



The University of Reading

International and Rural Development Department

**Exploring the Dynamics of Social Capital in
the Sustainability of Induced Community
Based Organisations in Nepal**

by

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Declaration of Authorship

Except where otherwise stated or acknowledged in the manuscript, this thesis represents the original research work of the author. No part of it has been submitted previously for a degree at any other University.

Krishna Prasad Adhikari

Dedication

I would like to dedicate this thesis to those people who have put others' interests first; pursuing their own interest fairly through collective actions and group activities which address not only their own personal needs but those of the collective.

Abstract

There has been since 1990 a massive rise in the inducement of community based organisations (CBOs) by development agencies in Nepal. However, there is a lack of knowledge about the prevalence, the level of sustainability and factors contributing to the sustainability of CBOs. Through an investigation of the role of social capital, this study aims to address these issues and contribute to greater understanding of the sustainability of CBOs in Nepal.

Field research conducted in Nepal in 2004/2005 involved collection and analysis of quantitative and qualitative data from two level: micro and macro, and for three units of analysis: individual, group and village. Using semi-structured interview, group discussion, document analysis and observation through exploratory and in depth study, information was gathered from 94 households and 129 CBOs from 14 villages of two VDCs in Southern Nepal. Macro level data were collected through a survey with 39 leading community mobilising agencies in Nepal.

The study shows that group inducement is rising fast, but the sustainability aspect has been an ignored dimension. Findings show a general tendency in the dynamics of groups to shrink in membership, activities, participation and resources over the time period of their existence.

Although the utility function of the groups, and good governance and management in the groups explain the success and failure of the groups, the study shows that these are not sufficient conditions to sustain the groups. The local social organisation equally matters. The study shows that social capital can be both a positive and negative force affecting collective action and sustainability of CBOs. Social capital and its downside coexist and there is constant interplay between them. Research identifies major problems including rule breaking with impunity and elite capture of resources. The transition phase from external to internal management of CBOs is particularly vulnerable period which is neglected by agencies. The thesis concludes that while development agencies play an important role in inducing and sustaining CBOs, they also need to address the complex issue of social capital and its downside.

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Acronyms

| | |
|---------|--|
| ADB | Agriculture Development Bank |
| ASC | Agriculture Service Centre |
| BAPP | Bishweshwar Among the Poor Programme |
| CBO | Community Based Organisation |
| CBS | Central Bureau of Statistics |
| CC | Coordination Committee |
| CDO | Chief District Officer |
| CGA | Central Government Agency |
| CGS | Compulsory Grain Savings |
| CIA | Central Intelligence Agency (US) |
| CMA | Community Mobilisation Agency |
| CMC | Chairman Managers' Conference |
| CPN UML | Communist Party of Nepal United Marxist and Leninist |
| CSO | Civil Society Organisation |
| DADO | District Agriculture Development Office |
| DDC | District Development Committee |
| DFID | Department for International Development |
| FAO | Food and Agriculture Organisation |
| FECOFUN | Federation of Community Forest Users, Nepal |
| FUG | Forest Users' Group |
| GDP | Gross Domestic Product |
| GO | Government Organisation |
| GON | Government of Nepal |
| HDI | Human Development Index |
| HDR | Human Development Report |
| HH | Household |
| HMG | His Majesty's Government of Nepal |
| ICBO | Induced Community Based Organisation |
| ID | Identification |
| IDS | Integrated Development Systems |
| IGG | Income Generating Group |

| | |
|--------|--|
| INGO | International Non-governmental Organisations |
| IRDD | International and Rural Development Department |
| IRDP | Integrated Rural Development Programme |
| LGP | Local Governance Programme |
| LGU | Local Government Unit |
| LSC | Livestock Service Centre |
| LO | Local Organisation |
| MLD | Ministry of Local Development |
| MLIP | Marchwar Lift Irrigation Project |
| MO | Member Organisation |
| MP | Member of Parliament |
| MSP | Marchwar Swabalamban Programme |
| NDS | National Development Service |
| NEFIN | Nepal Federation of Indigenous Nationalities |
| NESAC | Nepal South Asia Centre |
| NFWUAN | National Federation of Water Users Association Nepal |
| NGO | Non-governmental Organisation |
| NHDR | Nepal Human Development Report |
| NLSS | National Living Standard Survey |
| NPC | National Planning Commission |
| OECD | Organisation for Economic Cooperation and Development |
| ONS | Office of National Statistics (UK) |
| PB | Private Business |
| PCP | Participatory Conservation Programme |
| PCRW | Production Credit for Rural Women |
| PDDP | Participatory District Development Programme |
| PhD | Doctor of Philosophy |
| PPP | Public Private Partnership |
| PRA | Participatory Rural Appraisal |
| RPO | Rural People's Organisation |
| RPP | Rastriya Prajatantra Party |
| RSDC | Rural Self-Reliance Development Centre |
| RUPES | Rewarding Upland Poor for Environmental Services (Nepal) |

| | |
|--------|---|
| RUPP | Rural Urban Partnership Programme |
| SFDP | Small Farmers' Development Programme |
| SFGA | Small Farmers' Group Association |
| SLA | Sustainable Livelihood Approach |
| SPSS | Statistical Programme for Social Science |
| SWC | Social Welfare Council |
| U.D. | Undated |
| UNCDF | United Nations Capital Development Fund |
| UNDP | United Nations Development Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organisation |
| VDC | Village Development Committee |
| VDP | Village Development Programme |
| WCED | World Commission on Environment and Development |
| WDP | Women Development Programme |
| WHO | World Health Organisation |
| WUA | Water Users' Association |

Glossaries

| | |
|---------------------|--|
| Aana | One sixteenth of a <i>Ropani</i> land area. |
| Adhiya (Kheti) | A system of farming in which the tenant does the farm work and the produce is normally shared half and half between the landlord and tenant. |
| Adhiya (Pasu) | A system in which cattle(s) are looked after by the tenant and, afterwards, value added is normally shared half and half between the care-taker and the master. |
| Afno manche | Literally, it means one's own person. It refers to friends and associates in powerful positions who show favour. It is 'cronyism' in its negative sense. As a culture, it promotes exclusions, factionalism, failures in cooperation, and corruption in various forms. |
| Aguwa | A leader. |
| Aicho paicho (Anaj) | A system of borrowing and bartering foodstuff as and when required and available. This also includes <i>Biyu Satasat</i> , exchange of seeds. (<i>Also see Sar-sapat</i>). |
| Ama Samuha | Literally it means mothers' group. Originally named for groups organised by the District Women Development Office, Ama Samuha are self-created in many places and have taken a traditional form. |
| Anaj karja | Loaning foodstuff during the lean season normally with cost attached, which is paid back after crops are harvested. |
| Anaj/jinsi uthaune | A system of collecting/contributing food stuff to mark rituals at a home in the neighbourhood or for common functions. |
| Bada (Aadmi) | (Bhojpuri) A powerful person. |
| Badelog | (Bhojpuri) A powerful person. |
| Badghar | Community labour group. |
| Badka | (Bhojpuri) Senior; Powerful. |
| Bahun | See <i>Brahmin</i> . |
| Bahunbad | A school of thought that holds that exclusionary processes that encompass all classes and ethnicity are caused through the expansion of caste-based and hierarchical Hindu belief systems. |

| | |
|--------------------------|---|
| Baise Chaubise Rajya | The twenty-two petty principalities in the far western and twenty-four petty principalities of western Nepal before their full integration to the kingdom of Nepal. |
| Baisya | Third category of caste (the trading class/caste) in Hindu <i>Varna</i> system. |
| Bali | Refers to the remuneration paid to <i>Hali and</i> tailor after crop harvest. It also refers to harvest, and land tax. |
| Bali-laune /darji rakhne | A system of having a permanent (passing through generations) tailor to give universal tailoring services to the household. A village could have one or more tailors who are paid individually, and normally in kind. |
| Bali-laune /kami rakhne | A system of having a permanent (passing through generations) ironsmith to manufacture and repair farming tools at a household level. A village could have one or more ironsmiths who are paid individually, and normally in kind. |
| Ban | Forest. |
| Bandh | General strike. |
| Banpale | Forest guard. |
| Bazaar | Market place. |
| Bhadau | Fifth month in Nepali calendar (mid-August to mid-September). |
| Bhadra Bhaladmi | Leading gentleman (Powerful persons). |
| Bhajana | Hymn. |
| Bhajana Mandali | A group of people who sing traditional folks, especially religious hymns. |
| Bhatti | Unlicensed and unregulated public houses. |
| Bheja | A multi-purpose traditional community based organisation among <i>Magars</i> of western Nepal. |
| Bhojpuri | A local language spoken in Marchwar area. |
| Bholi | Tomorrow. |
| Bhu-mafia | An informal network related to the procurement and sale of land or properties. |
| Bighauti | A system of collecting fees based on the land size of a household. |

