SOCIAL CAPITAL AS A MECHANISM FOR SOCIO-ECONOMIC DEVELOPMENT AMONGST AGRICULTURAL PRODUCERS IN VHEMBE, LIMPOPO

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Abstract

The popularity in the use of the term ‘social capital’ has evoked wide debate across academic disciplines. With the help of various theoretical viewpoints on social capital, this article aims to provide insights on important social and economic opportunities social capital has to offer for agricultural producers in Vhembe, Limpopo. This study did find evidence of social capital in various forms on the research sites, but these differed from mainstream western theory. It is argued that although social capital appear in various scattered forms across Vhembe, these forms of capitals resemble bonding social capital which provide socio-economic leverage for subsistence households who depend on agriculture. Due to the scarcity of formal groups in the rural areas of Vhembe, the various forms of social capital can be described as indigenous social capital and, collectively, provide a mechanism for individuals to remain connected to informal groups and to strengthen local communities.

1 INTRODUCTION

Social capital has become a popular academic topic in western thinking. Whereas writers such as Bourdieu (1985) and Coleman (1990) contributed significantly to earlier academic debates on social capital, Putnam (1993, 1995) popularized the term in the 1990s by applying his conceptualization of social capital to the United States and Italy. International development agencies also showed interest in the practical application of the concept as can be seen by the World Bank Social Capital Website (2008) and the Sustainable Livelihoods Approach, adopted by the UNDP and the Department for International Development (DFID) (Small, 2002 : 8).
Although authors generally agree that social capital does exist in societies, the construct has been criticized as being difficult to define (Fukuyama, 2002: 27), being difficult to measure (Bridger and Luloff, 2001: 458), and as having a ‘dark side’ (Fine, 1999). The sinister character of social capital can be understood because social capital can potentially be used for wrong reasons such as criminal activities, self interests and the creation of unequal communities. In this regard, the issue of developing communities raises concern because social capital has not sufficiently been researched and documented in rural areas of the developing world. Authors such as Mayoux (2001) and Tiemoko (2003) have conducted social capital studies in Cameroon and Ghana respectively. Rotberg (1999) gives an account of social capital affecting the political landscape in Africa. Still, focused research on social capital in southern Africa remains weak.

This paper presents research findings relating to social capital amongst agricultural producers in Vhembe, a municipal district in the Limpopo Province of South Africa, addressing the question “how does social capital manifest amongst subsistence households in local villages and communities?” During the authors’ investigation of a possible relationship between needs satisfaction and social capital in Vhembe, which formed part of a larger study, social capital revealed significant links with needs satisfaction. Compared to the mainstream theory of social capital thinking, and as the selection of cases in this paper will also show, the social capital that could be observed in rural Vhembe existed either in very low quantities, or in an inactive, passive and unfunctional state. These research findings are used for a theoretical evaluation and a discussion of the theoretical, practical and policy implications of social capital in rural areas.

The search for social capital was done in Vhembe for three reasons. Firstly, social capital seemed to exist in the indigenous social activities taking place in rural villages and by virtue of the traditional way of life in the countryside. Secondly, despite the poverty situation in the rural areas of South Africa (and elsewhere) being acute and a reason for concern, people in rural villages do reveal considerable social resources. These resources are used in several ways by rural households to satisfy different needs and to counterbalance the effects of poverty. Vhembe also seemed an appropriate site to study social capital for a third reason. More than a decade after the transition to a new democratically elected government in South
Africa, a considerable amount of empowerment has taken place, giving local communities in Vhembe a say in their own development. Whether social empowerment actually leads to different forms of social capital amongst rural communities, such as those found in Vhembe, warranted an investigation.

2 SOCIAL CAPITAL

In this section a literature review is presented from which social capital can be operationally defined and clarified.

