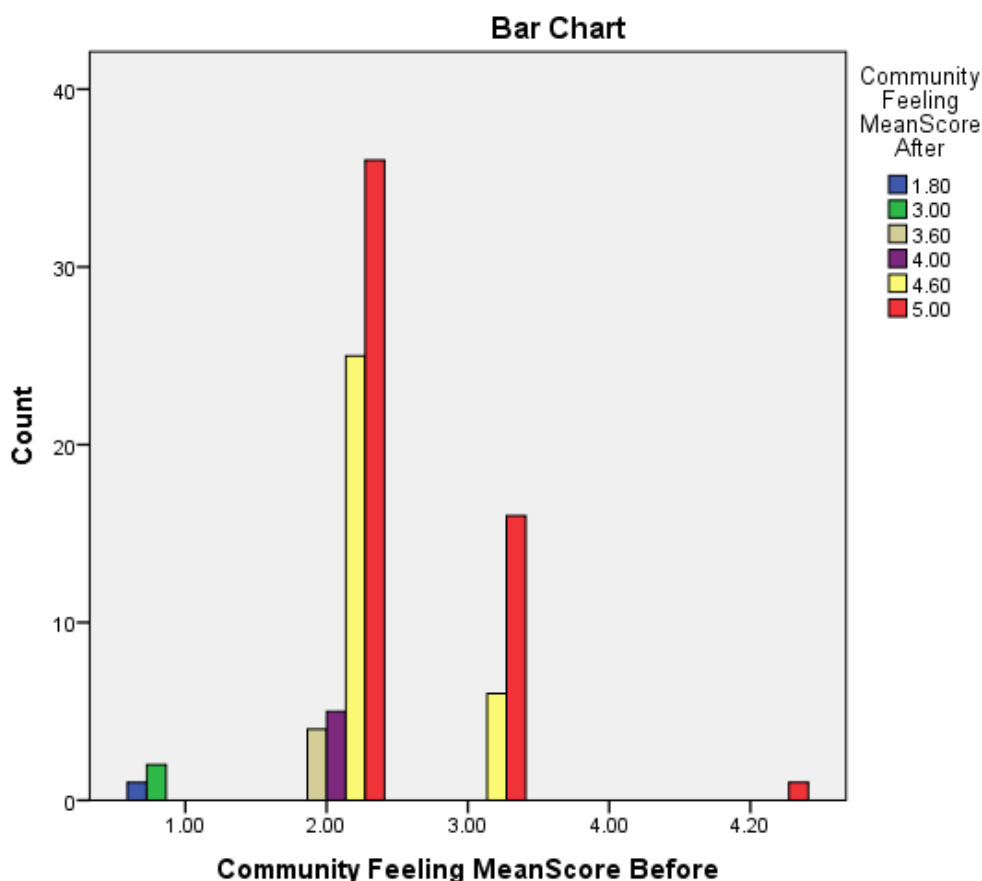
4. Community Feeling and Commitment

In the words of Kilpatrick, (1999) ‘Commitment’ represents the point at which personal development and ‘getting to know each other’ combine with sufficient reserves of trust between members to result in a commitment to future action. It is at this point that social capital can be used effectively. Feeling alike other SHG members and getting ready to put in for the community are essential elements in social capital formation. Variables used in this study for measuring community feeling and commitment include Willingness to sacrifice for common benefit; extent of preferences given to SHG products in purchases; Willingness to participate in a demonstration for the community; economic cooperation among members outside the group and Participation in Gramasabha.

The bar diagram given below portrays the change in community feeling and commitment among respondents since their becoming SHG micro entrepreneurs.

The original position of the respondents as before SHG enrolment is shown along the X axis and the Y axis gives their respective counts. The colors of bars indicate their status as at present. Some interim values are consolidated for clarity.

Figure: 5.5. Change in community feeling among respondents since SHG membership.



The mean score for Community Feeling and Commitment has been around low among majority of the respondents before SHG enrolment (as indicated by the total volume at each point). But the mean scores as at present are concentrated towards the higher levels in the scale (as indicated by respective colors of bars).

Thus the diagram shows significant improvement in community feeling with a majority claiming to have high and very high degrees of community feeling irrespective of their original status. Results of the t test are given below.

Table: 5.26. Before-After comparison of community feeling and commitment (mean scores) among respondents.

Variable	Mean	N	Std. Deviation	t value	DOF	sig.
Community Feeling-Mean Score- Before	2.2490	392	.62681	-78.131	391	.000
Community Feeling-Mean Score- After	4.5536	392	.49735			

Source: Survey Data.

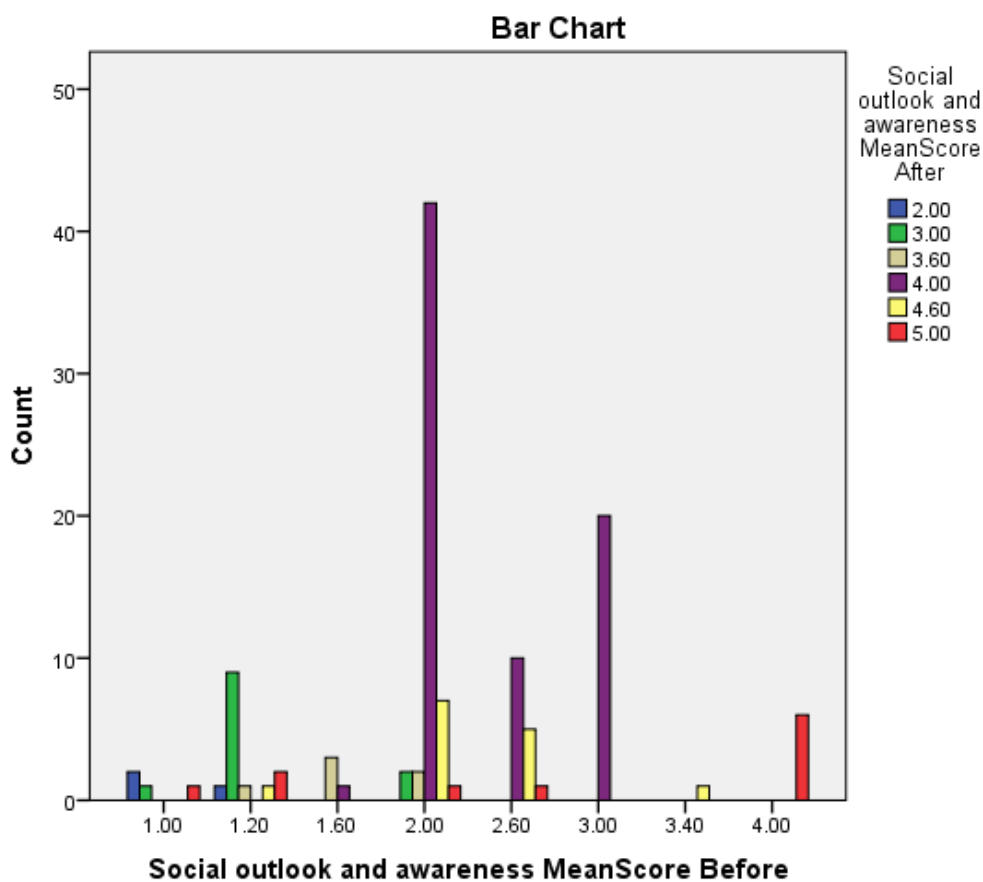
The mean score of Community Feeling as perceived by the respondents shows considerable improvement from 2.25 to 4.55 since becoming micro entrepreneurs under the SHGs. The difference is significant at 5% level. There has been significant improvement in community feeling and commitment among respondents since joining SHGs.

6. Awareness and Participation

Social capital formation to complement the rule of law and the state apparatus should essentially be founded on social attitude mobilization for the betterment of the community as a whole. The urge within members to belong to a society that is more aware, equitable and sustainable is the true capital of any society. This study considers health awareness, participation in other women empowerment programmes, participation in voluntary social service, participation in action against social ills, and concern for environment as indicators for this variable.

The diagram below depicts the change in social outlook and participation of respondents during the period of SHG activity. The original position of the respondents as before SHG enrolment is shown along the X axis and the Y axis gives their respective counts. The colors of bars indicate their status as at present. Some interim values are consolidated for clarity.

Figure: 5.6. Change in Awareness and Participation among respondents since SHG membership.



The mean score for social outlook and participation has been around low among majority of the respondents before SHG enrolment (as indicated by the total volume at each point). But the mean scores as at present are concentrated towards the higher levels in the scale (as indicated by respective colors of bars). Thus the diagram reveals significant improvement in social outlook and participation since SHG membership. Results of the t test are given below.

Table: 5.27. Before-After comparison of Awareness and participation (mean scores) among respondents.

Variable	Mean	N	Std. Deviation	t value	DOF	sig.
Awareness and participation Mean Score- Before	2.0704	392	.64949	-61.622	391	.000
Awareness and participation Mean Score - After	3.9566	392	.64579			

Source: Survey Data.

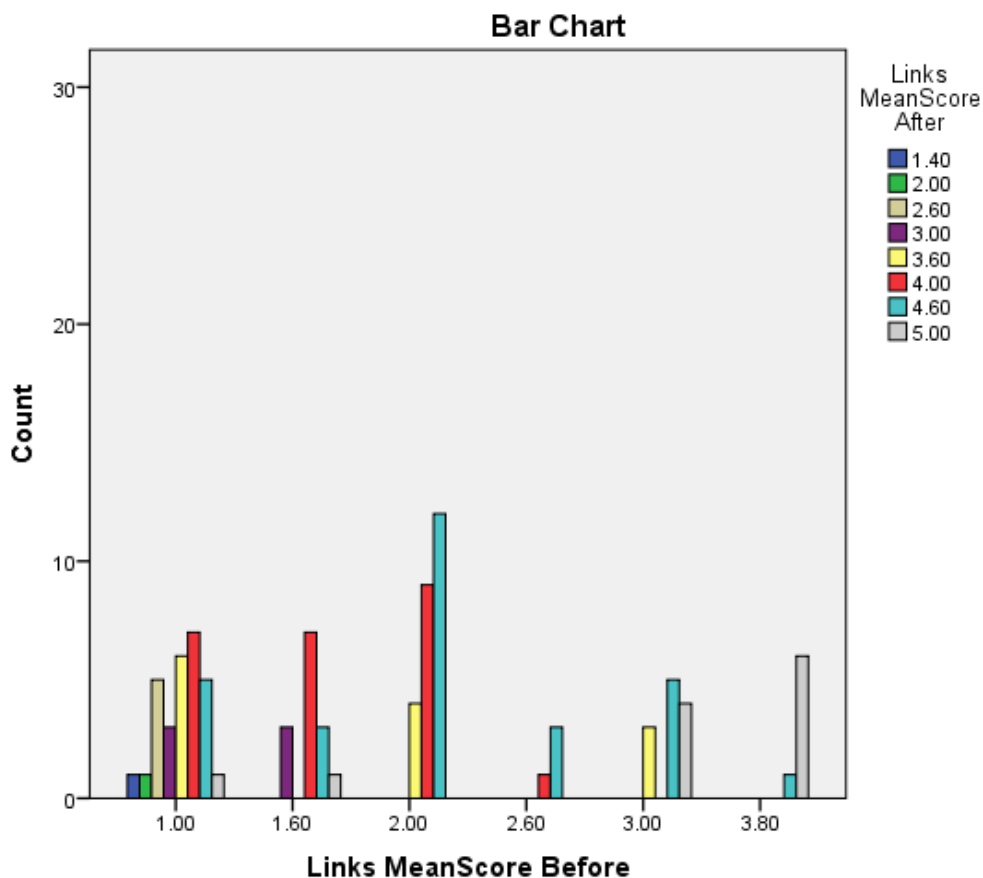
With regard to Social Outlook and participation the mean score has increased from 2.07 to 3.96. The difference is significant at 5% level. The respondents have made considerable improvement in their social participation and outlook since SHG membership.

7. Linking Networks

Links help to augment accessibility to resources and diversify networks. They facilitate networking in higher circles and membership in upper level groups. Links are essential components in the social capital stock of entrepreneurs. This study has included accessibility to LSG member, accessibility to SHG / LSG /Govt. officials, accessibility to bank officials, accessibility to a district level leader and accessibility to helpful business men as perceived by respondents are used as indicators of links available to SHG women micro entrepreneurs.

The bar diagram given below gives a picture of the change in the linking networks of respondents during their tenure as SHG micro entrepreneurs. The original position of the respondents as before SHG membership is shown along the X axis and the Y axis gives their respective counts. The colors of bars indicate their status as at present. Some interim values are consolidated for clarity.

Figure: 5.7. Change in linking networks of respondents since SHG membership.



The mean score for links has been very low to low to majority of the respondents before SHG enrolment (as indicated by the total volume at each point). But the mean scores as at present are concentrated towards the higher levels in the scale (as indicated by respective colors of bars). Thus the diagram reveals significant improvement in links since SHG membership. Results of the t test are shown below.

Table: 5.28. Before - after comparison of Links (mean scores) among respondents.

Variable	Mean	N	Std. Deviation	t	DOF	Sig.
Links- Mean Score -Before	1.9153	392	.66738	-69.400	391	.000
Links- Mean Score- After	4.1036	392	.64621			

Source: Survey Data.

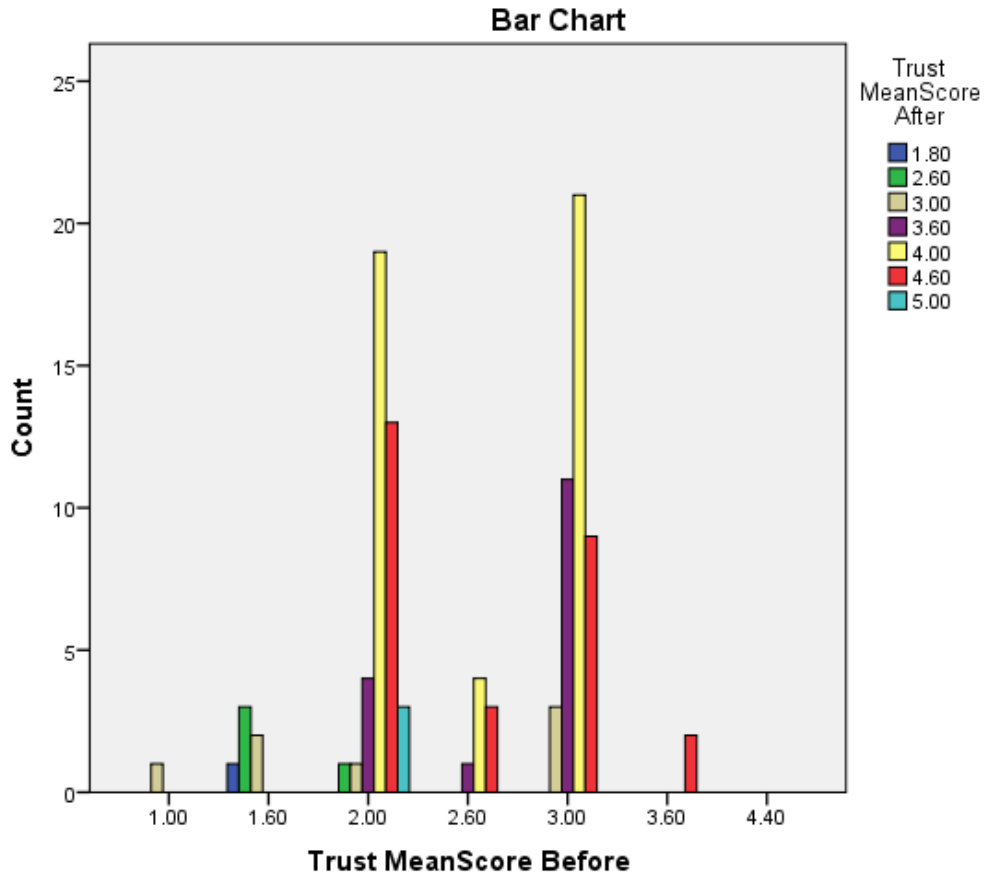
As before their joining SHGs, the respondents had a mean score of 1.92 in linking networks. Now the same stands at 4.10. The difference is significant at 5% level. Therefore, there has been significant improvement in accessibility to links.

7. Social and Institutional Trust

Trust is considered the most important indicator of social capital. The average level of trust that the members of a community perceive in various actors in that community signifies the expected level of reliability attached to such actors in fulfilling their due role. These expectations are founded on past experiences to a great extent. Therefore it also resembles the degree of efficacy of social and institutional control over various actors in the community. This study uses five indicators of trust that are considered relevant in the context of SHG women. These are trust in local people, trust in local government, trust in general public, trust in political leaders and trust in government officers.

The diagram shown below portrays the change in the mean scores of trust among respondents in the selected players during the period of micro entrepreneurship. The original position of the respondents as before SHG membership is plotted along the X axis and the Y axis gives their respective counts. The colors of bars indicate their status as at present. Some of the values are consolidated for clarity.

Figure: 5.8. Change in the level of trust among respondents since SHG membership



Regarding trustworthiness, majority of the respondents have been conservative both before and after SHG membership. However there has been an apparent upward shift in the level of confidence in actors as depicted by the diagram. The results of t test are also given below.

Table: 5.29. Before-After comparison of social & institutional trust (mean scores) among respondents.

Variable	Mean	N	Std. Deviation	t value	DOF	sig.
Trust- Mean Score- Before	2.4995	392	.56023	-47.128	391	.000
Trust- Mean Score- After	3.9393	392	.52233			

Source: Survey Data.

The mean score for Social and Institutional Trust that stood at 2.5 before joining SHGs has now increased to 3.94. The difference is significant at 5% level. Thus there has been significant improvement in the mean score of social and institutional trust among respondents during the period of SHG micro entrepreneurship.

8. Membership in Groups and Networks

Density of memberships in groups and networks are considered direct indicators for the degree of associability present in a community. Groups are informal organisations formed for pursuing common interests of members. They enable empowerment through union. This study considers the number of memberships in various kinds of groups as an important indicator of social capital. Besides, the number of meetings attended in a month is also included to incorporate the quality of these memberships.

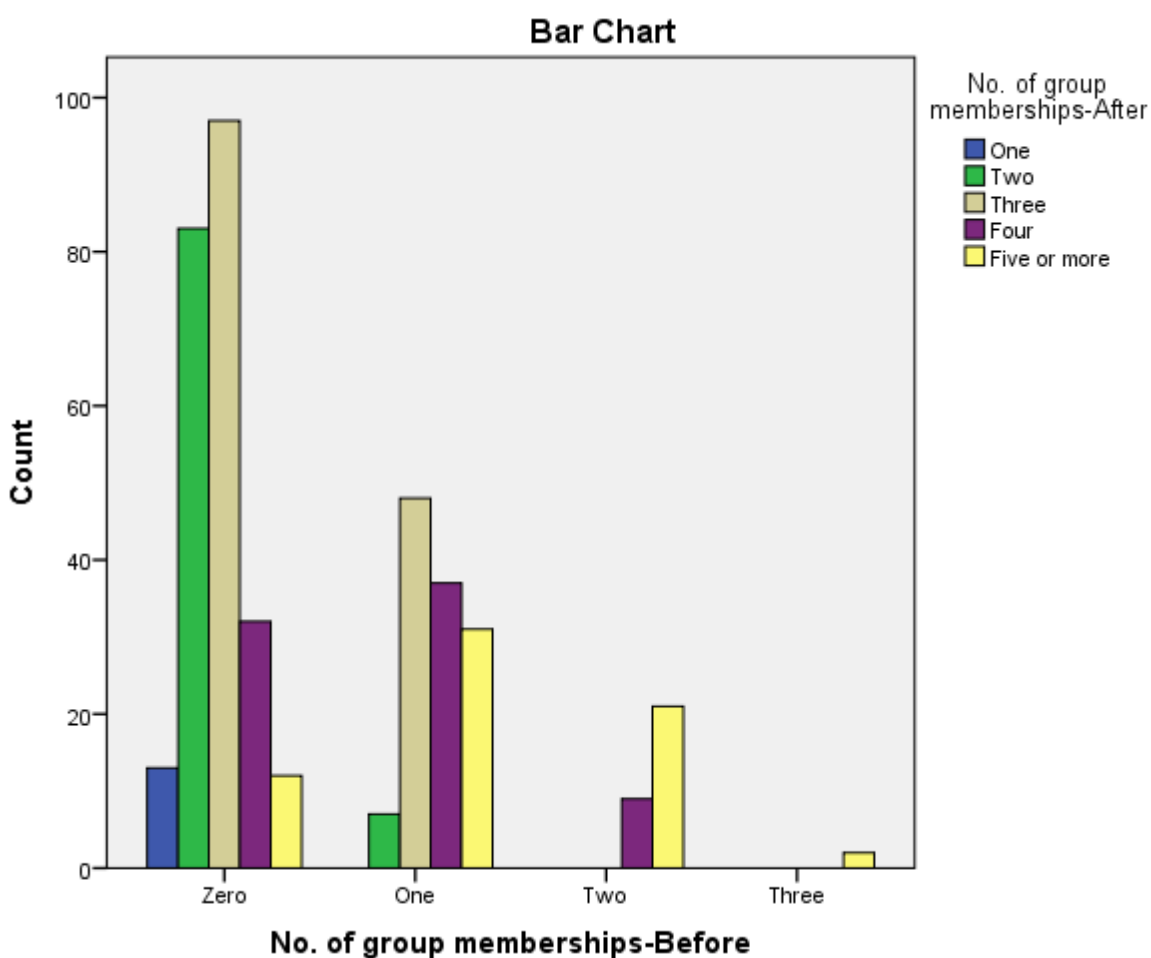
Table: 5.30. Before - after comparison of number of group memberships among respondents.

		No. of group memberships- After					Total
		One	Two	Three	Four	Five or more	
No. of group memberships- Before	Zero	13	83	97	32	12	237
	One	0	7	48	37	31	123
	Two	0	0	0	9	21	30
	Three	0	0	0	0	2	2
Total		13	90	145	78	66	392

Source: Survey Data.

Out of 392 respondents, 237 (60.5%) were not members in any group before and 123 (31.4%) were members in one group each. Now only 13 (out of 360- 3.6%) of them remain as members in one group (the SHG) only. 90 (25%) of them are members in two groups; 145 (40%) in three groups; 69 (19%) in four groups and 43 (12%) are members in five or more groups.

Figure: 5.9. Diagram showing the change in number of group memberships among respondents since their SHG affiliation



The diagram shown above portrays the change in the number of group memberships among respondents during the period of micro entrepreneurship. The original position of the respondents as before SHG membership is plotted along the X axis and the Y axis gives their respective counts. The colors of bars indicate their status as at present.

Table: 5.31. T test- Before After comparison of Number of group memberships.

	Mean	N	Std. Deviation	t	df	Sig.
No of group memberships- before	.48	392	.659	-58.434	391	.000
No of group memberships- After	3.28	392	1.158			

Source: Survey Data.

T test shows significant difference between numbers of group memberships before and after joining SHGs. The mean number of group membership has increased 6.83 times from 0.48 to 3.28 during the period of SHG affiliation. Thus it is apparent that the SHG membership has triggered a process whereby the respondents are inducted in to multiple group affiliations.

The Number of meetings attended:

This indicator is used to gauge the level of interest taken by the member in activities of the groups in which they are members. The table and chart given below indicates the change in meeting participation during the period of SHG membership.

Table: 5.32

Before - after comparison of No. of meetings attended by respondents.

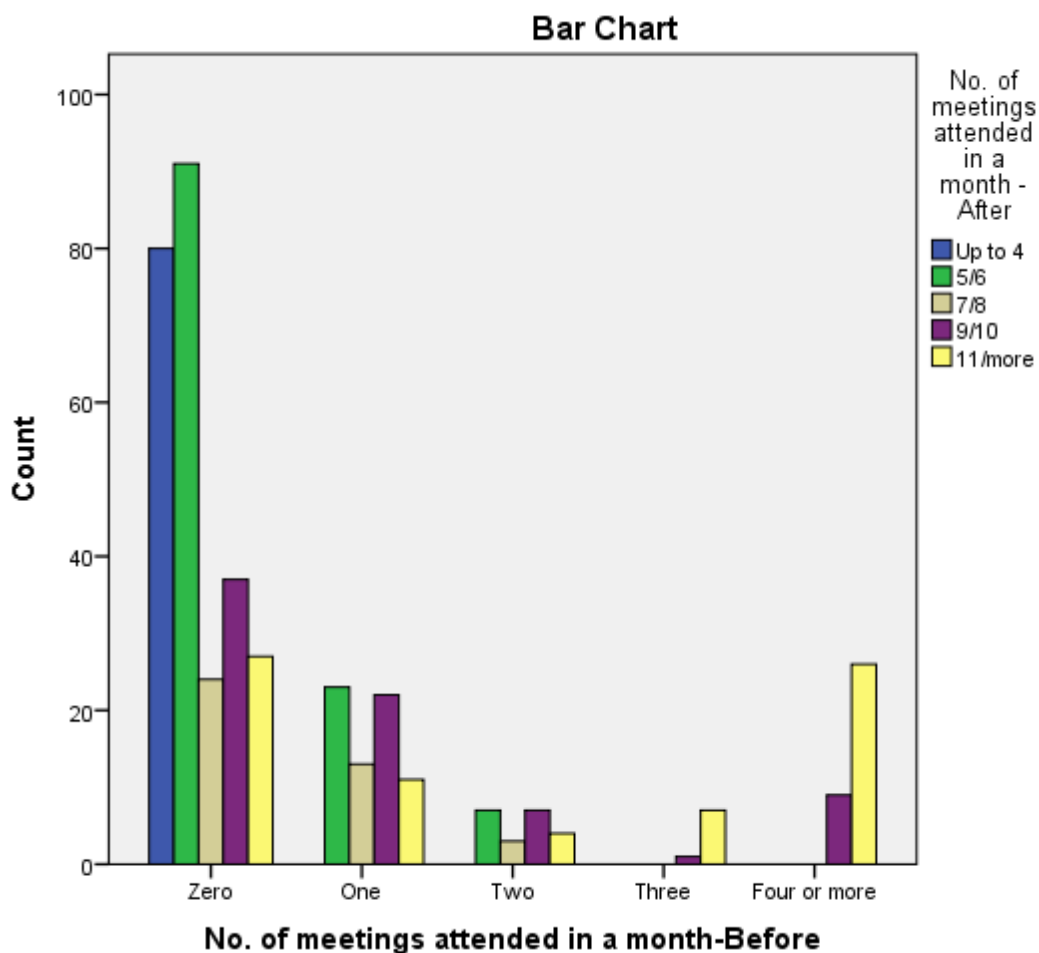
		No. of meetings attended in a month - After					Total
		Up to 4	5/6	7/8	9/10	11/more	
No. of meetings attended in a month-Before	Zero	80	91	24	37	27	259
	One	0	23	13	22	11	69
	Two	0	7	3	7	4	21
	Three	0	0	0	1	7	8
	Four or more	0	0	0	9	26	35
Total		80	121	40	76	75	392

Source: Survey Data.

The change in meeting participation is depicted in figure: 5.10.

Figure: 5.10.

Diagram showing number of meetings attended in a month.



Participation in meetings was rare to majority of respondents before SHG membership. Now 310 out of 392 (79%) participate in more than 4 meetings a month and 75 (19%) of them participate in more than 10 meetings a month. The mean number of meeting attendance has increased by 1027% from 0.79 to 8.12. Thus it is clear that there has been remarkable increase in participation in meetings since SHG membership.

Networks

Networks are important elements in Social Capital. It implies the social circles of help and support available to a person. This study uses number of people a respondent would consider as friends as indicator of networks.

Table: 5.33.

Change in number of friends among respondents since their SHG affiliation.

		No. of friends- After					Total
		Up to 2	3 to 5	6 to 10	11- 20	Above 20	
No. of friends- before	Up to 2	3	23	31	16	4	77
	3 to 5	0	2	30	143	62	237
	6 to 10	0	0	1	17	58	76
	11-20	0	0	0	0	2	2
Total		3	25	62	176	126	392

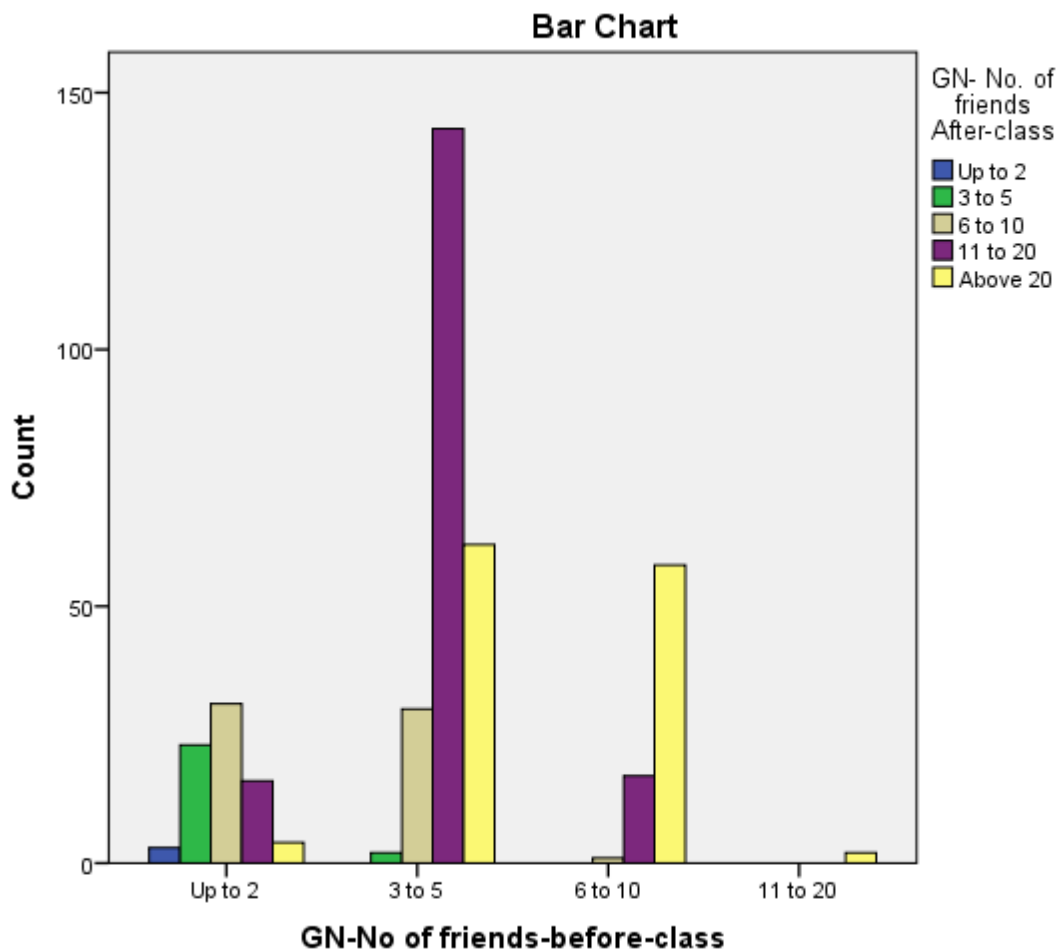
Source: Survey Data.

The diagram shown below portrays the change in the number of friends among respondents during the period of micro entrepreneurship. The original position of the respondents as before SHG membership is plotted along the X axis and the Y axis gives their respective counts. The colors of bars indicate their status as at present. Some of the values are consolidated for clarity.

The number of friends was five or less to majority of the respondents before. Now majority of them (77%) are having more than ten friends. The mean number of friends has grown from 4.52 to 18.78. Thus, there has been significant change in the number of friends of respondents since SHG affiliation. The change in number of friends is depicted in figure 5.11.

Figure: 5.11.

Diagram showing change in number of friends since SHG membership



Source: Survey Data.

There has been significant increase in the number of friends.

Participation in Life Cycle events:

Frequency of participation in life cycle events is included to incorporate the quality and strength of social networks. It is used to indicate the social embeddedness of the respondent. The change is depicted by the diagram below.

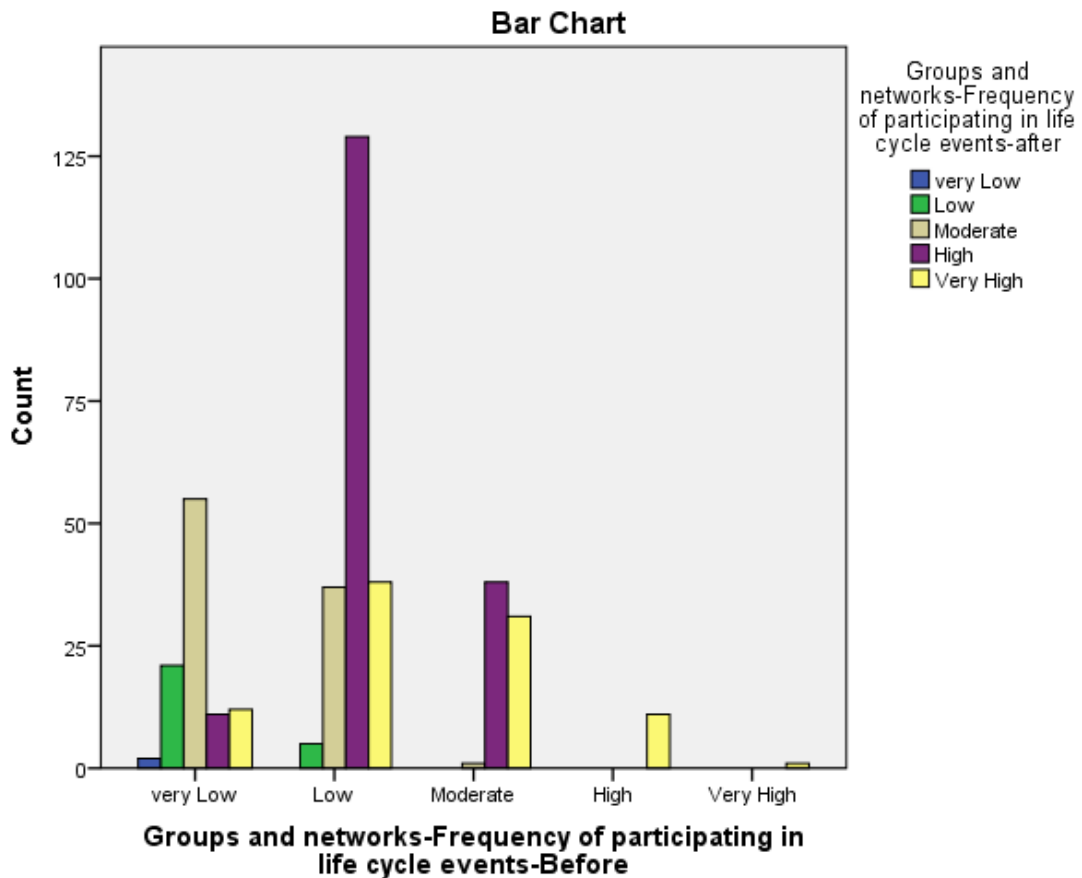
Table: 5.34

Before - After comparison of frequency of participation in life cycle events

		Frequency of participating in life cycle events-After					Total
		Very low	Low	Moderate	High	Very high	
Frequency of participating in life cycle events-Before	Very low	2	21	55	11	12	101
	Low	0	5	37	129	38	209
	Moderate	0	0	1	38	31	70
	High	0	0	0	0	11	11
	Very high	0	0	0	0	1	1
Total		2	26	93	178	93	392

Source: Survey Data.