| | |
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| Birta | A tax free land tenure system, especially during <i>Rana</i> regime, in which land was granted as a pension or as a reward to political supporters and family members (abolished in 1959). |
| Brahmin | A priest family in Hindu caste system; a ‘high caste’ group. |
| Caste | Caste is a kind of social stratification based on occupations in Hindu society. |
| Chakari | Sycophancy. |
| Charawa | A cattle herder. |
| Charkha | Hand operated cotton or wool spinning tool. |
| Charuwai | A bonded system of cattle herding especially maintained by <i>Jimdars</i> . |
| Chhatis Mauja Irrigation System | An over 150 years old indigenous system of irrigation built by <i>Tharu</i> in Rupandehi district. |
| Chhetri | Nepalese corruption of ‘Kshatriya’, a Hindu caste to which princes, aristocrats and warriors belong; a ‘high caste’ group, second on the order of caste based hierarchy. |
| Chhot (Aadmi) | (Bhojpuri) Powerless person. |
| Chiya pani | Tea and drinks. |
| Choho | A traditional voluntary local governance system among <i>Tamangs</i> . |
| Chotelog | (Bhojpuri) Powerless person. |
| Chumalung | A social organisation among <i>Kirat</i> . |
| Dakshina | (Sanskrit) A traditional form of payment to a teacher or a Guru to thank for the services he rendered to his clients. |
| Dalit | Literally means oppressed; It generally refers to low caste people. |
| Dana pani | Food and drinks. |
| Dand/Dandh | Penalty. |
| Danka | Armed robber; armed robbery. |
| Dashain | Main Hindu festival in Nepal (in the month of September or October). |
| Deusi Bhailo | A tradition of celebrating festival of light by a group of people visiting door to door and singing folk music to make good wishes and collect cash/kind contribution especially for a collective purpose. |

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| Dhanahi | Loan of food grains. |
| Dhani mani | Rich and powerful. |
| Dharma | Divine duty, work or highest spiritual path; Institutional duties and roles. |
| Dhikur | A traditional voluntary credit association originally related to three ethnic groups: Thakali, Gurung, and Bhote. |
| Digo | Sustainable. |
| Dikshya | Indoctrination. |
| Gaun | A village. |
| Ghar | Home/house. |
| Gharayasi hisab | Private; Family affair. |
| Ghardhuri | Household. |
| Ghar-lahure | A traditional system of community forest management in Nepal. |
| Ghus | Bribery. |
| Godayit | A sub-caste found in the <i>Terai</i> who also work as community messengers. |
| Gola | A traditional voluntary organisation for mutual cooperation under <i>Tho</i> among <i>Gurung</i> . |
| Gorkha | A principality west of Kathmandu and the ancestral home of the Shah dynasty, which became the House of <i>Gorkha</i> . |
| Guru | A teacher; a religious teacher. |
| Gurung | A major ethnic group of Tibeto-Mongoloid origin residing in the western hills of Nepal. |
| Guthi | A traditional community based organisation originally among <i>Newars</i> . |
| Hakim | Boss. |
| Hali (system) | A system whereby a ploughman from the 'lower castes' normally works through a short-term 'bonded' arrangements. This also refers to <i>Haruwai</i> (<i>Harawa</i>) in Madhesi communities which entails mechanisms of bonding for generations. |
| Harawa | See <i>Hali</i> . |

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| Haruwai | See <i>Hali</i> . |
| Heralu | Guard. |
| Himal | Mountain Region; Snowy mountains. |
| Household | Household refers to a group of people who normally live together and share a common kitchen. |
| Huri | See <i>Parma</i> . |
| Jaat | Caste. |
| Jagir | A type of tax free land tenure granted to military personnel or civil servants in lieu of service, especially during <i>Rana</i> regime. |
| Jajamani | A Hindu tradition of priest-client relationship for performing rituals. |
| Jamindar/ Jimdar | Rich landowners, consequently powerful people in the village. |
| Jamindari/ Jimdari | A feudal system of landownership. |
| Janajati | Ethnic/ nationality group. |
| Janashram | Contribution of free labour in community works. |
| Janne-Bujhne | Knowledgeable and well experienced person; (powerful persons). |
| Janne-Sunne | See <i>Janne Bujhne</i> . |
| Jhara | A form of forced labour during <i>Rana</i> rule. |
| Jimmawal/ Jimmal | Local headman in <i>Kipat</i> system who was responsible for tax collection. |
| Kalyan | Welfare. |
| Kami | Blacksmith (an occupational caste). |
| Karja (sud) | Money lending with a certain percentage of interest attached. |
| Karma | The accumulated effect, in this life, of deeds and actions in past and future lives. |
| Katuwal | A community messenger who serves the whole village is paid in food grains by all households of a village. A Katuwal is familiar with and belongs to all in a given village. |
| Khara | A form of penalty in which households compensate with cash equal to daily wages for absence during <i>Janashram</i> . |

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| Khas | People of Indo-Aryan origin in western Nepal whose language has become Nepali. |
| Khel | A socio-cultural organisation among <i>Tharus</i> of mid-western <i>Terai</i> . |
| Kipat | A communal land tenure system. |
| Kirat | A Tibeto-Burman ethnic group inhabiting in eastern Nepal since prior to the beginning of Christian era. |
| Kuchchi | Temporary; a house made of thatch. |
| Kulo samiti | Irrigation users committee (indigenous). |
| Kulo samuha | Irrigation users group (indigenous). |
| Kut | Land rent. |
| Lekhandas | Licensed writers who assist people for legal and official matters. |
| Limbu | A Tibeto-Mongoloid ethnic group of eastern hills of Nepal. |
| Madarassa | Muslim school. |
| Madhesi/ Madhise | Plain dwellers other than hill migrants. |
| Magar | A major ethnic group of Tibeto-Mongoloid origin residing in western hills of Nepal. |
| Maha jhara | See <i>Janashram</i> . |
| Maijan | A social organisation among various groups in eastern <i>Terai</i> . |
| Majuri | Remuneration of farm related works often paid in kind. |
| Malkar | (Bhojpuri) Master; Landlord. |
| Mana | Measurement: one <i>mana</i> is 10 handfuls, approx 400 grams. |
| Manchhe | A person. |
| Mangsir | The eighth month of Nepali calendar (mid November to mid December). |
| Mani | Measurement: one <i>mani</i> is 16kg. |
| Mathi | See <i>Upar</i> . |
| Mathiko Adesh | By the order from the superior. |
| Mirchang | A voluntary traditional organisation related to natural resource management among Marphalis in western mountain. |

| | |
|------------------|---|
| Mokshya | Ultimate spiritual liberation from material bondage; salvation. |
| Mukhiya | Village head appointed by government to collect revenue. |
| Muluki Ain | First civil code of Nepal. |
| Musalman | Muslim. |
| Nangkhori | A traditional system of community forest management. |
| Napi | Related to measurement. |
| Napi Karyalaya | Land Survey and Record Office. |
| Natabad-kripabad | Nepotism and favouritism. |
| Netalog | (<i>Bhojpuri</i>) Leaders (political). |
| Newar | One of Nepal's major ethnic/caste groups, mostly Hindu and concentrated in the Kathmandu valley. |
| Nirvana | (Buddhism) To get salvation from sufferings of life. |
| Nogyar | A <i>Parma</i> system among <i>Gurungs</i> . |
| Pahad | Hill region. |
| Pahadi | See <i>Pahadiya</i> . |
| Pahadiya | Hill dwellers or migrants from Hill of Nepal. |
| Pancha Bhaladmi | A village assembly (originally meaning five people) who mediate disputes and decide collective issues in the villages. |
| Panchayat | Political system before 1990. |
| Pareli | A farming system in which two or more households set terms of contributions and responsibilities for working together during the year until the farming cycle is completed. |
| Parma | Mutual exchange of labour or animals mainly for farming purposes. |
| Posang | A traditional system of democratic local/collective governance practised by Syangtan, an ethnic group living in the western mountains of Nepal. |
| Pradhan | Head of the village <i>Panchayat</i> ; also colloquially in use to refer to the Chairperson of VDC in Marchwar. |
| Pucci | Strongly built. |