2.1 Literature review

It seems that most authors on the topic of social capital agree that the theoretical origins of social capital can be traced to Bourdieu (1986), Coleman (1990) and Putnam (1993). Bourdieu, from a sociological point of view, identified and described a number of different kinds of capital: cultural, economic, functional, linguistic, personal, political, professional, social and symbolic (1985 : 243 – 255). His understanding of social capital is clearly that of only one form of capital. He describes 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’ (Bourdieu, 1985 : 248). An important insight of Bourdieu (1985 : 252 - 255) is that capital can be converted or transformed from one form to the other. Capital is thus produced and reproduced, indicating the occurrence of a chain of events. Coleman (1990 : 302), also a sociologist, describes social capital as a ‘social structural resource’ that serves as ‘a capital asset for the individual’. Coleman claimed that the relationships formed between human beings could result in healthy social institutions. Well-developed social networks and institutions, in Coleman’s view, are products of social systems with a high degree of social capital. Putnam (1993, 1995) thought of social capital as a resource that resulted from peoples’ social connections. Besides realising some resourceful qualities of social capital, Putnam also believed that the lack of social capital had a severe impact on the apparent decline of American democracy. Putnam argued that the difference in social capital between northern and southern Italy could be related to the civic life in Italian communes after the twelfth and through to the fifteenth centuries (Rotberg, 1999 : 344).
Other writers have added to the debate on social capital. Portes (1998: 6) points out that the consensus is growing in literature that social capital stands for ‘… the ability of actors to secure benefits by virtue of membership in social networks or other social structures’. Fukuyama (2001: 7) describes social capital as ‘… an instantiated informal norm that promotes cooperation between two or more individuals’. Recent studies also recognize the existence of bonding and bridging social capital (Campbell, 2004: 14 – 15; Onyx and Bullen, 2000: 38; Szreter and Woolcock (2002) in Thomas (2003: 20 - 21). Bonding social capital refers to social cohesion, strong mutual support and participation on the local level, whereas bridging social capital refers to the ability of an individual to access resources outside his/her homogeneous group, suggesting weaker ties within a group and greater connections to outside groups. Whilst bonding capital is important for the individual or small group, binding social capital seems equally important to establish a collective identity as a nation.

The theoretical views described above show that social capital potentially has a wide range of applications in civil society. Writers offer similar definitions of social capital, yet there is no complete agreement as to a precise meaning of the term. Likewise, Portes (1998: 2; 2000: 31) notes that the original meaning of the concept is being tested by increasingly diverse applications. This article aims to interrogate the concept of social capital by searching for social capital, and testing the existing social capital theory by drawing conclusions from a selection of cases amongst agricultural producers found in the Vhembe region of the Limpopo Province.

2.2 Social capital in South Africa

Social capital’s significance for national development is particularly relevant for the South African situation because of the social, economic and political changes currently taking place. Coming from a complex political past, South Africa is now trying to build an inclusive society – an ideal hampered by corruption, a high crime rate and the prevalence of the highest HIV/AIDS rate in the world. Evidence in South Africa show that social capital can be detrimental for development (for example xenophobia, gangsterism and violence in schools), although indigenous forms of social capital do exist in rural communities, showing that social capital can play a significant role in the development process of South Africa. Maluccio, et al
(2000 : 57) state that *ubuntu* is an expression of community life and a collective responsibility. As a multi-cultural society, together with South Africa’s ethnic diverse population, both opportunities and threats exist for the creation and the destruction of social capital on all levels of the South African society.

South Africa’s relatively peaceful transition to a democratic dispensation was supported by a common vision of social inclusion. Social capital can contribute towards a national identity by bridging cultural differences and locally by fostering well-balanced developing communities. Both bonding and bridging social capital therefore seem useful for understanding important indigenous social processes, not only in South Africa, but also throughout the rest of the developing world.

### 2.3 Subsistence farming in Vhembe

Venda was one of South Africa’s former homelands, which later, with the commencement of the new democratic political dispensation in South Africa (in 1994), became integrated into the Limpopo Province. The former homelands made up 13 per cent of South Africa’s agricultural land (Vink and Kirsten, 2003 : 3). Subsistence farmers, also known as small farmers, are mostly found in these former homeland areas.

Small farmers in Vhembe are generally not successful. In addition to their poverty, small farmers are also highly susceptible to disasters and are often in need of desperate financial assistance. They are excluded from the formal sector - also from most forms of government assistance - and these farmers frequently have to approach independent money lenders. As a consequence of formal institutional exclusion, subsistence farmers often take part in informal financial activities in order to bridge financial hardship. Subsistence farmers use social capital for their own benefit, for their families and also for their local communities. Quite often social capital is only limited to the short term, or to satisfy immediate needs.