Figure: 5.12. The diagram showing change in frequency of participation in life cycle events by the respondents.



Majority (79%) of the respondents had only low frequency of participation in life cycle events before. Now 364 out of 392 (92%) has moderate or above moderate frequency of participation in life cycle events.

Table: 5.35. t test- Before - After comparison of Frequency of participation in life cycle events

Variables	Mean	N	t	df	Sig.
Frequency of participating in life cycle events-Before	1.98	392	-47.883	391	.000
Frequency of participating in life cycle events-after	3.85	392			

Source: Survey Data.

The mean score for participation in life cycle events increased from 1.98 to 3.85. The t test indicates significant difference between before and after values. Thus there is considerable improvement in the extent and quality of social connections of the respondents.

9. The Total Social Capital Index

This study uses two different measures of total social capital as given below:

Version 1- Total Social Capital Index (TSCI) is the aggregate of the scores of respondents for all the elements discussed above including Capability, Neighbourhood attachment, Availability of support and advice, Community feeling, Awareness and Participation, Linking networks, Social and Institutional trust, and membership in Groups and Networks.

Version 2- Social Capital Index (SCI) is the aggregate of the most commonly used indicators of social capital namely Groups, Networks and Trust.

Before – After comparison of the two versions of indices are shown in table 5.36.

Table: 5.36

T test- Before – After comparison of social capital indices

		Mean	N	Std. Deviation	t	df	Sig.
Pair 1	TSCI- Before	89.5663	392	21.97035	-91.813	391	.000
	TSCI- After	173.2704	392	18.18977			
Pair 2	SCI- Before	23.1046	392	4.79789	-82.720	391	.000
	SCI- After	44.9923	392	6.91286			

Source: Survey Data.

The mean score of TSCI increased from 90 to 173 and that for SCI increased from 23 to 45 during the period of SHG activity. Since the significance values of the test are less than 0.05, the H₀ is rejected for both the versions. It is concluded that there is significant increase in the social capital stocks of SHG women micro entrepreneurs in Kerala after becoming SHG micro entrepreneurs.

CHAPTER VI
DETERMINANTS OF SOCIAL CAPITAL
AMONG SHG WOMEN MICRO ENTREPRENEURS
IN KERALA- An analysis

- ♣ *Determinants Of Social Capital: Socio-Economic Factors*
 - *Geographical area and social capital*
 - *Domicile and social capital stock*
 - *Age and social capital stock*
 - *Education and social capital*
 - *Education of parent and social capital stock*
 - *Occupation prior to SHG membership and social capital*
 - *Religion of respondents and social capital scores*
 - *Caste and social capital*
 - *Marital status and social capital*
 - *Family and social capital*
 - *Economic status and social capital*
 - *Stay in the locality and social capital*
 - *Tradition in Social/Political activities and Social Capital*

- ♣ *Determinants Of Social Capital Formation: Group Characteristics*
 - *The Promoting Agency (SHG) and social capital formation*
 - *Type of activity and social capital formation*
 - *Dominant age group in the group*
 - *Age homogeneity of the Group and social capital formation*
 - *Economic Homogeneity of the Group and social capital formation*
 - *Dominant Education group and social capital formation*
 - *Educational Homogeneity of the Group and social capital formation*
 - *Education of leader and social capital formation*
 - *Dominant Religion in the Group and social capital formation*
 - *Religious Homogeneity of the Group and social capital formation*
 - *Dominant Caste in the Group and social capital formation*
 - *Caste Homogeneity of the Group and social capital formation*
 - *Age of the SHG and social capital formation*
 - *Number of Training programmes and social capital formation*
 - *Duration of Training in Days and social capital formation*
 - *Women Groups under support / control of men*
 - *Groups of Relatives and social capital formation*
 - *Politics of Group members and social capital formation*
 - *Other common factors among group members and social capital formation*
 - *Time of Work and social capital formation*

- ♣ *Social Capital initiatives of SHG women*
 - *The Role adopted by the respondent in the group and social capital formation*
 - *Duration of membership in SHG and social capital formation*
 - *Religious/Caste affiliation of the member and social capital formation*
 - *Political affiliation and social capital formation*
 - *Membership in Saving Groups and social capital formation*
 - *Membership in Other types of Groups and social capital formation*

DETERMINANTS OF SOCIAL CAPITAL

This chapter aims at identifying the important factors affecting social capital in the context of SHG women micro entrepreneurs in Kerala. The factors considered here can be broadly classified in to three viz.

1. Socio-economic factors of respondents,
2. Group characteristics of the SHG micro enterprises, and
3. Social capital initiatives by respondents.

The influence of socio economic factors on social capital stock is being investigated in section 1. Section 2 deals with group characteristics and its influence on social capital formation. Section 3 examines other social capital initiatives of the respondents.

6.1. Determinants of Social Capital: Socio-Economic Factors

Socio-personal characteristics of respondents and their influence on social capital endowments are being discussed in this section. Detailed analysis is being made to identify those characteristics that maintain a profound influence on social capital. Hence hypotheses testing have been done on both before and after data where ever possible. The Mann-Whitney U test, the Kruskal- Wallis H test, and the Jonckheere Terpstra test have been applied judiciously. Estimate of effect size has also been made where feasible. The hypothesis being tested is:

H0: The social capital scores of SHG women micro entrepreneurs do not differ significantly with their socio economic back ground.

6.1.1. Geographical area and Social Capital

The data from different districts were examined to know whether the social capital attainments are affected by factors specific to particular geographical areas. The Kruskal-Wallis H test is applied for the purpose.

H0: There is no significant difference in Social capital scores among respondents with regard to the geographical area where they reside.

Area and social capital variables before joining SHGs

The responses of the respondents about their condition in respect of different Social Capital variables before joining the SHGs are analysed in table 6.1.1.

**Table: 6.1. Kruskal-Wallis H Test
Geographical area and Social Capital variables before joining the SHGs**

	District.	N	Mean Rank	H	Sig.
Capability -Before	CLT	134	198.09	43.083	.000
	EKLM	133	151.67		
	ALEPY	125	242.50		
	Total	392			
Neighbourhood/Locality attachments -Before	CLT	134	186.18	33.807	.000
	EKLM	133	164.66		
	ALEPY	125	241.44		
	Total	392			
Availability of Support and Advice -Before	CLT	134	170.31	18.525	.000
	EKLM	133	192.19		
	ALEPY	125	229.16		
	Total	392			
Community Feeling -Before	CLT	134	143.67	49.686	.000
	EKLM	133	209.99		
	ALEPY	125	238.78		
	Total	392			
Awareness and Participation -Before	CLT	134	126.44	82.884	.000
	EKLM	133	243.90		
	ALEPY	125	221.17		
	Total	392			
Trust -Before	CLT	134	161.32	31.336	.000
	EKLM	133	192.44		
	ALEPY	125	238.54		
	Total	392			

	District.	N	Mean Rank	H	Sig.
Links -Before	CLT	134	130.05	71.907	.000
	EKLM	133	225.99		
	ALEPY	125	236.35		
	Total	392			
Groups & Networks - Before	CLT	134	144.59	66.129	.000
	EKLM	133	254.47		
	ALEPY	125	190.47		
	Total	392			

Source: Survey Data.

The significance values in respect of all the variables are less than 0.05. The different social capital variables of respondents as before SHG membership differed significantly among the three districts.

Area and total Social Capital scores-before

The total social capital scores of the respondents as before SHG membership are examined in relation to the three geographical areas in table 6.1.2.

Table: 6.2. Kruskal-Wallis H Test Area and Social Capital Index before joining SHGs.

Area of data collected		N	Mean Rank	H	Sig.
TSCI-Before	CLT	134	154.70	37.995	.000
	EKLM	133	196.30		
	ALEPY	125	241.53		
	Total	392			
SCI-Before	CLT	134	146.72	39.585	.000
	EKLM	133	221.89		
	ALEPY	125	222.84		
	Total	392			

Source: Survey Data.

The significance values for both the indices are less than 0.05. The total social capital scores as before SHG membership under both the approaches varied significantly with reference to the areas from where the data were collected.

Area and Social Capital Variables –After joining SHGs

The social capital variables as at present are examined in table 6.1.3 to find out whether the social capital scores continue to vary according to area from where the responses were collected.

**Table:6.3. Kruskal-Wallis H Test
Area and Social Capital variables after joining SHGs**

	Area	N	Mean Rank	H/Chi-Square	Sig.
Capability - After	CLT	134	153.05	41.036	.000
	EKLM	133	228.02		
	ALEPY	125	209.55		
	Total	392			
Neighbourhood attachment- After	CLT	134	203.11	23.968	.000
	EKLM	133	160.61		
	ALEPY	125	227.60		
	Total	392			
Availability of support & advice- After	CLT	134	175.75	17.623	.000
	EKLM	133	194.50		
	ALEPY	125	220.87		
	Total	392			
Community Feeling- After	CLT	134	170.60	12.806	.002
	EKLM	133	201.26		
	ALEPY	125	219.21		
	Total	392			
Awareness and Participation - After	CLT	134	157.18	25.121	.000
	EKLM	133	214.75		
	ALEPY	125	219.24		
	Total	392			

	Area	N	Mean Rank	H/Chi-Square	Sig.
Trust- After	CLT	134	159.56	47.714	.000
	EKLM	133	250.06		
	ALEPY	125	179.11		
	Total	392			
Linking Networks- After	CLT	134	141.32	58.522	.000
	EKLM	133	246.22		
	ALEPY	125	202.75		
	Total	392			
Groups & Networks- After	CLT	134	130.87	79.351	.000
	EKLM	133	252.99		
	ALEPY	125	206.74		
	Total	392			

Source: Survey Data.

The significance values of H test are less than 0.05 for all the variables. The H₀ is rejected. The social capital variables of the respondents as at present vary significantly with the geographical area from where the data were collected.

Area and total Social Capital scores –After joining SHGs

The total social capital scores as after SHG enrollment are examined in relation to the geographical area in table 6.4.

Table: 6.4. Kruskal-Wallis H Test Area and Social Capital scores after joining SHGs

Area		N	Mean Rank	H	Sig.
TSCI-After	CLT	134	149.15	37.031	.000
	EKLM	133	229.32		
	ALEPY	125	212.34		
	Total	392			
SCI-after	CLT	134	135.99	76.777	.000
	EKLM	133	257.35		
	ALEPY	125	196.62		
	Total	392			

Source: Survey Data

The significance values for both the indices are less than 0.05. It is concluded that the social capital scores under both the approaches vary significantly with reference to the areas from where data were collected.

It is therefore concluded that the Social Capital scores of SHG women micro entrepreneurs in Kerala differed significantly among different geographical areas before joining the SHGs and continue to be different at present. Though SHG activity has contributed to significant improvement in social capital stock of women the social capital scores continues to remain different from area to area.

6.1.2. Domicile and Social Capital stock

The data are analysed domicile wise to detect the difference if any, between respondents from rural and urban areas. About 74% of the respondents belong to rural areas and 26% are urban residents.

H0: There is no significant difference in Social Capital scores among respondents with regard to their residence in rural or urban areas.

Domicile and Social Capital variables -before

The influence of domicile on social capital variables before SHG membership is examined in table 6.5.

**Table: 6.5. Mann-Whitney U test
Domicile and Social Capital stock before joining SHGs.**

Domicile		N	Mean Rank	U	z	Sig.	Effect size- r
Capability - Before	Rural	292	186.35	11637.000	-3.089	.002	0.156
	Urban	100	226.13				
	Total	392					
Neighbourhood attachment - Before	Rural	292	184.78	11178.500	-3.637	.000	0.204
	Urban	100	230.72				
	Total	392					
Support and Advice -Before	Rural	292	182.54	10522.500	-4.261	.000	0.215
	Urban	100	237.28				
	Total	392					
Community Feeling - Before	Rural	292	185.18	11295.000	-3.424	.001	0.173
	Urban	100	229.55				
	Total	392					
Awareness and Participation - Before	Rural	292	185.86	11493.500	-3.225	.001	0.163
	Urban	100	227.57				
	Total	392					
Trust – Before	Rural	292	185.98	11529.500	-3.193	.001	0.161
	Urban	100	227.21				
	Total	392					
Links -Before	Rural	292	180.21	9844.000	-4.910	.000	0.248
	Urban	100	244.06				
	Total	392					
Groups & Networks - Before	Rural	292	190.84	12946.000	-1.729	.084	0.087
	Urban	100	213.04				
	Total	392					

Source: Survey Data.

All the significance values of U test for all SC components except Groups and Networks are less than 0.05. The social capital variables except groups and networks varied domicile wise before SHG enrolment. Urban respondents scored higher over those from rural areas in all social capital variables. The r values are below 0.3 in all cases and hence indicate a low effect of domicile on social capital variables. The highest effect is found on linking networks.

Domicile and total Social Capital stock-before

Now, the total social capital scores under the two different approaches are examined in relation to domicile using the Mann-Whitney U test.

**Table: 6.6. Mann-Whitney U test
Domicile and Social Capital stock before joining SHGs.**

Domicile		N	Mean Rank	U	z	Sig.	r
TSCI- Before	Rural	292	182.62	10546.500	-4.146	.000	0.21
	Urban	100	237.04				
	Total	392					
SCI-B	Rural	292	186.59	11706.000	-2.970	.003	0.15
	Urban	100	225.44				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05 for both the indices. Those in urban areas enjoyed apparent advantage over those from rural areas in both the social capital scores before SHG enrollment. The effect size calculated on the basis of the z value indicates a low effect for this factor on the social capital scores of respondents.

Now the social capital scores after SHG enrolment is analysed in relation to domicile.

Domicile and Social Capital variables-after

The influence of domicile on social capital variables after SHG membership is examined in table 6.7.

**Table: 6.7. Mann-Whitney U test
Domicile and Social Capital Variables after joining SHGs**

Domicile-rural or urban		N	Mean Rank	U	Z	Sig.	r
Capability-After	rural	292	186.85	11781.500	-3.282	.001	0.166
	urban	100	224.69				
	Total	392					
Neighbourhood attachment-After	rural	292	193.90	13840.000	-.790	.430	-
	urban	100	204.10				
	Total	392					
Support and advice- After	rural	292	197.27	14374.000	-.302	.763	-
	urban	100	194.24				
	Total	392					
Community Felling- After	rural	292	198.30	14075.500	-.548	.584	-
	urban	100	191.26				
	Total	392					
Awareness & Participation After	rural	292	200.15	13533.000	-1.102	.270	-
	urban	100	185.83				
	Total	392					
Trust- After	rural	292	200.45	13446.500	-1.190	.234	-
	urban	100	184.97				
	Total	392					
Links - After	rural	292	180.52	9933.500	-4.803	.000	0.242
	urban	100	243.17				
	Total	392					
Groups and Networks-After	rural	292	194.40	13987.000	-.628	.530	-
	urban	100	202.63				
	Total	392					

Source: Survey Data.

Significance values of U test for all variables except Capability and Links are more than 0.05. The residence of respondents in rural or urban areas do not have significant influence on their neighbourhood attachment, availability of support and

advice, community feeling, social outlook & awareness, trust, and membership in groups and networks after SHG enrollment. But Capability and accessibility to Linking networks is still significantly higher for urban dwellers than rural residents. However the r value in both the cases is less than 0.3 indicating the low effect size of urban dwelling on Capability and accessibility to links.

Domicile and total Social Capital stock-After

The influence of domicile on social capital indices after SHG membership is examined in table 6.8.

**Table: 6.8. Mann-Whitney U test
Domicile and Social Capital Index (After).**

Domicile - Rural or Urban		N	Mean Rank	U	Z	Sig.
TSCI-After	Rural	292	191.99	13284.000	-1.346	.178
	Urban	100	209.66			
	Total	392				
SCI-After	Rural	292	197.14	14413.500	-.191	.849
	Urban	100	194.64			
	Total	392				

Source: Survey Data.

The significance values for both the indices are above 0.05. The Social Capital indices after SHG enrollment do not vary significantly between rural and urban respondents.

Respondents from urban areas had better social capital scores than those from rural settings before their SHG membership. However their involvement with SHGs has brought about such changes in them that now there is no significant difference in social capital variables among rural and urban respondents except for their accessibility to links and capability. The total social capital indices as at present show no difference among rural and urban respondents. Hence it is concluded that though domicile contributed to significant differences in social capital scores before

SHG enrolment, the social capital scores of rural respondents do not differ significantly from that of urban respondents after SHG enrolment.

6.1.3. Age and Social Capital Stock

Age has been considered a determinant of social capital. Majority of the respondents were aged between 25 and 35 at the time of their joining the SHG movement. The data were examined with the Kruskal-Wallis H Test to explore relationship if any between SC components and age.

H0: There is no significant difference in Social Capital stock among respondents with regard to their age.

Age and Social Capital stock -before

The data are analysed to identify any relationship between the age of respondents before joining SHGs and their social capital stock at that time. The influence of age on social capital scores before SHG membership is examined in table 6.9.

**Table: 6.9. Kruskal-Wallis H Test and JT test
Age and Social Capital stock before joining SHGs**

	Age- before joining SHGs	N	Mean Rank	H	Sig.	JT stat	Sig.
Capability Building - Before	Up to 25 Years	35	195.11	10.130	.038	.724	.469
	26-30 Years	108	178.65				
	31-35 Years	129	218.60				
	36-40 Years	56	174.99				
	41 and Above	64	201.65				
	Total	392					
Neighbourhood attachment - Before	Up to 25 Years	35	154.16	23.357	.001	3.861	.000
	26-30 Years	108	166.50				
	31-35 Years	129	221.00				
	36-40 Years	56	195.80				
	41 and Above	64	221.50				
	Total	392					

	Age- before joining SHGs	N	Mean Rank	H	Sig.	JT stat	Sig.
Support and Advice - Before	Up to 25 Years	35	190.37	14.116	.007	1.969	.049
	26-30 Years	108	167.84				
	31-35 Years	129	220.09				
	36-40 Years	56	188.45				
	41 and Above	64	207.71				
	Total	392					
Community Feeling - Before	Up to 25 Years	35	181.77	16.489	.002	3.023	.003
	26-30 Years	108	167.93				
	31-35 Years	129	212.60				
	36-40 Years	56	185.76				
	41 and Above	64	229.71				
	Total	392					
Awareness & Participation -Before	Up to 25 Years	35	221.33	13.904	.008	.795	.426
	26-30 Years	108	171.97				
	31-35 Years	129	212.45				
	36-40 Years	56	171.69				
	41 and Above	64	213.88				
	Total	392					
Trust - Before	Up to 25 Years	35	195.91	8.051	.090	1.888	.059
	26-30 Years	108	178.67				
	31-35 Years	129	202.05				
	36-40 Years	56	185.14				
	41 and Above	64	225.66				
	Total	392					
Links Mean Score Before	Up to 25 Years	35	204.59	14.119	.007	1.725	.085
	26-30 Years	108	169.71				
	31-35 Years	129	213.35				
	36-40 Years	56	176.27				
	41 and Above	64	221.03				
	Total	392					

	Age- before joining SHGs	N	Mean Rank	H	Sig.	JT stat	Sig.
Groups & Networks - Before	Up to 25 Years	35	199.53	19.441	.001	2.331	.020
	26-30 Years	108	166.00				
	31-35 Years	129	214.13				
	36-40 Years	56	174.66				
	41 and Above	64	229.88				
	Total	392					

Source: Survey Data.

All significance values of H test, except that related to trust, are less than 0.05. Age had a bearing on the social capital attainment of women before their SHG enrollment. However as per the JT test, a significant positive relationship with increase in age is visible only for neighbourhood attachment, support and advice, community feeling, and groups & networks.

Age and total social capital scores

Now the total capital scores as before are examined in relation to age before joining the SHGs in table No 6.10.

Table: 6.10. Kruskal-Wallis H Test and JT test Age and Social Capital Scores before joining SHGs

Age Before joining SHGs (years)		N	Mean Rank	H	Sig.	JT stat	Sig.
TSCI-Before	Up to 25	35	191.67	15.476	.004	2.104	.035
	26-30	108	168.13				
	31-35	129	218.54				
	36-40	56	178.61				
	41 and Above	64	218.24				
	Total	392					

Age Before joining SHGs (years)		N	Mean Rank	H	Sig.	JT stat	Sig.
SCI- Before	Up to 25	35	195.56	15.830	.003	2.277	.023
	26-30	108	169.42				
	31-35	129	211.20				
	36-40	56	176.84				
	41 and Above	64	230.28				
	Total	392					

Source: Survey Data.

The significance values of H test for both the indices are less than 0.05. As the JT test also gives lower significance values it is concluded that age had a positive influence on social capital scores before SHG enrolment.

Age and social capital variables-After

The data as after SHG membership are analysed to find out whether age continues to be a determinant of social capital after SHG affiliation. See table 6.11.

**Table: 6.11. Kruskal-Wallis H Test and JT test
Age and Social Capital Scores after joining SHGs**

Age of respondents		N	Mean Rank	H	Sig.	JT stat.	Sig.
Capability - After	Up to 30	14	229.43	13.764	.008	2.377	.017
	31-40	185	183.42				
	41-50	134	194.10				
	51-60	50	236.46				
	Above 60	9	227.89				
	Total	392					
Neighbourhood attachment- After	Up to 30	14	210.04	7.789	.100	2.029	.042
	31-40	185	180.34				
	41-50	134	214.03				
	51-60	50	202.12				
	Above 60	9	215.44				
	Total	392					

Age of respondents		N	Mean Rank	H	Sig.	JT stat.	Sig.
Availability of support & advice-After	Up to 30	14	189.32	3.245	.518	1.589	.112
	31-40	185	188.76				
	41-50	134	205.40				
	51-60	50	202.11				
	Above 60	9	203.17				
	Total	392					
Community Feeing-After	Up to 30	14	186.50	13.831	.008	3.557	.000
	31-40	185	175.95				
	41-50	134	212.86				
	51-60	50	223.34				
	Above 60	9	241.89				
	Total	392					
Awareness & Participation-After	Up to 30	14	222.25	5.144	.273	1.069	.285
	31-40	185	186.83				
	41-50	134	203.61				
	51-60	50	195.38				
	Above 60	9	255.50				
	Total	392					
Trust- After	Up to 30	14	155.21	26.482	.000	3.323	.001
	31-40	185	179.95				
	41-50	134	212.42				
	51-60	50	245.94				
	Above 60	9	89.28				
	Total	392					
Linking Networks-After	Up to 30	14	169.82	6.381	.172	1.845	.065
	31-40	185	191.79				
	41-50	134	191.41				
	51-60	50	230.15				
	Above 60	9	223.78				
	Total	392					
Groups & Networks-After	Up to 30	14	130.36	19.501	.001	3.762	.000
	31-40	185	183.80				
	41-50	134	200.20				
	51-60	50	252.43				
	Above 60	9	194.72				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Capability, Community feeling, trust, and groups & networks. The JT test shows significant positive relationship between age of the respondent and Capability, Neighbourhood attachment, trust, Links and Groups & Networks.

Age and total social capital scores -After

The influence of age on social capital indices is examined in table 6.12.

Table: 6.12. Kruskal-Wallis H Test and JT test Age and Social Capital Scores after joining SHGs

Age of the member		N	Mean Rank	H	Sig.	JT stat.	Sig.
TSCI- After	Up to 30	14	162.61	11.571	.021	3.352	.001
	31-40	185	181.35				
	41-50	134	204.80				
	51-60	50	235.12				
	Above 60	9	222.50				
	Total	392					
SCI- After	Up to 30	14	124.36	26.970	.000	4.170	.000
	31-40	185	180.13				
	41-50	134	207.49				
	51-60	50	257.03				
	Above 60	9	145.39				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital indices are below 0.05. The JT test also shows significant positive relationship between both the indices of respondents and the age of the members.

The H₀ is rejected. It is concluded that some social capital variables and the total social capital stock has a positive relationship with the age of the respondents both before and after joining the SHGs. Social capital scores shows an increasing

trend with age. But the sample under study does not represent women above the working age and therefore the trend in social capital stock towards the later stages of life is not revealed here.

6.1.4. Education and Social Capital

Education is regarded as an important element in social capital development as it creates a lot of friendship networks and enhances the ability to create and maintain such networks. Majority of the respondents are High School educated. The Kruskal-Wallis H Test was employed to examine the relationship.

H0: There is no significant difference in Social Capital scores among respondents with regard to their educational attainments.

Education of the respondents and Social Capital scores-before

First an attempt is made to detect the influence of education on Social Capital before SHG enrolment.

**Table: 6.13. Kruskal-Wallis H Test
Education and Social Capital stock before joining SHGs.**

Education of the member		N	Mean Rank	H/chi	Sig.	JT statistic	Sig.
Capability - before	UP school	44	223.88	13.831	.003	1.581	.114
	High school	235	179.84				
	PDC/HSS	76	214.72				
	Degree/above	37	232.31				
	Total	392					
Neighbourhood attachment- Before	UP school	44	236.30	11.164	.011	.151	.880
	High school	235	182.84				
	PDC/HSS	76	208.46				
	Degree/above	37	211.38				
	Total	392					
Support and Advice- Before	UP school	44	233.10	31.847	.000	2.581	.010
	High school	235	170.77				
	PDC/HSS	76	232.33				
	Degree/ above	37	242.81				
	Total	392					

Education of the member		N	Mean Rank	H/chi	Sig.	JT statistic	Sig.
Community Feeling - Before	UP school	44	213.45	16.832	.001	2.482	.013
	High school	235	178.22				
	PDC/HSS	76	222.09				
	Degree/ above	37	239.88				
	Total	392					
Awareness & Participation - Before	UP school	44	193.56	31.995	.000	4.605	.000
	High school	235	173.79				
	PDC/HSS	76	237.55				
	Degree/ above	37	259.93				
	Total	392					
Trust- Before	UP school	44	223.45	17.808	.000	1.908	.056
	High school	235	178.67				
	PDC/HSS	76	210.89				
	Degree/ above	37	248.14				
	Total	392					
Links - Before	UP school	44	196.20	11.339	.010	2.589	.010
	High school	235	183.35				
	PDC/HSS	76	215.39				
	Degree/ above	37	241.55				
	Total	392					
Groups and networks- Before	UP school	44	182.81	19.765	.000	3.802	.000
	High school	235	180.38				
	PDC/HSS	76	238.89				
	Degree/above	37	228.09				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for all elements. It shows that the SC components differ significantly among respondents with their education. The Jonckheere-Terpstra test was applied to identify the trend in social capital formation with acquisition of education. Regarding the JT statistics, the significance values are less than 0.05 for support and advice, Community Feeling, Awareness & Participation, Links, and Groups & Networks. Therefore these components are found to follow a positive trend with education. For other variables the trend is not significant.

Education and total Social Capital scores-before

The influence of education on social capital indices before SHG membership is examined in table 6.14.

Table: 6.14. Kruskal-Wallis H Test Education and Social Capital Index before joining SHGs

Education of the member		N	Mean Rank	H/Chi-Square	Sig.	JT Stat	Sig.
TSCI-Before	UP School	44	215.32	20.857	.000	2.843	.004
	High School	235	176.02				
	PDC/HSS	76	224.31				
	Degree/above	37	247.09				
	Total	392					
SCI-Before	UP School	44	205.08	17.648	.001	2.915	.004
	High School	235	178.38				
	PDC/HSS	76	223.86				
	Degree/above	37	245.18				
	Total	392					

Source: Survey Data.

The significance values for both the versions are less than .05 for both the tests. Both the Social Capital Indices as before SHG enrolment hold a positive relationship with education.

Education and Social Capital variables - as at present

The after enrolment scores of social capital variables are examined in relation to education of respondents to find out whether education continues to be important in determining social capital. See table 6.15.

Table: 6.15. Kruskal-Wallis H Test and JT test Education and Social Capital variables after joining SHGs.

Education of the member		N	Mean Rank	H/Chi square	Sig.	JT Stat.	Sig.
Capability - After	UP school	44	169.95	24.556	.000	4.649	.000
	high school	235	184.64				
	PDC/HSS	76	218.28				
	Degree/above	37	258.68				
	Total	392					
Neighbourhood attachment- After	UP school	44	202.45	4.945	.176	1.303	.193
	High school	235	188.98				
	PDC/HSS	76	199.13				
	Degree/above	37	231.80				
	Total	392					
Availability of support & Advice- After	UP school	44	210.85	6.497	.090	.964	.335
	High school	235	188.20				
	PDC/HSS	76	202.25				
	Degree/above	37	220.35				
	Total	392					
Community Feeing- After	UP school	44	197.68	3.507	.320	1.323	.186
	High school	235	190.20				
	PDC/HSS	76	200.94				
	Degree/above	37	226.00				
	Total	392					
Awareness & Participation - After	UP school	44	161.60	19.072	.000	4.248	.000
	High school	235	185.19				
	PDC/HSS	76	235.40				
	Degree/above	37	229.93				
	Total	392					
Trust- After	UP school	44	203.50	.402	.000	-.381	.703
	High school	235	195.70				
	PDC/HSS	76	198.80				
	Degree/above	37	188.50				
	Total	392					
Linking Networks- After	UP school	44	160.48	25.943	.000	4.888	.000
	High school	235	181.98				
	PDC/HSS	76	242.85				
	Degree/above	37	236.38				
	Total	392					

Education of the member		N	Mean Rank	H/Chi square	Sig.	JT Stat.	Sig.
Groups & Networks- After	UP school	44	160.58	24.196	.000	4.738	.000
	High school	235	182.63				
	PDC/HSS	76	239.86				
	Degree/above	37	238.27				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Capability, Social Outlook & awareness, Trust, links and Groups & Networks. These social capital variables of members continue to vary significantly with education of the members.

The JT test shows significant positive trend in Capability, Awareness & Participation and accessibility to Links and groups & networks with increasing educational attainments of the member.

Education and total Social Capital scores-after

Influence of education on social capital indices is depicted in table 6.16.

Table: 6.16. Kruskal-Wallis H Test and JT test. Education and Social Capital Index after joining SHGs.

Education of the member		N	Mean Rank	H/Chi-Square	Sig.	JT stat.	Sig.
TSCI- After	UP school	44	174.56	17.950	.000	4.009	.000
	high school	235	182.53				
	PDC/HSS	76	230.30				
	Degree/above	37	241.92				
	Total	392					
SCI-After	UP school	44	174.49	10.777	.013	3.129	.002
	high school	235	186.74				
	PDC/HSS	76	224.72				
	Degree/above	37	226.70				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. The JT test indicates significant positive trend in the Social Capital Index (SCI) of respondents with the education of respondents.

Educated respondents had better support and advice, Community Feeling, Social outlook and awareness, Links and groups & networks before SHG enrolment than others. As at present they have better capability, Awareness & Participation and accessibility to Links and groups & networks. The total scores both before and after shows positive trend with education. Thus education is found to be an important factor affecting social capital formation.

6.1.5. Education of parent and Social Capital stock

In Indian tradition, mother is respected as earth and father, like the sky. Education attained by the parents can be an important resource in the development of the individual. The social capital variables are analysed in relation to the education of parents of the respondents. The education of father or mother which ever is higher is considered for analysis.

H0: There is no significant difference in Social Capital scores among respondents with regard to the education of their parents.

Education of parent and social capital variables-before

The social capital variables before SHG enrollment are analysed in relation to the education of parents of respondents using the Kruskal-Wallis H Test.

**Table: 6.17. Kruskal-Wallis H Test and JT test.
Education of parent and Social Capital stock before joining SHGs**

Education of parent		N	Mean Rank	H/Chi-Square	Sig.	JT statistic	Sig.
Capability - Before	illiterate	64	159.89	12.660	.013	2.778	.005
	Literate	81	203.52				
	UP school	202	197.45				
	High school	34	222.87				
	PDC and above	11	258.86				
	Total	392					

Education of parent		N	Mean Rank	H/Chi-Square	Sig.	JT statistic	Sig.
Neighbourhood attachment - Before	illiterate	64	179.27	8.837	.065	1.205	.228
	Literate	81	202.96				
	UP school	202	195.99				
	High school	34	188.90				
	PDC and above	11	282.09				
	Total	392					
Support and Advice - Before	illiterate	64	184.63	12.170	.016	.832	.405
	Literate	81	209.17				
	UP school	202	188.55				
	High school	34	203.09				
	PDC and above	11	298.00				
	Total	392					
Community Feeling - Before	illiterate	64	191.86	9.089	.059	-.129	.897
	Literate	81	214.86				
	UP school	202	185.79				
	High school	34	200.97				
	PDC and above	11	271.09				
	Total	392					
Awareness & Participation - Before	illiterate	64	187.95	21.788	.000	-369	.712
	Literate	81	224.57				
	UP school	202	183.76				
	High school	34	182.03				
	PDC and above	11	318.23				
	Total	392					
Trust - Before	illiterate	64	166.70	16.019	.003	1.806	.071
	Literate	81	213.77				
	UP school	202	191.51				
	High school	34	209.12				
	PDC and above	11	295.32				
	Total	392					

Education of parent		N	Mean Rank	H/Chi-Square	Sig.	JT statistic	Sig.
Links Before	illiterate	64	193.00	20.989	.000	-1.499	.134
	Literate	81	236.85				
	UP school	202	179.16				
	High school	34	184.85				
	PDC and above	11	274.18				
	Total	392					
Groups & Networks - Before	illiterate	64	203.66	10.303	.036	-.182	.855
	Literate	81	198.33				
	UP school	202	191.12				
	High school	34	178.78				
	PDC and above	11	294.91				
	Total	392					

Source: Survey Data.