| | |
|--------------|--|
| Punya | Spiritual gain. |
| Purana | Hindu religious literature. |
| Purdha | (Bhojpuri) Veil. |
| Raikar | Land under state ownership used for various forms of land-tenures. |
| Rajya | A form of land tenure granted as a princely state award to members and relatives of royal families. |
| Rakam | A form of tax free land tenure granted to individuals by the state in payment for military or administrative services—in lieu of other emoluments. This also denotes a forced system of cash contribution in lieu of labour during Rana rule. |
| Rana | Term, used as an honorific personal name, signified strength in battle in late medieval north India. It was adopted as a title by Jang Bahadur Kunwar in the 1850s, and by his heirs after him, and became the standard name used for this Nepalese dynasty of prime ministers and their families. |
| Rodhi | A traditional system of organising folk dance among Gurung youths. |
| Ropani | Unit of area, approximately 508.72 square meters. |
| Sahu-Mahajan | Rich merchant. |
| Samiti | A committee. |
| Samuha | A group; Community group. |
| Sano | Powerless. |
| Sar sapat | Mutual lending and borrowing (money) for the short term in urgent need. |
| Sera | A form of land tenure explicitly used by the royal palace to meet food grain and other land requirements. |
| Seri or Ser | Measurement equivalent to 2 <i>Mana</i> . |
| Sharmadan | See <i>Janashram</i> . |
| Shri Teen | The title adorned by Rana rulers to indicate three times glorious. |
| Sikshya | A disciple. |
| Sud | Interest (loan). |

| | |
|--------------|---|
| Sudra | Fourth and the lowest of all ranks of <i>Varna</i> system into which Hindu society is traditionally divided. |
| Sukumbasi | Landless person/ Squatter. |
| Talukdar | Government's agent in the past at local level who collected revenue. |
| Tamang | An ethnic group believed to be of Tibetan ancestry. |
| Tatha batha | Literarily it means cleaver and educated. It implies to powerful person. |
| Terai | Southern plain ecological region of Nepal. |
| Thaana | (Bhojpuri) Police station. |
| Tharu | An ethnic Hindu group of <i>Terai</i> . |
| Tho | An indigenous village assembly of the Gurung community. |
| Thulabada | Powerful person. |
| Thulo | Big; Powerful. |
| Tikau | See <i>Digo</i> . |
| Tole | Neighbourhood; hamlet. |
| Tumyangbhang | A traditional community judiciary assembly of Limbus. |
| Upar | (Bhojpuri) Above; Powerful position. |
| Varna | The four categories of people in traditional Hindu society loosely referred to as "Caste". |
| VDC | Village Development Committee: a geographical administrative unit below a district; also a committee of elected members, the smallest local administrative unit. It refers both a territory and an elected committee. |
| Vedic | Related to <i>Veda</i> , Hindu philosophy and science with a holistic approach. |
| Vikas | Development. |
| Village | The village is the settlement pocket/cluster of households within a spatial boundary. Villages represent a collective agency as a network of interest, space, and collective needs. Each village bears its unique name. |
| Ward | VDCs are made up of 9 wards. Representatives are elected from wards and sit on the VDC. |

Chapter One

General Introduction

1.1 Introduction

This thesis aims to contribute to a better understanding of the sustainability of community groups through the framework of social capital. This chapter briefly introduces the background to the problems of, and need for the study. It then presents the research objectives and research questions as well as an overview of issues, methods, and analytical process of the study. It also presents a personal rationale for undertaking this study. Finally, it presents the structure of this thesis.

1.2 Background

Until 1990, barring a brief period in 1950-60, various oligarchic regimes impeded the development of an independent civil society sector in Nepal. However, various types of informal institutions including Community Based Organisations (CBOs) have long been a feature of social organisation in Nepal as the system of cooperation and collective action was much localised (Biggs et al, 2004b; FAO, 2004; Mishra, 2001). Along with the global paradigm shifts in development discourses, new forms of organisations have emerged (see section 2.3.1 and 3.4.2.3). Many developing countries have gone through an explosion in the number of community based (participatory) organisations in recent decades (World Bank, 2003a). Nepal is not an exception to this trend. In addition, with the restoration of democracy in Nepal in 1990, there has been a proliferation of various types of modern “third sector” (Esman and Uphoff, 1984:19) organisations including Non-Governmental Organisations (NGOs) and CBOs. As a result, the number of NGOs that was 222 in 1989 (Swar et. al, 2003) jumped to over an estimated number of 30,000¹ (Global Policy Forum, 2005) by 2001.

A community (social) mobilisation approach has been increasingly promoted in policies regarding local development and poverty alleviation in Nepal (NPC, 2002, 1997, 1992;

¹ There is not uniformity on the number of NGOs as there is not any authentic data available.

HMG, 1999). Since the Eighth Five-Year Plan, most of the sectoral policies have adopted a group approach to service delivery (Upadhaya, 1998). Now this approach has been adopted in almost all sectors of local development, and governance of collective resources and services such as: forest management; irrigation management; agriculture extension; micro finance; school management; health service management and community electricity, amounting to a rapid rise in the formation of the externally induced CBOs (Biggs et al., 2004b; Shrestha, 2001).

1.3 Research problems and rationale

One reason behind the massive rise of groups in the communities could be the growing emphasis of agencies on creating groups in the name of participatory development. Garforth and Munro rightly point out that either for effective delivery of the services or equitable distribution of the outcomes, government or non-government organisations choose to work by supporting the existing indigenous organisations or stimulating or imposing the creation of new ones (Garforth and Munro, 1995:13). In the context of proliferating community groups, Garforth and Munro (1995) ask whether this is due to the increased emphasis given by the agencies to form the groups. Or does it reflect the low survival rate of such organisations? If the latter, identifying the causes of the early demise of groups has implications for policy and practice (Garforth and Munro, 1995:116).

The major policy objectives of recent five-year development plans, such as poverty alleviation, pro-poor good governance or sustainable development have adopted the group based approaches. As a result, group based programmes have been the recipient of an increasingly larger share of development resources from government and donors. Furthermore, relaxation in the policy that empowers NGOs to directly receive grants from donors and allows them to work as intermediary organisations, means that it is more attractive for agencies – governmental, semi-governmental or non-governmental - to involve themselves in the creation and facilitation of community based institutions. However, such emphasis on forming groups has come about neglecting the issue of sustainability (Adhikari and Goldey, 2006; Adhikari and Risal, 2006; Adhikari, 2004). Establishing groups does not necessarily mean that resources will continue to be managed in a sustainable manner (Pretty, 2003). If the groups fail after a short time,

there will be little return for the government, donors, agencies or members from the investment of scarce resources (Garforth and Munro, 1995).

There is very limited knowledge on the level of emergence and sustainability of CBOs in Nepal. Authentic and accurate statistics on the number of NGOs, which are legal entities registered with the government, in Nepal is not available, let alone information on their status of survival. It is, therefore, not surprising that there are no reliable statistics on CBOs because they are not required to register anywhere. Neither is there any authentic single source from which to obtain this information, nor have there been attempts made to estimate their numbers until recently. When no composite information on the number of CBOs exists, no information exists on their rate of survival.

The gap of a knowledgebase about CBOs, particularly, in terms of their sustainability, is, in part, due to the fact that the concept of sustainability *per se*, is a relatively new development idea in Nepal (Forest Action, 2003). Sustainability has arisen as a second generation thought in development discourse (ibid). Similarly, Korten (1990) identified sustainability, as a strategy, as a third generation concept; as the previous focus of developmental NGOs was on relief and welfare, and then on community development (ibid).

So far, there have been limited and fragmented attempts to understand lessons and experiences related to CBOs in Nepal. Such attempts are confined to evaluations of a particular project(s) or agency (for example see Sah, 2003; Sharma et al, 2001; Wehnert and Shakya 2001; Subedi, 1999; Pyakurel, 1998; RSDC, 1998a). These studies usually focus on measuring projects' impacts in the short term. Most such studies use management and organisational approaches to evaluate the success and failure of groups or projects. However, by simply focusing on understanding the groups' nature, these studies have largely missed the contextual variations and realities embedded in local social organisations. Furthermore, there have been no studies at a more encompassing level to address growing concerns about the relevance and future of community groups in Nepal, especially, factors associated with the sustainability of the post projects groups. Most recently, a few studies (including the present one) have attempted to measure the prevalence of groups, issues of inclusion or functions

(Adhikari, 2006; Biggs et al, 2004b; UNDP, 2004, 2002; Sah, 2003). However, the sustainability aspect of these groups still remains so far largely unexplored.

Against this background, it is important for both policy and practice to know the nature and level of emergence and sustainability, and to identify factors that explain the success and failure of CBOs.

