Social Capital: An Exit Path from Poverty

What is social capital?
Social capital is the ability to develop and use social networks and their resources. Studying social capital is central to understanding how the farming community adopts and benefits from improved agricultural technologies. Four case studies conducted in India by ICRISAT researchers have shown that social capital is crucial for successful uptake, diffusion and impact of innovations.

Case study 1: Adoption of groundnut production technology (GPT) in Umra, Nanded.
The proposed technology was complex, requiring supervision, care and labor. It became important for farmers to develop better relations with the local adivasi (tribal) lambada population who were the main source of labor. Since everyone stood to gain from it, the outcome was better social and political relations. Farmers in the village also appeared willing to repaying their long-term debts to various formal and informal creditors, so that they could invest in production enhancing assets.

Case study 2: Conservation of pearl millet seed in western Rajasthan.
In the absence of appropriate pearl millet varieties, farmers in western Rajasthan saved and shared seeds of varieties with preferred traits over long periods – even across drought years. Kinship played a major role in disseminating information about both higher yielding cultivars and seed saving methods. Interestingly, benefits from pearl millet and other technological innovations were ploughed back into the community to build schools, hospitals, temples and kabutarkhanas (bird houses).

Case study 3: The adoption of pigeonpea in Maharashtra.
This case study provides an excellent illustration of how farmers use their social capital – village, caste, community and kinship networks – to produce and distribute an appropriate innovation. Remarkably, the farmer-to-farmer exchange of knowledge sharing – a win-win exercise for everyone involved.

Social capital is not merely an “input” to development, it is also one of its most significant outputs. While it brings about positive economic changes, it also has significant non-economic benefits. The framework (see fig. 1) treats social capital as a genuine asset that requires investment to accumulate and that generates a stream of benefits.

Impact

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wilt-resistant ICP 8863 pigeonpea seeds occurred in the face of an apathetic bureaucracy and an uninterested private sector. The social networks played a crucial role in diffusing the technology, and in the production and distribution of seeds.

**Case study 4: Gender perspectives on build-up of social capital in technology adoption**

The feminization of agriculture and poverty has made it imperative to recognize the role of women farmers and understand their decisions and constraints. This follow-up study of the GPT project – a collaborative effort of ICRISAT and the Food and Agriculture Organization (Regional office for Asia and Pacific) – illustrates the advantages women enjoy as a result of social capital.

The study serves as a demonstration for other interventions and helps identify the essentials for success of a technology. It also provides an understanding of the link between social capital and poverty reduction – how build-up of social capital leads to improvements in farming communities.

**Conclusions**

**A mini social revolution:** ICRISAT’s groundnut production technology has not just increased yields and incomes in the study village, but touched off a miniature social revolution. Adoption was widespread, and the benefits substantial: higher yields and incomes, better nutrition and food security, ownership of assets (groundnut is a valuable cash crop), employment generation (out-migration was replaced by in-migration) and higher wage rates. As the community grew its way out of poverty, credit access, health and sanitation facilities, children’s education, were all improved. Remarkably, the sharp caste distinctions that had persisted for centuries began breaking down. The economy shifted from semi-feudal to modern and semi-commercialized.

The underprivileged class gained not only economically, but also in terms of political strength and social acceptance.

Building up of social capital actually provided an exit path out of poverty.

**Partners**

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- Indian Institute of Technology, Bombay
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- University of Hyderabad
- United Nations Development Programme
- AP Mahila Samatha
- Osmania University
- Disha Foundation
- ODI Livelihoods options project, India

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