The significance values of H tests are less than 0.05 for Capability, support and advice, social outlook & awareness, trust and links. But as per the Jonckheere-Terpstra test, a positive relationship is found only between capability of respondents before joining SHGs and educational attainment of their parents.

Education of Parent and total social capital stock

The influence of parental education on social capital indices of respondents is examined in table 6.18.

**Table: 6.18. Kruskal-Wallis H Test and JT test.
Education of Parent and Social Capital stock before joining SHGs.**

Education of parent		N	Mean Rank	H/Chi-Square	Sig.	JT stat.	Sig.
TSCI-Before	illiterate	64	172.81	17.137	.002	1.050	.294
	Literate	81	217.31				
	UP school	202	190.01				
	High school	34	193.54				
	PDC/ above	11	309.36				
	Total	392					

Education of parent		N	Mean Rank	H/Chi-Square	Sig.	JT stat.	Sig.
SCI-Before	illiterate	64	178.96	13.599	.009	1.248	.212
	Literate	81	205.54				
	UP school	202	193.10				
	High school	34	191.22				
	PDC/above	11	310.82				
	Total	392					

Source: Survey Data.

The significance values of H test for both the indices are less than 0.05. But the JT test nullifies any positive relationship between education of parents and Social Capital Indices of respondents in both the cases. As most of the social capital variables as before SHG membership do not have a positive relationship with the education of parents, further analysis is not done. It is concluded that the social capital scores of respondents are not positively influenced by the education of parents.

6.1.6. Occupation prior to SHG membership and Social Capital

The manners in which the respondents were deployed prior to becoming micro entrepreneurs are examined as a factor influencing their social capital stock. The Kruskal-Wallis H Test and the JT test are used for the purpose.

H0: There is no significant difference in Sc components among respondents with regard to their Occupation before joining the SHGs.

Occupation prior to SHG membership and Social Capital variables - before

The occupational status of respondents are analysed in relation to their social capital scores as before SHG membership to detect relationship if any between the two. See table 6.19.

**Table: 6.19. Kruskal-Wallis H Test and JT test
Prior Occupation and Social Capital stock before joining SHGs**

Occupation before joining the group		N	Mean Rank	H/Chi-Square	Sig.	JT stat.	Sig.
Capability Building – Before	Unemployed	14	122.57	63.422	.000	3.458	.001
	Housewife	203	170.83				
	Labourer	99	192.99				
	Pvt/temp. employee	54	282.85				
	Self employed	22	284.20				
	Total	392					
Neighbourhood attachment – Before	Unemployed	14	117.14	55.806	.000	2.412	.016
	Housewife	203	178.52				
	Labourer	99	183.37				
	Pvt/temp. employee	54	269.40				
	Self employed	22	293.05				
	Total	392					
Support and Advice – Before	Unemployed	14	119.96	55.292	.000	3.764	.000
	Housewife	203	173.31				
	Labourer	99	196.64				
	Pvt/temp. employee	54	255.77				
	Self employed	22	313.05				
	Total	392					
Community Feeling -Before	Unemployed	14	102.79	51.329	.000	3.462	.001
	Housewife	203	175.98				
	Labourer	99	201.63				
	Pvt/temp. employee	54	238.06				
	Self employed	22	320.41				
	Total	392					

Occupation before joining the group		N	Mean Rank	H/Chi-Square	Sig.	JT stat.	Sig.
Awareness & Participation – Before	Unemployed	14	140.57	44.404	.000	4.297	.000
	Housewife	203	173.32				
	Labourer	99	206.86				
	Pvt/temp. employee	54	229.10				
	Self employed	22	319.39				
	Total	392					
Trust - Before	Unemployed	14	120.18	38.420	.000	1.872	.061
	Housewife	203	186.15				
	Labourer	99	184.70				
	Pvt/temp. employee	54	229.06				
	Self employed	22	313.77				
	Total	392					
Links - Before	Unemployed	14	109.14	66.997	.000	5.293	.000
	Housewife	203	168.09				
	Labourer	99	216.53				
	Pvt/temp. employee	54	229.33				
	Self employed	22	343.50				
	Total	392					
Groups & Networks – Before	Unemployed	14	91.39	53.767	.000	3.687	.000
	Housewife	203	172.75				
	Labourer	99	209.32				
	Pvt/temp. employee	54	247.42				
	Self employed	22	299.89				
	Total	392					

Source: Survey Data.

All significance values of H test are less than .05. The occupational status of the respondents is found to be a factor influencing their social capital. Those who were self employed have the highest mean rank while the unemployed have the lowest. The JT test also shows an upward change in social capital with employment except for trust.

Prior occupation and social capital indices

Now the total social capital scores are studied in relation to prior employment of respondents to elicit relationship if any using Kruskal-Wallis H Test and the JT test. See table 6.20.

**Table: 6.20. Kruskal-Wallis H Test and JT test.
Prior occupation and Social Capital stock before joining SHGs.**

Occupation before joining the group		N	Mean Rank	H	Sig.	JT stat	Sig.
TSCI- Before	Unemployed	14	102.86	72.583	.000	4.138	.000
	Housewife	203	169.23				
	Labourer	99	197.95				
	Pvt/ temp.employee	54	265.86				
	Self employed	22	330.95				
	Total	392					
SCI- Before	Unemployed	14	100.00	52.172	.000	3.094	.002
	Housewife	203	176.51				
	Labourer	99	196.57				
	Pvt/temp.employee	54	248.25				
	Self employed	22	315.00				
	Total	392					

Source: Survey Data.

The significance values of the H test are less than 0.05 for both the indices. It is found that occupation pursued by the respondents prior to becoming SHG micro entrepreneurs had an influence on their Social Capital stock at that time. The JT test is also significant at 5% level for both the indices. It indicates the existence of a

positive trend in social capital stock with different levels of employment status from the lowest unemployed to the highest self employed.

Prior occupation and social capital variables - After

Now the social capital variables as at present are studied in relation with prior occupation of respondents. See table 6.21.

**Table: 6.21. Kruskal-Wallis H Test and JT test.
Prior occupation and Social Capital variables as at present.**

Occupation before joining the group		N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	Unemployed	14	128.11	49.127	.000	5.146	.000
	Housewife	203	168.83				
	Labourer	99	228.51				
	Pvt/temp. employee	54	233.38				
	Self employed	22	260.73				
	Total	392					
Neighbourhood attachment- After	Unemployed	14	215.46	46.656	.000	5.827	.000
	Housewife	203	161.89				
	Labourer	99	218.04				
	Pvt/temp. employee	54	252.65				
	Self employed	22	269.05				
	Total	392					
Availability of support & advice-After	Unemployed	14	143.29	14.580	.006	1.631	.103
	Housewife	203	189.96				
	Labourer	99	203.32				
	Pvt/temp. employee	54	202.01				
	Self employed	22	246.50				
	Total	392					
Community Feeling- After	Unemployed	14	188.43	24.504	.000	4.329	.000
	Housewife	203	172.30				
	Labourer	99	216.84				

Occupation before joining the group		N	Mean Rank	H	Sig.	JT stat	Sig.
	Pvt/temp. employee	54	225.48				
	Self employed	22	262.23				
	Total	392					
Awareness & Participation - After	Unemployed	14	193.50	34.001	.000	4.737	.000
	Housewife	203	170.84				
	Labourer	99	209.02				
	Pvt/temp. employee	54	230.33				
	Self employed	22	295.77				
	Total	392					
Trust- After	Unemployed	14	151.25	24.915	.000	3.885	.000
	Housewife	203	174.70				
	Labourer	99	221.28				
	Pvt/temp. employee	54	216.26				
	Self employed	22	266.39				
	Total	392					
Linking Networks- After	Unemployed	14	135.00	63.059	.000	6.169	.000
	Housewife	203	161.05				
	Labourer	99	228.32				
	Pvt/temp. employee	54	241.11				
	Self employed	22	310.00				
	Total	392					
Groups & Networks- After	Unemployed	14	136.64	41.569	.000	4.160	.000
	Housewife	203	172.20				
	Labourer	99	208.92				
	Pvt/temp. employee	54	236.24				
	Self employed	22	305.41				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for all the variables. The social capital variables of members vary significantly with occupation of the member before joining the group. The JT test also shows significant positive relationship between prior occupational status and most social capital variables.

Occupation before joining the group and present social capital scores

The influence of prior occupation on social capital indices as at present is examined in table 6.22.

**Table: 6.22. Kruskal-Wallis H Test and JT test.
Prior occupation and Social Capital stock after joining SHGs.**

Occupation before joining the group		N	Mean Rank	H	Sig.	JT stat.	Sig.
TSCI- After	Unemployed	14	156.71	63.395	.000	6.177	.000
	Housewife	203	160.71				
	Labourer	99	219.94				
	Pvt/temp. employee	54	248.36				
	Self employed	22	319.23				
	Total	392					
SCI- After	Unemployed	14	139.54	38.808	.000	4.231	.000
	Housewife	203	172.36				
	Labourer	99	211.38				
	Pvt/temp. employee	54	231.82				
	Self employed	22	301.80				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. The JT test also shows significant positive relationship in both the Social Capital Indices of respondents with improved occupational status before joining SHGs.

Most social capital variables and both the social capital indices are found to vary significantly both before and after SHG membership according to the occupational status of respondents prior to SHG membership. The JT test also shows the existence of a positive relationship between the two variables. Therefore it can be concluded that social capital scores of SHG women vary significantly with their prior employment. Thus the way in which one deploys himself can be a significant factor in his/her social capital formation.

6.1.7. Religion of respondents and social capital scores

Religion exerts influence on the way of life. Very often people are easily mobilised in the name of religion and caste. Majority (72%) of the respondents belong to the Hindu religion. The responses are analysed using the H test and JT test to know whether social capital is influenced by these two variables.

H0: There is no significant difference in Sc components among respondents with regard to their religion.

Religion of respondents and social capital scores-before

The influence of religion on social capital variables is examined in table 6.23.

**Table:6.23. Kruskal-Wallis H Test.
Religion and Social Capital stock before joining SHGs.**

Religion of member		N	Mean Rank	H/Chi-Square	Sig.
Capability -Before	Hindu	285	208.61	13.738	.001
	Muslim	53	151.65		
	Christian	54	176.63		
	Total	392			
Neighbourhood attachment - Before	Hindu	285	204.23	5.406	.067
	Muslim	53	171.76		
	Christian	54	179.97		
	Total	392			

Religion of member		N	Mean Rank	H/Chi-Square	Sig.
Support and Advice -Before	Hindu	285	199.22	6.445	.040
	Muslim	53	163.16		
	Christian	54	214.86		
	Total	392			
Community Feeling -Before	Hindu	285	203.22	12.795	.002
	Muslim	53	145.81		
	Christian	54	210.79		
	Total	392			
Awareness & Participation - Before	Hindu	285	194.22	16.992	.040
	Muslim	53	158.26		
	Christian	54	246.07		
	Total	392			
Trust -Before	Hindu	285	200.98	6.440	.067
	Muslim	53	160.87		
	Christian	54	207.82		
	Total	392			
Links -Before	Hindu	285	199.07	11.070	.001
	Muslim	53	154.12		
	Christian	54	224.52		
	Total	392			
Groups & Networks - Before	Hindu	285	190.58	18.904	.000
	Muslim	53	169.08		
	Christian	54	254.63		
	Total	392			

Source: Survey Data.

All significance values except for neighbourhood attachment and trust are less than .05. It is found that religion has an influence on the social capital elements of women such as capability, support and advice, community feeling, social outlook, linking networks, and association with groups and networks.

Religion of respondents and total social capital scores-before

The total social capital scores as before SHG membership are examined in relation to the religion of respondents in table 6.24.

**Table: 6.24. Kruskal-Wallis H Test
Religion and Social Capital stock before joining SHGs.**

Religion of member		N	Mean Rank	H/Chi-Square	Sig.
TSCI- Before	Hindu	285	201.71	10.915	.004
	Muslim	53	150.00		
	Christian	54	214.62		
	Total	392			
SCI- Before	Hindu	285	196.48	11.458	.003
	Muslim	53	159.26		
	Christian	54	233.16		
	Total	392			

Source: Survey Data.

The significance values for both the indices are less than 0.05. It is found that the social capital stock of women as before SHG membership was influenced by the religion to which they belong.

Religion of respondents and social capital variables-after

The social capital variables as after SHG membership are studied in relation to the religion of members to find out relationship if any between the two in table 6.25.

**Table: 6.25. Kruskal-Wallis H Test
Religion and Social Capital variables after joining SHGs**

Religion of member		N	Mean Rank	H	Sig.
Capability - After	Hindu	285	198.36	24.675	.000
	Muslim	53	143.66		
	Christian	54	238.53		
	Total	392			
Neighbourhood attachment- After	Hindu	285	213.25	24.064	.000
	Muslim	53	159.68		
	Christian	54	144.25		
	Total	392			
Availability of support & advice-After	Hindu	285	208.91	26.744	.000
	Muslim	53	143.90		
	Christian	54	182.62		
	Total	392			
Community Feeing- After	Hindu	285	207.61	11.702	.003
	Muslim	53	154.96		
	Christian	54	178.65		
	Total	392			
Awareness & Participation - After	Hindu	285	195.57	10.551	.005
	Muslim	53	163.53		
	Christian	54	233.75		
	Total	392			
Trust- After	Hindu	285	189.56	5.765	.056
	Muslim	53	200.36		
	Christian	54	229.34		
	Total	392			
Linking Networks- After	Hindu	285	199.35	22.619	.000
	Muslim	53	137.43		
	Christian	54	239.41		
	Total	392			
Groups & Networks- After	Hindu	285	193.29	22.619	.000
	Muslim	53	141.52		
	Christian	54	267.41		
	Total	392			

Source: Survey Data.

The significance values of H test are less than 0.05 for all the variables except Trust. The social capital variables of members vary significantly with the religion of the members even after the SHG membership.

Religion of respondents and total social capital scores-after

The influence of religion on present social capital indices is examined in table 6.26.

**Table: 6.26. Kruskal-Wallis H Test
Religion and Social Capital stock after joining SHGs**

Religion of member		N	Mean Rank	H	Sig.
TSCI- After	Hindu	285	201.53	21.027	.000
	Muslim	53	134.97		
	Christian	54	230.34		
	Total	392			
SCI- After	Hindu	285	190.68	27.133	.000
	Muslim	53	157.50		
	Christian	54	265.51		
	Total	392			

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. Both the social capital scores vary significantly with the religion of respondents.

As the significance values in most of the cases are less than 0.05 the H₀ is rejected. It is concluded that most of the social capital variables and total social capital scores vary with religion both before and after SHG membership. Thus Religion is found to exert considerable influence on social capital scores of SHG women in Kerala.

6.1.8. Caste and Social Capital

The position held by the actor in the social structure is considered an important determinant of social capital. An attempt is made to elicit any relationship existing between the social back ground of respondents and their social capital stock. Majority (73%) of the respondents belongs to backward castes including backward Hindus and Muslims and another 7% belongs to the Scheduled Castes. Thus about 80% of the respondents belong to socially disadvantaged groups.

H0: There is no significant difference in Sc scores among respondents with regard to their caste.

Caste and social capital variables- before

The social capital variables as before SHG membership are examined in relation to caste of respondents using the Kruskal-Wallis H Test and the JT test in table 6.27.

**Table: 6.27. Kruskal-Wallis H Test and JT test.
Caste and Social Capital stock before joining SHGs**

Caste of the member		N	Mean Rank	H	Sig.	Jt stat	Sig.
Capability -Before	Sc/St	29	143.47	7.267	.026	1.816	.069
	Backward castes	288	199.64				
	Forward castes	75	204.95				
	Total	392					
Neighbourhood attachment - Before	Sc/St	29	144.72	8.366	.015	2.467	.014
	Backward castes	288	197.31				
	Forward castes	75	213.41				
	Total	392					
Support and Advice -Before	Sc/St	29	150.55	9.540	.008	3.041	.002
	Backward castes	288	194.11				
	Forward castes	75	223.43				
	Total	392					

Caste of the member		N	Mean Rank	H	Sig.	Jt stat	Sig.
Community Feeling - Before	Sc/St	29	163.26	10.400	.006	3.140	.002
	Backward castes	288	190.88				
	Forward castes	75	230.94				
	Total	392					
Awareness & Participation -Before	Sc/St	29	171.66	18.468	.000	4.026	.000
	Backward castes	288	186.19				
	Forward castes	75	245.70				
	Total	392					
Trust -Before	Sc/St	29	133.74	23.246	.000	4.774	.000
	Backward castes	288	190.63				
	Forward castes	75	243.32				
	Total	392					
Links -Before	Sc/St	29	160.09	15.526	.000	3.881	.000
	Backward castes	288	188.90				
	Forward castes	75	239.78				
	Total	392					
Groups & Networks – Before	Sc/St	29	178.50	6.502	.039	2.502	.012
	Backward castes	288	190.86				
	Forward castes	75	225.10				
	Total	392					

Source: Survey Data.

The significance values of H test for all the components are less than 0.05. It is found that the social capital variables as before SHG membership vary significantly with the social strata to which the respondents belong. The JT test also shows an upward trend in social capital variables of respondents (except capability) with elevation in their social standing in terms of caste.

Caste and total social capital indices- before

The total social capital scores are examined in relation to caste of respondents in table 6.28.

**Table: 6.28. Kruskal-Wallis H Test and JT test
Caste and Social Capital stock before joining SHGs.**

Caste of the member		N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
TSCI- Before	SC/ST	29	143.33	14.730	.001	3.801	.000
	Backward Castes	288	192.26				
	Forward Castes	75	233.35				
	Total	392					
SCI- Before	SC/ST	29	144.14	16.532	.000	4.074	.000
	Backward Castes	288	191.22				
	Forward Castes	75	237.03				
	Total	392					

Source: Survey Data.

The significance values for the H test for both the indices are less than 0.05. The JT statistic is also significant at 5% level. Therefore, it is found that both the Social Capital scores as before SHG membership were affected by the social strata to which the respondents belong. JT test shows an upward trend in social capital scores while moving upward in the traditional social structure.

Caste and social capital stock - after

The influence of caste on social capital scores as at present is examined in table 6.29.

**Table: 6.29. Kruskal-Wallis H Test and JT test
Caste and Social Capital stock as at present.**

Caste of the member		N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	Sc/St	29	185.17	13.260	.001	3.282	.001
	Backward castes	288	187.85				
	Forward castes	75	234.10				
	Total	392					
Neighbourhood attachment- After	Sc/St	29	197.21	1.957	.376	-1.136	.256
	Backward castes	288	200.62				
	Forward castes	75	180.41				
	Total	392					
Availability of support & advice-After	Sc/St	29	217.72	2.072	.355	-1.156	.248
	Backward castes	288	195.83				
	Forward castes	75	190.87				
	Total	392					
Community Feeing- After	Sc/St	29	240.59	5.174	.075	-1.651	.099
	Backward castes	288	194.37				
	Forward castes	75	187.62				
	Total	392					
Awareness & Participation- After	Sc/St	29	199.76	14.389	.001	2.926	.003
	Backward castes	288	184.85				
	Forward castes	75	239.97				
	Total	392					
Trust- After	Sc/St	29	192.17	1.893	.388	1.212	.225
	Backward castes	288	192.76				
	Forward castes	75	212.55				
	Total	392					
Linking Networks- After	Sc/St	29	207.55	6.413	.040	1.665	.096
	Backward castes	288	188.16				
	Forward castes	75	224.24				
	Total	392					
Groups & Networks- After	Sc/St	29	190.38	20.013	.000	3.784	.000
	Backward castes	288	183.47				
	Forward castes	75	248.90				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Capability, Social Outlook & Awareness and Groups and networks. These social capital variables of members vary significantly with the caste of the members. No significant difference is found in Neighbourhood attachment, Availability of support & advice, community feeling and trust after SHG membership.

The JT test shows significant positive relationship between improvement in social back ground and Capability, Social Outlook & Awareness and membership in Groups and networks.

Caste and total social capital scores -after

The total social capital scores are examined in relation to caste of respondents in table 6.30.

**Table: 6.30. Kruskal-Wallis H Test and JT test
Caste and Social Capital stock after joining SHGs.**

Caste of the member		N	Mean Rank	H	Sig.	JT stat.	Sig.
TSCI- After	Sc/St	29	205.09	7.329	.026	1.915	.055
	Backward castes	288	187.70				
	Forward castes	75	226.96				
	Total	392					
SCI- After	Sc/St	29	190.86	14.985	.001	3.286	.001
	Backward castes	288	185.25				
	Forward castes	75	241.89				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. The JT test shows significant positive relationship in the Social Capital Index of respondents with improvement in social back ground. The trend in total social capital index, however, is not significant.

Though social capital scores as before SHG membership varied significantly among respondents according to their castes, such difference is found to have declined after SHG membership. However variables like Capability, Social Outlook & Awareness and membership in Groups and networks are found to vary significantly with caste even at present.

6.1.9. Marital Status and Social Capital

Marriage may result in changes in social relationships and social capital stock. The social capital variables are examined in relation to marital status in table 6.31.

The social capital variables as at present are examined in relation with the marital status of members to elicit relationship if any between the two using the Mann-Whitney U test.

H0: There is no significant difference in social capital variables with reference to the Marital Status of respondents.

**Table: 6.31. Mann-Whitney U test
Marital Status and Social Capital Variables**

Marital Status of Member		N	Mean Rank	U	Z	Sig.
Capability- After	Married	354	195.60	6407.000	-.547	.584
	Single	38	204.89			
	Total	392				
Neighbourhood attachment- After	Married	354	196.59	6693.500	-.050	.960
	Single	38	195.64			
	Total	392				
Support and advice- After	Married	354	195.85	6495.000	-.455	.649
	Single	38	202.58			
	Total	392				
Community Felling- After	Married	354	192.14	5183.500	-2.375	.018
	Single	38	237.09			
	Total	392				

Marital Status of Member		N	Mean Rank	U	Z	Sig.
Awareness & Participation-After	Married	354	196.98	6555.000	-.260	.795
	Single	38	192.00			
	Total	392				
Trust- After	Married	354	198.78	5919.000	-1.226	.220
	Single	38	175.26			
	Total	392				
Links - After	Married	354	195.32	6310.000	-.631	.528
	Single	38	207.45			
	Total	392				
Groups and Networks-After	Married	354	198.16	6138.500	-.887	.375
	Single	38	181.04			
	Total	392				

Source: Survey Data.

All significance values except that for Community feeling are more than 0.05. It is found that the Social Capital Variables do not vary significantly with the marital status of the respondents. Regarding the variable-Community Feeling–the r value comes to 0.119 indicating a low effect in favour of the single respondents.

Marital Status and total social capital scores

The total social capital scores under both the approaches are studied in relation to the marital status of respondents in table 6.32.

**Table: 6.32. Mann-Whitney U test
Marital Status and Social Capital Index (After).**

Marital Status		N	Mean Rank	U	Z	Sig.
TSCI-After	Married	354	196.71	6651.500	-.112	.911
	Single	38	194.54			
	Total	392				
SCI- After	Married	354	199.12	5800.000	-1.397	.162
	Single	38	172.13			
	Total	392				

Source: Survey Data.

The significance values for both the indices are above 0.05. The H0 is accepted. The Social Capital indices after SHG enrollment do not vary significantly between married and single respondents.

6.1.10. Type of family and social capital

The primary source of social social capital is always the family to most people. The type of family, size of family and the size of family network can be important in determining social capital. The influence of type of family is examined here.

H0: There is no significant difference in social capital variables with reference to the Type of Family.

Table 6.33 shows the influence of the type of family on the social capital variables of SHG women.

**Table: 6.33. Mann-Whitney U test
Type of Family and Social Capital Variables.**

	Type of family	N	Mean Rank	U	Z	Sig.	r
Capability- After	Nuclear family	341	199.68	7609.500	-1.638	.101	-
	Joint family	51	175.21				
	Total	392					
Neighbourhood attachment - After	Nuclear family	341	197.63	8309.500	-.520	.603	-
	Joint family	51	188.93				
	Total	392					
Support and advice- After	Nuclear family	341	199.64	7625.500	-1.853	.064	-
	Joint family	51	175.52				
	Total	392					
Community Felling- After	Nuclear family	341	197.73	8276.000	-.568	.570	-
	Joint family	51	188.27				
	Total	392					
Awareness & Participation- After	Nuclear family	341	201.88	6861.000	-2.455	.014	0.124
	Joint family	51	160.53				
	Total	392					

	Type of family	N	Mean Rank	U	Z	Sig.	r
Trust- After	Nuclear family	341	205.12	5757.500	-3.926	.000	0.198
	Joint family	51	138.89				
	Total	392					
Links - After	Nuclear family	341	203.97	6148.500	-3.397	.001	0.172
	Joint family	51	146.56				
	Total	392					
Groups and Networks- After	Nuclear family	341	206.82	5176.000	-4.673	.000	0.236
	Joint family	51	127.49				
	Total	392					

Source: Survey Data.

The significance values for Capability, Neighbourhood attachment, Support and advice and Community Felling are more than 0.05. These variables do not vary with the type of family. However the type of family is found to be a significant factor in determining Social Outlook, Trust, access to linking networks and association with groups and networks. Joint family is found to be an inhibiting factor in this regard. The factor has a low effect size(r less than 0.3) on these variables.

Type of family and total social capital scores - after

The total social capital scores are analysed using the Mann-Whitney U test in relation to type of family of respondents in table 6.34.

**Table: 6.34. Mann-Whitney U test
Type of family and Social Capital Index (After).**

Type of family		N	Mean Rank	U	Z	Sig.
TSCI- After	Nuclear family	341	204.43	5990.000	-3.587	.000
	Joint family	51	143.45			
	Total	392				
SCI- After	Nuclear family	341	207.51	4941.000	-4.981	.000
	Joint family	51	122.88			
	Total	392				

Source: Survey Data.

The significance values are less than 0.05 for both the indices. It is concluded that the social capital scores of respondents from nuclear family are significantly higher than that of respondents from joint families.

6.1.11. Family Size and social capital

The social capital scores are examined in relation to the family size of the respondents to identify any possible relationship between the two using the H test and JT test. See table 6.35.

**Table: 6.35. Kruskal-Wallis H Test and JT test
Family size and Social Capital stock after joining SHGs.**

Family Size		N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
Capability - After	Up to 3	54	197.69	13.568	.004	-2.922	.003
	4 Members	151	217.29				
	5 Members	81	189.30				
	More than 5	106	171.78				
	Total	392					
Neighbourhood attachment- After	Up to 3	54	219.13	5.996	.112	-2.447	.014
	4 Members	151	204.87				
	5 Members	81	187.99				
	More than 5	106	179.55				
	Total	392					
Availability of support & advice-After	Up to 3	54	206.69	1.059	.787	-.384	.701
	4 Members	151	192.95				
	5 Members	81	198.19				
	More than 5	106	195.08				
	Total	392					
Community Feeling- After	Up to 3	54	223.70	6.051	.109	-1.342	.180
	4 Members	151	189.21				
	5 Members	81	207.93				
	More than 5	106	184.30				
	Total	392					

Family Size		N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
Awareness & Participation-After	Up to 3	54	218.40	13.392	.004	-3.539	.000
	4 Members	151	213.92				
	5 Members	81	187.65				
	More than 5	106	167.29				
	Total	392					
Trust- After	Up to 3	54	181.42	5.820	.121	-.378	.705
	4 Members	151	203.02				
	5 Members	81	215.14				
	More than 5	106	180.66				
	Total	392					
Linking Networks-After	Up to 3	54	201.80	2.111	.550	-1.339	.181
	4 Members	151	204.42				
	5 Members	81	193.90				
	More than 5	106	184.51				
	Total	392					
Groups & Networks-After	Up to 3	54	197.46	10.816	.013	-2.436	.015
	4 Members	151	212.39				
	5 Members	81	205.20				
	More than 5	106	166.72				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Capability, social Outlook and awareness and groups and networks. These social capital variables of members vary significantly with the size of their family.

The JT test also shows significant negative relationship between increase in size of family and Capability, Neighbourhood attachment, Social outlook & Awareness, and groups and networks.

**Table: 6.36. Kruskal-Wallis H Test and JT test.
Family size and Social Capital stock after joining SHGs**

Family Size		N	Mean Rank	H	Sig.	JT stat.	Sig.
TSCI- After	Up to 3 Members	54	203.10	8.839	.032	-2.589	.010
	4 Members	151	212.65				
	5 Members	81	196.00				
	Above 5 Members	106	170.51				
	Total	392					
SCI- After	Up to 3 Members	54	186.76	10.521	.015	-1.698	.090
	4 Members	151	212.31				
	5 Members	81	209.20				
	Above 5 Members	106	169.24				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. The JT test also shows significant negative relationship between the Total Social Capital Index of respondents and their family size.

6.1.12. Family Network and Social Capital

Family is the basic element of society. It is supposed to provide the necessary play ground for the social development of an individual. Family networks also offer social and economic resources one can turn to in times of need. The social capital variables are analysed with regard to the size of family network using the H test and JT test. The size of family network is considered small if the respondent has only up to five houses of relatives with whom she frequently interact. For number of houses from 6 to 10, the network is considered as medium sized and for numbers above 10 the network is taken as large.

H0: There is no significant difference in Social capital scores among respondents with regard to the size of their family network.

Social capital variables as before SHG membership are examined in connection with the size of family network in table 6.37.

**Table: 6.37. Kruskal-Wallis H Test and JT test
Size of family network and Social Capital variables before joining SHGs.**

Size of Family Network		N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
Capability Building -Before	Small	48	140.24	59.193	.000	7.782	.000
	Medium	172	164.08				
	Large	172	244.63				
	Total	392					
Neighbourhood attachment -Before	Small	48	165.51	31.381	.000	5.425	.000
	Medium	172	170.31				
	Large	172	231.33				
	Total	392					
Support and Advice -Before	Small	48	109.40	41.695	.000	5.885	.000
	Medium	172	191.82				
	Large	172	225.49				
	Total	392					
Community Feeling -Before	Small	48	131.03	19.978	.000	3.669	.000
	Medium	172	198.92				
	Large	172	212.35				
	Total	392					
Awareness & Participation -Before	Small	48	134.80	16.867	.000	2.290	.022
	Medium	172	207.46				
	Large	172	202.76				
	Total	392					
Trust -Before	Small	48	144.98	21.457	.000	4.587	.000
	Medium	172	184.92				
	Large	172	222.46				
	Total	392					

Size of Family Network		N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
Links -Before	Small	48	138.05	15.984	.000	3.261	.001
	Medium	172	198.16				
	Large	172	211.15				
	Total	392					
Groups & Networks - Before	Small	48	126.21	23.185	.000	2.018	.044
	Medium	172	212.83				
	Large	172	199.79				
	Total	392					

Source: Survey Data.

The significance values for all the variables are less than 0.05 for the H test. The size of family network has an influence on the social capital variables. The JT test shows considerable improvement in all social capital variables with expansion in family network.

Family network and total social capital scores-before

The relationship between total social capital scores and the size of family network is examined in table 6.38.

**Table: 6.38. Kruskal -Wallis H Test and JT test
Family network and Social Capital stock before joining SHGs.**

Size of family network		N	Mean Rank	H	Sig.	JT stat	Sig.
TSCI- Before	Small	48	126.13	33.644	.000	5.752	.000
	Medium	172	184.69				
	Large	172	227.94				
	Total	392					
SCI- Before	Small	48	127.27	22.571	.000	3.982	.000
	Medium	172	197.54				
	Large	172	214.78				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for both the indices. The JT test is also significant at 5% level. Therefore, size of family network is found to have affected social capital scores in a positive direction before SHG membership.

Size of family network and social capital scores-after

The influence of size of family network on social capital scores as at present is examined in table 6.39.

**Table: Kruskal-Wallis H Test and JT test
Family network and Social Capital variables as at present.**

Size of family network		N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	Small	48	137.07	19.512	.000	2.806	.005
	Medium	172	204.40				
	Large	172	205.19				
	Total	392					
Neighbourhood attachment- After	Small	48	139.07	29.487	.000	5.564	.000
	Medium	172	181.24				
	Large	172	227.78				
	Total	392					
Availability of support & advice-After	Small	48	178.86	13.463	.001	3.568	.000
	Medium	172	183.32				
	Large	172	214.60				
	Total	392					
Community Feeling- After	Small	48	149.82	10.954	.004	2.850	.004
	Medium	172	196.31				
	Large	172	209.72				
	Total	392					
Awareness & Participation- After	Small	48	142.97	14.021	.001	3.207	.001
	Medium	172	196.40				
	Large	172	211.54				
	Total	392					

Size of family network		N	Mean Rank	H	Sig.	JT stat	Sig.
Trust- After	Small	48	141.15	25.367	.000	-.553	.580
	Medium	172	225.28				
	Large	172	183.17				
	Total	392					
Linking Networks- After	Small	48	144.01	15.521	.000	.626	.531
	Medium	172	215.39				
	Large	172	192.26				
	Total	392					
Groups & Networks- After	Small	48	120.25	27.490	.000	1.759	.079
	Medium	172	217.01				
	Large	172	197.27				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for all the variables. The social capital variables of members vary significantly with the size of the family network of member. The JT test also shows significant positive relationship between increase in size of family network and Capability, Neighbourhood attachment, Availability of Support & Advice, Community feeling and Social Outlook & Awareness.

Family network and total social capital scores - after

The influence of family network on social capital indices as at present is examined in table 6.40.