1.4 Rationale for using the social capital framework

Various studies have shown why understanding the context of social organisations is essential to explain the success and failure of the development activities and institutions. They have shown that some communities perform more successfully in sustaining development efforts/achievements and institutions than others (Bebbington et al., 2006; Bebbington et al, 2004; Pretty, 2003; World bank, 2003b; Krishna and Uphoff, 1999; Uphoff et al., 1998; Bunch and Lopez, 1995; Bagadion and Korten, 1991). Bebbington et al. (2006) found varying level of local capacity and relative success in turning capacity into effective resolution of problems in Indonesia. In the study of Post Project Water Supply schemes in Morocco, the World Bank (2003b) found that where there was social cohesion, water users' associations (WUA) were successful without external support. Similarly, where social cohesion was lacking, the associations were fragile and their management skills weak. Krishna and Uphoff (1999) found that out of 64 study villages in Rajasthan, India, some were very successful in achieving collective actions while others were not. Similarly, Uphoff et al. (1998) found vertically and horizontally connected irrigation groups to be more successful than the isolated groups. In a study of sustainable innovation after project intervention in 112 villages of Honduras and Guatemala, Bunch and Lopez (1995) found that the "best" communities had sustained an increase of yield long after the projects terminated, while others had not. Bagadion and Korten (1991) found a very small percentage of irrigation associations had entered the full turnover stage, while the majority of them still needed external support for system operation.

These examples from earlier studies hint that communities' variation in managing and sustaining community institutions is mainly due to differential endowment of social capital.

Putnam (1993a) found that regional governments in northern Italy have been more effective than those in southern Italy. The reason given for the differential performances is social capital. In his analysis of the dilemma of collective action, Putnam concludes that because of social trust and norms of reciprocity, some communities successfully carry out collective actions, and others fail due to their lack (see section 2.2.5). He argues that voluntary associations generate norms of cooperation and social trust. Pretty (2003) argues that there may be a positive relationship between the maturity of community groups and social capital. He maintains that when groups mature reaching the 'third phase', they are less likely to unravel even though the external agencies have withdrawn. Similarly, Lockwood et al. (2003) found social capital to be an important aspect in the sustainability of post project WUAs.

Based on the above presented review of studies along with the review of literature to be presented in Chapters Two and Five, a set of four generic assumptions regarding social capital vis-à-vis the sustainability of community based organisations have emerged to guide this study as presented below:

- Since the endowment of social capital varies from one village to another, some villages have more successful groups than others.
- Groups as a form of network generate trust and norms of reciprocity which, in turn, are useful to resolve the problems of collective actions.
- Social capital can be induced and sustained through the group process.
- Social capital strengthens with the maturity of groups and it is less likely to reverse, i.e. the more mature the groups are, the more likely they are to be sustainable.

However, evidence (section 2.2.4 of Chapter Two and section 5.2.2 of Chapter Five) also shows that social capital has a downside (social capital entails power and inequalities, and some norms and networks have negative consequences in the larger societies). Therefore it can be argued that:

- If other things remain the same, the sustainability of the groups could depend on the level of social capital in the villages on the one hand, and interactions between social capital and the downside of social capital on the other.
- The external agencies can mediate between social capital and its downside; which may, in turn, determine the sustainability of the groups.

1.5 Objectives and research questions

1.5.1 Research objectives

This research aims to identify the level of emergence and the sustainability of the community based organisations, and to analyse the role of social capital in sustaining them. The implications for policy and practice of the findings will be set out in the conclusions of the thesis.

Specific objectives:

1. To *identify* the level of emergence and sustainability of community based organisations in Nepal and specifically in the study area.
2. To *explore* and *measure* different aspects of social capital (cognitive and structural) and its downside in the study area.
3. To *examine* the relationship of different aspects of social capital including its downside with the functioning of the induced community based organisations.

1.5.2 Research questions

The following research questions are designed in order to help achieve specific research objectives.

Objective 1:

1. How many development groups have emerged so far in Nepal (roughly), and what is the trend of group emergence in the study villages over time?
2. How do people perceive the sustainability of the groups?
3. What is the trend of group sustainability in Nepal and in the study villages?
4. How do the groups' dynamics change over a period of time?

Objective 2:

5. What types of norms and networks have emerged in Nepal based on the historical, socio-cultural and policy setting?
6. What types of group of individuals and institutions exist in the study villages, and to what extent are they perceived to be trustworthy?
7. What types of norms of cooperation and collective actions exist in the study villages and what are their extent?
8. To what extent are rules related to collective actions respected?
9. What types of support networks exist in the study villages, and what is the nature and size of village support networks?
10. What are the levels of density and democratic functioning of various types of groups in the study villages?
11. How are the collective affairs and local public institutions governed in the study villages?
12. To what extent are power and inequality embedded in the level of trust, norms, networks and group process?
13. What types of norms and networks prevail in the study villages that have negative externalities to the wider society?

Objective 3:

14. What aspects of social capital, if any, at village level are associated with the functioning of groups at the study villages?
15. Does the functioning level of groups in the study villages have any relationship with the downside of social capital?
16. How do the successful, moderately successful and unsuccessful groups differ in terms of: leadership, transparency, rule keeping, decision making, linkages, resource mobilisations, agency relations and generating and sustaining social capital in the groups?

1.6 An overview of issues, methods and analytical process

Figure 1.1 presents an overview of issues, methods and the analytical process. Given the increased rate of group inducement, this study focuses on the sustainability aspects of these groups.

Relating the features of social organisations and the nature of governance of collective issues, the study attempts to explain the sustainability of groups in the study villages. A theoretical framework of social capital (by disaggregating the aspects as cognitive and structural, and recognising the downsides) and associated theories of collective action, sustainability and organisational dynamics have been applied. The research has adopted an extensively exploratory process followed by an in-depth study through household interviews. This has been possible by mixing qualitative and quantitative methods; taking multi-units of analysis: household, village and group; and employing group discussion, observation, census, in-depth interviews, and case study techniques.

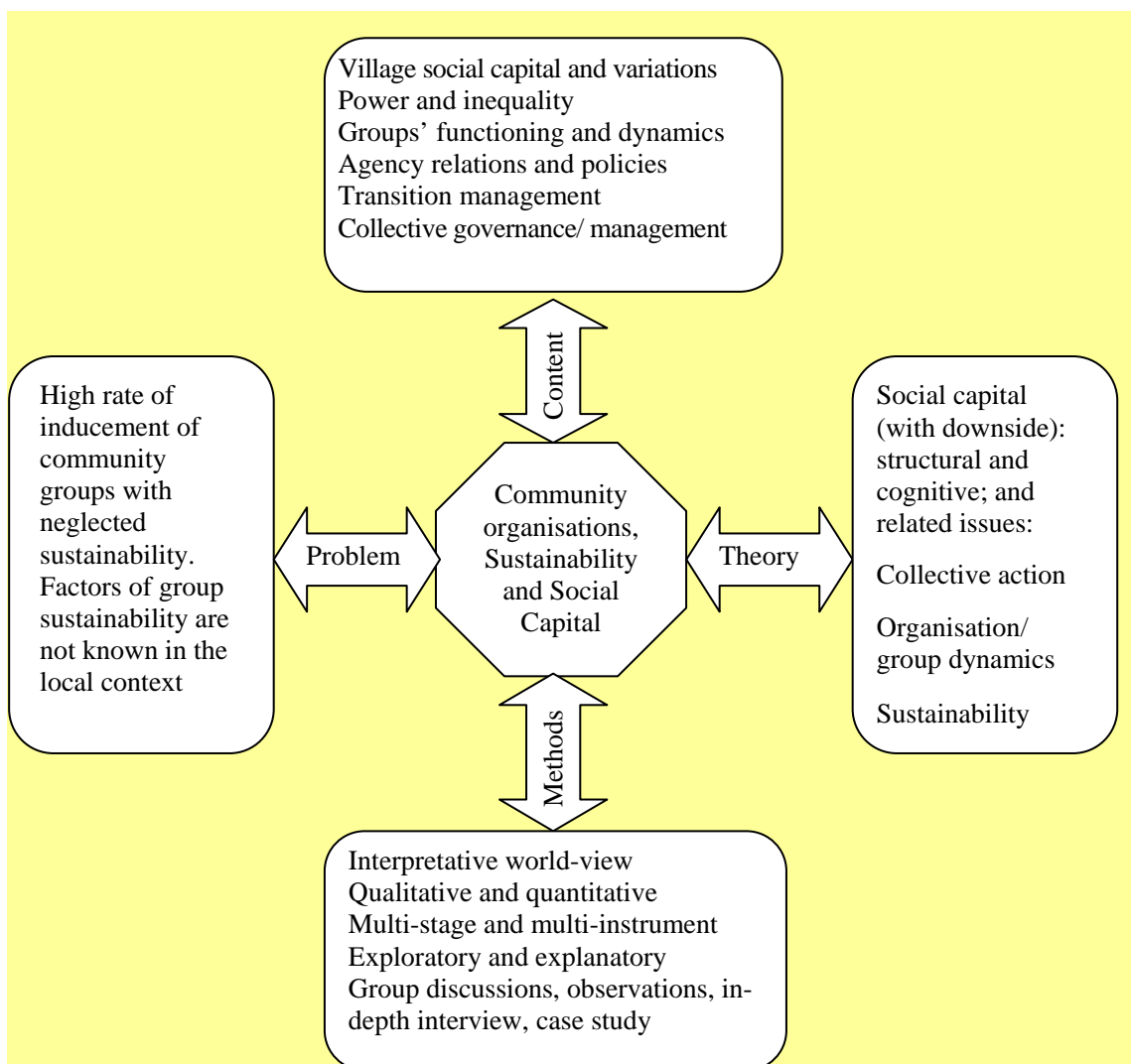


Figure1.1: An overview of issues, methods and analytical process

1.7 Research initiative inspired by my own experience

This research is the product of my sole interest, which is, however, inspired by various individuals, communities and institutions that I have been associated with for many years. Through my childhood socialisation and various roles I performed over 12 years at the community level being associated with the government and non-government agencies, I came across the dynamics of local systems of cooperation, collective actions and community organisations.