### 3 Research Methodology

This study primarily made use of participation as a research methodology. The author was residing in Vhembe during the time of the investigation and could obtain data by personally visiting research sites. Local knowledge was obtained from people in Vhembe and local
social processes were observed as they naturally occurred in rural villages. Field visits were made and rough notes were recorded. These notes included peoples’ responses as well as observations which were made from the selection of cases. Notes were then revised and summarised on consolidated answer sheets. A significant amount of rough notes was generated from normal conversations, indicating that social capital was not hard to find.

3.1 Indicators for social capital
Because of the lack of agreement amongst researchers as to the precise meaning of social capital, it is not possible to design universally accepted measuring instruments. However, it is possible to select indicators for social capital. Such a selection of indicators can be problematic and researchers, according to Paxton (1999 : 91) mostly draw indicators from the available theoretical perspectives of social capital. Researchers such as Falk and Kilpatrick (2000 : 98 – 99), Onyx and Bullen (2000 : 23 – 42) and Small (2002 : 7 – 25) have combined qualitative and quantitative indicators in their studies.

Therefore, four indicators were selected for this research from the social capital perspectives of Bourdieu, Coleman and Putnam (noted earlier) to portray qualitative and quantitative social capital amongst agricultural producers in rural Vhembe: social connectivity, social resources, group membership and trust.

3.2 Selecting and interviewing respondents
A random sample of 33 subsistence households was taken and respondents were interviewed using unstructured interviews. The study predominantly involved farmers, of whom 21 described themselves as subsistence farmers. Subsistence farmers are operationally perceived in this study as farmers who produce mainly for their own personal consumption (Todaro, 1997 : 308).

Observations supplemented the investigation and key informants were used to provide a general background of socio-economic activities relating to agriculture in Vhembe. The key informants used in this study included teachers, nurses, local police, commercial farmers, extension officers and church leaders. Three translators assisted during the field work.

4 STUDY RESULTS
The profile of social capital found on the research sites does not exactly resemble a precise fit with the theoretical perspectives presented earlier. The following research results give an account of the manifestation of social capital in rural communities of Vhembe.

4.1 Social capital found amongst agricultural producers (social connectivity)

Social capital was found to exist amongst agricultural producers in Vhembe. The farmers interviewed generally regarded themselves as self-employed and independent although all the farmers interviewed expressed the desire to remain connected to their larger community. Many of them enjoy some status which not only binds them to the social groups within their communities and villages, but also to external social groups. Since subsistence farmers do not have any collateral, they have to rely on their status and social standing to gain materials such as fertilizer and pesticides. During the field work, personal ties between members of different households were observed to be strong. Farmers were also connected on the basis of friendship and familiarity, which could be attributed mainly to the proximity of neighbours. Subsistence farmers also associate with other agricultural producers and local businesses around important needs. The needs experienced by subsistence families range from physical to emotional needs although the need for food security is particularly prominent for the subsistence households of Vhembe. Co-operation between small and commercial farmers was observed, displaying social connectivity, although from a formal organisational point of view, these cases were exceptional.

Because of the large informal sector that prevails in Vhembe, agricultural producers frequently take part in the economic activities offered by informal markets. These markets have become a hub of social activities where old friends and relatives connect across national boundaries, including the neighbouring countries Zimbabwe and Mozambique. Among the many informal activities taking place on the informal market, surplus food is often sold or traded, creating further social capital through the social connections made there. These social connections and economic actions observed could be described as small-scale, but exemplified binding social capital operating on the grass-roots level.
4.2 Social capital exist in various forms (social resources)

Based on the way social capital was operationally perceived in this study, and besides the social connections mentioned above that occur between subsistence farmers, social capital could be found on the study site in various other indigenous forms.

Subsistence households give further support for the existence of bonding social capital in rural areas. These families seem generally successful in satisfying their subsistence needs. Various other needs are being met (such as protection and parenting) and, as such, social resources constitute social capital. Communication mostly takes place with the help of the so-called ‘bush telegraph’ or word-of-mouth. This traditional communication method is useful in the sense of connecting people horizontally and may therefore also constitute bonding social capital. As a social resource, the informal market in Thohoyandou facilitates important economic activities for the local communities, stimulating economic development. Woman farmers reported to frequently cooperating with each other to combat discrimination and exploitation. Other social processes, like farmers contributing to a compost heap and voluntary actions among youth groups, are further manifestations of social capital and proof that social capitals do exist in rural Vhembe in various, though indigenous forms.