**Table: 6.40. Kruskal -Wallis H Test and JT test
Family network and total Social Capital scores as at present.**

Size of family network		N	Mean Rank	H	Sig.	JT stat.	Sig.
TSCI- After	Small	48	126.43	21.020	.000	2.615	.009
	Medium	172	208.02				
	Large	172	204.54				
	Total	392					
SCI- After	Small	48	121.99	29.326	.000	1.096	.273
	Medium	172	221.35				
	Large	172	192.44				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. The JT test also shows significant positive relationship between the Total Social Capital Index of respondents and the size of family network.

Almost all significance values of both the tests both before and after SHG membership are less than 0.05. JT test shows significant positive relationship between size of family network and social capital scores. The H₀ is rejected. It is concluded that women with larger family networks are more likely to have higher social capital stock than those having smaller family networks.

6.1.13. Economic status and social capital

The economic status of an actor can be an important factor determining his/her social capital. The social capital variables of SHG women are examined in relation to their economic status using the Mann-Whitney U test.

H₀: There is no significant difference in social capital variables with reference to their Economic Status.

Table 6.41 depicts the results of U test for economic status and social capital variables as at present.

**Table: Mann-Whitney U test
Economic Status and Social Capital Variables as at present.**

Economic Status of Member		N	Mean Rank	U	Z	Sig.
Capability- After	BPL	197	196.19	19146.000	-.062	.950
	APL	195	196.82			
	Total	392				
Neighbourhood attachment- After	BPL	197	199.80	18557.000	-.589	.556
	APL	195	193.16			
	Total	392				
Support and advice- After	BPL	197	190.27	17980.000	-1.430	.153
	APL	195	202.79			
	Total	392				
Community Felling- After	BPL	197	193.47	18610.000	-.544	.586
	APL	195	199.56			
	Total	392				
Awareness & Participation - After	BPL	197	190.71	18066.000	-1.028	.304
	APL	195	202.35			
	Total	392				
Trust- After	BPL	197	199.96	18526.500	-.612	.540
	APL	195	193.01			
	Total	392				
Links - After	BPL	197	189.73	17873.500	-1.197	.231
	APL	195	203.34			
	Total	392				
Groups and Networks- After	BPL	197	185.33	17007.000	-1.966	.049
	APL	195	207.78			
	Total	392				

Source: Survey Data.

The significance values are more than 0.05 for all variables except for membership in Groups and Networks. It is found that the economic status of respondents have no effect on their social capital formation after their enrollment as

micro entrepreneurs under SHGs. Those above poverty line however have significant advantage over the BPL respondents in gaining association with groups and networks. The effect of economic status in this regard is, however, very low ($r = 0.099$).

Economic status and total social capital scores

The total social capital scores as at present are examined in relation to economic status in table 6.42.

**Table: 6.42. Mann-Whitney U test
Economic Status and Social Capital Index (After).**

Economic Status of the Member		N	Mean Rank	U	Z	Sig.
TSCI-After	BPL	197	192.15	18350.500	-.764	.445
	APL	195	200.89			
	Total	392				
SCI-After	BPL	197	189.39	17806.000	-1.251	.211
	APL	195	203.69			
	Total	392				

Source: Survey Data.

The significance values are more than 0.05. The H_0 is accepted. It is concluded that the economic status of respondents does not have a significant influence on their social capital scores as at present.

6.1.14. Period of Stay in the Locality and Social Capital

Stay in particular locality for a long time is expected to create social capital. In the case of women in Kerala, they are almost transplanted to a different place with marriage. This may lead to a setback in their social connections. The data are analysed to explore whether the period for which the respondents lived in their respective localities had any influence on their social capital scores.

H0: There is no significant difference in Social capital scores among respondents with regard to their period of stay in the locality.

The social capital variables as before SHG membership are examined in relation to their duration of stay in the locality before SHG membership in table 6.43.

**Table: 6.43. Kruskal -Wallis H Test and JT test
Duration of stay and Social Capital stock before joining SHGs**

Stay in the area-before (Years)		N	Mean Rank	H	Sig.	JT stat.	Sig.
Capability- Before	Up to 5	91	192.95	9.957	.041	1.365	.172
	6-10	96	176.64				
	11-15	73	221.81				
	16-20	64	182.36				
	Above 20	68	215.44				
	Total	392					
Neighbourhood attachment - Before	Up to 5	91	184.06	7.047	.133	1.942	.052
	6-10	96	181.32				
	11-15	73	217.50				
	16-20	64	197.08				
	Above 20	68	211.49				
	Total	392					
Support and Advice -Before	Up to 5	91	194.87	1.253	.869	.222	.824
	6-10	96	190.45				
	11-15	73	208.98				
	16-20	64	194.68				
	Above 20	68	195.54				
	Total	392					
Community Feeling - Before	Up to 5	91	190.41	2.814	.589	1.462	.144
	6-10	96	186.03				
	11-15	73	198.84				
	16-20	64	199.88				
	Above 20	68	213.73				
	Total	392					

Stay in the area-before (Years)		N	Mean Rank	H	Sig.	JT stat.	Sig.
Awareness & Participation -Before	Up to 5	91	193.51	1.664	.797	.218	.827
	6-10	96	197.43				
	11-15	73	203.86				
	16-20	64	182.86				
	Above 20	68	204.14				
	Total	392					
Trust-Before	Up to 5	91	194.31	1.688	.793	1.022	.307
	6-10	96	186.63				
	11-15	73	196.16				
	16-20	64	202.95				
	Above 20	68	207.67				
	Total	392					
Links-Before	Up to 5	91	182.44	3.150	.533	1.718	.086
	6-10	96	196.92				
	11-15	73	193.44				
	16-20	64	201.38				
	Above 20	68	213.42				
	Total	392					
Groups and networks- before	Up to 5	91	207.55	3.067	.547	-.328	.743
	6-10	96	184.06				
	11-15	73	194.92				
	16-20	64	208.14				
	Above 20	68	190.01				
	Total	392					

Source: Survey Data.

All significance values of H test except that for capability are more than 0.05. It is found that the duration of stay in an area before SHG membership does not affect social capital variables of SHG women at that time. Though the capability score is found to be affected by the duration of stay under H test, the JT test does not indicate a positive relationship between the two.

Stay in the Area and total social capital scores-before

The total social capital scores are examined in relation to duration of stay before SHG membership in table 6.44.

**Table: 6.44. Kruskal-Wallis H Test and JT test.
Duration of stay and Social Capital stock before joining SHGs.**

Duration of stay- before joining SHGs (years)		N	Mean Rank	H	Sig.	JT stat	sig.
TSCI- Before	Up to 5	91	193.84	3.971	.410	1.146	.252
	6-10	96	181.23				
	11-15	73	210.25				
	16-20	64	192.70				
	21 and above	68	210.44				
	Total	392					
SCI- Before	Up to 5	91	201.33	2.870	.580	.445	.656
	6-10	96	180.31				
	11-15	73	200.57				
	16-20	64	207.63				
	21 and above	68	198.06				
	Total	392					

Source: Survey Data.

The significance values for both the indices are more than 0.05. It is concluded that the duration of stay of respondents before joining the SHGs in their respective localities had no influence on their social capital stock at that time.

Period of stay in the area and social capital variables- after

The social capital variables as at present are examined in relation to the respondents duration of stay in the locality in table 6.45.

**Table: 6.45. Kruskal-Wallis H Test and JT test.
Duration of stay and Social Capital stock after joining SHGs.**

Period of stay in the area (years)		N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	Up to 5	9	228.89	7.743	.101	1.133	.257
	6 - 10	39	175.03				
	11 - 15	82	203.54				
	16-20	144	184.49				
	Above 20	118	210.89				
	Total	392					
Neighbourhood attachment- After	Up to 5	9	209.22	7.260	.123	1.685	.092
	6 - 10	39	152.79				
	11 - 15	82	193.13				
	16-20	144	204.18				
	Above 20	118	202.94				
	Total	392					
Availability of support & advice-After	Up to 5	9	209.61	9.041	.060	1.735	.083
	6 - 10	39	169.45				
	11 - 15	82	202.51				
	16-20	144	187.86				
	Above 20	118	210.81				
	Total	392					
Community Feeling- After	Up to 5	9	211.94	8.555	.073	2.416	.016
	6 - 10	39	156.73				
	11 - 15	82	183.77				
	16-20	144	201.92				
	Above 20	118	210.69				
	Total	392					
Awareness & Participation - After	Up to 5	9	203.28	.335	.987	.031	.976
	6 - 10	39	203.09				
	11 - 15	82	191.93				
	16-20	144	195.63				
	Above 20	118	198.04				
	Total	392					

Period of stay in the area (years)		N	Mean Rank	H	Sig.	JT stat	Sig.
Trust- After	Up to 5	9	260.39	16.074	.003	2.859	.004
	6 - 10	39	153.24				
	11 - 15	82	182.83				
	16-20	144	191.46				
	Above 20	118	221.57				
	Total	392					
Linking Networks- After	Up to 5	9	296.72	17.340	.002	.143	.887
	6 - 10	39	150.21				
	11 - 15	82	215.90				
	16-20	144	187.48				
	Above 20	118	201.69				
	Total	392					
Groups & Networks- After	Up to 5	9	250.83	16.133	.003	1.490	.136
	6 - 10	39	145.68				
	11 - 15	82	212.68				
	16-20	144	183.73				
	Above 20	118	213.49				
	Total	392					

Source: Survey Data.

The significance values of H test are more than 0.05 for all variables except Trust, links and groups and networks. Trust, links and groups and networks are found to vary in relation with duration of stay in the locality. The JT test shows a significant positive relationship between period of stay in the area and community feeling and trust as at present.

Duration of stay in the locality and social capital scores-after

The total social capital scores are examined in relation to stay in the area as at present in table 6.46.

**Table: 6.46. Kruskal-Wallis H Test
Duration of stay and Social Capital stock after joining SHGs.**

Period of stay in the area (years)		N	Mean Rank	H/Chi- Square	Sig.	JT stat	Sig.
TSCI- After	Up to 5	9	271.28	15.841	.003	1.694	.090
	6 - 10	39	141.76				
	11 - 15	82	203.74				
	16-20	144	190.32				
	Above 20	118	211.40				
	Total	392					
SCI- After	Up to 5	9	259.83	18.658	.001	2.212	.027
	6 - 10	39	137.59				
	11 - 15	82	203.74				
	16-20	144	187.33				
	Above 20	118	217.30				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital indices are below 0.05. The JT test also shows significant positive relationship between the SCI of respondents and the period of stay in the area by respondents.

The duration of stay in the locality had no influence on the social capital scores of respondents before their SHG membership. As at present community feeling, trust and Social Capital Index are found to have a positive relationship with the duration of stay.

6.1.15. Tradition in Social/Political activities and Social Capital

The respondents were asked whether they have any tradition in undertaking social or political activities at home where they had been brought up or have been living. About 38% claims to have such a tradition. An examination of the data using Mann-Whitney U test was done:

H0: There is no significant difference in SC scores among respondents with regard to their tradition in undertaking social / political activities.

The influence of tradition on social capital variables as before SHG membership is depicted in table 6.47.

**Table: 6.47. Mann-Whitney U test
Tradition and Social Capital stock before joining SHGs.**

	Tradition	N	Mean Rank	U	z	Sig.	Effect size-r
Capability - Before	Yes	148	256.86	9122	-8.375	.000	.423
	No	244	159.89				
	Total	392					
Neighbourhood attachment - Before	Yes	148	247.79	10465	-7.256	.000	.367
	No	244	165.39				
	Total	392					
Support and Advice -Before	Yes	148	248.81	10313	-7.276	.000	.367
	No	244	164.77				
	Total	392					
Community Feeling Mean Score -Before	Yes	148	240.50	11543	-6.066	.000	.306
	No	244	169.81				
	Total	392					
Awareness & Participation - Before	Yes	148	217.14	15001	-2.851	.004	.144
	No	244	183.98				
	Total	392					
Trust -Before	Yes	148	241.20	11441	-6.186	.000	.312
	No	244	169.39				
	Total	392					
Links -Before	Yes	148	230.00	13098	-4.602	.000	.232
	No	244	176.18				
	Total	392					
Groups & Networks - Before	Yes	148	226.36	13636	-4.154	.000	.210
	No	244	178.39				
	Total	392					

Source: Survey Data.

The mean ranks in all the SC components are considerably higher for those claiming to have tradition of undertaking social/political activities than others and the significance values for all the components are less than 0.05. Tradition is found to have a moderate effect on capability, neighbourhood attachment, support and advice, community feeling, and trust and a low effect on social outlook and awareness, groups and networks and links as before SHG membership.

Tradition and total social capital scores

The total social capital scores are examined in relation to tradition in table 6.48.

**Table: 6.48. Mann-Whitney U test
Tradition and Social Capital stock before joining SHGs.**

Tradition in social/political activity		N	Mean Rank	U	z	Sig.	r
TSCI- Before	Yes	148	251.37	9935.000	-7.469	.000	0.377
	No	244	163.22				
	Total	392					
SCI- Before	Yes	148	240.38	11561.500	-5.993	.000	0.303
	No	244	169.88				
	Total	392					

Source: Survey Data.

The significance values of U test for both the indices are less than 0.05. Those having tradition of social / political activities had higher social capital scores than others in both the indices. The r value indicates that the factor had a moderate effect in determining the social capital scores of respondents before SHG membership.

Tradition and social capital as at present

The influence of tradition on social capital variables after SHG enrollment is examined using the Mann-Whitney U test in table 6.49.

**Table: 6.49. Mann-Whitney U test
Tradition and Social Capital Variables.**

Tradition in social or political activity		N	Mean Rank	U	Z	Sig.	r
Capability-After	Yes	148	224.35	13934.000	-4.316	.000	0.22
	No	244	179.61				
	Total	392					
Neighbourhood attachment-After	Yes	148	247.94	10443.000	-7.113	.000	0.36
	No	244	165.30				
	Total	392					
Support and advice- After	Yes	148	224.57	13901.000	-4.994	.000	0.25
	No	244	179.47				
	Total	392					
Community Felling- After	Yes	148	237.71	11956.500	-5.733	.000	0.29
	No	244	171.50				
	Total	392					
Awareness & Participation - After	Yes	148	231.76	12838.000	-4.846	.000	0.24
	No	244	175.11				
	Total	392					
Trust- After	Yes	148	208.46	16286.000	-1.642	.101	-
	No	244	189.25				
	Total	392					
Links - After	Yes	148	232.09	12788.000	-4.876	.000	0.25
	No	244	174.91				
	Total	392					
Groups and Networks-After	Yes	148	234.28	12464.500	-5.152	.000	0.26
	No	244	173.58				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05 except for trust. Those who have the tradition of undertaking social/political activities have higher scores in most social capital variables than those who do not have such a tradition even after SHG

enrollment. The influence of tradition is moderate for neighbourhood attachment and comparatively low for other variables.

Tradition and total social capital scores - as at present

The influence of tradition on total social capital scores as at present is depicted in table 6.50.

**Table: 6.50. Mann-Whitney U test
Tradition and Social Capital Index (After).**

Tradition in social / Political activity		N	Mean Rank	U	Z	Sig.	r
TSCI- After	Yes	148	245.63	10784.500	-6.689	.000	0.338
	No	244	166.70				
	Total	392					
SCI- after	Yes	148	228.94	13255.500	-4.420	.000	0.223
	No	244	176.83				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05. Tradition continues to have significant influence on the social capital scores of respondents even after SHG enrollment. It is found to have a moderate effect on the first version and a comparatively low effect on the second version of social capital index.

Since most significance values are less than 0.05 the H₀ is rejected. It is concluded that having some tradition in social/political activities at home has a role in providing people the necessary infrastructure for the development of their social capital. The effect of tradition continues to exist even at present that those who are having tradition of undertaking social or political activities are more likely to have better social capital scores than others.

6.2. DETERMINANTS OF SOCIAL CAPITAL FORMATION: GROUP CHARACTERISTICS

From the discussions so far it is apparent that SHG women micro entrepreneurs in Kerala have been able to amass considerable amount of social capital stock since becoming SHG members. In this context it will be worthwhile to identify those group characteristics of SHGs/micro enterprises that are having a bearing on the process of social capital building. Such an endeavor is expected to throw light on the composition and other aspects of group formation that would facilitate/obstruct better social capital accumulation. Hence, this section examines various group characteristics of SHGs as factors that might have affected the process of social capital accumulation by women micro entrepreneurs. Mann-Whitney U test, Kruskal Wallis H test and the JT test are applied for the purpose.

6.2.1. The Promoting Agency (SHG) and social capital formation

The promoting agency has a very significant role in the promotion and development of SHGs and micro entrepreneurs. The micro entrepreneurs are found to be simultaneously holding membership in more than one SHG. Most entrepreneurs who have set up their enterprise under SGSY/SJSRY/Theeramythri have revealed that they are also members in KDMS Neighbourhood Groups. However an attempt is made to segregate any difference occurred in social capital accumulation due to the peculiarity of the agency under which the micro enterprise has been set up. See table 6.51.

H0: There is no significant difference in social capital variables with reference to the promoting agency.

**Table: 6.51. Mann-Whitney U test
Promoting agency and Social Capital Variables.**

Promoting Agency		N	Mean Rank	U	Z	Sig.
Capability- After	KDMS	314	199.30	11367.000	-1.117	.264
	Others	78	185.23			
	Total	392				
Neighbourhood attachment- After	KDMS	314	201.69	10616.500	-1.849	.064
	Others	78	175.61			
	Total	392				
Support and advice- After	KDMS	314	199.08	11434.500	-1.184	.236
	Others	78	186.10			
	Total	392				
Community Feeling- After	KDMS	314	205.16	9525.500	-3.105	.002
	Others	78	161.62			
	Total	392				
Awareness & Participation- After	KDMS	314	200.49	10993.000	-1.413	.158
	Others	78	180.44			
	Total	392				
Trust- After	KDMS	314	197.82	11830.500	-.468	.640
	Others	78	191.17			
	Total	392				
Links - After	KDMS	314	201.07	10812.500	-1.611	.107
	Others	78	178.12			
	Total	392				
Groups and Networks- After	KDMS	314	196.66	12196.000	-.056	.955
	Others	78	195.86			
	Total	392				

Source: Survey Data.

The significance values are more than 0.05 for all variables except Community Feeling. The H₀ is accepted except for Community Feeling. Respondents from Kudumbashree exhibit better community feeling than others. The

effect size is however low ($r = 0.16$). The Social Capital indices are examined in relation to Promoting agency in table 6.52.

**Table: 6.52. Mann-Whitney U test
Promoting agency and Social Capital scores**

SHG		N	Mean Rank	U	Z	Sig.
TSCI- After	KDMS	314	200.70	10926.000	-1.475	.140
	Others	78	179.58			
	Total	392				
SCI- After	KDMS	314	197.11	12055.500	-.213	.831
	Others	78	194.06			
	Total	392				

Source: Survey Data.

Both the significance values are more than 0.05. The Social Capital scores do not vary significantly with the promoting agency.

6.2.2. Type of activity and social capital formation

The social capital variables are examined in relation to the type of activity undertaken by the group using the H test.

**Table: 6.53. Kruskal Wallis H test
Type of activity and Social capital scores**

Type of activity of the group		N	Mean Rank	H	Sig.
Capability - After	Manufacturing	135	210.20	12.107	.017
	Trading	47	198.95		
	Food processing	42	154.13		
	Service	129	201.20		
	Others	39	176.22		
	Total	392			

Type of activity of the group		N	Mean Rank	H	Sig.
Neighbourhood attachment- After	Manufacturing	135	193.81	8.412	.078
	Trading	47	215.04		
	Food processing	42	157.99		
	Service	129	197.43		
	Others	39	221.85		
	Total	392			
Availability of support & advice-After	Manufacturing	135	219.96	24.658	.000
	Trading	47	215.06		
	Food processing	42	192.71		
	Service	129	170.55		
	Others	39	182.83		
	Total	392			
Community Feeing- After	Manufacturing	135	231.60	30.047	.000
	Trading	47	213.94		
	Food processing	42	141.90		
	Service	129	176.95		
	Others	39	177.44		
	Total	392			
Awareness & Participation- After	Manufacturing	135	231.41	24.308	.000
	Trading	47	188.51		
	Food processing	42	149.70		
	Service	129	187.20		
	Others	39	166.44		
	Total	392			
Trust- After	Manufacturing	135	231.14	36.979	.000
	Trading	47	219.84		
	Food processing	42	199.90		
	Service	129	172.53		
	Others	39	124.08		
	Total	392			

Type of activity of the group		N	Mean Rank	H	Sig.
Linking Networks- After	Manufacturing	135	230.61	27.850	.000
	Trading	47	201.36		
	Food processing	42	162.07		
	Service	129	188.08		
	Others	39	137.49		
	Total	392			
Groups & Networks- After	Manufacturing	135	238.76	29.759	.000
	Trading	47	172.73		
	Food processing	42	188.65		
	Service	129	169.09		
	Others	39	177.99		
	Total	392			

Source: Survey Data.

The significance values of H test are less than 0.05 for all the variables except neighbourhood attachment. The H₀ is rejected. The social capital variables of the respondents as at present vary significantly according to the type of activity of the group. The Social Capital indices are examined in relation to type of activity in table 6.54.

**Table: 6.54. Kruskal Wallis H test
Type of activity and Social capital indices**

Type of activity of the group		N	Mean Rank	H	Sig.
TSCI-After	Manufacturing	135	237.34	30.310	.000
	Trading	47	199.33		
	Food Processing	42	161.02		
	Service	129	175.46		
	Others	39	159.54		
	Total	392			

Type of activity of the group		N	Mean Rank	H	Sig.
SCI- After	Manufacturing	135	241.94	36.653	.000
	Trading	47	186.59		
	Food Processing	42	194.12		
	Service	129	164.79		
	Others	39	158.60		
	Total	392			

Source: Survey Data.

The significance values for both the indices are less than 0.05. It is concluded that the social capital scores under both the approaches vary significantly with reference to the type of activity of the group.

6.2.3. Dominant age group in the group

The composition of the group can be an important factor in the development of members. Any possible relationship between dominant age group in the group and social capital scores is examined below.

**Table: 6.55. Kruskal -Wallis H test and JT test
Dominant age group and Social capital variables**

Dominant age group in the group		N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	Up to 30	1	48.00	13.798	.003	3.494	.000
	30-40	197	179.90				
	40-50	183	214.14				
	50-60	11	213.82				
	Total	392					
Neighbourhood attachment- After	Up to 30	1	68.00	6.435	.092	.500	.617
	30-40	197	192.80				
	40-50	183	205.12				
	50-60	11	131.00				
	Total	392					

Dominant age group in the group		N	Mean Rank	H	Sig.	JT stat	Sig.
Availability of support & advice-After	Up to 30	1	35.00	3.655	.301	.055	.956
	30-40	197	197.20				
	40-50	183	197.25				
	50-60	11	186.14				
	Total	392					
Community Feeing- After	Up to 30	1	13.00	18.805	.000	4.006	.000
	30-40	197	174.83				
	40-50	183	220.37				
	50-60	11	204.27				
	Total	392					
Awareness & Participation-After	Up to 30	1	14.50	8.218	.042	1.966	.049
	30-40	197	185.66				
	40-50	183	210.90				
	50-60	11	167.59				
	Total	392					
Trust- After	Up to 30	1	58.50	8.707	.033	2.212	.027
	30-40	197	183.66				
	40-50	183	212.84				
	50-60	11	167.09				
	Total	392					
Linking Networks-After	Up to 30	1	30.00	11.452	.010	2.274	.023
	30-40	197	183.03				
	40-50	183	214.58				
	50-60	11	151.95				
	Total	392					
Groups & Networks-After	Up to 30	1	12.50	16.251	.001	3.812	.000
	30-40	197	176.05				
	40-50	183	218.42				
	50-60	11	214.73				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for all the variables except neighbourhood attachment and availability of support and advice. The H0 is rejected. The social capital variables of the respondents as at present vary significantly according to the dominant age group in the group. The JT test also shows a positive trend in social capital variables with increase in the age of the dominant age group except for neighbourhood attachment and availability of support and advice.

Dominant age group in the group and total social capital scores

The influence of dominant age group in the group on social capital formation is examined in table 6.56.

**Table: 6.56. H test and JT test
Dominant age group and Social capital indices**

Dominant age group in the group		N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
TSCI-After	Up to 30	1	14.50	12.951	.005	3.066	.002
	30-40	197	179.45				
	40-50	183	216.61				
	50-60	11	183.82				
	Total	392					
SCI- After	Up to 30	1	23.00	16.323	.001	3.775	.000
	30-40	197	175.84				
	40-50	183	219.15				
	50-60	11	205.55				
	Total	392					

Source: Survey Data.

The significance values of H test for both the indices are less than 0.05. The JT test also indicates significant positive trend in social capital score with increase in the age of the dominant age group. Therefore it is concluded that the social capital scores of respondents under both the approaches hold a significant positive trend with the increase of the age of the dominant age group in the group.

6.2.4. Age homogeneity of the Group and social capital formation

Homogeneous groups are expected to be more cohesive. At the same heterogeneity may improve accessibility to resources. The influence of age homogeneity of group members on social capital formation is examined using the H test. Age homogeneity is considered high if all members almost belong to the same age group. It is considered moderate if they fall in to two adjoining age groups. In all other cases it is taken as low.

The influence age homogeneity of the group on social capital formation is examined in table 6.57.

**Table: 6.57. Kruskal - Wallis H test and JT test
Age homogeneity in the group and social capital variables**

Age homogeneity of the group		N	Mean Rank	H/chi square	Sig.	JT stat.	Sig.
Capability - After	Low	39	205.45	3.147	.207	-1.688	.091
	Medium	245	201.39				
	High	108	182.17				
	Total	392					
Neighbourhood attachment- After	Low	39	197.97	1.619	.445	.941	.347
	Medium	245	191.33				
	High	108	207.69				
	Total	392					
Availability of support & advice-After	Low	39	198.53	.685	.710	.549	.583
	Medium	245	193.79				
	High	108	201.93				
	Total	392					
Community Feeing- After	Low	39	163.97	7.193	.027	-.278	.781
	Medium	245	207.39				
	High	108	183.55				
	Total	392					
Awareness & Participation- After	Low	39	179.64	2.176	.337	-.257	.797
	Medium	245	202.70				
	High	108	188.52				
	Total	392					

Age homogeneity of the group		N	Mean Rank	H/chi square	Sig.	JT stat.	Sig.
Trust- After	Low	39	165.17	6.945	.031	-.362	.717
	Medium	245	207.47				
	High	108	182.93				
	Total	392					
Linking Networks- After	Low	39	157.45	11.512	.003	-.600	.549
	Medium	245	210.80				
	High	108	178.16				
	Total	392					
Groups & Networks- After	Low	39	154.36	13.775	.001	-.741	.459
	Medium	245	212.29				
	High	108	175.90				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for community Feeling, Trust, links and Groups and Networks. These social capital variables vary significantly with age homogeneity of the group members. But the JT test does not indicate any significant trend in this regard. The JT statistics are negative for many variables indicating an inverse relationship- though insignificant- between increasing age homogeneity and social capital.

Age Homogeneity of the group and total social capital scores

The influence age homogeneity of the group on social capital indices is examined in table 6.58.

**Table: 6.58. Kruskal - Wallis H test and JT test
Age homogeneity in the group and social capital indices**

Age homogeneity of the group		N	Mean Rank	H/chi square	Sig.	JT stat	Sig.
TSCI- After	Low	39	162.73	7.094	.029	-.203	.839
	Medium	245	207.44				
	High	108	183.88				
	Total	392					

Age homogeneity of the group		N	Mean Rank	H/chi square	Sig.	JT stat	Sig.
SCI-After	Low	39	152.22	13.761	.001	-.538	.591
	Medium	245	212.07				
	High	108	177.17				
	Total	392					

Source: Survey Data.

The significance values of H test for both the indices are less than 0.05. But the JT test does not indicate any significant trend in social capital score with increase in age homogeneity in the group.

6.2.5. Economic Homogeneity of the Group and social capital formation

SHGs as means of poverty alleviation are mainly made up of the BPL women. Economic homogeneity is considered high if all of the group members fall in to either BPL or APL. If some of them are BPL and some are APL without a wide difference in their economic standing, it is taken as moderate. If at least one of the members enjoys good economic status, economic homogeneity is considered low.

The influence economic homogeneity of members in the group on social capital formation is examined in table 6.59 and 6.60.

**Table: 6.59. Kruskal-Wallis H test and JT test
Economic homogeneity in the group and social capital Variables**

Economic Homogeneity		N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	low	7	215.14	.646	.724	-.746	.456
	medium	259	198.39				
	high	126	191.58				
	Total	392					
Neighbourhood attachment- After	low	7	283.14	26.282	.000	3.885	.000
	medium	259	176.34				
	high	126	233.12				
	Total	392					
Availability of support & advice-After	low	7	222.79	.853	.653	.202	.840
	medium	259	194.65				
	high	126	198.84				
	Total	392					

Economic Homogeneity		N	Mean Rank	H	Sig.	JT stat	Sig.
Community Feeling- After	low	7	291.71	5.288	.071	-.831	.406
	medium	259	195.45				
	high	126	193.37				
	Total	392					
Awareness & Participation- After	low	7	247.43	1.886	.390	-.967	.333
	medium	259	198.15				
	high	126	190.28				
	Total	392					
Trust- After	low	7	242.36	1.856	.395	-1.079	.280
	medium	259	198.93				
	high	126	188.96				
	Total	392					
Linking Networks- After	low	7	263.14	3.922	.141	-1.602	.109
	medium	259	200.06				
	high	126	185.47				
	Total	392					
Groups & Networks- After	low	7	176.14	9.392	.009	-2.763	.006
	medium	259	209.04				
	high	126	171.86				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Neighbourhood Attachment and Groups and Networks. The H₀ is rejected in respect of these variables. These social capital variables vary significantly with Economic Homogeneity among the group members.

While the JT test shows positive relationship between economic homogeneity and neighbourhood attachment, it also reveals an inverse relationship between economic homogeneity and access to groups and networks. Besides it gives (insignificant) negative JT statistics for most other variables. Thus it can be concluded that though high economic homogeneity leads to better neighbourhood attachment it is not found to be beneficial for a more general social capital formation.

Economic homogeneity of the group and total social capital indices

**Table: 6.60. Kruskal Wallis H test and JT test
Economic homogeneity in the group and social capital indices**

Economic homogeneity		N	Mean Rank	H	Sig.	JT stat.	Sig.
TSCI- After	Low	7	243.36	1.415	.493	-.734	.463
	Medium	259	197.43				
	High	126	191.99				
	Total	392					
SCI- After	Low	7	187.71	5.596	.061	-2.179	.029
	Medium	259	206.14				
	High	126	177.17				
	Total	392					

Source: Survey Data.

The significance values of H test for the SCI is less than 0.05. The JT test indicates a significant negative trend in the social capital score (SCI) with increase in economic homogeneity in the group.

6.2.6. Dominant Education group in the Group and social capital formation

Education is an important determinant of social capital. The relationship between dominant education group in the group and social capital scores of respondents is examined in tables 6.61 and 6.62.

**Table: 6.61. Kruskal Wallis H test and JT test
Dominant education group in the group and social capital indices**

Dominant education group		N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	Literate	3	184.33	1.908	.592	1.368	.171
	UP school	43	183.31				
	High school	309	196.39				
	PDC/HSS	37	213.72				
	Total	392					

Dominant education group		N	Mean Rank	H	Sig.	JT stat	Sig.
Neighbourhood attachment- After	Literate	3	160.83	6.491	.090	-2.190	.029
	UP school	43	233.05				
	High school	309	194.41				
	PDC/HSS	37	174.38				
	Total	392					
Availability of support & advice- After	Literate	3	246.50	4.856	.183	-.812	.417
	UP school	43	216.78				
	High school	309	191.85				
	PDC/HSS	37	207.69				
	Total	392					
Community Feeling- After	Literate	3	119.00	12.233	.007	-2.847	.004
	UP school	43	245.65				
	High school	309	193.57				
	PDC/HSS	37	170.09				
	Total	392					
Awareness & Participation- After	Literate	3	115.00	6.451	.092	-1.809	.070
	UP school	43	215.81				
	High school	309	198.72				
	PDC/HSS	37	162.14				
	Total	392					
Trust- After	Literate	3	144.50	6.015	.111	-1.666	.096
	UP school	43	206.48				
	High school	309	200.39				
	PDC/HSS	37	156.62				
	Total	392					

Dominant education group		N	Mean Rank	H	Sig.	JT stat	Sig.
Linking Networks- After	Literate	3	67.00	4.859	.182	1.049	.294
	UP school	43	182.66				
	High school	309	199.63				
	PDC/HSS	37	196.93				
	Total	392					
Groups & Networks- After	Literate	3	86.50	5.702	.127	.504	.615
	UP school	43	178.13				
	High school	309	202.27				
	PDC/HSS	37	178.62				
	Total	392					

Source: Survey Data.

The significance values of H test are more than 0.05 for all variables except Community Feeling. Most social capital variables do not vary significantly with Dominant Education group. Mean while the JT test shows negative trend in neighbourhood attachment and community feeling with higher level education of the dominant education group.

The influence of dominant education group on social capital indices is shown in table 6.62.

**Table: 6.62. Kruskal Wallis H test and JT test
Dominant education group in the group and social capital indices**

Dominant education group		N	Mean Rank	H/chi square	Sig.	JT stat	Sig.
TSCI- After	Literate	3	92.67	4.230	.238	-.889	.374
	UP school	43	208.71				
	High school	309	198.19				
	PDC/HSS	37	176.62				
	Total	392					

Dominant education group		N	Mean Rank	H/chi square	Sig.	JT stat	Sig.
SCI- After	Literate	3	86.33	6.344	.096	-317	.751
	UP school	43	188.07				
	High school	309	202.24				
	PDC/HSS	37	167.28				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are above 0.05. The JT test also does not indicate any significant trend.