Born in a farming family in a village, I socialised myself through various social norms and networks of cooperation in the agrarian settings, and systems of local governance of collective issues. While working as a local multiple development worker and executive secretary of local government units in several villages and districts, I had the opportunity to experience firsthand perspectives of government agencies in interacting with local communities and facilitating or hindering the governance of village collective actions. Interestingly, on the first day in my office, I had to help form an irrigation users' (system construction) committee. Then, forming users' groups and mobilising them became part of my job for several years.

Change of job to an NGO brought me even closer to community groups with a different perspective. Coincidentally, on the first day of this job, I was assigned with a task to design NGOs' and Cooperatives' organisational frameworks, and to draft sample constitutions so that hundreds of community groups formed by the NGO in the previous 10 years could be 'handed over' to the local people. During this process, it was found that many groups, which had effectively performed multiple activities of collective concerns in the initial phase, were barely meeting, and only for savings and credit activity by the time of phasing out. Many previously celebrated groups were already dormant. I was curious to know why some groups were performing better than others when equally supported and facilitated by the same project/agency. Within a year of the pilot phase, we managed to federate community groups and register eight cooperatives. These groups were among the oldest community groups in Nepal and these cooperatives are one of the oldest cooperatives of this kind (RSDC, 1998a). Later on, this system turned out to be a model and was replicated in 269 Village Development

Committees (VDC) and one Municipality of 12 districts/projects, forming 173 cooperatives of 1848 groups involving 45,420 members by July 2006.

I got another opportunity to work in the *Terai* region which is socio-culturally and ecologically different from the hills, where I worked previously. As a project coordinator, my job was to help form and nurture groups for an integrated community development programme. Our work became popular in a short period of time and it became the focus of the media: a documentary on our project was televised by the national channel and my interview was aired in a radio programme. In part, this was due to our own publicity. Despite this 'success', under similar circumstances, some groups continuously carried-out their activities after the termination of the project but some others could not. These contradictory experiences led me to study the factors responsible for the success or failure of the groups.

In sum, these experiences motivated me to have a greater understanding of the development dynamics of collective actions, CBOs and their sustainability, which made this study possible.

1.8 Structure of the thesis

This thesis is divided into nine chapters. The structure of the thesis is presented as follows.

Chapter Two reviews the theoretical and conceptual issues that underpin this study: with a primary, critical focus on social capital perspectives in order to discuss the sustainability of groups. Other associated concepts, such as collective action, sustainability and organisational development are also reviewed.

Chapter Three examines the historical, socio-cultural and policy settings of Nepal and explores the various types of norms and networks which have emerged from this context. It attempts to present the state of social capital in Nepal and the extent of prevalence of development groups.

Chapter Four describes the methodology of the research. It clarifies the rationale for combining qualitative and quantitative method, adopting exploratory research followed by an in-depth study; and the choice of field and selection of villages, households and groups for the study under the condition of insurgency and counter insurgency. It identifies the risks, and strategies employed to enhance the rigor of the study.

Chapter Five reviews methodological literature on social capital; operationalises the concept at the local context; explores and maps aspects of social capital; analyses these through individual as well as village parameters; and finally examines the relationships between the functioning of groups with various aspects of social capital at the village level.

Chapter Six presents qualitative information to build on the findings presented in Chapter Five. It explores and examines the nature of governance of collective affairs and local public institutions. It then explores the downside of social capital in the study villages.

Chapter Seven analyses the diversity of groups, draws a level of group emergence and sustainability, and the nature and dynamics of groups. It then compares various issues of governance and management in successful, moderately successful and unsuccessful induced groups. With the same criteria, it further analyses the formation and sustaining of social capital in the groups, and the role of agencies. It further presents brief analysis of cases on agencies' efforts on promoting social capital and sustainability.

Chapter Eight integrates the findings with the theories and discusses important developments of the research related to the sustainability of the groups in terms of social capital, the downside of social capital, agencies and collective actions.

Finally, Chapter Nine concludes the thesis with highlights of the knowledge contribution of the study, and implications for policy, practice and further research.

Chapter Two

A Theoretical and Conceptual Review of Social Capital, and Community Organisations and Sustainability

2.1 Introduction

The aim of this chapter is to review concepts and theories that underpin the present study. While there are various perspectives on studying the sustainability issue of community based organisations, this study applies a social capital framework, which, thus, delimits the focus of the review of literature to the concepts and theories of social capital and community organisations. Furthermore, issues forming a part of the conceptual framework of the study are also briefly reviewed, namely: power, collective action and sustainability. The chapter has been divided into two major parts: the first part presents issues related to social capital and the second part presents issues related to (induced) community based organisations. In the first part, section 2.2 reviews the evolution of social capital and debates on capital before presenting the definitions of social capital. The section then presents analytical aspects of social capital; downside of social capital; and dilemma of collective action and social capital. The second part (section 2.3) reviews the evolution and typologies of community organisations and various issues regarding their sustainability.

2.2 Social capital

Recently, social capital has received unprecedented focus in the debates on development: a number of research studies have been carried out surrounding this issue (Carroll, 2001). This section briefly presents a review of materials on evolution, definition, the downside and disaggregated analysis of social capital, and on collective action. As a form of networks and a part of structural social capital, a review of literature on community organisations is presented in another section.

2.2.1 Genesis and evolution

Is social capital ‘the old wine in a new bottle’? Or is it ‘new wine in a new bottle’? The application of social capital can be traced as far back as to the origin of human

civilisation. In the primitive era, people worked collectively in order to share food and shelter. They established shared norms in order to generate resources and protect themselves from enemies.

It is not clear who first used the term “social capital” (DeFilippis, 2001:782). Its roots go at least as far back as deTocqueville’s associational activity (1835) and Durkheim’s social density (1893) (Eberts and Scott, 2003:2). Social capital can also be connected to Marx’s capital theory (1867). According to MacGillivray and Walker (2000:197) one early mention of the term social capital was in Lyda Judson Hanifan's (1916) discussions of The Community Centre. Hanifan was particularly concerned with the cultivation of goodwill, fellowship, sympathy and social intercourse among those that 'make up a social unit' (Smith, 2001).

It has taken some time for the term to come into widespread usage. Social capital has made its headway in development within the last two decades. The book “Making Democracy Work: Civic Traditions in Modern Italy (1993a)” by Robert D. Putnam with Robert Leonardi and Raffaella Y. Nanetti has been a milestone of this upsurge. This book brought the concept of social capital to the centre of development debates (Pantoja, 1999) and the research and policy discussion (Smith, 2001). However, there have been other earlier notable contributions. Among them are Jane Jacobs (1961), Pierre Bourdieu (1986), and James S. Coleman (1988).

Now, social capital theory has been picked up in the field of development practice by many development agencies and national governments. Particularly, the concept seems to provide attractive promises both to neo-liberal rights who are still sceptical about the role of state and to those committed to ideas about participation and grassroots empowerment (Harriss and Renzio, 1997). As ‘the missing link’ (Grootaert, 1998) and a ‘development imperative’, it has become ‘critical for poverty alleviation and economic and societal development’ in the World Bank’s policies (Eade, 2003:1). Similarly, management experts have regarded it as a way of thinking about organizational development and maintenance (Cohen and Prusak, 2001). Social capital has been perceived as an antidote to almost all maladies in communities, poor and rich alike, and has been connected to almost every sector of development.

Despite these applications and usefulness, the concept of social capital remains vague and highly contestable (Fine, 2001:175). “By and large, it is still perceived as a black box by most development theorists and practitioners and has tended to serve the functions of a convenient, if embarrassingly large, residual category” (NESAC, 1998:163).

2.2.1.1 Debates surrounding the capital metaphor

Social capital as one of the neo-capital theories represents diverging views, perspectives, and expectations (Lin, 2001). However, the use of the capital metaphor has been a contentious issue. Capital originally being an economic term, one might legitimately question whether it is being stretched to an extreme where it now makes little sense (Angelsen and Wunder, 2003:5). Therefore, a brief review of various theories of capital could be useful before defining social capital.