4.3 Social capital beyond formal groups (group membership)

The existence of large formal groups as indicators for social capital was more difficult to observe since these barely existed in the rural areas of Vhembe. From interviews with teachers it seemed that subsistence farmers send their children to formal schools. Other significant formal group membership appeared to be the attendance of church services once a week. People in Vhembe generally regard themselves as Christians and churches are commonly found. Tribal authorities also exercise strong social influences among local people and their existing social networks. These networks go back as far as Mapungubwe, the recently declared world heritage site in northern Vhembe.

On the contrary, when ‘informal group membership’ was used as an indicator for social capital, it became possible to identify more forms of social capital that expands beyond
formal connections. For example, one locally well-known social activity is the rural women taking part in rotating savings clubs. Financial clubs are also social clubs, known as ‘stokvels’ and require strong solidarity and conformity to the underlying, unwritten norms. Burial societies are also popular activities, although they remain mostly semi-formal. These social actions and processes of people in informal groups are regarded as manifestations of social capital, because they fit the theoretical definitions of social capital, and they act as mechanisms to accommodate the satisfaction of a wide range of needs.

4.4 Absent bridging social capital (trust and distrust)

By using the indicator ‘trust’ it is possible to understand more of the indigenous character of social capital in Vhembe. Agricultural production in Vhembe is supported by actions relating to social capital: favours, communication, positive norms, voluntary behaviour, social support and positive outlooks. Trust, in particular, seems to be a particularly important aspect of the social world of rural communities in Vhembe. Also, the savings made on economic transaction costs and screening makes market access possible.

Due to the absence of formal institutions in rural communities in Vhembe, people do not reveal considerable bridging social capital. High expectations by local people of political leaders have created a dependency syndrome that prevails among rural communities in Vhembe. South Africa is known to have a high dependency burden, as is evident from the large number of persons depending on welfare money from the national government. This has effectively created a mentality amongst people of Vhembe that the government will provide sufficient jobs, houses, education and health services. Municipal leaders are also known to make promises of government support while the reality is that the massive incidence of poverty, as it is displayed in the case of Vhembe, cannot be eradicated by government overnight.

The existence of informal groups seems to explain why bonding social capital is easier to find in Vhembe; also why bonding social capital is actually functioning better to satisfy needs than formal relations (e.g. bridging capital) with the State. People tend to affiliate with groups
that embody their vision of providing food security for poor households. While pre-
election promises of municipal and political leaders were never fulfilled, people’s needs
remained and the poor had to rely on groups formed within their indigenous social
environments. People have diminished their trust in municipal leaders; effectively giving rise
to conflict between traditional leaders and municipal leaders.

Further observations were made relating to institutional role-players and deserve to be
included as study findings. The respondents interviewed in this study did express desires to
be associated with formal organisations, but mentioned that poverty hinders their efforts. This
supports Putnams’ (1995) view that a certain amount of wealth is needed to create social
capital. Bridging social capital was observed when a natural flood disaster happened in 2000.
This event triggered co-operation between black and white farmers; between local
municipalities and residents, and also between the South African military and ordinary
people. Droughts, social events and security reasons therefore serve as examples of triggers
which may lead to the formation of bridging social capital.

Lastly, people have adapted to poverty in remarkable ways and seem to accept their
circumstances as a way of life. This acceptance has created a negative form of bridging social
capital, namely that of dependency, effectively taking away the ability of people to have a say
in their own development. From a development perspective dependency patterns are
undesirable and could erode the productive forms of social capital discussed above.

5 EVALUATION

Although social capital is well documented in the social sciences, indigenous forms of
bridging social capital between social groups are not well researched, neither in the case of
Vhembe, nor in other areas of the developing world.