6.2.7. Educational Homogeneity of the Group

Educational homogeneity is considered high if all members almost belong to the same educational group. It is considered moderate if they fall in to two adjoining groups. In all other cases it is taken as low. The relationship between educational homogeneity of group members and social capital scores of respondents is examined in tables below.

**Table: 6.63. Kruskal Wallis H test and JT test
Educational homogeneity of group and social capital Variables**

Educational Homogeneity		N	Mean Rank	H	Sig.	JT stat.	Sig.
Capability - After	Low	34	208.53	1.859	.395	-1.343	.179
	Medium	275	198.67				
	High	83	184.38				
	Total	392					
Neighbourhood attachment- After	Low	34	242.60	13.557	.001	.602	.547
	Medium	275	183.44				
	High	83	220.89				
	Total	392					
Availability of support & advice-After	Low	34	209.63	.898	.638	-392	.695
	Medium	275	194.73				
	High	83	196.99				
	Total	392					

Educational Homogeneity		N	Mean Rank	H	Sig.	JT stat.	Sig.
Community Feeling- After	Low	34	251.59	10.299	.006	-2.722	.006
	Medium	275	194.65				
	High	83	180.05				
	Total	392					
Awareness & Participation- After	Low	34	238.49	8.293	.016	-2.811	.005
	Medium	275	198.23				
	High	83	173.58				
	Total	392					
Trust- After	Low	34	219.24	8.253	.016	-2.763	.006
	Medium	275	202.80				
	High	83	166.31				
	Total	392					
Linking Networks- After	Low	34	195.38	3.865	.145	-1.513	.130
	Medium	275	203.03				
	High	83	175.33				
	Total	392					
Groups & Networks- After	Low	34	197.99	12.522	.002	-2.848	.004
	Medium	275	207.97				
	High	83	157.87				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Neighbourhood Attachment, Community Feeling, Awareness & Participation, Trust, and Groups and Networks. These social capital variables vary significantly with educational homogeneity among the group members. The JT test shows significant negative trend in Community feeling, Social Outlook and awareness, Trust and Groups and Networks with increasing Educational homogeneity. Besides it gives negative JT statistics (though insignificant) for most other variables. Thus it reveals the inverse relationship between educational homogeneity and social capital formation.

Educational homogeneity and total social capital scores

The influence of educational homogeneity on social capital indices is shown in table 6.64.

**Table: 6.64. Kruskal Wallis H test and JT test
Educational homogeneity of group and social capital indices**

	Educational homogeneity	N	Mean Rank	H	Sig.	JT stat	Sig.
TSCI-After	low	34	222.93	7.749	.021	-2.752	.006
	medium	275	201.86				
	high	83	167.93				
	Total	392					
SCI-After	low	34	204.29	12.720	.002	-3.025	.002
	medium	275	207.40				
	high	83	157.20				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. The JT test indicates significant negative trend in both social capital scores with increase in educational homogeneity.

6.2.8. Education of leader and social capital formation

Leader's role can be vital to social capital formation of members. The data are examined to find out the influence of group leader's education on social capital scores of members. See tables 6.65 and 6.66.

**Table: 6.65. Kruskal Wallis H test and JT test
Education of group leader and social capital variables**

	Education of leader	N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	UP School	31	185.45	13.733	.003	1.672	.095
	High school	235	194.21				
	PDC/HS	77	178.39				
	Degree/ above	49	242.95				
	Total	392					
Neighbourhood attachment- After	UP School	31	157.87	5.209	.157	1.813	.070
	High school	235	196.80				
	PDC/HS	77	198.92				
	Degree/ above	49	215.68				
	Total	392					

	Education of leader	N	Mean Rank	H	Sig.	JT stat	Sig.
Availability of support & advice-After	UP School	31	199.37	6.573	.087	.675	.499
	High school	235	194.79				
	PDC/HS	77	183.47				
	Degree/ above	49	223.37				
	Total	392					
Community Feeling-After	UP School	31	174.79	4.488	.213	.008	.994
	High school	235	202.79				
	PDC/HS	77	178.63				
	Degree/ above	49	208.17				
	Total	392					
Awareness & Participation - After	UP School	31	169.76	12.827	.005	2.784	.005
	High school	235	190.55				
	PDC/HS	77	192.68				
	Degree/ above	49	247.97				
	Total	392					
Trust- After	UP School	31	189.76	9.386	.025	-1.351	.177
	High school	235	207.04				
	PDC/HS	77	162.59				
	Degree/ above	49	203.51				
	Total	392					
Linking Networks-After	UP School	31	154.16	17.942	.000	2.571	.010
	High school	235	195.87				
	PDC/HS	77	180.14				
	Degree/ above	49	252.03				
	Total	392					
Groups & Networks-After	UP School	31	183.11	17.402	.001	1.172	.241
	High school	235	197.04				
	PDC/HS	77	165.75				
	Degree/ above	49	250.72				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Capability, Social Outlook & Awareness, Trust, links and Groups & Networks. These social capital variables of members vary significantly with Educational qualification of the leader.

The JT test shows significant positive trend in Social Outlook and awareness and linking networks with increasing Education of leader. For all other variables the trends are insignificant.

Education of leader and total social capital scores

The influence of group leader’s education on social capital indices is shown in table 6.66.

**Table: 6.66. Kruskal Wallis H test and JT test
Education of group leader and social capital scores**

	Education of leader	N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
TSCI-After	UP School	31	167.98	13.611	.003	1.758	.079
	High school	235	196.89				
	PDC/HSS	77	175.78				
	Degree/ above	49	245.21				
	Total	392					
SCI-After	UP School	31	187.73	16.948	.001	.123	.902
	High school	235	201.47				
	PDC/HS	77	157.41				
	Degree/ above	49	239.63				
		392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. But the JT test does not indicate any significant trend in both social capital scores with increase in educational qualification of leader.

6.2.9. Dominant Religion in the Group

Religions exert considerable influence on peoples’ lives and behaviour. The social capital scores are examined in relation to dominant religion in the SHGs using the H test. See tables 6.67 and 6.68.

**Table: 6.67. Kruskal Wallis H test and JT test
Dominant Religion in the Group and social capital scores**

	Dominant Religion	N	Mean Rank	H	Sig.
Capability - After	Hindu	290	194.75	12.828	.002
	Muslim	49	165.28		
	Christian	53	234.95		
	Total	392			
Neighbourhood attachment- After	Hindu	290	211.80	21.608	.000
	Muslim	49	162.00		
	Christian	53	144.66		
	Total	392			
Availability of support & advice- After	Hindu	290	205.26	18.992	.000
	Muslim	49	146.97		
	Christian	53	194.35		
	Total	392			
Community Feeling- After	Hindu	290	203.91	7.255	.027
	Muslim	49	158.20		
	Christian	53	191.38		
	Total	392			
Awareness & Participation- After	Hindu	290	199.69	2.934	.231
	Muslim	49	170.96		
	Christian	53	202.64		
	Total	392			
Trust- After	Hindu	290	187.44	7.810	.020
	Muslim	49	213.52		
	Christian	53	230.31		
	Total	392			
Linking Networks- After	Hindu	290	196.35	24.038	.000
	Muslim	49	140.10		
	Christian	53	249.48		
	Total	392			

	Dominant Religion	N	Mean Rank	H	Sig.
Groups & Networks- After	Hindu	290	190.92	30.306	.000
	Muslim	49	151.19		
	Christian	53	268.92		
	Total	392			

Source: Survey Data.

The significance values of H test are less than 0.05 for all variables except Awareness & Participation. These social capital variables of members vary significantly with the dominant religion in the group.

Dominant religion and total social capital scores

The influence dominant religion on social capital indices is depicted in table 6.68.

**Table: 6.68. Kruskal Wallis H test and JT test
Dominant Religion in the Group and social capital indices**

	Dominant Religion	N	Mean Rank	H/Chi-Square	Sig.
TSCI- After	Hindu	290	199.56	12.192	.002
	Muslim	49	148.47		
	Christian	53	224.19		
	Total	392			
SCI- After	Hindu	290	188.02	25.135	.000
	Muslim	49	169.98		
	Christian	53	267.42		
	Total	392			

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. Both the social capital scores of respondents vary significantly with dominant religion in the group.

6.2.10. Religious Homogeneity of the Group

Religious homogeneity of group members can be a factor affecting social capital formation. For this study, religious homogeneity is considered high if all the members belong to a single religion. If they belong to two different religions, homogeneity is considered moderate. In all other cases it is considered low.

The influence of religious homogeneity of group members on social capital scores is examined using the H test and the JT test. The results are shown in tables 6.69 and 6.70.

**Table: 6.69. Kruskal Wallis H test and JT test
Religious homogeneity in the Group and social capital scores**

Religious Homogeneity		N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	Low	12	227.79	5.755	.056	-2.378	.017
	Medium	139	209.82				
	High	241	187.26				
	Total	392					
Neighbourhood attachment- After	Low	12	284.42	9.090	.011	.131	.896
	Medium	139	184.83				
	High	241	198.85				
	Total	392					
Availability of support & advice-After	Low	12	187.38	.352	.839	-.302	.763
	Medium	139	199.50				
	High	241	195.22				
	Total	392					
Community Feeing- After	Low	12	263.92	6.196	.045	-1.976	.048
	Medium	139	203.90				
	High	241	188.88				
	Total	392					
Awareness & Participation- After	Low	12	192.58	1.120	.571	-.922	.357
	Medium	139	204.59				
	High	241	192.03				
	Total	392					

Religious Homogeneity		N	Mean Rank	H	Sig.	JT stat	Sig.
Trust- After	Low	12	202.46	13.283	.001	-3.456	.001
	Medium	139	223.93				
	High	241	180.38				
	Total	392					
Linking Networks- After	Low	12	213.96	11.819	.003	-3.362	.001
	Medium	139	221.76				
	High	241	181.06				
	Total	392					
Groups & Networks- After	Low	12	190.58	6.794	.033	-2.363	.018
	Medium	139	216.55				
	High	241	185.23				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Capability, Neighbourhood attachment, Community Feeling, Trust, links and Groups & Networks. These social capital variables of members vary significantly with Religious homogeneity of the group.

The JT test shows significant negative trend in Capability, Community Feeling, Trust, links and Groups & Networks with increasing Religious homogeneity of the group. For most other variables the trends are insignificant. It is concluded that religious homogeneity of the group is not very conducive to general Social Capital Formation.

Religious homogeneity and total social capital scores

The influence of religious homogeneity on social capital indices are shown in 6.70.

**Table: 6.70. Kruskal Wallis H test and JT test
Religious homogeneity in the Group and social capital scores**

Religious homogeneity		N	Mean Rank	H	Sig.	JT stat	Sig.
TSCI- After	Low	12	217.83	6.249	.044	-2.507	.012
	Medium	139	214.27				
	High	241	185.19				
	Total	392					
SCI- After	Low	12	188.71	9.940	.007	-2.845	.004
	Medium	139	220.77				
	High	241	182.89				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. The JT test indicates significant negative trend in both social capital scores of respondents with increase in religious homogeneity.

6.2.11. Dominant Caste in the Group and social capital formation

The position of the actor in the social structure is considered an important determinant of social capital. Caste composition of the group may have a bearing on social capital formation. Hence, the influence of dominant caste in the group and that of caste homogeneity of the group are examined in this study.

The influence of dominant caste among the group members on social capital formation is examined in table 6.71 and 6.72.

**Table: 6.71. Kruskal Wallis H test and JT test
Dominant caste in the Group and social capital formation**

	Dominant caste	N	Mean Rank	Chi-Square	Sig.	JT stat	Sig.
Capability - After	SC/ST	25	212.10	18.193	.000	2.973	.003
	Backward castes	299	185.06				
	Forward castes	68	241.05				
	Total	392					

	Dominant caste	N	Mean Rank	Chi-Square	Sig.	JT stat	Sig.
Neighbourhood attachment- After	SC/ST	25	212.94	.826	.662	-.825	.409
	Backward castes	299	196.76				
	Forward castes	68	189.33				
	Total	392					
Availability of support & advice- After	SC/ST	25	226.58	3.432	.180	-1.397	.162
	Backward castes	299	195.46				
	Forward castes	68	190.03				
	Total	392					
Community Feeing- After	SC/ST	25	232.86	3.229	.199	-.478	.632
	Backward castes	299	192.38				
	Forward castes	68	201.26				
	Total	392					
Awareness & Participation- After	SC/ST	25	213.88	20.853	.000	3.226	.001
	Backward castes	299	182.76				
	Forward castes	68	250.52				
	Total	392					
Trust- After	SC/ST	25	202.26	.209	.901	-.455	.649
	Backward castes	299	197.15				
	Forward castes	68	191.53				
	Total	392					
Linking Networks- After	SC/ST	25	210.00	11.856	.003	2.398	.016
	Backward castes	299	186.09				
	Forward castes	68	237.32				
	Total	392					
Groups & Networks- After	SC/ST	25	195.02	25.114	.000	4.123	.000
	Backward castes	299	182.49				
	Forward castes	68	258.63				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Capability, Social Outlook, links and Groups & Networks. These social capital variables of members vary significantly with Dominant Caste in the group.

The JT test shows significant positive trend in Capability, Social Outlook, links and Groups & Networks with increasing social standing of the majority in the group. For other variables the trends are insignificant. It is concluded that better social backgrounds of the majority members is conducive to improvement in capability, Social Outlook, linking networks and accessibility to Groups & Networks

Dominant caste in the group and social capital indices

The influence of dominant caste on social capital indices is examined in table 6.72.

**Table: 6.72. Kruskal Wallis H test and JT test
Dominant caste in the Group and social capital Indices**

Dominant caste in the group		N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
TSCI- After	SC/ST	25	214.90	10.381	.006	2.072	.038
	Backward castes	299	186.48				
	Forward castes	68	233.81				
	Total	392					
SCI- After	SC/ST	25	194.92	11.890	.003	2.890	.004
	Backward castes	299	186.90				
	Forward castes	68	239.31				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. The JT test indicates significant positive trend in both social capital scores of respondents with improvement in the social background of the dominant group.

6.2.12. Caste Homogeneity of the Group and social capital formation

Majority of the poor in India belongs to backward communities. Most SHGs are homogeneous groups. There is difference of opinion regarding the influence of homogeneity on social capital formation and wellbeing. This section examines the influence of caste homogeneity of SHG members on social capital formation. If all the members belong to a single class, homogeneity is considered high. If they belong to castes of similar or comparable social standing, homogeneity is considered moderate. In other cases it is considered low.

The influence of caste homogeneity on social capital formation is examined in table 6.73.

**Table: 6.73. Kruskal Wallis H test and JT test
Caste Homogeneity in the Group and social capital formation**

Caste Homogeneity		N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	low	27	198.33	2.456	.293	-1.412	.158
	medium	177	204.76				
	High	188	188.46				
	Total	392					
Neighbourhood attachment- After	low	27	236.37	4.124	.127	-1.527	.127
	medium	177	197.43				
	High	188	189.90				
	Total	392					
Availability of support & advice-After	low	27	209.61	7.424	.024	-2.640	.008
	medium	177	207.69				
	High	188	184.08				
	Total	392					
Community Feeling- After	low	27	188.89	8.033	.018	-2.300	.021
	medium	177	213.87				
	High	188	181.24				
	Total	392					
Awareness & Participation- After	low	27	187.35	2.744	.254	-1.138	.255
	medium	177	206.84				
	High	188	188.08				
	Total	392					

Caste Homogeneity	N	Mean Rank	H	Sig.	JT stat	Sig.	
Trust- After	low	27	151.44	8.963	.011	-.772	.440
	medium	177	212.40				
	High	188	188.00				
	Total	392					
Linking Networks- After	low	27	122.04	26.481	.000	-1.476	.140
	medium	177	224.56				
	High	188	180.77				
	Total	392					
Groups & Networks- After	low	27	140.98	19.652	.000	-1.785	.074
	medium	177	222.31				
	High	188	180.17				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Availability of support & advice Community Feeling, Trust links and Groups & Networks. These social capital variables of members vary significantly with caste homogeneity in the group.

The JT test shows significant negative trend in Availability of support & advice Community Feeling with increasing Caste homogeneity in the group. For most other variables there is insignificant negative trend. It can be concluded that high caste homogeneity is not very conducive to improvement in Social Capital variables among SHG women in Kerala.

Caste Homogeneity in the Group and social capital indices

The effect of Caste Homogeneity in the Group on social capital indices is examined in table: 6.74.

**Table: 6.74. Kruskal Wallis H test and JT test
Caste Homogeneity in the Group and social capital formation**

Caste Homogeneity		N	Mean Rank	H	Sig.	JT stat	Sig.
TSCI- After	low	27	152.48	14.290	.001	-1.681	.093
	medium	177	218.99				
	High	188	181.65				
	Total	392					
SCI- After	low	27	133.87	18.065	.000	-1.176	.240
	medium	177	219.63				
	High	188	183.72				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. The JT test indicates insignificant negative trend in both social capital scores of respondents with increased caste homogeneity of the group.

6.2.13. Caste of leader and social capital formation

The group leader may have a significant role in the development of members. Since caste is found to have a bearing on social capital formation, the influence of caste of the main leader is examined in this section.

The influence of caste of leader on social capital formation of members is examined in table 6.75.

**Table: 6.75. Kruskal Wallis H test and JT test
Caste of Leader of the Group and social capital formation**

	Caste of Leader	N	Mean Rank	H	Sig.	JT stat	Sig.
Capability - After	SC/ST	29	192.66	5.296	.071	1.968	.049
	Backward castes	282	190.39				
	Forward castes	81	219.14				
	Total	392					

	Caste of Leader	N	Mean Rank	H	Sig.	JT stat	Sig.
Neighbourhood attachment-After	SC/ST	29	229.93	3.249	.197	-1.467	.142
	Backward castes	282	195.90				
	Forward castes	81	186.64				
	Total	392					
Availability of support & advice-After	SC/ST	29	209.26	.682	.711	-.516	.606
	Backward castes	282	195.62				
	Forward castes	81	194.99				
	Total	392					
Community Feeing-After	SC/ST	29	242.28	6.252	.044	-2.079	.038
	Backward castes	282	195.82				
	Forward castes	81	182.48				
	Total	392					
Awareness & Participation-After	SC/ST	29	229.93	15.743	.000	1.964	.050
	Backward castes	282	182.47				
	Forward castes	81	233.38				
	Total	392					
Trust- After	SC/ST	29	208.29	.460	.795	-.034	.973
	Backward castes	282	194.49				
	Forward castes	81	199.28				
	Total	392					
Linking Networks-After	SC/ST	29	219.76	6.586	.037	1.184	.236
	Backward castes	282	187.39				
	Forward castes	81	219.90				
	Total	392					
Groups & Networks-After	SC/ST	29	205.38	19.750	.000	3.345	.001
	Backward castes	282	181.72				
	Forward castes	81	244.77				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Community Feeling, Social Outlook & awareness, links and Groups & Networks. These social capital variables of members vary significantly with caste of the leader of the group.

The JT test shows significant Positive trend in capability, Social outlook and Awareness and accessibility to groups and networks with increasing social standing of leader. But it also shows significant negative trend in Community Feeling with increasing social standing of leader. For some other variables there is insignificant negative trend. It can be concluded that though better social standing of leader is favourable for capability development, improving Social outlook and Awareness and accessibility to groups and networks, it does not favour the development of community feeling and mutual helpfulness which are also very important in the economic and social settings of women in Kerala and India.

Caste of Leader and social capital indices

The influence of caste of leader on social capital indices is shown in table 6.76.

**Table: 6.76. Kruskal Wallis H test and JT test
Caste of Leader of the Group and social capital formation**

Caste of leader		N	Mean Rank	H	Sig.	JT stat.	Sig.
TSCI- After	SC/ST	29	221.21	7.230	.027	1.239	.215
	Backward castes	282	186.89				
	Forward castes	81	221.10				
	Total	392					
SCI- After	SC/ST	29	205.28	12.808	.002	2.643	.008
	Backward castes	282	184.49				
	Forward castes	81	235.17				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital scores are below 0.05. The JT test indicates significant positive trend in the Social Capital Index (SCI) of respondents with improved social background of the leader.

6.2.14. Age of the SHG and social capital formation

Age of the group refers to the number of years for which the micro enterprise has been working. The relationship between age of the enterprise and social capital variables is examined in table below:

**Table: 6.77. H test and JT test
Age of the Group and social capital formation**

Age of the group(years)		N	Mean Rank	H	Sig.	JT stat.	Sig.
Capability - After	Up to 2	72	168.67	17.179	.002	2.771	.006
	3 to 4	128	198.41				
	5 to 7	92	186.96				
	8 to 10	61	238.03				
	11 or more	39	199.15				
	Total	392					
Neighbourhood attachment- After	Up to 2	72	149.28	24.924	.000	4.568	.000
	3 to 4	128	191.34				
	5 to 7	92	200.82				
	8 to 10	61	241.17				
	11 or more	39	220.54				
	Total	392					
Availability of Support & advice-After	Up to 2	72	157.88	34.968	.000	5.853	.000
	3 to 4	128	186.78				
	5 to 7	92	201.33				
	8 to 10	61	223.24				
	11 or more	39	246.50				
	Total	392					

Age of the group(years)		N	Mean Rank	H	Sig.	JT stat.	Sig.
Community Feeing- After	Up to 2	72	132.90	39.997	.000	5.299	.000
	3 to 4	128	204.93				
	5 to 7	92	187.99				
	8 to 10	61	236.54				
	11 or more	39	243.67				
	Total	392					
Awareness & Participation- After	Up to 2	72	154.01	20.751	.000	1.949	.051
	3 to 4	128	220.01				
	5 to 7	92	184.32				
	8 to 10	61	193.66				
	11 or more	39	230.96				
	Total	392					
Trust- After	Up to 2	72	164.19	10.029	.040	1.082	.279
	3 to 4	128	214.83				
	5 to 7	92	190.05				
	8 to 10	61	205.08				
	11 or more	39	197.78				
	Total	392					
Linking Networks- After	Up to 2	72	148.31	22.979	.000	4.044	.000
	3 to 4	128	201.21				
	5 to 7	92	190.40				
	8 to 10	61	231.84				
	11 or more	39	229.14				
	Total	392					
Groups & Networks- After	Up to 2	72	155.56	14.770	.005	2.438	.015
	3 to 4	128	209.42				
	5 to 7	92	188.56				
	8 to 10	61	217.43				
	11 or more	39	215.67				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for all the variables. The H0 is rejected. The social capital variables of members vary significantly with the age of the group. The JT test also shows significant positive relationship between the length of SHG micro entrepreneurship and social capital variables except for Awareness & Participation and Trust.

Age of the Group and social capital indices

The influence of age of the group on social capital indices is examined in table 6.78.

**Table: 6.78. H test and JT test
Age of the Group and social capital indices**

Age of the group		N	Mean Rank	H	Sig.	JT stat.	Sig.
TSCI- After	Up to 2 years	72	134.44	31.349	.000	4.018	.000
	3 - 4 years	128	211.41				
	5 – 7 years	92	191.07				
	8 – 10 years	61	226.38				
	Above 10 years	39	228.21				
	Total	392					
SCI- After	Up to 2 years	72	151.58	17.359	.002	2.086	.037
	3 -- 4 years	128	215.43				
	5 – 7 years	92	188.72				
	8 – 10 years	61	215.55				
	Above 10 years	39	205.87				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital indices are below 0.05. The JT test also shows significant positive relationship between both the indices and the age of groups.

6.2.15. Age of leader and social capital formation

Personal characteristics of the main leader of the group might have influence over the social capital attainments of group members. The leader who has the

highest influence on the group activities is considered here as the main leader. The relationship between the age of main leader and social capital scores of respondents is examined in table 6.79.

**Table: 6.79. H test and JT test
Age of the Group leader and social capital scores**

Age of the Leader		N	Mean Rank	H	Sig.	JT stat.	Sig.
Capability - After	Up to 25	1	3.00	18.047	.001	3.794	.000
	26-35	59	169.80				
	36-45	258	193.75				
	46-55	67	225.49				
	Above 55	7	273.00				
	Total	392					
Neighbourhood attachment- After	Up to 25	1	26.00	3.757	.440	1.063	.288
	26-35	59	194.66				
	36-45	258	193.48				
	46-55	67	210.87				
	Above 55	7	210.00				
	Total	392					
Availability of support & advice- After	Up to 25	1	80.50	7.755	.101	2.356	.018
	26-35	59	181.63				
	36-45	258	195.26				
	46-55	67	210.89				
	Above 55	7	246.50				
	Total	392					
Community Feeing- After	Up to 25	1	113.00	10.981	.027	2.699	.007
	26-35	59	186.21				
	36-45	258	188.49				
	46-55	67	235.63				
	Above 55	7	215.71				
	Total	392					

Age of the Leader		N	Mean Rank	H	Sig.	JT stat.	Sig.
Awareness & Participation-After	Up to 25	1	69.00	5.534	.237	.211	.833
	26-35	59	193.73				
	36-45	258	197.37				
	46-55	67	206.03				
	Above 55	7	114.86				
	Total	392					
Trust- After	Up to 25	1	87.00	7.760	.101	2.460	.014
	26-35	59	183.40				
	36-45	258	191.20				
	46-55	67	227.32				
	Above 55	7	223.00				
	Total	392					
Linking Networks-After	Up to 25	1	71.00	9.823	.044	1.838	.066
	26-35	59	200.67				
	36-45	258	186.60				
	46-55	67	227.50				
	Above 55	7	247.29				
	Total	392					
Groups & Networks-After	Up to 25	1	8.00	16.694	.002	3.556	.000
	26-35	59	176.26				
	36-45	258	189.98				
	46-55	67	233.20				
	Above 55	7	283.14				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for capability, Community feeling, Links and Groups and networks. These social capital variables of members vary significantly with the age of the leader.

The JT test also shows significant positive relationship between increase in

age of the leader and Capability, availability of Support and Advice, Community feeling, Links, Groups & networks and Trust.

Age of leader and social capital indices

The influence of age of leader on social capital indices are shown in table 6.80

**Table: 6.80. H test and JT test
Age of the Group leader and social capital indices**

Age of leader		N	Mean Rank	H	Sig.	JT stat.	Sig.
TSCI- After	Up to 25	1	28.50	11.060	.002	2.659	.008
	26-35	59	186.53				
	36-45	258	189.21				
	46-55	67	231.87				
	Above 55	7	234.79				
	Total	392					
SCI- After	Up to 25	1	23.00	17.063	.002	3.676	.000
	26-35	59	174.32				
	36-45	258	189.94				
	46-55	67	235.25				
	Above 55	7	279.00				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital indices are below 0.05. The JT test also shows significant positive relationship between both the indices of respondents and the age of their group leader.

6.2.16. Number of Training programmes and social capital formation

Training provided by the SHGs can be an important input in social capital formation of SHG women micro entrepreneurs. The data are examined to find out any relationship between the number of training programmes participated and social capital scores. Table 6.81 shows the influence of number of training programmes attended on social capital variables.

**Table: 6.81. Kruskal Wallis H test and JT test
No. of Trainings participated by the member and social capital formation**

Number of trainings given to members		N	Mean Rank	H	Sig.	JT stat.	Sig.
Capability - After	0	66	166.11	16.927	.005	3.234	.001
	1	165	189.43				
	2	79	221.48				
	3	60	221.85				
	4	10	199.75				
	5 or above	12	166.96				
	Total	392					
Neighbourhood attachment- After	0	66	201.93	5.847	.321	-.987	.324
	1	165	201.48				
	2	79	194.05				
	3	60	172.98				
	4	10	252.55				
	5 or above	12	185.13				
	Total	392					
Availability of support & advice-After	0	66	192.17	.677	.984	.351	.726
	1	165	197.01				
	2	79	199.22				
	3	60	192.75				
	4	10	210.40				
	5 or above	12	202.58				
	Total	392					
Community Feeing- After	0	66	189.31	5.565	.351	.134	.893
	1	165	197.14				
	2	79	213.28				
	3	60	179.13				
	4	10	236.70				
	5 or above	12	170.04				
	Total	392					

Number of trainings given to members		N	Mean Rank	H	Sig.	JT stat.	Sig.
Awareness & Participation- After	0	66	203.46	4.217	.519	.200	.842
	1	165	189.25				
	2	79	206.42				
	3	60	194.19				
	4	10	242.90				
	5 or above	12	165.46				
	Total	392					
Trust- After	0	66	144.27	35.981	.000	4.662	.000
	1	165	186.35				
	2	79	249.60				
	3	60	213.36				
	4	10	223.05				
	5 or above	12	167.33				
	Total	392					
Linking Networks- After	0	66	152.39	21.087	.001	3.179	.001
	1	165	195.96				
	2	79	224.64				
	3	60	208.70				
	4	10	259.10				
	5 or above	12	148.13				
	Total	392					
Groups & Networks- After	0	66	147.88	23.938	.000	3.598	.000
	1	165	197.11				
	2	79	212.52				
	3	60	238.58				
	4	10	177.10				
	5 or above	12	155.92				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Capability, trust, Links and groups and networks. The JT test shows significant positive relationship between number of training programmes and Capability, trust, Links and groups and networks.

Number of training given to members and the social capital indices

The influence of number of training programmes given on social capital indices are examined in table 6.82.

**Table: 6.82. Kruskal Wallis H test and JT test
No. of Trainings imparted and social capital indices**

	Number of Trainings	N	Mean Rank	H	Sig.	JT stat	Sig.
TSCI- After	0	66	164.42	13.341	.020	2.764	.006
	1	165	191.10				
	2	79	225.19				
	3	60	211.14				
	4	10	223.00				
	5 or above	12	163.00				
	Total	392					
SCI- After	0	66	137.52	32.266	.000	4.498	.000
	1	165	194.82				
	2	79	227.00				
	3	60	235.19				
	4	10	188.40				
	5 or above	12	156.54				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital indices are below 0.05. The JT test also shows significant positive relationship between both the SC indices of respondents and the number of training given to members.

6.2.17. Duration of Training in Days and social capital formation

Duration of training imparted is significant in determining its impact on the subject. The relationship between duration of training and social capital formation is examined in table 6.83.

**Table: 6.83. H test and JT test
Duration of Training and social capital formation**

	Training in number of days	N	Mean Rank	H	Sig.	JT stat.	Sig.
Capability - After	Nil	66	166.11	9.187	.102	2.780	.005
	Up to 3 days	63	194.05				
	4 to 7 days	105	198.10				
	8 to 15 days	75	205.01				
	16 to 30 days	58	209.69				
	More than 30	25	220.06				
	Total	392					
Neighbourhood attachment- After	Nil	66	201.93	4.774	.444	-.547	.584
	Up to 3 days	63	209.56				
	4 to 7 days	105	194.37				
	8 to 15 days	75	176.17				
	16 to 30 days	58	195.66				
	More than 30	25	221.12				
	Total	392					
Availability of support & advice- After	Nil	66	192.17	4.545	.474	.114	.909
	Up to 3 days	63	213.10				
	4 to 7 days	105	186.30				
	8 to 15 days	75	195.29				
	16 to 30 days	58	197.71				
	More than 30	25	209.82				
	Total	392					
Community Feeling- After	Nil	66	189.31	3.400	.639	-.759	.448
	Up to 3 days	63	211.59				
	4 to 7 days	105	199.48				
	8 to 15 days	75	202.84				
	16 to 30 days	58	183.35				
	More than 30	25	176.44				
	Total	392					

	Training in number of days	N	Mean Rank	H	Sig.	JT stat.	Sig.
Awareness & Participation-After	Nil	66	203.46	11.134	.049	.656	.512
	Up to 3 days	63	188.33				
	4 to 7 days	105	189.46				
	8 to 15 days	75	198.40				
	16 to 30 days	58	179.17				
	More than 30	25	262.78				
	Total	392					
Trust- After	Nil	66	144.27	22.913	.000	3.201	.001
	Up to 3 days	63	182.27				
	4 to 7 days	105	217.80				
	8 to 15 days	75	219.49				
	16 to 30 days	58	207.28				
	More than 30	25	186.78				
	Total	392					
Linking Networks-After	Nil	66	152.39	28.265	.000	3.687	.000
	Up to 3 days	63	205.40				
	4 to 7 days	105	184.38				
	8 to 15 days	75	221.98				
	16 to 30 days	58	191.62				
	More than 30	25	276.32				
	Total	392					
Groups & Networks-After	Nil	66	147.88	22.842	.000	3.600	.000
	Up to 3 days	63	205.17				
	4 to 7 days	105	191.19				
	8 to 15 days	75	219.33				
	16 to 30 days	58	196.76				
	More than 30	25	256.26				
	Total	392					

Source: Survey Data.

The significance values of H test are less than 0.05 for Awareness & Participation, Trust, Links and Groups and Networks. The JT test shows significant positive relationship between number of training days and Capability, trust, Links and groups and networks

No. of training days and Social Capital Indices

The relationship between duration of training and social capital indices is examined in table 6.84.

**Table: 6.84. H test and JT test
Duration of Training and social capital indices**

No. of days of training imparted to members		N	Mean Rank	H	Sig.	JT stat.	Sig.
TSCI- After	.00	66	164.42	14.541	.013	2.955	.003
	1.00	63	193.95				
	2.00	105	193.72				
	3.00	75	212.70				
	4.00	58	193.01				
	5.00	25	258.78				
	Total	392					
SCI After	.00	66	137.52	26.879	.000	4.219	.000
	1.00	63	196.26				
	2.00	105	202.23				
	3.00	75	221.61				
	4.00	58	199.32				
	5.00	25	246.86				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital indices are below 0.05. The JT test also shows significant positive relationship between both the indices of respondents and the number of days of training given to members.

6.2.18. Women Groups under support / control of men

About 10% of the groups are running under the supervision / support /control of men who are in some way related to the members. The data are analysed using the U test to know whether this factor has any influence on social capital scores of members.

H0: There is no significant difference in social capital scores with reference to supervision by men.

The analysis is shown in tables 6.85 and 6.86.