The theory of capital can be traced back to Karl Marx’s classical theory of capitalism originally presented in his book *Capital (Das Kapital)* in 1867. To Marx, capital is generated through relations between the capitalist and the labourer. Capitalists own, control and invest resources for the production and circulation of commodities in the market, in every step of which the value of the commodities exceeds its value in the preceding step (Lin, 2001). Labour, which is regarded as a means of production, gets no more returns from the surplus value than what is needed for subsistence (socially necessary labour) making class mobility impossible (Freedman, 1968). This ensures the low cost of production, and thus, higher surplus value. This return or surplus value becomes *capital* (Foley, 1986). Capitalists continue this process (Martinussen, 1997). In summary, Marx’s version of capital, as interpreted by Lin (2001:7): involves processes; is intimately associated with the production and exchange of commodities; is an added value (surplus value) which is captured at different stages, and is intrinsically a social notion.

Following Marx’s theory of capital, new theories of capital have emerged. Among subsequently dominating neo-classical theories are human capital, cultural capital and social capital (Lin, 2001).

The notion of human capital has been linked originally to Adam Smith (1937), and subsequently to Theodore W. Schultz (1961), who presented it systematically, and to

Becker (1964) who presented it in relation to education. Though human capital, makes assumptions about capital, which are essentially similar to classical capital in that both involve an investment of resources in production to generate surplus value, it differs on the position of labourers. With acquired skills and knowledge, the labourers can enhance the surplus value of the commodity in production and circulation processes, which enables them to demand returns greater than the socially necessary costs and, thereby, to shift in their class position across the many grades of classes (as opposed to the two class system) (Lin, 2001). Labourers can do this by bringing with them human capital, which is acquired through training, education, experience, good health, migration, etc. Unlike classical capital, human capital theory also assumes that the decisions of investment in the acquisition of skills and knowledge remain solely in the free will of labourers.

Pierre Bourdieu, a French sociologist, conceptualised cultural capital as a distinct alternative to human capital (Lin, 2001). Bourdieu and Passeron (1977), who define culture as symbolism and meaning, argue that social reproduction is the imposition of “symbolic violence” by the dominant class. Through pedagogic action they impose their culture and values on the next generation, who misrecognise them as being universal and objective culture and values (Bourdieu, 1986, 1990). This is transferred in families and informal groups and through formal educational systems and training, where it is reinforced through reward systems in the labour market. In this subordination process, the cultural judgement of the dominant becomes cultural capital (Baron et al., 2000). Bourdieu, therefore, relates capital to power.

Table 2.1 presents an analytical summary of the different capital theories showing some similarities and dissimilarities based on different parameters of comparisons. These theories, in common, suggest that capital is processed through production and exchanges (Lin, 2001), generating a value, which is incremental in every succeeding stage. In other words, capital can be regarded as comprising two essential elements: funds and flow (Uphoff 2000; Krishna and Uphoff, 1999). First, there should be some stock or fund, which is invested in order to obtain a stream or flow of benefits. It may be the investment of resources or skills and knowledge or norms and values for flow of individual economic gains or reproduction of the dominant culture. According to Lin (2001:3), social capital is “investment of resources with expected returns in the market

place”. Halpern (2005) argues that social capital has elements of capital as we might be able to substitute, differently invest in or even trade social capital, at least to an extent.

Table 2.1: Summary of comparison between capital theories.

| Comparative factors | Classical capital | Neo-classical Human capital | Neo-classical Cultural capital |
|--------------------------------|--|--|---|
| Fundamental concept of capital | Surplus value of investment of resources in production and exchanges | Surplus value of investment of resources in production and exchanges | Surplus value of investment of resources in production and exchanges |
| Units of explanation | Macro analytic level | Micro analytic level | Macro –micro |
| Choice resides | With capitalists. Labourers are interchangeable components of production system with no choice but to provide labour in exchange for a subsistence livelihood. | With labourers. They are actors and have choice to decide how much to invest in skills and knowledge, which they can sell to the producers for larger surplus value. | Mainly with dominant class. Individual’s prospects of having choices are severely constrained by different structural issues. |
| Class mobility | Two class system: Impossible | Possible among various grades of classes. | Can be possible but difficult |

Source: Adapted from Lin (2001)

Because capital has an economic origin, it has often been judged from the aspect of ‘methodological individualism’ and ‘market perfection’ (Fine, 2001:16). The theory of social capital expands from the individual perspective to a collective perspective in which social relations are key to the production of surplus value, which is accumulated by a group of people and, thus, is shared among them. For some economists, moving capital from its principles is to distort its meaning. However, it has been argued that capital means more than economic matter; non-economic issues also have economic consequences (Pretty, 2002). On the other hand, to some socialists, including Fine (2001) and Harriss (2002), merging the term social with capital is to economize the term and lose its meaning. Halpern (2005) argues that these mutual suspicions among disciplines should be taken as a good sign as the debate on social capital forces them towards more realistic common ground.

In the following section, major definitions of social capital are examined.

2.2.2 Defining social capital

The literature on social capital is vast and presents several definitions. The development of the concept of social capital in bringing the concept into the theoretical debate has been credited to three main authors: Bourdieu, Coleman and Putnam (Baron et al.,

2000). Their definitions of social capital are discussed below following that of Glen Loury.

Glen Loury (1977) introduced social capital through a critique of neoclassical theories of racial income inequality (Portes, 1998:2). He argued that an individual's achievement is determined by the social context of the individual. According to him, "...It may be thus useful to employ a concept "social capital" to represent the consequence of social positions in facilitating acquisition of standard human capital characteristics" (Loury 1977:176).

Bourdieu, presented above in the discussion regarding cultural capital, made a significant contribution to the study of social capital even though this has been 'underused in the literature' (DeFilippis, 2001:783; Fine, 2001:53). Bourdieu defines social capital as follows:

Social capital is the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalised relationships of mutual acquaintance and recognition (Bourdieu, 1986: 251).

According to Bourdieu, "The volume of social capital possessed by a given agent... depends on the size of the network of connections that he can effectively mobilise" (ibid: 249). He argues that power and conflict are the inherent elements of social relations (Siisiäinen, 2000). This is because society itself represents a plurality of social fields, and possession of various forms of capital (economic, cultural and social) defines the positions and possibilities of various actors in any of these fields (Bourdieu and Wacquant, 1992).

Another influential definition of social capital comes from the sociologist James Coleman, who is interested in the role of social capital in the creation of human capital and educational outcomes (Narayan and Cassidy, 2001:1). It has been a significant step towards evolution and proliferation of the idea of social capital (Portes, 1998:5). In his functional definition of social capital, he compares it with other capitals. According to Coleman:

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 structures, and they facilitate certain actions of individuals who are within that structure.

Like other forms of capital, social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence. Like physical capital and human capital, social capital is not completely fungible, but is fungible with respect to certain activities. A given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others. (1988:96)

Coleman (over)emphasised the importance of close or dense social ties (Portes, 1998), and speculated that the decline of family, a ‘primordial’ domain of social organisation, may entail an erosion of the social capital on which the function of society depends (Baron et. al, 2000). Coleman’s definition covers many things such as different sets of actions, outcomes or relations as social capital. Social capital is normatively and morally neutral; it provides resources for action to take place without regard to desirable or undesirable outcomes (Coleman, 2000).

Although with the above definitions and treatments social capital has entered the sociological debate, it is Robert Putman who has thoroughly redefined the concept of social capital and has influenced development studies (DeFilippis, 2001:884).

According to Putnam (1995:67), “social capital refers to features of social organization, such as networks, norms, and trust that facilitate coordination and cooperation for mutual benefit”. He sees social capital as a distinct form of ‘public good’ that has an effect on economic and political performance at regional and national level (Putnam, 1993a, 1993b). He emphasizes that people’s participation in associational life results in better services and effective public institutions (ibid). Unlike human capital in which emphasis is given to an individual’s properties, Putnam sees social capital rather as connections among individuals- social networks and norms of reciprocity and trustworthiness that arise from them (Putnam, 2000). Social capital keeps sense in “civic virtue” embedded in a network of reciprocal relations, whereas a society with many virtuous but isolated individuals is not necessarily rich in social capital (Putnam ibid:19).

The above discussion suggests that the intrinsic character of social capital is ‘relational’ (Narayan and Cassidy, 2001; Portes, 1998). Depending upon the focus of relations an actor maintains with other actors or the relations characterising the internal structure of an organisation, these definitions fall into two broad types. The first group (common among sociologists such as Bourdieu, Coleman, Burt, Lin) focuses primarily on social

capital as a resource, facilitating action by an actor. This means that the resources of social capital, which are ingrained in the social network, tie actor to other actors. The second group (common among political scientists and developmental economists such as Putnam, Fukuyama) focuses mainly on social capital as a feature of the internal linkages that characterise the structures of collective actors, like organisations, giving them coordinated benefits.