As can be seen, social capital exists in various forms in Vhembe, although the ability of
existing social capital to lead to more sophisticated forms of social capital (like associations
or interest groups) is lacking. This could at least partially explain the inability of agricultural
producers, specifically small farmers, to formalise themselves into a forum. Social capital is therefore not necessarily produced and reproduced in the same way as Bourdieu hypothesises. In other words, in Vhembe’s case, there is not ‘a chain of events’ which is a desirable outcome for the development process. Neither can ‘durable networks of more or less institutionalized relationships of mutual acquaintance and recognition’ (see section 2.1) be reported here. In most instances, no further social capital in the form of formal organisations is created. The selection of cases show that where social capital is present, it remains present instead of becoming active and transcending into more sophisticated forms of social interaction, like formal institutions and much needed local businesses. The social capital found in Vhembe can therefore be described as small-scale but enough to make a difference in the development of local rural communities by keeping people connected and by acting as a mechanism to satisfy a range of socio-economic needs.

6 IMPLICATIONS

Theoretical and practical implications following from the above selection of cases will be discussed in the subsections that follow.

6.1 Implications for social capital theory

The various forms of social capital found at the study sites could, at least partially, explain why a precise definition for social capital is not commonly found in academic theory. Although different forms of social capital were observed in rural Vhembe, these do not necessarily resemble the profile of social capital as documented by Bourdieu, Coleman and Putnam. The study findings partially support Bourdieu in that other forms of capital (i.e. cultural, political and symbolic capital) also seem to exist alongside the social capital found, and discussed in this article. Similarly, social capital was observed to be converted into other forms of capital, for example, economic and political capital.

Moreover, social capital is used as a substitute for the absence of other capitals mentioned by Bourdieu (subsection 2.1). The successful establishment of formal institutional relationships could not be achieved given the limited functionality of bridging social capital in Vhembe.
Well-developed institutions, as Coleman understands social capital, cannot be reported here, although well-developed social networks were found to exist in the form of extended families and tribal influences in rural villages. Agricultural producers operating on the main informal market, as well as women’s membership of rotating savings and credit associations, classically illustrate that people’s social connections can become a resource in itself. Putnam’s French and Italian experiments, in which group memberships were determined over a period of time, does not comply with the Vhembe situation because of the scarcity of formal groups, and the interactions based on informal groups amongst the rural people of Vhembe. Hence, the research results could therefore only partially support Putnam’s view of social capital. The presence of indigenous social capital implies further implications for social capital methodologies. More research is clearly needed on social capital in developing countries.

6.2 **Implications for the development process**

An understanding of social capital as an economic mechanism, is simplistic and reductionistic. The results of this study illustrate that social capital has the ability to contribute directly and indirectly to the satisfaction of needs beyond economic needs. Therefore, the association between social capital and the development process is significant. An alternative development approach should therefore involve indigenous communities in ways that do not create dependency patterns. Since the development processes are most successful if they can achieve balanced growth, renewed attention should be given to issues such as inclusion, participation and most importantly, relationships of trust. These relationships will involve trust between individuals, social networks and local governments.

By using social capital as a mechanism to combat poverty, the selection of cases presented above gave an indication of how indigenous communities make it possible to achieve socio-economic sustainability, hence creating conditions conducive for the development process.

6.3 **Implications for development policy**

The exclusion of the rural poor from the activities of formal institutions highlights the need to inform policy with the realities of rural people. Existing social policies should at least be
modified to accommodate social capital. By so doing, national, regional and local development efforts should have a better chance to succeed.

Social capital provides a valuable tool for social scientists to re-consider current policy options and to be critical of their own actions affecting policy formulation. This study provides scope for government policies that have a direct impact on the social development of indigenous people to foster development on the basis of peoples’ resources, not their needs. Needs–driven policies will only create communities with dependencies, while resource–driven policies that include social capital will effectively create communities with optimism, hope and trust in the national government.

7 CONCLUSION

How social capital is produced and reproduced in developing societies certainly justifies further investigation. Since this study predominantly involved agricultural producers in Vhembe, any generalisation to other populations should be done with caution.

The forms of social capital found in this study indicate that social capital contributes directly and indirectly to the development process in Vhembe in the form of needs satisfaction. Economic needs are important, but these exist alongside cultural, political and social needs in societies. The agricultural producers interviewed showed that through their connections to social groups, they can produce social capital. These actions constitute different forms of indigenous social capital, and act as a resource for people to counterbalance negative effects of poverty. By so doing social capital acts as a mechanism to strengthen the individuals’ relationship with his local community, hence the development process as a whole.
LIST OF REFERENCES