**Table: 6.85 Mann-Whitney U test
Supervision/support by men and Social Capital scores.**

Support/Control by men		N	Mean Rank	U	Z	Sig.	r
Capability- After	Yes	41	229.89	5826.500	-2.271	.023	0.11
	No	351	192.60				
	Total	392					
Neighbourhood attachment- After	Yes	41	200.84	7017.500	-.263	.792	-
	No	351	195.99				
	Total	392					
Support and advice- After	Yes	41	196.56	7193.000	-.005	.996	-
	No	351	196.49				
	Total	392					
Community Feeling- After	Yes	41	175.61	6339.000	-1.275	.202	-
	No	351	198.94				
	Total	392					
Awareness & Participation- After	Yes	41	194.12	7098.000	-.143	.886	-
	No	351	196.78				
	Total	392					
Trust- After	Yes	41	203.83	6895.000	-.441	.659	-
	No	351	195.64				
	Total	392					
Links - After	Yes	41	191.66	6997.000	-.291	.771	-
	No	351	197.07				
	Total	392					
Groups and Networks- After	Yes	41	230.33	5808.500	-2.024	.043	0.10
	No	351	192.55				
	Total	392					

Source: Survey Data.

The significance values of all variable except Capability and Groups & Networks are more than 0.05. Neighbourhood attachment, Support and Advice, Community feeling, Awareness & Participation, Trust and Links of respondents from groups under the supervision/support/control of men are not significantly different from others. But the scores of these respondents for Capability and Groups

& Networks are significantly higher than others. However the effect of this factor is low.

Support /control by men and social capital indices

The influence of support or control men on social capital indices is shown in table 6.75.

**Table: 6.86. Mann-Whitney U test
Supervision/support by men and Social Capital indices.**

Support/Control by men		N	Mean Rank	U	Z	Sig.
TSCI- After	Yes	41	211.50	5808.500	-.896	.370
	No	351	194.75			
	Total	392				
SCI- After	Yes	41	228.16	5897.500	-1.893	.058
	No	351	192.80			
	Total	392				

Source: Survey Data.

The significance values are higher than 0.05 for both the indices. The H0 is accepted. The social capital scores of respondents do not vary significantly with reference to whether their business unit is run under supervision/ support/ control of men.

6.2.19. Groups of Relatives and social capital formation

In about 21% of the groups many of the members were found to be belonging to the same family networks. The data were analysed to find out any possible effect of this factor on social capital formation. See table 6.87.

H0: There is no significant difference in social capital scores with reference to the members being relatives.

**Table: 6.87. Mann-Whitney U test
Groups of relatives and Social Capital Variables.**

Are many members relatives?		N	Mean Rank	U	Z	Sig.
Capability- After	Yes	83	205.71	12059.000	-.950	.342
	No	309	194.03			
	Total	392				
Neighbourhood attachment- After	Yes	83	202.89	12293.500	-.588	.557
	No	309	194.78			
	Total	392				
Support and advice- After	Yes	83	201.98	12368.500	-.649	.516
	No	309	195.03			
	Total	392				
Community Felling- After	Yes	83	186.71	12011.000	-.906	.365
	No	309	199.13			
	Total	392				
Awareness & Participation- After	Yes	83	203.78	12219.000	-.666	.505
	No	309	194.54			
	Total	392				
Trust- After	Yes	83	198.44	12662.500	-.177	.859
	No	309	195.98			
	Total	392				
Links - After	Yes	83	181.49	11577.500	-1.368	.171
	No	309	200.53			
	Total	392				
Groups and Networks- After	Yes	83	193.51	12575.500	-.271	.786
	No	309	197.30			
	Total	392				

Source: Survey Data.

The significance values are higher than 0.05 for all variables. The H₀ is accepted. It is concluded that group membership by relatives do not have any influence on the social capital formation of members.

Groups of Relatives and Social capital indices

The influence of membership by relatives on social capital indices is shown in table 6.77.

**Table: 6.88. Mann-Whitney U test
Groups of relatives and Social Capital indices**

Are most members relatives?		N	Mean Rank	U	Z	Sig.
TSCI- After	Yes	83	191.39	12399.000	-.463	.643
	No	309	197.87			
	Total	392				
SCI- After	Yes	83	193.30	12557.500	-.291	.771
	No	309	197.36			
	Total	392				

Source: Survey Data.

The significance values are higher than 0.05 for both the indices. The H₀ is accepted. The social capital scores of respondents do not vary significantly with reference to whether the group comprises of relatives or not.

6.2.20. Groups of Friends and social capital formation

Above 75% of the respondents claimed that many of the members of the groups were friends even before formation of the micro enterprise. The responses are examined using the U test to find out relationship if any between social capital scores and pre-existence of friendship. This analysis is shown in table 6.89.

**Table: 6.89 Mann-Whitney U test
Groups of Friends and Social Capital Variables.**

Were most members friends?		N	Mean Rank	U	Z	Sig.	r
Capability- After	Yes	299	192.37	12669.000	-1.473	.141	-
	No	93	209.77				
	Total	392					

Were most members friends?		N	Mean Rank	U	Z	Sig.	r
Neighbourhood attachment- After	Yes	299	202.29	12171.500	-1.844	.065	-
	No	93	177.88				
	Total	392					
Support and advice- After	Yes	299	202.51	12106.500	-2.461	.014	0.12
	No	93	177.18				
	Total	392					
Community Feeling- After	Yes	299	204.06	11642.500	-2.422	.015	0.12
	No	93	172.19				
	Total	392					
Awareness & Participation- After	Yes	299	197.12	13719.000	-.195	.845	-
	No	93	194.52				
	Total	392					
Trust- After	Yes	299	203.29	11873.500	-2.145	.032	0.11
	No	93	174.67				
	Total	392					
Links - After	Yes	299	199.64	12964.000	-.991	.322	-
	No	93	186.40				
	Total	392					
Groups and Networks- After	Yes	299	196.33	13853.000	-.053	.958	-
	No	93	197.04				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05 Support & advice, Community Feeling, and Trust. Respondents from groups with more number of friends have significantly better scores over others in these variables. However, the effect of the factor is very low.

Groups of Friends and Social Capital indices

The influence of friendship on social capital indices is examined in table 6.79.

**Table: 6.90. Mann-Whitney U test
Groups of Friends and Social Capital Variables**

Were most members friends before?		N	Mean Rank	U	Z	Sig.
TSCI- After	Yes	299	202.04	12246.000	-1.738	.082
	No	93	178.68			
	Total	392				
SCI- After	Yes	299	198.99	13158.000	-.782	.434
	No	93	188.48			
	Total	392				

Source: Survey Data.

The significance values are higher than 0.05 for both the indices. The H0 is accepted. The social capital scores of respondents do not vary significantly with reference to whether the group was made up of friends or not.

6.2.21. Groups of Neighbours and social capital

About 92% of the micro enterprises chosen for the study were formed by neighbours. The data are analysed using the U test to identify any difference in social capital scores of members working in such neighbour- rich groups and others.

H0: There is no significant difference in social capital scores with reference to group formation by neighbours or others.

Table 6.91 shows the influence of group membership by neighbours on social capital variables.

**Table: 6.91. Mann-Whitney U test
Groups of Neighbours and Social Capital Variables.**

Are most members neighbours?		N	Mean Rank	U	Z	Sig.	r
Capability- After	Yes	360	195.14	5270.000	-.908	.364	-
	No	32	211.81				
	Total	392					

Are most members neighbours?		N	Mean Rank	U	Z	Sig.	r
Neighbourhood attachment- After	Yes	360	198.88	4904.500	-1.415	.157	-
	No	32	169.77				
	Total	392					
Support and advice- After	Yes	360	197.68	5334.500	-.905	.365	-
	No	32	183.20				
	Total	392					
Community Felling- After	Yes	360	201.40	3997.000	-2.934	.003	0.15
	No	32	141.41				
	Total	392					
Awareness & Participation- After	Yes	360	196.78	5658.000	-.168	.867	-
	No	32	193.31				
	Total	392					
Trust- After	Yes	360	200.56	4298.000	-2.401	.016	0.12
	No	32	150.81				
	Total	392					
Links - After	Yes	360	199.86	4551.500	-1.980	.048	0.10
	No	32	158.73				
	Total	392					
Groups and Networks- After	Yes	360	198.63	4991.500	-1.254	.210	-
	No	32	172.48				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05 for Community Feeling, Trust and Links. Respondents from groups formed by neighbours have scored significantly better than others in respect of these variables. The effect of the factor is, however, low.

Groups of Neighbours and Social Capital indices

Table 6.81 shows the influence of group membership by neighbours on social capital indices.

**Table: 6.92. Mann-Whitney U test
Groups of Neighbours and Social Capital indices.**

Are most members neighbours?		N	Mean Rank	U	Z	Sig.
TSCI- After	Yes	360	199.73	4599.000	-1.891	.059
	No	32	160.22			
	Total	392				
SCI- After	Yes	360	199.50	4678.500	-1.763	.078
	No	32	162.70			
	Total	392				

Source: Survey Data.

The significance values are higher than 0.05 for both the indices. The H0 is accepted. The social capital scores of respondents do not vary significantly with reference to whether the group comprises of neighbours or others.

6.2.22. Politics of Group members and social capital formation

In about 23% of the groups chosen for the study, most of the members in the groups were inclined to the same political party. The data are analysed to find out whether such political inclinations have any influence on social capital formation. The analysis is shown in table 6.93.

H0: There is no significant difference in social capital variables with reference to the composition of members in terms of their political affiliations.

**Table: 6.93. Mann-Whitney U test
Groups' Political composition and Social Capital scores.**

Are most members of the same politics?		N	Mean Rank	U	Z	Sig.	r
Capability- After	Yes	91	212.51	12239.000	-1.751	.080	-
	No	301	191.66				
	Total	392					
Neighbourhood attachment- After	Yes	91	223.46	11242.000	-2.632	.008	0.14
	No	301	188.35				
	Total	392					

Are most members of the same politics?		N	Mean Rank	U	Z	Sig.	r
Support and advice- After	Yes	91	206.40	12794.500	-1.243	.214	-
	No	301	193.51				
	Total	392					
Community Felling- After	Yes	91	216.10	11912.000	-1.925	.054	-
	No	301	190.57				
	Total	392					
Awareness & Participation- After	Yes	91	234.63	10226.000	-3.700	.000	0.19
	No	301	184.97				
	Total	392					
Trust- After	Yes	91	218.34	11708.000	-2.116	.034	0.11
	No	301	189.90				
	Total	392					
Links - After	Yes	91	221.89	11385.000	-2.455	.014	0.12
	No	301	188.82				
	Total	392					
Groups and Networks- After	Yes	91	222.79	11303.000	-2.531	.011	0.13
	No	301	188.55				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05 for Neighbourhood attachment, Awareness & Participation, Trust, Links and Groups and Networks. Thus political homogeneity of members in the group is found to have a significant –but low-positive influence on the social capital formation of members.

Politics of group members and Social Capital indices

The influence of political composition of the group on social capital indices is shown in table 6.94

**Table: 6.94. Mann-Whitney U test
Groups' Political composition and Social Capital Indices**

Are most members of same politics		N	Mean Rank	U	Z	Sig.	r
TSCI-After	Yes	91	234.94	10197.500	-3.695	.000	0.19
	No	301	184.88				
	Total	392					
SCI-After	Yes	91	226.82	10936.500	-2.917	.004	0.15
	No	301	187.33				
	Total	392					

Source: Survey Data.

Significance values are less than 0.05 for both TSCI and SCI. Respondents from single political party SHGs score significantly higher over others in both the indices. The effect of the factor is low.

6.2.23. Other common factors among group members and social capital formation

Only about 3.6% of the respondents claimed to have other common factors among members. Many of them were co-participants in a training programme and there after became members of the unit through a selection process made by the agency. The data were analysed to find out the effect of such common factors on social capital scores. See the analysis in table 6.95.

H0: There is no significant difference in social capital variables with reference to other common factors.

**Table: 6.95. Mann-Whitney U test
Other common factors and Social Capital Variables.**

Other common factors among most members?		N	Mean Rank	U	Z	Sig.
Capability-After	Yes	14	247.29	1935.000	-1.945	.052
	No	378	194.62			
	Total	392				

Other common factors among most members?		N	Mean Rank	U	Z	Sig.
Neighbourhood attachment- After	Yes	14	156.57	2087.000	-1.364	.172
	No	378	197.98			
	Total	392				
Support and advice- After	Yes	14	207.68	2489.500	-.491	.623
	No	378	196.09			
	Total	392				
Community Felling- After	Yes	14	194.11	2612.500	-.082	.934
	No	378	196.59			
	Total	392				
Awareness & Participation- After	Yes	14	193.89	2609.500	-.089	.929
	No	378	196.60			
	Total	392				
Trust- After	Yes	14	189.86	2553.000	-.225	.822
	No	378	196.75			
	Total	392				
Links - After	Yes	14	272.36	1584.000	-2.568	.010
	No	378	193.69			
	Total	392				
Groups and Networks- After	Yes	14	177.86	2385.000	-.628	.530
	No	378	197.19			
	Total	392				

Source: Survey Data.

The significance values of all variables except links are more than 0.05. The H₀ is accepted for these variables. The existence of such common factors though do not contribute much towards social capital formation in general, it has a low positive effect on creation of linking networks.

Other common factors and Social Capital indices

The influence of other common factors on social capital indices are shown in table 6.85.

**Table: 6.96. Mann-Whitney U test
Other common factors and Social Capital Indices**

Is there any other common factor among most members?		N	Mean Rank	U	Z	Sig.
TSCI-After	Yes	14	201.46	2576.500	-.167	.867
	No	378	196.32			
	Total	392				
SCI-After	Yes	14	175.00	2345.000	-.724	.469
	No	378	197.30			
	Total	392				

Source: Survey Data.

The significance values are more than 0.05 in both the cases. The existence of other common factors does not have a significant influence on social capital indices.

6.2.24. Time of Work and social capital formation

About 38% of the groups provide only part-time employment to its members. The data are analysed to find out whether the time of work has any effect on social capital scores.

H0: There is no significant difference in social capital variables with reference to the Time of work in the group.

The influence of time of work on social capital variables is examined in table 6.86.

**Table: 6.97. Mann-Whitney U test
Time of Work and Social Capital Variables.**

Time of work in the group		N	Mean Rank	U	Z	Sig.
Capability-After	Part-time	151	184.10	16323.000	-1.953	.051
	Full-time	241	204.27			
	Total	392				

Time of work in the group		N	Mean Rank	U	Z	Sig.
Neighbourhood attachment- After	Part-time	151	195.61	18061.500	-.125	.901
	Full-time	241	197.06			
	Total	392				
Support and advice- After	Part-time	151	193.94	17808.500	-.463	.643
	Full-time	241	198.11			
	Total	392				
Community Felling- After	Part-time	151	192.01	17518.000	-.634	.526
	Full-time	241	199.31			
	Total	392				
Awareness & Participation- After	Part-time	151	189.73	17173.500	-.946	.344
	Full-time	241	200.74			
	Total	392				
Trust- After	Part-time	151	201.77	17399.500	-.735	.462
	Full-time	241	193.20			
	Total	392				
Links - After	Part-time	151	181.88	15988.000	-2.035	.042
	Full-time	241	205.66			
	Total	392				
Groups and Networks- After	Part-time	151	189.48	17136.000	-.972	.331
	Full-time	241	200.90			
	Total	392				

Source: Survey Data.

The significance values are above 0.05 for all the variables except the accessibility to Links. The time of work does not have a significant influence on the social capital variables of respondents. But it is found to have a low effect on the creation of linking networks. Those who work full time are more likely to have better access to links than the part-time employees.

The influence of time of work on social capital indices is examined in table 6.87.

**Table: 6.98. Mann-Whitney U test
Time of Work and Social Capital indices**

Time of work in the group		N	Mean Rank	U	Z	Sig.
TSCI- After	Part-time	151	190.83	17339.000	-.785	.433
	Full-time	241	200.05			
	Total	392				
SCI- After	Part-time	151	194.25	17855.000	-.312	.755
	Full-time	241	197.91			
	Total	392				

Source: Survey Data.

The significance values are higher than 0.05 for both the indices. The H0 is accepted. The social capital scores of respondents do not vary significantly with reference to whether they work full-time or part-time in the group.

6.3. SOCIAL CAPITAL INITIATIVES OF SHG WOMEN

Social capital formation takes place only when the individual gets ready to go through the process. In other words, individual initiative is a necessary prerequisite for social capital building. The individual has to exploit the interactional infrastructure and attitudinal infrastructure properly to amass social capital resources. Some social capital initiatives undertaken by the respondents are examined in this section.

6.3.1. The Role adopted by the respondent in the group and social capital formation

Social capital building is possible only if the individual concerned is inclined to it. Therefore the role assumed by the respondent in the group becomes important. Those who have accepted some leadership responsibility during their tenure in the group so far is designated as leaders and those who remain otherwise are designated as members. The data are analysed using the Mann-Whitney U test to find out the difference if any. The analysis is shown in table 6.99.

H0: There is no significant difference in social capital variables of respondents with reference to their role in the group.

**Table: 6.99. Mann-Whitney U test
Role in the group and Social Capital Variables**

Role in the group	N	Mean Rank	U	Z	Sig.	R	
Capability- After	Leader	251	227.38	9944.500	-8.197	.000	0.414
	Member	141	141.53				
	Total	392					
Neighbourhood attachment- After	Leader	251	226.33	10208.000	-7.067	.000	0.357
	Member	141	143.40				
	Total	392					
Support and advice- After	Leader	251	210.85	14094.500	-4.372	.000	0.221
	Member	141	170.96				
	Total	392					
Community Felling- After	Leader	251	228.83	9580.500	-7.704	.000	0.389
	Member	141	138.95				
	Total	392					
Awareness & participation- After	Leader	251	226.46	10174.500	-7.056	.000	0.356
	Member	141	143.16				
	Total	392					
Trust- After	Leader	251	221.18	11502.000	-5.802	.000	0.293
	Member	141	152.57				
	Total	392					
Links - After	Leader	251	226.87	10072.000	-7.127	.000	0.356
	Member	141	142.43				
	Total	392					
Groups and Networks- After	Leader	251	228.04	9778.000	-7.369	.000	0.372
	Member	141	140.35				
	Total	392					

Source: Survey Data.

All the significance values are less than 0.05 and hence the H0 is rejected. Those who have accepted leadership roles in their micro business units have considerably higher accumulation of social capital than others. Role played by the respondent has moderate effect ($r > 0.3, < 0.5$) on all variables except for availability of support and advice. The highest effect is found to be on capability development ($r = 0.414$). The role played has a low effect on availability of support and advice and the development of trust.

The effect of the factor on TSCI and SCI is examined in table 6.100.

**Table: 6.100. Mann-Whitney U test
Role in the group and Social Capital scores**

Type of member		N	Mean Rank	U	Sig.	Z	R
TSCI - After	leader	251	233.26	8467.500	.000	-8.575	0.43
	member	141	131.05				
	Total	392					
SCI - After	leader	251	228.24	9729.000	.000	-7.409	0.37
	member	141	140.00				
	Total	392					

Source: Survey Data.

Those who have accepted some role in group leadership during their tenure so far has accumulated significantly higher social capital scores (TSCI and SCI) than others. The effect size of the factor on social capital formation is moderate.

6.3.2. Duration of membership in SHG and social capital formation

Duration of membership in SHG may be longer than the age of micro enterprise. How long the member has been associated with SHG movement may be a factor influencing their social capital stock. The influence of the factor is examined in tables 6.101 and 6.102.

**Table: 6.101. Kruskal Wallis H test and JT test
Duration of membership in the Group and social capital formation**

Duration of membership in the group (years)		N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
Capability - After	Up to 2	13	157.92	15.701	.003	3.820	.000
	3 - 4	48	181.63				
	5 - 7	104	175.55				
	8- 10	141	202.60				
	Above 10	86	225.96				
	Total	392					
Neighbourhood attachment- After	Up to 2	13	120.88	36.885	.000	5.868	.000
	3 - 4	48	170.96				
	5 - 7	104	164.99				
	8- 10	141	202.93				
	Above 10	86	249.75				
	Total	392					
Availability of support & advice-After	Up to 2	13	154.58	31.809	.000	5.478	.000
	3 - 4	48	164.94				
	5 - 7	104	172.13				
	8- 10	141	210.68				
	Above 10	86	226.67				
	Total	392					
Community Feeing- After	Up to 2	13	122.08	52.946	.000	6.904	.000
	3 - 4	48	168.66				
	5 - 7	104	155.16				
	8- 10	141	204.12				
	Above 10	86	260.80				
	Total	392					
Awareness & participation- After	Up to 2	13	164.15	19.239	.001	2.998	.003
	3 - 4	48	208.99				
	5 - 7	104	170.20				
	8- 10	141	189.78				
	Above 10	86	237.24				
	Total	392					

Duration of membership in the group (years)		N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
Trust- After	Up to 2	13	94.62	17.208	.002	3.335	.001
	3 - 4	48	185.44				
	5 - 7	104	185.70				
	8- 10	141	201.41				
	Above 10	86	223.09				
	Total	392					
Linking Networks- After	Up to 2	13	135.35	20.098	.000	4.283	.000
	3 - 4	48	175.79				
	5 - 7	104	178.20				
	8- 10	141	197.16				
	Above 10	86	238.35				
	Total	392					
Groups & Networks- After	Up to 2	13	121.58	23.421	.000	4.237	.000
	3 - 4	48	191.85				
	5 - 7	104	166.18				
	8- 10	141	204.49				
	Above 10	86	233.99				
	Total	392					

Source: Survey Data.

The significance values of the H test for all the variables are less than 0.05. The JT test also indicate significant positive trend in all the variables with duration of membership in the group. The social capital scores are found to have a significant positive relationship with the period of membership in the SHG.

The effect of duration of membership in the group on TSCI and SCI is examined in table.

**Table: 6.102. Kruskal Wallis H test and JT test
Duration of membership in SHG and social capital scores**

Duration of membership in the group (years)		N	Mean Rank	H/Chi-Square	Sig.	JT stat	Sig.
TSCI- After	Up to 2	13	112.81	35.004	.000	5.306	.000
	3 - 4	48	187.14				
	5 - 7	104	162.42				
	8- 10	141	200.99				
	Above 10	86	248.23				
	Total	392					
SCI- After	Up to 2	13	100.12	24.637	.000	4.153	.000
	3 - 4	48	193.88				
	5 - 7	104	169.02				
	8- 10	141	205.22				
	Above 10	86	231.47				
	Total	392					

Source: Survey Data.

The significance values of H test for both the social capital indices are below 0.05. The JT test also shows significant positive relationship between both the indices of respondents and the period of membership in the SHG.

6.3.3 Religious/Caste affiliation of the member and social capital formation

The social capital scores of respondents as at present are examined in relation with their affiliation to religious/caste based organisations to detect any possible relationship. The Mann-Whitney U test is applied for the purpose. The analysis is shown in table 6.103.

H0: There is no significant difference in social capital variables with reference to their affiliation to religion/caste based groups.

**Table: 6.103. Mann-Whitney U test
Religion/caste affiliation and Social Capital Variables**

Member in groups- Religion/caste		N	Mean Rank	U	z	sig.	r
Capability- After	Yes	123	220.50	13591.000	-3.229	.001	0.16
	No	269	185.52				
	Total	392					

Member in groups- Religion/caste		N	Mean Rank	U	z	sig.	r
Neighbourhood attachment- After	Yes	123	209.61	14931.500	-1.574	.116	-
	No	269	190.51				
	Total	392					
Support and advice- After	Yes	123	205.75	15406.000	-1.428	.153	-
	No	269	192.27				
	Total	392					
Community Felling- After	Yes	123	200.56	16044.000	-.490	.624	-
	No	269	194.64				
	Total	392					
Awareness & participation- After	Yes	123	216.25	14114.500	-2.357	.018	0.12
	No	269	187.47				
	Total	392					
Trust- After	Yes	123	209.50	14944.500	-1.549	.121	
	No	269	190.56				
	Total	392					
Links - After	Yes	123	220.45	13598.000	-2.848	.004	0.14
	No	269	185.55				
	Total	392					
Groups and Networks- After	Yes	123	245.63	10501.000	-5.816	.000	0.29
	No	269	174.04				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05 for capability, Social outlook & Awareness, Links and Groups & networks. The H₀ is rejected in respect of these variables and accepted in respect of others. Those who hold membership in religious/Caste based associations have significantly greater mean ranks than others in Capability, Social outlook and Awareness, Links and Groups & networks. The effect of the factor is low except for access to Groups and Networks for which it is nearly moderate (r=0.29).

Religious affiliation and social capital scores

The influence of religious affiliation on TSCI and SCI is examined in table 6.104.

**Table: 6.104. Mann-Whitney U test
Religious/Caste association and Social Capital Index (After)**

Member - Religion/ Caste based groups?		N	Mean Rank	U	Z	Sig.	r
TSCI- After	Yes	123	227.84	12688.500	-3.705	.000	0.187
	No	269	182.17				
	Total	392					
SCI- After	Yes	123	238.94	11323.000	-5.022	.000	0.253
	No	269	177.09				
	Total	392					

Source: Survey Data.

The significance values for both the indices are less than 0.05. The H₀ is rejected. Those who are members in religious/ Caste based associations have significantly higher social capital scores than non-members. The effect size of this factor is however low ($r < 0.3$).

6.3.4 Political affiliation and social capital formation

The data are examined in relation to whether the respondent holds membership in Political Parties. The Mann-Whitney U test is applied. The analysis is shown in table 6.105.

H₀: There is no significant difference in social capital variables with reference to their association with Political Parties.

**Table: 6.105. Mann-Whitney U test
Political affiliation and Social Capital Variables**

Membership in groups- Political		N	Mean Rank	U	Z	Sig.	r
Capability- After	Yes	143	248.63	10349.500	-7.859	.000	0.397
	No	249	166.56				
	Total	392					
Neighbourhood attachment- After	Yes	143	246.68	10628.000	-6.752	.000	0.341
	No	249	167.68				
	Total	392					
Support and advice- After	Yes	143	229.90	13027.000	-5.781	.000	0.292
	No	249	177.32				
	Total	392					
Community Felling- After	Yes	143	247.08	10570.500	-6.846	.000	0.346
	No	249	167.45				
	Total	392					
Awareness & participation- After	Yes	143	255.86	9314.500	-7.940	.000	0.401
	No	249	162.41				
	Total	392					
Trust- After	Yes	143	227.00	13442.000	-4.074	.000	0.206
	No	249	178.98				
	Total	392					
Links - After	Yes	143	266.94	7730.500	-9.388	.000	0.474
	No	249	156.05				
	Total	392					
Groups and Networks- After	Yes	143	273.32	6818.000	-10.193	.000	0.515
	No	249	152.38				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05 for all the variables. The H₀ is rejected. It is concluded that membership in Political Parties accelerate Social Capital Formation. The influence of political affiliation is high ($r > 0.50$) in

accessibility to Groups and networks and nearly high in facilitating access to Links. It has moderate effect on capability, neighbourhood attachment, availability of support and advice, community feeling and awareness & participation. However, its effect on instilling trust is found to be low.

The influence of political affiliation on TSCI and SCI is examined in table 6.106.

**Table: 6.106. Mann-Whitney U test
Political association and Social Capital Index (After)**

Membership Political groups	N	Mean Rank	U	Z	Sig.	r	
TSCI- After	yes	143	277.28	6252.000	-10.702	.000	0.540
	No	249	150.11				
	Total	392					
SCI- After	yes	143	264.27	8113.000	-8.985	.000	0.454
	No	249	157.58				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05 for both the indices. The H0 is rejected. Respondents who are associated with Political Parties have attained significantly higher social capital scores than others. The effect size of this factor is high on the Total Social Capital Index (TSCI) and nearly high on the Social Capital Index (SCI).

6.3.5. Membership in Saving Groups and social capital formation

About 87% of the respondents are members in saving groups. The social capital variables are examined in relation to the respondents' membership in saving groups other than SHGs. The analysis is shown in table 6.107.

H0: There is no significant difference in social capital variables of respondents with reference to their membership in Saving Groups.

**Table: 6.107. Mann-Whitney U test
Membership in Saving Groups and Social Capital Variables**

Membership in - Saving groups		N	Mean Rank	U	Z	Sig	r
Capability- After	Yes	342	207.47	4799.500	-5.706	.000	0.288
	No	50	121.49				
	Total	392					
Neighbourhood attachment- After	Yes	342	202.06	6649.500	-2.581	.010	0.130
	No	50	158.49				
	Total	392					
Support and advice- After	Yes	342	201.16	6956.500	-2.783	.005	0.140
	No	50	164.63				
	Total	392					
Community Felling- After	Yes	342	206.07	5278.500	-4.468	.000	0.225
	No	50	131.07				
	Total	392					
Social Outlook & Awareness- After	Yes	342	206.77	5036.000	-4.743	.000	0.239
	No	50	126.22				
	Total	392					
Trust- After	Yes	342	207.04	4946.000	-4.857	.000	0.245
	No	50	124.42				
	Total	392					
Links - After	Yes	342	209.81	3997.000	-6.124	.000	0.309
	No	50	105.44				
	Total	392					
Groups and Networks- After	Yes	342	211.71	3346.500	-6.967	.000	0.352
	No	50	92.43				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05 for all the variables. It can be concluded that those who are members in saving groups have significantly higher accumulation of social capital than non members. It has low effects on Capability,

Neighbourhood Attachment, availability of Support and Advice, Community Feeling, Social Outlook, and Trust and moderate effect on facilitating Links and Groups & Networks.

The relationship between membership in saving groups and TSCI/SCI is examined in table 6.108.

**Table: 6.108. Mann-Whitney U test
Membership in other saving groups and Social Capital Indices (After)**

Membership -Saving Groups		N	Mean Rank	U	Z	Sig.	r
TSCI - After	yes	342	209.96	3947.000	-6.154	.000	0.311
	No	50	104.44				
	Total	392					
SCI- After	yes	342	211.02	3584.500	-6.644	.000	0.335
	No	50	97.19				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05. The H0 is rejected. Members of saving groups have considerably higher social capital scores than non members. This factor has a moderate effect on both the indices.

Membership in other SHGs

About 30% of the respondents hold membership in SHGs other than the one under which the micro enterprise has been set up. The data are examined to find out if there is any relationship between membership in other SHGs and Social Capital variables as at present. The analysis is shown in table 6.109.

H0: There is no significant difference in social capital variables of respondents with reference to whether they hold membership in other SHGs.

**Table: 6.109. Mann-Whitney U test
Membership in other SHGs and Social Capital Variables**

Type of groups a member- Other SHGs		N	Mean Rank	U	Z	Sig.
Capability- After	Yes	116	201.97	15373.000	-.706	.480
	No	276	194.20			
	Total	392				
Neighbourhood attachment- After	Yes	116	197.28	15917.000	-.090	.928
	No	276	196.17			
	Total	392				
Support and advice- After	Yes	116	201.31	15449.500	-.713	.476
	No	276	194.48			
	Total	392				
Community Felling- After	Yes	116	183.20	14465.500	-1.540	.124
	No	276	202.09			
	Total	392				
Social Outlook & Awareness-After	Yes	116	202.77	15280.500	-.718	.473
	No	276	193.86			
	Total	392				
Trust- After	Yes	116	169.53	12880.000	-3.081	.002
	No	276	207.83			
	Total	392				
Links - After	Yes	116	181.88	14311.500	-1.668	.095
	No	276	202.65			
	Total	392				
Groups and Networks- After	Yes	116	198.93	15726.500	-.275	.783
	No	276	195.48			
	Total	392				

Source: Survey Data.

All the significance values except that related to Trust are more than 0.05. The H₀ is accepted in respect of these variables. It is concluded that most social capital variables are not influenced by the membership in other SHGs. However members in other SHGs have a significantly higher score in trust than non members. The effect size of this factor on trust is found to be low ($r=0.15$).

Relationship between membership in other SHGs and social capital indices are examined in table 6.110.

**Table: 6.110. Mann-Whitney U test
Membership in other SHGs and Social Capital Indices (After)**

Member-Other SHGs		N	Mean Rank	U	Z	Sig.
TSCI- After	Yes	116	190.57	15320.000	-.672	.501
	No	276	198.99			
	Total	392				
SCI- After	Yes	116	186.46	14843.000	-1.139	.255
	No	276	200.72			
	Total	392				

Source: Survey Data.

The significance values are higher than 0.05 for both the indices. The H0 is accepted. The social capital scores of respondents do not vary significantly with reference to their membership in other SHGs.

Membership in Other types of Groups

The terms 'Other Groups' are used to include all types of groups and associations other than those specifically addressed here. Thus, among other things, it includes all associations working for the promotion of arts, sports, culture, environment, and other social issues and services. The data are analyzed using the U test to identify any difference in social capital variables between members and non-members. The analysis is shown in table 6.111.

H0: There is no significant difference in social capital variables with reference to their membership in other groups.

**Table: 6.111. Mann-Whitney U test
Membership in other Groups and Social Capital scores**

Membership in-Others groups		N	Mean Rank	U	Z	Sig.	r
Capability-After	Yes	42	229.11	5980.500	-2.247	.025	0.11
	No	350	192.59				
	Total	392					
Neighbourhood attachment-After	Yes	42	249.98	5104.000	-3.289	.001	0.17
	No	350	190.08				
	Total	392					
Support and advice- After	Yes	42	224.56	6171.500	-2.220	.026	0.11
	No	350	193.13				
	Total	392					
Community Felling- After	Yes	42	241.58	5456.500	-2.789	.005	0.14
	No	350	191.09				
	Total	392					
Social Outlook & Awareness-After	Yes	42	252.82	4984.500	-3.443	.001	0.17
	No	350	189.74				
	Total	392					
Trust- After	Yes	42	225.99	6111.500	-1.800	.072	-
	No	350	192.96				
	Total	392					
Links - After	Yes	42	243.30	5384.500	-2.851	.004	0.14
	No	350	190.88				
	Total	392					
Groups and Networks-After	Yes	42	271.50	4200.000	-4.549	.000	0.23
	No	350	187.50				
	Total	392					

Source: Survey Data.

The significance values for all variables except Trust are less than 0.05. The H0 is rejected for these variables. Those who are members in Other Groups have significantly higher mean ranks in social capital variables (except Trust) than others. However the effect size as indicated by the value r is low for all variables.