To conclude this section, a comparison of major issues and the views of three “seminal authors” (Baron et al., 2000) has been presented below (table 2.2).

Table 2.2: Conceptual comparisons of social capital definitions

| Variables | Coleman | Bourdieu | Putnam |
|---------------------------|--|----------------------------------|--|
| Embedded | In people’s social relationships (not in particular persons) | Network of membership group | Possessed by individuals or group of people, cities, and nations. It is a ‘public good’ |
| Sources of social capital | Vague; includes voluntary organisations as one of them | Social values and culture | Specialises on trust based voluntary associations as the constituents of civil society and source of social capital. |
| Value | Normatively neutral thing | Is not good to everyone | Has dark side, but the balance is positive. |
| Purposes of defining | To secure human capital | To secure economic capital | To secure effective democracy and economy, and resolve dilemma of collective actions |
| Units of analysis | Individuals in family and community settings | Individuals in class competition | Regions in national settings (collective/community level) |

Source: Adapted from Winter (2000)

The above discussion on the concept of social capital shows some similarities and some differences. Mainly, the difference in the work of Bourdieu, Coleman and Putnam lies in the application of the concept of social capital to understanding different types of collective action: they pitch their analyses at different social scales (Winter, 2000). Consensual among them is the view that it is the ‘interacting members’ who make the maintenance and reproduction of the social assets possible (Lin 2001). They all focus on networks and relationship as the resource, but they each conceive of it in different ways (Field, 2003).

2.2.3 Analytical framework of social capital

Fine (2001) argues that the literature of social capital is evolving and expanding. On the one hand, social capital becomes a “dumping ground” for synthesis across the social sciences; on the other, its inclusive and extendable frontiers make it more adaptable to

critics (ibid: 19). According to Uphoff (2000:242), it is due to the fairly common trend in social science literature to approach complex issues in a rather descriptive manner. According to him, Coleman and Putnam, who have contributed to the conceptualisation of social capital, also have used the terms norms, trust, network, and structures descriptively, rather than analytically. Organising factors constituting social capital and categorising them analytically makes the subject concrete, easy to study, more amenable to theoretical progress as well as measurement and evaluation (Uphoff, 2000:220).

Applying a “conceptual subordination approach” (Krishna and Uphoff, 1999:6), Uphoff (2000) presents an analytical disaggregated framework. He categorises social capital (summarised in the table 2.3 below) elements into two distinct yet sometimes overlapping categories: structural and cognitive (Uphoff, 2000:240-242). This rendition of social capital is useful to the analysis of the interface between community groups as the structure of cooperation, and cognitive aspects of social capital governing collective actions in these groups.

Table 2.3: Analytical breakdown of the aspects of social capital

| Level | Structural | Cognitive: Norms, values, attitudes and beliefs involve in each of the following |
|-----------|---|---|
| Primary | Roles (in/formal) and Rules (im/explicit) | Orientation towards others |
| | <ul style="list-style-type: none"> • <i>Decision making</i> • <i>Resource mobilisation and management</i> | <ul style="list-style-type: none"> • <i>Trust/reciprocation</i> • <i>Solidarity</i> |
| | <ul style="list-style-type: none"> • <i>Communication and coordination</i> • <i>Conflict resolution</i> | Orientation towards action |
| | Social relationship- networks | <ul style="list-style-type: none"> • <i>Cooperation</i> • <i>Generosity</i> |
| Secondary | Procedure | Honesty, egalitarianism, fairness, participation, democratic governance, and concern for the future. |
| | Precedence | |

Source: Uphoff (2000: 240-242).

In this breakdown, under the structural social capital are roles, rules, procedures and precedents as well as networks that facilitate “mutually beneficial collective actions.” Similarly, under cognitive social capital are the norms, values, attitudes and beliefs which create and reinforce the positive interdependence of utility functions and that support “mutually beneficial collective actions” (ibid: 241). Krishna (2000) identifies structural and cognitive aspects of social capital as institutional and relational capital respectively. He further explains the cognitive dimension as culture and the structural dimension as formal rules.

Other writers have treated the components of social capital variously. Stone (2001:7) identifies three major components of social capital: networks, trusts and reciprocity; whereas, Baron et al. (2000) after reviewing the ‘seminal’ works of Bourdieu, Coleman and Putnam, find trust and network to be the two definitive aspects of social capital. According to them, norms and obligation are too frequently used and are general and rhetorical- difficult to encompass in social theory. Halpern (2005), on the other hand, adds sanctions, keeps norms and leaves trust in his three components of social capital, making it a set of networks, norms and sanctions. However, Pretty (2002) categorises the aspects of social capital into four major categories: trust; reciprocity and exchanges; common rules, norms and sanctions; and networks and groups. Each of the sub-components of social capital, which either creates a structure for or predisposes individuals to act and cooperate, is important for sustainable development (Pretty, 2002:48). The major components are categorically explained below, and they are further reviewed in Chapter Five in order to operationalise the measurement of social capital in the local context.

2.2.3.1 Trust

Trust is one important aspect in relationships among actors that lubricates cooperation and collective action (Putnam, 1993a, 2000). Trusting somebody to act in an expected way helps reduce cost and time. Trusting others engenders reciprocal effects, creating network of obligation and cooperation (Pretty, 2003). Trust can be categorised in two ways: trusting those whom we know because people belong to the same networks, and trusting others whom we do not know (outside the network). The latter arises because of confidence in the known social structure and shared thinking (ibid). The second type is known as ‘generalised trust’. Impersonal trust that is based on a structured relationship is known as institutional trust (Fox, 1974). Generalised or institutional trust is very important for mainstreaming cleavages created through ethnicity, caste and gender divisions. It is vital for establishing linkages on the horizontal and vertical lines and accessing resources. Trust is very fragile because it is difficult and time taking to build, but is quick and easy to dismantle (Fukuyama, 1995).

2.2.3.2 Common norms, reciprocity and sanctions

Social trust arises from norms of reciprocity (Putnam, 1993a). People do invest in collective action with the belief that others also will behave in the same way, abiding by

the same principles. Parties in a relationship are ensured of their rights and responsibilities that not conforming to the ascribed norms leads to a punitive action. Therefore, shared norms help facilitate collective action, and they are sustained through sanctions. According to Pretty (2002:49) for Taylor (1982) norms are the rules of the game; for Coleman (1990) internal morality or external rewards for selfless acts (1998) and for Elster (1989) the cement of society. Principally normative orientations are very productive values; the absence of which results in destructive conflict, insecurity and lack of sharing. However, both prescriptive and deviant norms may have positive as well as harmful effects (Coleman, 2000; Merton, 1968).

There has been a recent shift in Putnam's work from trust to norms of reciprocity (Baron, et al., 2000). Putnam (2000) explains that "generalised reciprocity" is a 'touch stone' of social capital. People in close relationships reciprocate immediately with simultaneous exchange of things or services with equal value or they continue to exchange in the relationship and take a longer period to balance the value in exchanges (Putnam, 1993a). According to him, the first type of reciprocity is specific or balanced reciprocity and the latter is diffuse or generalised reciprocity. Sustainable development depends on the long-term productive exchange of resources and their mobilisation and investment (Pretty, 2002:49).

2.2.3.3 Networks and groups

Putnam (1993a) argues that social trust can also arise from networks of civic engagement. According to him, networks of civic engagement represent intense interactions, and thus, form an essential form of social capital. A network involves the 'structural' elements of social capital (Uphoff, 2000; Foley and Edwards, 1999). People's connections at the grassroots are manifested through different types of groups, such as: savings and credit groups, forest users' groups, literary societies, local developmental groups (Pretty, 2003), neighbourhood associations, choral societies, cooperatives, sports clubs, mass based parties (Putnam, 1993a). A network is based on relational ties and serves as a channel for the flow of material and non-material resources within it (Baron, et al, 2000). For example, people connect with each other for exchanging information regarding the market, to borrow money, or to manage common goods or collective action. According to Pretty (2002:50), the connectedness can be observed in five different contexts: local connections; local-local connections; local -

external connections; external connections and external-external connections. Putnam (1993a) categorises networks as horizontal and vertical, where the former can generate and sustain more social trust and cooperation than the latter. However, vertical connections (with government institutions) are equally important (Woolcock, 2001).

Pretty (2002) draws three important conclusions from his analysis: a) the more linkages the better; b) two way relations are better than one way; and c) linkages that are subject to regular revision will be more suited to current conditions and needs than historically-embedded ones.