Effect of other types of Groups on TSCI and SCI is examined in table 6.112

**Table: 6.112 Mann-Whitney U test
Membership in other types of Groups and Social Capital Index (After)**

Member-Other types of groups	N	Mean Rank	U	Z	Sig.	R	
TSCI-After	Yes	42	268.74	4316.000	-4.375	.000	0.221
	No	350	187.83				
	Total	392					
SCI-After	Yes	42	263.56	4533.500	-4.064	.000	0.205
	No	350	188.45				
	Total	392					

Source: Survey Data.

The significance values are less than 0.05 for both the indices. The H0 is rejected. The social capital scores of respondents with membership in other types of groups are significantly higher than those who do not have membership in such groups. The factor has a low effect on both the indices.

CHAPTER VII

EFFECTS OF SOCIAL CAPITAL

On SHG WOMEN MICRO ENTREPRENEURS

IN KERALA – An analysis

- ♣ *Effects of social capital*
- ♣ *Social Capital Stock and Entrepreneurial Performance*
- ♣ *Capability and Entrepreneurial Performance*
- ♣ *Neighbourhood/Locality Attachment and Entrepreneurial Performance*
- ♣ *Availability of Support and Advice and Entrepreneurial Performance*
- ♣ *Community feeling and entrepreneurial performance*
- ♣ *Social Participation and Entrepreneurial Performance*
- ♣ *Trust and entrepreneurial performance*
- ♣ *Linking Social Capital and entrepreneurial performance*
- ♣ *Group memberships, Networks and entrepreneurial performance*
- ♣ *Types of Groups*
- ♣ *Social Capital stock and Life Satisfaction*
- ♣ *Social Capital: Income Vs Social Gains*
- ♣ *Social action by SHG women*

EFFECTS OF SOCIAL CAPITAL

Social capital formation is proposed as a social antidote for many problems connected to economic and social backwardness. The present study examines the effect of social capital stock of SHG women micro entrepreneurs in Kerala on two important aspects of their economic and social wellbeing namely entrepreneurial performance and self reported life satisfaction. Two versions of social capital indices namely the Total Social Capital Index (TSCI) and the Social Capital Index (SCI) are used for analysis.

Relationship between social capital and entrepreneurial performance of the SHG women is examined in section 1. Section 2 deals with social capital and self reported life satisfaction. Section 3 gives an account of social activities undertaken by women.

7.1. Social Capital Stock and Entrepreneurial Performance

This study uses respondents' estimated annual incomes from micro enterprises as an indicator for the entrepreneurial performance of the entrepreneur. The amounts of annual incomes from micro enterprises reported by respondents ranges from 0 to 100,000 with a median income of Rs. 35000. The respondents are grouped in to 5 different classes based on their social capital indices ranging from very low to very high.

The productivity of any asset largely depends on its judicious use. Therefore, it would be worthwhile to find out how often the social capital resources are being tapped for entrepreneurial purposes by the SHG women before examining its effects.

Table: 7.1. Use of social capital for business by SHG women.

How often do you use your contacts for business?	Frequency	Percent	Cumulative Percent
Rarely	31	7.9	7.9
Often	196	50.0	57.9
Frequently	165	42.1	100.0
Total	392	100.0	

Source: Survey Data.

About 8% of women use their contacts only rarely for business. 50% of respondents use their relationships when they find it necessary and only 42% make a frequent use of it for business ends. Thus, though a great majority of the women have accumulated enough social capital resources, most of them continue to be reluctant to use the resource for business ends.

The relationship between the Total Social Capital Index (TSCI) of respondents and their income from micro enterprises is examined by applying the Kruskal-Wallis H test and the Jonckheere Terpstra test. Table 7.2 depicts the results of analysis.

H0: There is no significant difference in the average annual incomes from micro enterprise among respondents with regard to their observed Social capital scores.

**Table:7.2. H test and the JT test
TSCI and annual income from micro enterprises.**

	TSCI	N	Mean Rank	H	Sig.	Std. J-T Statistic	Sig.
Amount of annual income from micro enterprise to the member	very low	1	16.50	16.302	.003	3.406	.001
	low	1	345.50				
	moderate	24	173.98				
	high	205	180.68				
	very high	161	220.20				
	Total	392					

Source: Survey Data.

The significance value of H test is less than 0.05. It indicates the existence of significant difference in average annual income of respondents with regard to their total social capital scores. The JT test also indicates the existence of a significant positive trend in annual income with increase in TSCI.

Now, the Kruskal-Wallis H test and the Jonckheere Terpstra test are applied for examining relationship, if any, between Social Capital Index (SCI) and income from micro enterprises. Table 7.3 depicts the results of analysis.

**Table: 7.3. H test and the JT test
SCI and annual income from micro enterprises**

	SCI	N	Mean Rank	H	Sig.	J-T Statistic	Sig.
Amount of annual income from micro enterprise to the member	very low	10	174.15	12.098	.017	2.068	.039
	low	32	132.33				
	moderate	155	200.91				
	high	169	205.91				
	very high	26	196.60				
	Total	392					

Source: Survey Data.

The significance values of both the tests are less than 0.05. H test shows the existence of significant difference in average annual income of respondents with regard to their Social Capital index. The JT test indicates the existence of a significant positive trend in annual income from micro enterprises with increase in SCI of respondents.

Both the Social Capital indices are found to have a positive relationship with annual income from micro enterprises to the respondents. It is concluded that the social capital stock of SHG women micro entrepreneurs in Kerala has a significant role in determining their entrepreneurial performance.

Now an attempt is made to identify Social capital components important to entrepreneurial performance. For this the respective scores of these components are grouped in to three classes namely low, moderate and High.

7.1.1 Capability and Entrepreneurial Performance

The relationship between capability and entrepreneurial performance is examined using the Kruskal-Wallis H test and the Jonckheere Terpstra test in table 7.4.

**Table: 7.4. H test and JT test
Capability and annual income from micro enterprises**

Capability-After		N	Mean Rank	H	Sig.	JT stat.	Sig.
Annual income from micro enterprise to a working member	Low	21	170.14	5.547	.062	2.340	.019
	Moderate	62	170.68				
	High	309	203.47				
	Total	392					

Source: Survey Data.

The H test rejects existence of significant difference in income with regard to capability of respondents. However the JT test shows the existence of a positive trend in income with improved levels of capability.

Further analysis is made to find out what all aspects of capability as included in this study are more relevant for better entrepreneurial performance of SHG women. The analysis is shown in table 7.5.

**Table: 7.5. H test and the JT test
Capability and annual income from micro enterprises.**

Ability to interact with others-After		N	Mean Rank	H	Sig.	JT stat.	Sig.
Annual income from micro enterprise to the member	2	1	16.50	12.507	.006	2.244	.025
	3	3	319.17				
	4	67	164.13				
	5	321	202.67				
	Total	392					
Ability to communicate-After				3.021	.388	1.710	.087
Annual income from micro enterprise to the member	2	2	181.00				
	3	6	161.75				
	4	75	178.95				
	5	309	201.53				
	Total	392					
Feeling of self confidence-After				8.138	.087	1.907	.057
Annual income from micro enterprise to the member	1	1	16.50				
	2	1	345.50				
	3	8	151.81				
	4	72	178.19				
	5	310	202.00				
	Total	392					
Ability to bargain- After				17.334	.002	3.779	.000
Annual income from micro enterprise to the member	1	2	181.00				
	2	1	345.50				
	3	19	154.50				
	4	102	164.18				
	5	268	211.34				
	Total	392					
Ability to lead- After				6.615	.158	2.580	.010
Annual income from micro enterprise to the member	1	2	181.00				
	2	5	176.90				
	3	25	173.26				
	4	105	177.16				
	5	255	207.25				
	Total	392					

Source: Survey Data.

Significance values of both the tests are less than 0.05 for the ability to interact, ability to bargain and ability to lead. Also the JT test indicates positive relationship between these variables and annual income from enterprise. Thus ability to interact, ability to bargain and the ability to lead are having a significant positive relationship with entrepreneurial performance.

7.1.2. Neighbourhood/Locality Attachment and Entrepreneurial Performance

The relationship between Neighbourhood/Locality Attachment and entrepreneurial performance is examined using the Kruskal-Wallis H test and the Jonckheere Terpstra test.

**Table: 7.6. H test and JT test
Neighbourhood attachment and annual income from micro enterprises.**

Neighbourhood Attachments- After		N	Mean Rank	H	Sig.	JT stat.	Sig.
Annual income from micro enterprise to a working member	Low	20	144.20	5.262	.072	1.709	.087
	Moderate	153	193.21				
	High	219	203.57				
	Total	392					

Source: Survey Data.

Both the tests reject the existence of any significant relationship between entrepreneurial performance and locality attachments.

7.1.3. Availability of Support and Advice and Entrepreneurial Performance

The relevance of availability of support and advice for entrepreneurial performance is examined in table 7.7.

**Table: 7.7. H test and JT test
Availability of support and advice and annual income from micro enterprises.**

Total SA-After-class		N	Mean Rank	H	Sig.	JT stat.	Sig.
Annual income from micro enterprise to a working member	Low	27	138.76	8.267	.016	1.374	.169
	Moderate	33	216.59				
	High	332	199.20				
	Total	392					

Source: Survey Data.

H test reveals the existence of significant difference in entrepreneurial performance with regard to availability of support and advice. However the JT test does not indicate a significant relationship between the two.

7.1.4. Community feeling and entrepreneurial performance

The Kruskal-Wallis H test and the Jonckheere Terpstra test are used for examining the relevance of community feeling on entrepreneurial performance.

**Table: 7.8. H test and the JT test
Community feeling & Commitment and annual income from micro enterprises**

Community feeling		N	Mean Rank	H	Sig.	JT stat.	Sig.
Annual income from micro enterprise to a working member	Low	30	147.28	6.298	.043	1.681	.093
	Moderate	115	197.25				
	High	247	202.13				
	Total	392					

Source: Survey Data.

H test shows the existence of significant difference in entrepreneurial performance with different levels of community feeling and commitment. However the JT test does not indicate a significant positive relationship between the two.

7.1.5. Awareness & Participation and Entrepreneurial Performance

The relationship between social Participation and entrepreneurial performance is examined in table 7.9

**Table: 7.9. H test and JT test
Participation and annual income from micro enterprises**

Awareness & participation		N	Mean Rank	H	Sig.	JT stat.	Sig.
Annual income from micro enterprise to a working member	Low	40	162.81	4.919	.085	1.969	.049
	Moderate	196	195.04				
	High	156	206.97				
	Total	392					

Source: Survey Data.

The H test rejects the existence of significant difference in annual income with regard to different levels of social participation. However, the JT test shows positive relationship between the two.

7.1.6. Trust and entrepreneurial performance

The data are examined for any relationship between trust and entrepreneurial performance in table 7.10.

**Table: 7.10. H test and the JT test
Trust and annual income from micro enterprises**

	Trust	N	Mean Rank	H	Sig.	JT stat.	Sig.
Annual income from micro enterprise to a working member	Low	47	179.15	1.663	.435	.217	.828
	Moderate	192	202.33				
	High	153	194.52				
	Total	392					

Source: Survey Data.

Both the tests reject the existence of any significant relationship between Social & institutional trust of respondents and their entrepreneurial performance.

7.1.7. Linking Social Capital and entrepreneurial performance

Table 7.11 explores the relationship between linking networks and entrepreneurial performance of micro entrepreneurs.

**Table: 7.11. H test and JT test
Links and annual income from micro enterprises**

Links		N	Mean Rank	H	Sig.	JT stat.	Sig.
Annual income from micro enterprise to a working member	Low	35	160.71	13.232	.001	3.699	.000
	Moderate	182	182.03				
	High	175	218.71				
	Total	392					

Source: Survey Data.

H test shows the presence of significant difference in earnings of members among different levels of Linking Social Capital. The JT test also shows significant positive relationship between the variables. Thus linking social Capital is found to be a significant determinant of entrepreneurial performance of micro entrepreneurs in Kerala.

Links and entrepreneurial performance

Since Links are found to be significant in entrepreneurial performance, an attempt is made to identify those aspects of linking social capital that are relevant for better entrepreneurial performance. The analysis is shown in table 7.12.

**Table: 7.12. H test and the JT test
Links and annual income from micro enterprises**

Links-Accessibility to LSG member		N	Mean Rank	H	Sig.	JT stat	Sig.
Annual income from micro enterprise to a working member	2	2	82.00	7.500	.058	1.857	.063
	3	12	222.17				
	4	64	167.97				
	5	314	202.06				
	Total	392					

Links-Accessibility to LSG member	N	Mean Rank	H	Sig.	JT stat	Sig.	
Links- Accessibility to SHG/LSG/Govt. officials			14.617	.006	2.361	.018	
Annual income from micro enterprise to a working member	1	4					28.50
	2	3					278.33
	3	51					177.64
	4	180					191.88
	5	154					210.92
	Total	392					
Links- Accessibility to bank officials			11.523	.021	2.991	.003	
Annual income from micro enterprise to a working member	1	1					240.50
	2	7					220.36
	3	36					168.38
	4	148					178.03
	5	200					214.18
	Total	392					
Links- Accessibility to a District level Leader			6.512	.164	2.471	.013	
Annual income from micro enterprise to a working member	1	43					164.08
	2	21					184.17
	3	188					194.08
	4	71					207.79
	5	69					215.44
	Total	392					
Links- Accessibility to helpful business men			44.358	.000	6.050	.000	
Annual income from micro enterprise to a working member	1	17					127.41
	2	6					170.33
	3	89					173.18
	4	165					177.42
	5	115					253.50
	Total	392					

Source: Survey Data.

All the significance values are less than 0.05 except for accessibility to LSG member. The entrepreneurial performance of SHG women are found to have a positive relationship with all other aspects of linking social capital considered here.

7.1.8. Group memberships, Networks and entrepreneurial performance

The total scores of respondents for groups and networks are examined below in table 7.13 to find out whether they are relevant for entrepreneurial performance.

**Table: 7.13. H test and JT test
Membership in Groups & Networks and annual income from micro enterprises**

Groups & Networks		N	Mean Rank	H	Sig.	JT stat.	Sig.
Annual income from micro enterprise to a working member	Low	72	166.90	11.262	.004	3.360	.001
	Moderate	208	192.56				
	High	112	222.85				
	Total	392					

Source: Survey Data.

Significance values for both the tests are less than 0.05 indicating a significant positive relationship between Entrepreneurial Performance and Groups & Networks. Further analysis is done to find out which of the two main aspects of Groups and networks contribute to better entrepreneurial performance.

No. of Group Memberships and Entrepreneurial Performance

The relationship between Number of Group memberships and entrepreneurial performance is examined in table 7.14.

**Table: 7.14. H test and JT test
Membership in Groups and annual income from micro enterprises**

No. of group memberships- After		N	Mean Rank	H	Sig.	JT stat	Sig.
Annual income from micro enterprise to a working member	1	13	173.38	20.168	.000	4.002	.000
	2	90	177.19				
	3	145	177.42				
	4	78	224.74				
	5 / more	66	235.92				
	Total	392					

Source: Survey Data.

Significance values for both the tests are less than 0.05. Thus there is a significant positive relationship between the two variables.

Types of Groups and entrepreneurial performance

Since number of group memberships and entrepreneurial performance are positively related an attempt is made to detect the types of groups that are significant to entrepreneurial performance. The analysis is shown in table 7.15.

**Table: 7.15. Mann Whitney U test
Types of Groups and entrepreneurial performance**

Type of groups Religion/caste		N	Mean Rank	U	Sig.	Z	Effect size-r
Annual income from microenterprise	yes	123	225.03	13034.500	.001	-3.377	0.17
	No	269	183.46				
	Total	392					
Type of groups- Political							
Annual income from microenterprise	yes	143	226.07	13575.000	.000	-3.923	0.20
	No	249	179.52				
	Total	392					
Type of groups -Saving groups							
Annual income from microenterprise to a working member	yes	342	202.09	6639.500	.011	-2.558	0.13
	No	50	158.29				
	Total	392					
Type of groups -Other SHGs							
Annual income from microenterprise to a working member	yes	116	208.15	14657.000	.186	-1.322	-
	no	276	191.61				
	Total	392					
Type of groups -Others							
Annual income from microenterprise to a working member	Yes	42	185.25	6877.500	.495	-.682	-
	No	350	197.85				
	Total	392					

Source: Survey Data.

The significance values for membership in religion/caste based groups, political groups and savings groups are less than 0.05. Entrepreneurial performance of members in these groups is significantly better than that of others. Membership in political parties has the highest influence ($r = 0.2$) followed by religion/ caste and savings groups. However, the effect size is low for all the three.

Networks and entrepreneurial performance

The relationship between number of friends and entrepreneurial performance is examined in table 7.16.

**Table: 7.16. H test and the JT test
No. of friends and annual income from micro enterprises**

No. of Friends After		N	Mean Rank	H	Sig.	J-T Stat	Sig.
Annual income from micro enterprise to a working member	Up to 2	3	197.83	3.452	.485	1.443	.149
	3-5	25	183.74				
	5-10	62	174.35				
	11-20	176	201.32				
	Above 20	126	203.16				
	Total	392					

Source: Survey Data.

Significance values for both the tests are more than 0.05. There is no significant relationship between number of friends and entrepreneurial performance.

Conclusion

Since significant positive relationship is observed between many Social capital variables and annual income from micro enterprise, the H_0 is rejected. Respondents with higher social capital indices are less likely to report lesser amounts of income from self employment. It is concluded that the entrepreneurial performance of SHG women are having a positive relationship with both the

versions of total Social Capital scores and social capital variables like capability, accessibility to linking networks and number of group memberships.

2. Social Capital stock and Life Satisfaction

Life satisfaction as perceived by the respondents is measured on the basis of their degree of agreement to statements regarding various aspects of life satisfaction applicable to ordinary people at reasonable living standards. The statements include those relating to job, material aspects of life, family, social relations and overall happiness. The agreement is measured on a five point scale from strongly disagree to strongly agree. The aggregate scores range from a minimum of 39 to the maximum of 70 with a median score of 60.

The relationship between the Social Capital Indices of respondents and their life satisfaction scores is examined by applying the Kruskal-Wallis H test and the Jonckheere Terpstra test.

H0: There is no significant difference in the perceived life satisfaction among respondents with regard to their observed Social capital scores.

Table 7.17 depicts the results of analysis for TSCI and life satisfaction.

Table: 7.17. H test and JT test TSCI and life satisfaction.

	TSCI-After	N	Mean Rank	H	Sig.	J-T Statistic	Sig.
Life satisfaction index as perceived by the respondents	very low	1	3.00	24.252	.000	4.804	.000
	low	1	181.00				
	moderate	24	142.02				
	high	205	180.19				
	very high	161	226.69				
	Total	392					

Source: Survey Data.

The significance values of both the tests are less than 0.05. H test shows the existence of significant difference in life satisfaction of respondents with regard to

their Social Capital scores. The JT test also indicates the existence of a significant positive trend in life satisfaction of respondents with increase in their TSCI.

Now, the Kruskal-Wallis H test and the Jonckheere Terpstra test are applied for examining relationship, if any, between Social Capital Index (SCI) and perceived life satisfaction of respondents.

Table: 7.18. H test and JT test SCI and life satisfaction

	SCI	N	Mean Rank	H	Sig.	J-T Statistic	Sig.
Life satisfaction index as perceived by the respondents	very low	10	158.00	16.294	.003	3.588	.000
	low	32	137.77				
	moderate	155	187.85				
	high	169	216.96				
	very high	26	202.17				
	Total	392					

Source: Survey Data.

The significance values of both the tests are less than 0.05. H test shows the existence of significant difference in life satisfaction of respondents with regard to their Social Capital stock. The JT test also indicates the existence of a significant positive trend in life satisfaction of respondents with increase in their SCI.

Both the versions of social capital indices are found to hold a positive relationship with the perceived life satisfaction of respondents. Thus the life satisfaction of SHG women entrepreneurs in Kerala holds a significant positive relationship with their social capital indices.

Social capital components and life satisfaction

Now an attempt is made to identify those aspects of social capital that are more important to life satisfaction of SHG women. For this each element is examined one by one using the H test and JT test.

Capability and life satisfaction

Relationship, if any, between capability and self reported life satisfaction of SHG women is explored in table 7.19 using the H test and the Jonckheere Terpstra test.

Table: 7.19. H test and the JT test Capability and life satisfaction

Capability-After		N	Mean Rank	H	Sig.	JT stat.	Sig.
Life satisfaction index as perceived by the respondents	Low	21	150.38	21.691	.000	4.615	.000
	Moderate	62	143.50				
	High	309	210.27				
	Total	392					

Source: Survey Data.

Significance values are less than 0.05 for both the tests. Thus there is a positive trend in life satisfaction with improvement in capability.

Neighbourhood Attachments and Life Satisfaction

Life satisfaction is studied in relation to neighbourhood attachments in table 7.20 using the H test and the Jonckheere Terpstra test.

Table: 7.20. H test and JT test Neighbourhood Attachments and Life Satisfaction

Neighbourhood attachments		N	Mean Rank	H	Sig.	JT stat.	Sig.
Life satisfaction index as perceived by the respondents	Low	20	125.38	67.962	.000	8.234	.000
	Moderate	153	146.16				
	High	219	238.17				
	Total	392					

Source: Survey Data.

Both the significance values are less than 0.05. Neighbourhood attachments and Life satisfaction are found to be positively related.

Availability of Support & Advice and Life Satisfaction

The relationship between availability of support & advice and life satisfaction is examined in table 7.21 using the H test and the Jonckheere Terpstra test.

**Table: 7.21. H test and the JT test
Availability of Support & Advice and Life Satisfaction**

Support & Advice		N	Mean Rank	H	Sig.	JT stat.	Sig.
Life satisfaction index as perceived by the respondents	Low	27	97.39	31.391	.000	5.533	.000
	Moderate	33	147.14				
	High	332	209.47				
	Total	392					

Source: Survey Data.

Both the significance values are less than 0.05. Availability of Support & Advice and Life Satisfaction are positively related.

Community Feeling, commitment and Life Satisfaction

The relationship is examined using the H test and the Jonckheere Terpstra test in table 7.22.

**Table: 7.22. H test and JT test
Community Feeling and Life Satisfaction**

Community Feeling		N	Mean Rank	H	Sig.	JT stat.	Sig.
Life satisfaction index as perceived by the respondents	Low	30	121.85	27.056	.000	5.055	.000
	Moderate	115	171.40				
	High	247	217.25				
	Total	392					

Source: Survey Data.

Both the significance values are less than 0.05. Community feeling and life satisfaction are found to be positively related.

Social participation and Life Satisfaction

The relationship is examined in table 7.23 using H test and the Jonckheere Terpstra test.

**Table: 7.23. H test and JT test
Social Participation and Life Satisfaction**

Awareness & Participation		N	Mean Rank	H	Sig.	JT stat.	Sig.
Life satisfaction index as perceived by the respondents	Low	40	140.73	40.580	.000	6.354	.000
	Moderate	196	173.51				
	High	156	239.69				
	Total	392					

Source: Survey Data.

Both the significance values are less than 0.05. Social participation and Life satisfaction are found to be positively related.

Trust and Life Satisfaction

The relationship is examined in table 7.24 using the H test and the Jonckheere Terpstra test.

Table: 7.24. H test and JT test -Trust and Life Satisfaction

Trust		N	Mean Rank	H	Sig.	JT stat.	Sig.
Life satisfaction index as perceived by the respondents	Low	47	155.31	11.162	.004	3.276	.001
	Moderate	192	191.14				
	High	153	215.88				
	Total	392					

Source: Survey Data.

Both the significance values are less than 0.05. Trust and Life satisfaction are found to have a positive relationship.

Linking Social Capital and Life Satisfaction

The relationship is examined in table 7.25 using the H test and the Jonckheere Terpstra test.

Table: 7.25. H test JT test - Links and Life Satisfaction

Linking Social Capital - After		N	Mean Rank	H	Sig.	JT stat.	Sig.
Life satisfaction index as perceived by the respondents	Low	35	130.94	19.783	.000	4.210	.000
	Moderate	182	187.55				
	High	175	218.92				
	Total	392					

Source: Survey Data.

Both the significance values are less than 0.05. Linking Social Capital and Life satisfaction are found to be positively related.

Groups, Networks and Life Satisfaction

The relationship between total scores of Groups & Networks and Life Satisfaction is examined in table 7.26 using the H test and the Jonckheere Terpstra test.

Table: 7.26. H test and JT test Groups & Networks and Life Satisfaction

Groups & Networks- Total Scores		N	Mean Rank	H	Sig.	JT stat.	Sig.
Life satisfaction index as perceived by the respondents	Low	72	176.49	7.776	.020	2.755	.006
	Moderate	208	190.61				
	High	112	220.29				
	Total	392					

Source: Survey Data.

Both the significance values are less than 0.05. The total score for groups & networks and Life satisfaction are positively related.

Group membership and Life Satisfaction

The relationship between number of group memberships and life satisfaction are examined using the H test and the Jonckheere Terpstra test.

**Table: 7.27. H test and JT test
Number of Group memberships and Life Satisfaction**

No. of groups memberships		N	Mean Rank	H	Sig.	JT stat	Sig.
Life satisfaction index as perceived by the respondents	1	13	169.23	45.089	.000	5.502	.000
	2	90	174.60				
	3	145	163.82				
	4	78	234.05				
	5/more	66	259.14				
	Total	392					

Source: Survey Data.

Both the significance values are less than 0.05. Number of group memberships and Life satisfaction are positively related.

Number of Friends and Life Satisfaction

The relationship between number of friends and life satisfaction are examined using the H test and the Jonckheere Terpstra test.

**Table: 7.28. H test and JT test
Number of Friends and Life Satisfaction**

No. of friends - After		N	Mean Rank	H	Sig.	Std. J-T Statistic	Sig.
Life satisfaction index as perceived by the respondents	Up to 2	3	211.67	46.824	.000	6.454	.000
	3-5	25	162.22				
	5-10	62	139.95				
	11-20	176	183.74				
	Above 20	126	248.59				
	Total	392					

Source: Survey Data.

Both the significance values are less than 0.05. Number of Friends and Life Satisfaction are found to be positively related.

Conclusion

This section explores the effect of observed social capital scores on the perceived life satisfaction of respondents. Self reported life satisfaction indices of respondents are found to hold a positive relationship with both the versions of social capital indices and various social capital variables. Respondents with higher social capital indices are less likely to report lower levels of life satisfaction. Therefore, it is concluded that social capital is having a significant influence on the self reported life satisfaction of SHG women micro entrepreneurs in Kerala.

Social activities undertaken by SHG women

This section explores the effect of social capital formation in the form of social action undertaken by SHG women micro entrepreneurs for the benefit of the community in general. Data regarding participation in actions against social ills like liquor, outrages against women and participation in other types of voluntary services were collected. The table below provides a summary of social activities undertaken by the respondents during the last 2 years.

Table: 7.29. Social activities undertaken by SHG women micro entrepreneurs

social action against liquor, drug etc in days					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	156	39.8	39.8	39.8
	1	169	43.1	43.1	82.9
	2	60	15.3	15.3	98.2
	3	2	.5	.5	98.7
	4	2	.5	.5	99.2
	5	3	.8	.8	100.0
	Total	392	100.0	100.0	

social action against outrages against women in days					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	189	48.2	48.2	48.2
	1	136	34.7	34.7	82.9
	2	60	15.3	15.3	98.2
	3	5	1.3	1.3	99.5
	5	2	.5	.5	100.0
	Total	392	100.0	100.0	
other services for the community in days					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	186	47.4	47.4	47.4
	1	159	40.6	40.6	88.0
	2	35	8.9	8.9	96.9
	3	5	1.3	1.3	98.2
	4	1	.3	.3	98.5
	5	6	1.5	1.5	100.0
	Total	392	100.0	100.0	
Work donated for creation / improvement of Public assets in days					
Work days		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	154	39.3	39.3	39.3
	1	158	40.3	40.3	79.6
	2	56	14.3	14.3	93.9
	3	16	4.1	4.1	98.0
	4	8	2.0	2.0	100.0

Source: Survey Data.

More than 60% of the respondents has participated in social action against liquor, drug etc at least for one day during the last two years. About 52% has participated in social action against outrages against women at least for one day. About 53% claims to have participated in some kind of social service at least for one day during the period and more than 60% has contributed at least one day's work towards creation / improvement of public assets. SHG women have become a community who contribute more than any other group to the wellbeing of the society in general.

CHAPTER VIII

FINDINGS, CONCLUSIONS

AND

SUGGESTIONS

- ♣ *Findings of the study*
- ♣ *Discussions and conclusions*
- ♣ *Suggestions*
- ♣ *Scope for further research*

FINDINGS, CONCLUSIONS AND SUGGESTIONS

A crowd gets reformed into a society when it starts breathing from the common air of social capital. The essential features of social organisation like networks, norms and trust forms the corner stones of it. Concepts of legitimacy of actions, rights, roles, duties, powers and responsibilities of various actors are also parts of it. Such norms represent the commonly accepted code of behaviour governing primarily the traditional social systems. Modern societies governed by the rule of law also depend largely on such social norms throughout their informal life. Modern democratic states, in principle, recognize equality among human beings and are functioning on the virtue of willful cooperation of all for a better world. Thus food, cloth, shelter, education, health and development have become natural entitlements to which every body born on the earth is eligible to. However, as the demands are far in excess of provisions and as the provisions are firstly of the greedy, a major chunk of human in the world have not yet been blessed by these primary rights.

Embarrassed by the failure of centralized modern measures of poverty reduction, a refined dose of social capital has now been administered to the poor in the form of Self Help Group finance. As is the case of human beings, social capital can also be good and bad. The present endeavors propose the creation of good and productive social capital that would invigorate the deprived millions to work together for a better future.

The present study is primarily aimed at understanding the extent of social capital formation that has taken place among SHG women micro entrepreneurs in Kerala. It also attempts to identify various socio economic factors that are responsible for social capital endowment of women under the social settings of Kerala. Group characteristics that would promote better social capital accumulation have also been examined. Finally an attempt has been made to examine the

influence of social capital on two important aspects of wellbeing viz. entrepreneurial performance and life satisfaction.

As social capital continues to be an elusive concept having pervasive applicability from ordinary friendship to the highest civic virtues, earnest attempt has been made to formulate an appropriate conceptualization that gives due consideration to the slow process where by an ordinary village woman could be converted in to a political being working for self and the society. As such, the different components including capability development, developing of neighbourhood/locality attachments, change in availability of support and advice, growth of community feeling and commitment, improvement in awareness and participation, establishment of linking networks, instilling of social and institutional trust and association with groups and networks have been incorporated in to the process of social capital formation. A five point interval scale has been adopted as a larger one erodes understandability and becomes less amenable to articulation before ordinary village women.

Two different versions of social capital indices have been constructed viz. the Total Social Capital Index (**TSCI**) and the Social Capital Index (**SCI**) and used for comparisons. TSCI represents the aggregates of all the components of social capital formation from capability to groups and networks as described above. SCI is constructed on the basis of the most commonly used indicators of Social capital namely associations with groups & networks and the perception of social and institutional trust. Both the versions yielded identical results under most of the circumstances considered. The important findings of the study are listed below.

Findings of the study

1. There has been significant improvement in the capability of SHG women micro entrepreneurs as perceived by them during the period of SHG activity.
2. There has been significant improvement in the neighbourhood/locality connections of SHG women micro entrepreneurs during the period of SHG activity.

3. There has been considerable increase in the availability of support and advice to the SHG women micro entrepreneurs since their SHG affiliation.
4. There has been considerable increase in the community feeling and commitment of the SHG women micro entrepreneurs during the period of SHG affiliation.
5. There has been considerable increase in the social awareness and participation of SHG women micro entrepreneurs since their SHG affiliation.
6. There has been significant improvement in the linking connections of SHG women micro entrepreneurs during the period of SHG activity.
7. There has been considerable increase in social and institutional trust among SHG women micro entrepreneurs since SHG affiliation.
8. The mean number of group memberships among SHG women micro entrepreneurs has increased 6.83 times from 0.48 to 3.28 during the period of SHG affiliation.
9. The mean number of meeting attendance by SHG women micro entrepreneurs/month has increased by 1027% from 0.79 to 8.12.
10. There has been considerable increase in the number of friends of SHG women micro entrepreneurs. The mean number of friends has grown from 4.52 to 18.78.
11. There has been significant increase in participation in life cycle events by SHG women.
12. There has been significant increase in the Social Capital Indices of SHG women micro entrepreneurs in Kerala. The mean score of TSCI increased from 90 to 173 and that for SCI increased from 23 to 45 during the period of SHG activity.
13. All social Capital variables of SHG women micro entrepreneurs viz. Capability, Neighbourhood Attachments, Availability of Support and

Advice, Community Feeling, Social participation and awareness, Links, Trust and Groups & Networks as before SHG affiliation differed significantly from area to area. In spite of considerable improvement in all these variables after SHG affiliation, these variables continue to differ significantly from place to place.

14. Both the versions of social capital scores (TSCI and SCI) are found to differ significantly with geographical area both before and after joining SHGs.
15. Urban women had significantly higher scores in all social capital variables except groups & networks than those from rural areas before SHG affiliation. Place of residence had a low effect on these variables before. But as at present the SHG women do not differ significantly in most of these variables. However, urban residence continues to have a significant, but low, positive influence on Capability and accessibility to Linking networks.
16. Urban residents had significantly higher Social capital scores (TSCI and SCI) than rural respondents as before SHG affiliation. But the difference is not significant at present.
17. Age had a bearing on the social capital variables of women before their SHG enrollment. However a significant positive relationship with increase in age is visible only for neighbourhood attachment, support and advice, community feeling, and groups and networks. As at present, significant positive relationship with age of the respondent is found for Capability, Neighbourhood attachment, Trust, Links and membership in Groups and networks.
18. Age exerts a positive influence on both versions of social capital scores (TSCI and SCI) of the SHG women both before and after SHG enrolment.
19. Most social capital variables viz. Availability of Support and Advice, Community Feeling, Awareness & Participation, Links, and Groups & Networks were found to follow a positive trend with education before SHG affiliation. Neighbourhood Attachment and Trust remained unaffected. As at

present, significant positive trend is found in Capability, Participation & Awareness and accessibility to Links and Groups & Networks with increasing educational attainments.

20. The total SC scores (TSCI and SCI) both before and after shows positive trend with education.
21. Capability of SHG women as before SHG membership had a positive relationship with the education of parents. No other variable was found to hold a definite relationship with education of parents.
22. TSCI and SCI do not hold any definite relationship with parental education.
23. Prior occupation is found to have significant positive influence on most social capital components of SHG women both before and after SHG affiliation. The self employed are having the highest mean ranks and the unemployed have the lowest mean ranks in most of the SC components.
24. Both TSCI and SCI hold a significant positive relationship with occupational status of the respondents prior to SHG micro entrepreneurship.
25. Most social capital variables of SHG women as both before and after SHG membership differ significantly with the religion to which they belong.
26. Both TSCI and SCI differ significantly with the religion of SHG women micro entrepreneurs in Kerala.
27. As before SHG membership, a significant upward trend is found in most social capital variables of SHG women with elevation in their social standing in terms of caste. Forward castes ranked highest in all the variables. Presently, such a positive trend is found only for three variables viz. Capability, Awareness & Participation and membership in Groups & Networks.
28. TSCI and SCI as before SHG affiliation, shows positive relationship with Social Standing. But as at present, TSCI does not hold a positive relationship

with caste. The SCI, however, continues to hold a positive trend with social standing.

29. The Social Capital variables do not vary significantly between married and single respondents.
30. The social capital indices (TSCI and SCI) do not vary significantly marital status of SHG women.
31. Awareness & Participation, Trust, access to linking networks and association with groups and networks differ significantly with type of family. Joint family is found to be an inhibiting factor. The factor has a low effect size(r less than 0.3) on these variables.
32. Capability, Neighbourhood Attachments, Awareness & Participation and access to Groups & Networks are found to hold a positive trend with family size.
33. TSCI holds a positive trend with family size. SCI, however, does not have any such relationship.
34. All Social Capital variables as before SHG membership hold a significant positive relationship with size of family network. Capability, Neighbourhood attachment, availability of support & advice, Community feeling and Awareness & Participation continues to hold the relationship even at present.
35. Both TSCI and SCI had significant positive relationship with size of family network before SHG membership. Presently, only TSCI continues to hold the relationship.
36. The economic status of respondents has no effect on their social capital formation after their enrollment as micro entrepreneurs under SHGs. Those above poverty line however have significant advantage over the BPL in gaining association with groups and networks. The effect of economic status in this regard is, however, very low ($r = 0.099$). TSCI and SCI do not differ significantly with economic status.

37. The duration of stay in the locality had no influence on the social capital scores of respondents before their SHG membership. As at present community feeling, trust and the Social Capital Index (SCI) are found to have a positive relationship with the duration of stay.
38. All the social capital variables are significantly higher for those having tradition in undertaking social/political activities than others. It is found to have a moderate effect on capability, neighbourhood attachment, availability of support and advice, community feeling, trust, a low effect on awareness and participation, groups & networks and links as before SHG membership. The influence of tradition continues to exist on all social capital variables except Trust. Its effect is moderate on neighbourhood attachment and comparatively low on other variables.
39. Tradition in social / political activities had a moderate effect on both TSCI and SCI as before SHG membership. As at present, it is found to have a moderate effect on TSCI and a comparatively low effect on the SCI.
40. Those who have accepted some role in group leadership during their tenure so far has accumulated significantly higher social capital scores in all variables, TSCI and SCI than others. Role played by the respondent has moderate effect ($r > 0.3, < 0.5$) on all variables except for availability of support and advice. The highest effect is found to be on capability development ($r = 0.414$). The role played has a low effect on availability of support and advice and the development of trust.
41. Significant positive relationship is found between all social capital variables, TSCI and SCI and the period of membership in the SHG.
42. Those who are members in religious/ Caste based associations have significantly higher social capital scores than non-members. The effect size of this factor is however low.
43. Membership in political parties is found to accelerate social capital formation. The influence of political affiliation is high ($r > 0.50$) in

accessibility to Groups and networks and nearly high in facilitating access to Links. It has moderate effect on capability, neighbourhood attachment, availability of support and advice, community feeling and awareness & participation. However, its effect on instilling trust is found to be low. The effect size of this factor is high on TSCI and SCI.

44. Members of saving groups have considerably higher social capital scores than non members. This factor has a moderate effect on both the indices.
45. Most social capital variables, TSCI and SCI are not influenced by membership in other SHGs.
46. Those who are members in other types groups have significantly higher mean ranks in social capital variables (except Trust), TSCI and SCI than others. However the effect size is low for all variables.
47. No significant difference is found in the social capital variables / TSCI / SCI with reference to the promoting agencies. However, respondents from Kudumbashree exhibit significantly better community feeling than others. The effect size is however low ($r = 0.16$).
48. The social capital variables and both Social Capital Indices of SHG women vary significantly with the type of activity undertaken by the group.
49. The social capital variables of the respondents as at present vary significantly with the dominant age group in the group. There is also a positive trend in social capital variables with increase in the age of the dominant age group except for neighbourhood attachment and availability of support and advice. The social capital scores under both the approaches (TSCI and SCI) also hold a significant positive trend with the increase in the age of the dominant age group in SHGs.
50. Some Social capital variables viz. Community Feeling, Trust, Links and Groups & Networks and the social capital scores (TSCI and SCI) vary significantly with age homogeneity of the group members. But no significant trend is observed.

51. A significant positive relationship is found between economic homogeneity of groups and neighbourhood attachment. But there is an inverse relationship between economic homogeneity and access to groups and networks. There is a significant negative trend in the social capital score (SCI) with increase in economic homogeneity in the group. No other variables hold any significant relationship with economic homogeneity of the group.
52. Most social capital variables do not vary significantly with dominant education group in the group. However, there is significant negative trend in neighbourhood attachment and community feeling with improvement in education of the dominant education group in the SHG. TSCI and SCI do not vary significantly with change in dominant education group.
53. There is a significant negative trend in Community feeling, Awareness and Participation, Trust and Groups and Networks with increasing educational homogeneity. Besides the JT test gives negative JT statistics (though insignificant) for most other variables. There are significant negative relationships between social capital (both TSCI and SCI) scores and educational homogeneity. Thus there is an apparent inverse relationship between educational homogeneity and social capital formation.
54. Capability, Awareness and Participation, Trust, Links, Groups & Networks, TSCI and SCI vary significantly with educational qualification of the leaders. But, significant positive relationships are there only in scores of Awareness & Participation and Linking networks. For most other variables the trends are insignificant.
55. All Social capital variables (except Awareness & Participation), TSCI and SCI vary significantly with the dominant religion in the group.
56. There are significant negative trends in Capability, Community Feeling, Trust, Links, Groups & Networks, TSCI and SCI with increasing religious homogeneity in the group. For other variables the trends are insignificant.

Thus religious homogeneity of SHGs is found unfavourable to Social Capital Formation.

57. Significant positive trend is found in Capability, Awareness & Participation, Links and Groups & Networks with increasing social standing of the majority in the group. For other variables the trends are insignificant. There is also a significant positive trend in both the social capital scores (TSCI and SCI) of respondents with improvement in the social background of the dominant caste in the group. Thus a better social background of the majority members is found to be conducive to social capital formation.
58. Availability of support & advice, Community Feeling, Trust, Links and Groups & Networks differ significantly with differing levels of caste homogeneity. There is significant negative trend in Availability of Support & Advice and Community Feeling with increasing Caste homogeneity in the group. For other variables, TSCI and SCI the trend is not significant at 5% level.
59. Community Feeling, Awareness & Participation, Links, Groups & Networks, TSCI and SCI vary significantly with caste of the leader of the group. There is significant positive trend in Capability, Awareness and participation, accessibility to groups and networks with increasing social standing of leader. But there is also a significant negative trend in Community Feeling with increasing social standing of leader. SCI hold a significant positive relationship with better social standing of group leader.
60. All the social capital variables vary significantly with the age of micro enterprises. There is also significant positive relationship between increase in age of the group and social capital variables except Awareness & Participation and Trust. Both TSCI and SCI also have significant positive relationship with the age of group.
61. Significant positive relationship is found between increase in age of the leader and Capability, availability of Support and Advice, Community

feeling, Links, Groups & networks and Trust. There is also significant positive relationship between both TSCI and SCI of respondents and the age of their group leader.

62. There is significant positive relationship between number of training programmes attended and Capability, trust, Links, Groups and Networks, TSCI and SCI.
63. There is a significant positive relationship between number of training days and Capability, trust, Links, groups & network, TSCI and SCI.
64. Variables including Neighbourhood attachment, Support and Advice, Community feeling, Awareness & Participation, Trust and Links of respondents from groups under the supervision/support/control of men are not significantly different from others. But the scores of these respondents for Capability and Groups & Networks are significantly higher than others. However the effect of this factor is low. The social capital scores of respondents (TSCI or SCI) do not vary significantly with reference to whether the business unit is run under supervision/ support/ control of men.
65. Group memberships by relatives do not have any significant influence on the social capital formation of members.
66. Support & advice, Community Feeling, and Trust of Respondents from groups with more number of friends have significantly better scores over others. However, the effect of the factor is very low. TSCI or SCI do not differ significantly with pre existence or otherwise of friendship.
67. Respondents from groups formed by neighbours score significantly better than others in respect of Community Feeling, Trust and Links. The effect of the factor is, however, low. No other variable or any of the indices is being significantly affected by this factor.
68. The political homogeneity of members in the group is found to have a significant –but low- positive influence on the social capital formation viz.

Neighbourhood attachment, Awareness & Participation, Trust, Links, Groups & Networks, TSCI and SCI.

69. The existence of other common factors though do not contribute much towards social capital formation in general, it has a low positive effect on creation of linking networks. It does not have a significant influence on social capital indices.
70. The time of work (full time/part-time) does not have a significant influence on the social capital variables of respondents. But full time work is found to have a significant (but low) positive effect on the creation of linking networks over part-time work. TSCI or SCI does not vary significantly with full-time or part-time work in the group.
71. There is significant positive relationship between annual income from micro enterprise and social capital indices (both TSCI and SCI).
72. There is a positive relationship between income from micro enterprise and capability. Ability to interact, ability to bargain and ability to lead are found to hold a significant positive relationship with entrepreneurial performance.
73. There is no significant relationship between Locality/Neighbourhood attachments and entrepreneurial performance.
74. There is no significant relationship between availability of support and advice and entrepreneurial performance.
75. There is no significant relationship between community feeling and entrepreneurial performance.
76. There is a significant positive relationship between Awareness & Participation and entrepreneurial performance.
77. There is no significant relationship between Social & Institutional Trust and entrepreneurial performance.

78. There is a significant positive relationship between Linking Networks and entrepreneurial performance. Annual income from enterprise hold a significant positive relationship with most variables viz. Accessibility to SHG/LSG/Govt. officials, Accessibility to bank officials, Accessibility to a District level Leader and Accessibility to helpful business men.
79. There is a significant positive relationship between number of group memberships and entrepreneurial performance.
80. Entrepreneurial performance of respondents affiliated to religious groups, Political parties and saving groups is significantly better than that of others. Membership in political parties has the highest influence ($r = 0.2$) followed by religion/ caste and savings groups. However, the effect size is low for all the three. Membership in other SHGs and membership in other types of groups do not lead to considerable difference in entrepreneurial performance.
81. There is no significant relationship between number of friends and entrepreneurial performance.
82. There is a significant positive trend in life satisfaction of respondents with increase in TSCI.
83. There is a significant positive trend in life satisfaction of respondents with increase in SCI.
84. There is a positive trend in life satisfaction with improvement in capability.
85. Neighbourhood attachments and Life satisfaction are found to be positively related.
86. Availability of Support & Advice and Life Satisfaction are positively related.
87. Community feeling and life satisfaction are found to be positively related.
88. Awareness and participation and Life satisfaction are found to be positively related.

89. Trust and Life satisfaction are found to have a positive relationship.
90. Linking Social Capital and Life satisfaction are found to be positively related.
91. The total score for groups & networks and Life satisfaction are positively related.
92. Number of group memberships and Life satisfaction are positively related.
93. Number of Friends and Life Satisfaction are found to be positively related.
94. About 40% of the women micro entrepreneurs under study are having an annual income of 25000 or less from their micro enterprise. Annual income of another 26% is between 25000 and 40000.
95. About 8% of women use their contacts only rarely for business. 50% of respondents use their relationships when they find it necessary and only 42% make a frequent use of it for business ends. Thus, though a great majority of the women has accumulated enough social capital resources, most of them continue to be reluctant to use the resource for business ends.
96. Majority of the respondents consider social satisfaction as the main reason why they are continuing in business. While about 27 % of the respondents agree that 50% of their satisfaction comes from economic benefits only 3.6% of the respondents think that 60% or more of their satisfaction belongs to economic gains. On the other hand, about 75% of the respondents are of the view that 60% or more of their satisfaction is due to social relationships associated with their enterprises. Thus social capital is found to play a key role in keeping these enterprises running even in the absence of adequate returns.
97. Regarding the role of SHGs in social capital formation, more than 90% of the respondents strongly agree that the SHG had a great role in facilitating group formation and providing membership to them. About 97% of the respondents agree that the SHG had a great role in facilitating the

identification of like minded people. About 97% strongly believe that the SHGs helped to develop shared norms, rules and values. All of them agree that it is SHG that provided an opportunity to work together. About 90% agree that they have friendly leaders. More than 90% agree that SHG has facilitated development of linking networks through various programmes. More than 99% agree that SHG has encouraged participating in various activities. Almost all of them agree that SHG has cultivated we-feeling among them, encouraged mutual support, help and cooperation. 95% of them agree that education and training programmes were helpful in improving awareness and attitude.

98. More than 60% of the respondents has participated in social action against liquor, drug etc at least for one day during the last two years. About 52% has participated in social action against outrages against women at least for one day. About 53% claims to have participated in some kind of social service at least for one day during the period and more than 60% has contributed at least one day's work towards creation / improvement of public assets.

Results of Hypotheses tested

No.	Hypothesis tested	Tools used	Results of hypotheses testing
H1.	There is no significant difference in the social capital scores of SHG women micro entrepreneurs as before and after joining the SHGs.	Arithmetic mean, T test	Significant increase is found in scores of all the social capital variables, TSCI and SCI. Hence, H1 is rejected.
H2.	The social capital scores of SHG women micro entrepreneurs do not differ significantly with their socio economic back ground.	Mann-Whitney U test, Kruskal-Wallis H test, and the Jonckheere Terpstra test.	1. As significant difference is found in most SC components/ TSCI /SCI, the H2 is rejected in respect of factors viz. geographical area, age, education, prior occupational status, religion, type of family, tradition, period of membership in the SHG, role accepted by the member in the

No.	Hypothesis tested	Tools used	Results of hypotheses testing
			<p>group, membership in religious/ caste based associations, membership in political parties, membership in saving groups and membership in other types of groups.</p> <p>2. As significant difference is not found in most SC components/ TSCI /SCI, the H2 is accepted in respect of factors viz. parental education, marital status, family size, economic status and membership in other SHGs.</p> <p>3. Most SC variables, TSCI/SCI is found to have a significant positive relationship with age, education and caste (SCI only).</p> <p>4. The factors found to have become insignificant/ less important since SHG membership are domicile, caste (TSCI), size of family network, and tradition.</p> <p>5. The only factor found to have become significant since SHG membership is duration of stay in the area.</p>
H3.	The social capital scores of SHG women micro entrepreneurs as at present do not differ significantly with the characteristics of the group to which they are affiliated.	U test, H test and JT test	<p>1. As significant difference is found in most SC components/ TSCI /SCI, the H3 is rejected in respect of factors viz. type of activity, age homogeneity, economic homogeneity, education of leaders, dominant religion and caste homogeneity of members in the group.</p> <p>2. As significant difference is not found in most SC components/ TSCI /SCI, the</p>

No.	Hypothesis tested	Tools used	Results of hypotheses testing
			<p>H3 is accepted in respect of factors viz. promoting agency, dominant education group, supervision/support/control by men, group memberships by relatives, pre existence of friendship, membership by neighbours, existence of other common factors and time of work.</p> <p>3. Most SC variables, TSCI/SCI is found to have a significant positive relationship with age of dominant age group, social status of dominant caste, caste of the leader, age of the group, age of leader, number of training programmes attended, duration of training and political homogeneity.</p> <p>4. Most SC variables, TSCI/SCI is found to have a significant negative relationship with educational homogeneity and religious homogeneity.</p>
H4.	The entrepreneurial performance of SHG women do not differ significantly with their social capital scores.	H test and JT test.	<p>1. Significant positive trend is found in annual income from micro enterprise with increase in TSCI and SCI. Hence, the H4 is rejected.</p> <p>Capability, awareness & participation, access to linking networks and group memberships are found to be significant factors in entrepreneurial performance of SHG women. Ability to interact, ability to bargain and ability to lead are found to be significant. Accessibility to SHG/LSG/Govt. officials,</p>

No.	Hypothesis tested	Tools used	Results of hypotheses testing
			<p>accessibility to bank officials, accessibility to district level leaders and accessibility to helpful business men are also found to be significant determinants of entrepreneurial performance. Number of group memberships, affiliations with religious groups, political parties and saving groups are also found significant.</p> <p>2. Variables viz. locality/neighbourhood attachments, availability of support and advice, community feeling, social & institutional trust and number of friends do not affect entrepreneurial performance significantly.</p>
H5.	The level of life satisfaction as perceived by the SHG women micro entrepreneurs do not differ significantly with their social capital scores.	H test and JT test.	<p>Significant positive trend is found in life satisfaction of respondents with increase in most social capital variables, TSCI and SCI. Hence, the H5 is rejected.</p> <p>Life satisfaction of SHG women is found to hold a significant positive relationship with most of the SC variables including capability, neighbourhood attachments, availability of support & advice, community feeling, awareness and participation, trust, links, number of friends and number of group memberships.</p>

DISCUSSIONS AND CONCLUSIONS

The study reveals tremendous improvement in the social capital stock of women since their membership in SHG women micro enterprises. It is true to all the aspects of social capital formation considered and both the versions of social capital indices constructed. Thus SHGs have become instrumental in opening up a world of social resources that have been denied to women so far.

A number of socio economic factors and group characteristics promoting or retarding the process of social capital formation have been identified. Geographical area, age, education, prior occupational status, religion, type of family, tradition, duration of membership in the SHG, role accepted by the member in the group, membership in religious/ caste based associations, membership in political parties, membership in saving groups and membership in other types of groups are found to be factors leading to significant inequality in social capital scores. Social capital is found to have a significant positive relationship with age, education and caste.

Factors that have become less important since SHG membership includes domicile, caste, size of family network, and tradition.

The study also brings in to light the relevance of social capital in economic performance and life satisfaction of SHG women.

SUGGESTIONS

1. Though considerable improvement has been apparent in the social capital scores of SHG women, majority of them continues to lack access to key connections that are helpful to business. Hence, the development and strengthening of linking networks deserves considerable attention.
2. SHG women exhibit high level of community feeling among themselves. But such feelings do not get transformed to demand for SHG products. Most women blame the non availability of frequently used products from the SHG sector. Hence, attention may be paid to produce goods that would find repeated demand from the SHG community itself.

3. Certain socio economic characteristics are found to have significant influence on social capital stock and in facilitating social capital formation. Hence, while promoting SHG micro enterprises, choosing of an appropriate mix of individuals based on their socio personal characteristics may help maximizing results by reducing the incidence of failure. Formation of groups with an appropriate mix of members considering such factors may help to obviate the failure of units during the initial stage itself. Some general suggestions are:

- **Age** is found to have a positive relationship with social capital. Therefore, while promoting new units, inclusion of some senior SHG women with new entrants (who are most likely young house wives) may prove fruitful.
- **Duration of stay in the area** and social capital are positively related. This is important in the case of women as most of them get transplanted from native place to distant areas with marriage. New entrants in SHGs at present are mostly young housewives. Hence inclusion some members staying in the area for a long time may be beneficial.
- **Education:** At least one member with good educational attainments may be included in a group. This will help the group plan its activities properly and access information, advice and other key resources by establishing productive linking networks.
- **Religion:** Social capital is found be lowest among respondents from the Muslim community. Social controls by religion may be a reason behind this. Inclusion of some members belonging to other religions in the group may be beneficial. However, the influence of such inclusion on the internal social capital/group cohesiveness needs to be studied.
- **Caste:** Social capital and social standing (in terms of caste) are found to be positively related. Inclusion of some members from forward castes in every SHG may be helpful.

- **Tradition:** Those having some tradition in undertaking social / political activities exhibit considerably higher social capital than others. Where possible some such members may be included in the group.
 - **Political affiliation:** Having membership in political parties has the highest ($r > 0.5$) influence on social capital formation. At least one member with some political affiliation may help the whole group.
 - **Prior occupation:** Those who were self employed even before SHG membership exhibited high social capital scores. Inclusion of such people to facilitate an expansion of their business or keeping close association with them may also be considered while constituting groups.
4. **Homogeneity:** In India, SHGs have been formed by assembling people from homogenous backgrounds. But the major reason behind poverty in India has been the prohibition of heterogeneous social intercourse. Bags of chilly alone do not make a feast. In this study, homogeneity is found to be unfavourable to social capital formation, e.g. there is an apparent inverse relationship between educational homogeneity and social capital. Same is true with religion. Since majority of the beneficiaries of SHGs belong to socially disadvantaged sections, homogenous groups may become less resourceful. This factor deserves special consideration while promoting SHGs among poverty stricken areas dominated by socially and economically disadvantaged sections.
5. **Training:** There is significant positive relationship between number and duration of training programmes attended and Capability, Links, Groups and Networks, TSCI and SCI which are proven to be important in entrepreneurial success. A considerable part of the SHG women (17%) have not been given any sort of training yet. Another 16% is given training only for 3 days or less. Care may be taken to impart training to all SHG women for adequate time so that their entrepreneurial capabilities and linking networks may improve.

6. Only 42% of the respondents make frequent use of their social connections for business purpose. Majority hesitate to tap these connections. It also points to the existence of some deficiency in social connections claimed to be established. Majority of them were found satisfied with the consumption value of social capital. Unlike other forms of capital, social capital increases with (judicious) use and tends to decline with non use. Hence, the SHG women may be prompted to make a more productive use of their social capital.
7. Many of the respondents were found to be satisfied with their business even though it yielded only nominal returns. Many of them were unaware of the problems they were suffering from. Lack of genuine interest in micro business was noticed in some cases. In some cases, the group enterprise was run by proxy business men. At the same time women struggling for scanty income under exploitation by other businessmen were also found. In some cases, the group enterprise was run by proxy business men. Encouragements and incentives from the promoting agency may improve the situation.
8. Lack of marketing facilities has been cited as a serious problem by many entrepreneurs. More number of common marketing stalls for SHG products may be helpful. Organizing of weekly markets under the leadership of local self government institutions can also be highly helpful to micro entrepreneurs.
9. SHG consortiums may be established for various kinds of products so that economies of bulk purchase, modern technology and bulk marketing can be availed. It will also help to avoid exploitation by other business men.
10. More general social capital mobilisation among the public is needed to be made to convert neighbourhood connections to demand for products.

Scope for further research:

This study has been made with a view to assess the overall social capital formation of SHG women in the process of transformation of majority of them from

ordinary house wives to moderately aware political citizens. Further studies on the following issues may improve the usefulness of its findings.

1. The influence of group composition on internal social capital of SHGs and economic performance.
2. Identification of relationships significant in superior economic performance of SHG micro enterprises.
3. Social capital and entrepreneurial success in various industries.
4. Effect of social capital on economic development, health, education etc.
5. Role of social capital in public undertakings; Private organizations.
6. Social capital and job satisfaction.

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APPENDICES

**A STUDY ON THE ROLE OF SELF HELP GROUPS IN
SOCIAL CAPITAL FORMATION IN KERALA**

QUESTIONNAIRE-I

Area:.....SHG:.....Unit No:.....Member:.....

A. PERSONAL PROFILE

1. Age: 1. less than 30 2. 30-40 3. 40-50 4. 50-60 5. Above 60
2. Education: 1. Literate 2. UPS 3. HS 4. HSS 5. Hr. Edn
3. Education- parent: 1. Illiterate 2. Literate 3. UPS 4. HS 4. Above HS
4. Prior occupation: 1. House wife 2. Employee 3. Labourer
4. Unemployed 5. Others.....
- 5a. Religion: 1. Hindu 2. Muslim 3. Christian
- 5b. Caste: 1. Sc/St 2. Backward castes 3. Forward castes
6. Marital status: 1. Married 2. Unmarried 3. Widow 4. Divorcee
- 7a. Type of family: 1. Single family 2. Joint family
- 7b. Size of family: 1. 1-2 2. 3-4 3. 5-6 4. 7-8 5. Above 8
- 7c. Size of family network* 1. Small 2. Medium 3. Large
8. Economic status: 1. BPL 2. APL 3. LMC
9. Stay in the area: 1. Up to 3 yrs 2. 3-6 3. 6-9 4. 9-12
5. Above 12
10. Tradition of social / political activity: 1. Yes 2. No
11. No. of years in the group: 1. Up to 1 2. 1-2 3. 2-3 4. 3-4 5. Above 4
12. Time working in the group: 1. Part time 2. Full time
13. Motive for joining the group: 1. Access to resources 2. Help in emergency
3. Employment 4. Social security 5. Collective bargaining
6. Others.....
14. Trainings attended: 1. None 2. Orientation 3. Awareness
4. Job training 5. Motivation 6. All
15. No of loans taken so far: 1. Nil 2. Up to 3 3. 3-6 4. 6-9 5. Above 9
16. Use of loan: 1. Consumption 2. Emergency 3. Housing/ Asset 4. Micro enterprise
17. Satisfaction from credit activity: 1. V low 2. Low 3. Undecided 4. High
5. Very high
18. How would you classify group leadership?
1. Autocratic/ dominating 2. Democratic
19. Indicate the types of groups you are a member: 1. Religious 2. Caste
3. Political 4. Saving groups 5. Any other.....

B. SOCIAL CAPITAL

20. How would you rate the following before and after joining SHG?

(1. Very low; 2. Low; 3. Neither low nor high; 4. High; 5. Very high)

No.	Variable	Before	After
1.	Personal development:		
a	Inter-personal skills		
b	Expression of opinions		
c	Communication skills		
d	Self confidence		
e	Taking initiative		
f	Shouldering responsibility		
g	Leadership skills		
2.	Knowing others:		
a	Knowledge of personal details of people in the area		
b	Knowledge of local area		
c	Knowledge of manners/customs /likes and dislikes of people		
d	Knowledge of norms and values		
e	Freedom of interaction in the neighbourhood		
f	Feeling of safety in the neighbourhood		
3	Groups and networks**		
a	No. of groups in which you are a member		
b	No. of close friends		
c	Average No. of meetings attended in a month		
d	Frequency of a friend visiting you		
e	Participation in life cycle events		
f	Probability of visiting a patient once in a weak		
4.	Sources of support and advice:		
a	Possibility of borrowing some money say, Rs.500		
b	„ finding somebody to discuss a personal problem		
c	„ getting an advice on education of child		
d	„ getting information on Govt./ other programmes		
e	„ getting assistances from Govt./ other agencies		
f	Reminding of duty/responsibility etc by others		
g	Care and control by others		
5.	Trust and commitment:		

No.	Variable	Before	After
a	Feeling alike others in the neighbourhood		
b	Willingness to sacrifice for common good		
c	Willingness to invest in a group business with others		
d	Willingness to work hard for a common goal		
e	Belongingness to the neighbourhood		
f	Trust in people in the neighbourhood		
g	Co-operation outside the group among members		
h	Trust in SHG leaders		
6.	Community feeling and action:		
a	Feeling of affinity to the SHG community in general		
b	Preference given to SHG products in purchases		
c	Readiness to participate in a demonstration for the community		
d	Trade union activity		
e	Trust of people in general		
f	Participation in Gramasabha		
g	Participation in politics		
h	Trust in other communities		
7.	Social awareness and outlook: #		
a	Health awareness		
b	Participation in women empowerment programmes		
c	Participation in voluntary action		
d	Speech and action against social ills		
e	Concern about corruption		
f	Environmental awareness		
8.	Linking networks:		
a	Contacts with local political leaders/activists		
b	„ members of LSG##		
c	„ LSG/ Govt. / SHG officials		
d	„ bank officials		
e	„ industrial / agricultural officers/consultants		
f	„ district level political leaders/activists		
g	„ helpful businessmen		

C. Life Satisfaction

21. How much do you agree to the following?

(1. Strongly disagree; 2. Disagree; 3. Undecided; 4. Agree; 5. Strongly agree)

No.	Variable	Agreement
a	Now I have a good job	
b	I get adequate return for my work	
c	I have a reasonably good house	
d	I consume better quality articles	
e	I get better health care	
f	I feel safe and secured	
g	My opinions are respected at home	
h	I have good friends	
i	I like living in this neighbourhood	
j	I feel respected by others	
k	I expect to provide better education to my children	
l	I have enough opportunities for recreation	
m	I have healthy living conditions	
n	Now I am happy in life	

D. ROLE OF SHG

22. In your view, in what all ways SHG activity has been helpful to you in creating social relationships? (Distribute 50 points).

No	Variable	
1	Interactional infrastructure:	
a	Facilitated group formation	
b	Helped to identify like minded people	
c	Helped to create shared norms, rules and values	
d	Provided opportunities for working together	
e	Facilitated interaction at higher levels through meetings etc	
2	Attitudinal infrastructure	
a	Encouragement for participation	
b	Orientation classes, awareness and motivation classes	
c	Friendly officials, mentors and trainers	
d	Cultivated a we feeling	
e	Encouraged mutual help and cooperation	

E. Collective learning:

23. Have you learned any of the following from your fellow members?

1. A way of behaviour 2. A method of production 3. Skill in a job
4. Some personalized / tacit knowledge 5. Others

F. Happiness

24. How happy are you now?

1. Not at all happy 2. Not happy 3. Neither happy nor unhappy
4. Happy 5. Very happy

.....
* No of houses of close relatives in the area where the member interact frequently

1. Up to 5 2. 6-10 3. Above 10

** All types of groups including SHGs. (For numbers, use scale: 1. 1; 2. 2; 3. 3; 4. 4; 5. 5 and above)

Use scale: 1. Not at all aware of the issue 2. Has some knowledge of it 3. Aware and discuss
4. Has own opinion and ready for action 5. Activist

Use Scale for contacts: 1. Do not know the person; 2. Knows him but has no contacts; 3. Have formal relationships 4. Maintains good friendly relationships
5. Maintains close personal relationships

**A STUDY ON THE ROLE OF SELF HELP GROUPS IN
SOCIAL CAPITAL FORMATION IN KERALA**

QUESTIONNAIRE-II

Area:.....SHG:.....Unit No:.....

A. GENERAL PROFILE

1. Place of domicile : 1. Rural 2. Urban
2. No. of members : 1. Up to 10 2. 11-15 3. 16-20 4. Above 20
3. Age of the group (yrs): 1. 1-2 2. 2-3 3. 3-4 4. 4-5 5. Above 5
4. Type of activity: 1. Manufacturing 2. Trading 3. Food processing
4. Service 5. Others
5. Support and control by men : 1. yes 2. No
- 6a. Dominant age groups: 1. Up to 30 2. 30-40 3. 40-50 4. 50-60
5. Above 60
- 6b. Age of leader : 1. up to 30 2. 30-40 3. 40-50 4. 50-60 5. Above 60
- 6c. Age homogeneity : 1. Low 2. Medium 3. High
- 7a. Dominant economic groups: 1. BPL 2. APL 3. LMC
- 7b. Economic homogeneity: 1. Low 2. Medium 3. High
- 7c. ,, status of leader : 1. BPL 2. APL 3. LMC
- 8a. Dom. Education groups: 1. Literates 2. UPS 3. HS 4. HSS
5. Hr. Edn
- 8b. Edu. Homogeneity : 1. Low 2. Medium 3. High
- 8c. Education of leader: 1. Literates 2. UPS 3. HS 4. HSS 5. Hr. Edn
- 9a. Dominant religion : 1. Hindu 2. Muslim 3. Christian
- 9b. Religion homogeneity: 1. Low 2. Medium 3. High
- 9c. Religion-leader: 1. Hindu 2. Muslim 3. Christian
- 10a. Dominant caste: 1. Sc/St 2. Backward 3. Forward
- 10b. Caste homogeneity: 1. Low 2. Medium 3. High
- 10c. Caste of leader : 1. Sc/St 2. Backward 3. Forward
11. What all of the following is common to most of you?
1. Kinship 2. Friendship 3. Neighbourhood 4. Politics
5. Any other:
12. How were the members of your group selected?
1. As per external direction 2. Self selected

13. How are leaders selected?
 1. As per external direction 2. By a small group of members
 3. By decision of all
- 14a. How are your micro credit operations? 1. Not active 2. Active 3. Very active
- 14b. Default in micro credit 1. Very low 2. low 3. Normal 4. High
 5. Very high
- 14c. Rate of interest on loans:
15. Do you have problems in record keeping? 1. Yes 2. No
16. No. of training classes arranged for members? 1. Nil; 2. 1-2 3. Above 2
17. Does your group face any external threat? 1. Yes 2. No
18. Amount invested in the group: Members' fund.....LoanTotal.....
19. Average profit / (loss) per annum.....Per member.....
20. Average wages per member per annum:Total Income (pa).....

G. SOCIAL ACTION

21. How many man days have you spent for voluntary action for the following during the last one year?

No	Activity	No. of M days
a.	Action against social ills like alcohol, drugs, etc.	
b.	Against outrages against women (dowry, harassment etc.)	
c.	Against corruption	
d.	For welfare- medical camp etc	
e.	Any other:	

22. Give a brief account of the public property, if any, created / improved by you:

No.	Description	M days	Estd. Value
1.	Road, bus stop, sign board ...		
2.	Public pond, well ...		
3.	Tree planting ...		
4.	Any other:		