2.2.3.4 Bonding, bridging and linking social capital

Originally, Putnam's rendition of social capital was very narrow as it emphasised the horizontal relationship (DeFilippis, 2001). He later (1998) expanded his ideas from relationships between likeminded people to connections and interaction between heterogeneous groups (ibid). Based on connections at different levels, social capital has been presented as bonding, bridging and linking. According to Woolcock and Sweetser, (2002) bonding social capital refers to connections to people like you (family, relatives, kinship); bridging social capital refers to connections to people who are not like you in some demographic sense; and linking social capital involves connections to people in power, whether they are in politically or financially influential positions. Linking social capital also includes vertical connection to formal institutions (Woolcock, 2001, Mayoux, 2001). Bonding social capital is about the relationship with homogeneous group and bridging social capital tends to bring people across social division (Field, 2003; ONS, 2001). Bonding and bridging social capital have resonance with Granovetter's (1983) ideas of 'strong ties' and 'weak ties'.

Communities with strong ties, based on the close circle of family, clan, kinship, caste and ethnicity, etc. create cleavages, which sometimes create interlocking difficulties in their upward movement. According to Narayan and Cassidy (2001), a good infrastructure does not result in production opportunities in homogeneous or poor groups unless they have a relation with outside influential groups. Similarly, a cross cutting connection of micro and macro levels is necessary for high social capital along with density of organisations (Woolcock, 1998).

Based on the foregoing discussions, what can be concluded is that a combination of multiple types of social capital, rather than attempting to increase the quantity of social capital at a certain level, can be useful in resolving public problems and enhancing well being (Woolcock and Sweetser, 2002; Pretty, 2002). This supports Krishna's (2000:79) argument that high social capital, which is the yield of the interface between strong institutional capital (structure) and strong relational capital (cognitive), is the reason behind successful groups, for example, various groups that he studied in India. This shows that balance between social capital components as well as a high-level of social capital is likely to enhance the effectiveness and sustainability of groups.

2.2.4 Downside: power, inequality and 'perverse' social capital

In this section, general criticisms of the concept of social capital, issues of power and inequalities and perverse consequences of social capital are discussed.

2.2.4.1 Critical aspects of the concept of social capital

Both the proponents and critics of social capital have acknowledged, to different degrees, that social capital also has a downside (Baron, et al., 2000). Despite the highly positive emphasis and diverse application of the concept as a positive sum game in which all can gain (Fine, 2001:123), the concept of social capital has invited some criticisms. The critics argue that the "bright sides" of social capital have been exaggerated due to an "optimistic bias" (Gargiulo and Benassi, 1997, 1999) or "positive bias". Social capital has been criticised for being promoted to serve the neo-liberal interests and for its counter position to political economy. One major source of criticism of social capital by academics, mainly, for example, by John Harriss and Ben Fine, is the World Bank's involvement in over popularising the concept (Bebbington, 2004). Englebert (2000) argues that even though the World Bank's efforts to over popularise the concept may be genuine in terms of its meaning, it is mainly intended to cover up the failures of neo-liberal path. As stated earlier (section 2.2.1) social capital has been seen as an aspect of economics' colonisation of other disciplines which now seeks to explain the social on the basis of the individual (Fine, 1999). Now that the concept is being used to mask the failures of the World Bank's neo-liberal agenda (Englebert, 2000); it is emphasised to deliberately promote the idea of civil society, underplay the role of state (Harriss, 2002), undermine the role of class, power and politics and serve

the interests of the conservatives (Harriss, 2001), making the concept severely misconceived as a precondition for good governance (Harriss and Renzio, 1997). Harriss and Renzio (1997) further argue that the features of social organisations such as networks, norms and trust that facilitate coordination and cooperation are actually powerfully influenced by political institutions, including state institutions. They argue that recognition of class politics as well as social differentiations between various types of organisations is important. Before moving to the negative aspects of the concepts, the criticisms of social capital, including those presented above, mainly based on Putnam's concept of social capital, are listed below.

- *A bad metaphor?* The criticisms whether social capital is a form of capital or a bad metaphor has been already discussed in section 2.2.1.1.
- *Contradictory interpretations:* In the Italian case Putnam argued that once civic virtues are in place they are stable for centuries, whereas in the American case he claimed that civic ness has declined with the decline of some voluntary associations in 40 years (Lemann, 1996). Similarly, the prosperity of northern Italy has been attributed to its civic past, but the rise of the fascist interlude under the authority of Mussolini in the same civic Italy in the 20th century has been neglected (Putzel, 1997: 943).
- *Lack of uniformity in meaning and use:* The concept of social capital has been used in so many different ways and contexts that it is losing distinct meaning (Quibria, 2003; NESAC, 1998; Portes and Landolt, 1996).
- *Have circular reasoning:* It facilitates circular reasoning by treating the same traits of social capital both as the causes and results. It is tautological as it assumes that if a person was successful then they must have had lots of social capital; if they were unsuccessful they must have little social capital (Portes and Landolt, 1996).
- *Measurement problem:* The quality of informal social relations which is as much important as the group membership and activity is hard to quantify (Galston, 1996). Furthermore, despite the proliferation of the studies on social capital, a significant body of empirical works in this area remains mired in serious measurement and estimation problems (Quibria, 2003).

- *Lopsided presentation*: The literature on social capital focuses largely on its positive consequences, neglecting the bad ones (Portes and Landolt, 1996). It has been often presented as a “win-win” set of ideas (DeFilippis, 2001).

2.2.4.2 *Downside of social capital*

Portes (1998:18) argues that “Sociability cuts both ways”. There is not only the positive or bright side of social capital; it also has a negative or dark side. This negative side has been coined in various ways, such as: “anti-social capital” (Lemann, 1996), “perverse social capital” (Field, 2003; Fine, 2001), “negative social capital” (Field, 2003), “downside” of social capital (Field, 2003; World Bank (Homepage); Portes and Landolt, 1996), negative implications/ effects/aspects of social capital (Fine, 2001; Portes and Landolt, 1996), “public bads” (Portes and Landolt, 1996), “dark side” of social capital (Field, 2003; Putnam, 2000; Putzel, 1997; Gargiulo and Benassai, 1999).

Field (2003:71) explains the negative consequences of social capital in two respects: a) it has the possibility of reinforcing inequality; and b) it may play a part in supporting antisocial behaviour. The first consequence is attributed to power asymmetry, inequality and conflict whereas the second to “perverse social capital” (the intended or unintended negative externalities to wider community of some social networks).

a) *Power and inequality in social capital*

Field (2003:75) argues that “It is possible to see social capital as both an asset in its own right that is unequally distributed and as a mechanism that can promote further inequality”. The followings are some downsides of social capital related to power and inequality and mainly drawn on Portes and Landolt (1996).

- **Exclusion**: The same strong ties that help members of a group often enable it to exclude outsiders.
- **Restrictions on individual freedom**: When the membership in a community provides help when needed, it also demands conformity, thus restricting on the individual freedoms.
- **May undermine business and other initiatives**: As a result of restriction on individuals’ freedom, the members of a given group have to follow the steps of the fellow members. Non members may be restricted to enter a business.

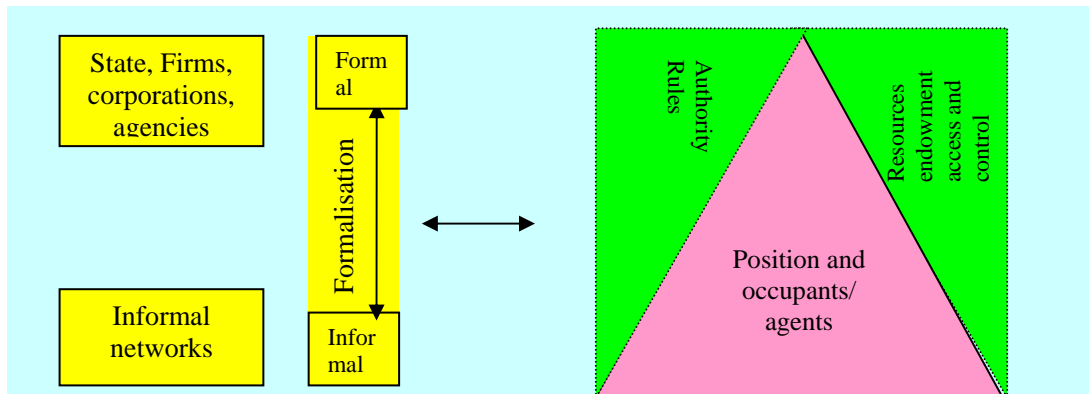
- Downward levelling pressures: Social capital promotes inequality by levelling down in opposition to attempted entry to mainstream. This also prevents acquiring human capital. When group solidarity is cemented by shared experience of adversity and opposition to mainstream society, then individual members will be discouraged to leave the group and join the enemy. It discourages meritocracy and increases dependence.
- Social capital does not necessarily open up financial capital: The member of the poor ethnic groups often lack linkage outside their strong ties. Even if they cooperate with each other, they have little resources to draw from their networks.
- Reinforcing and sustaining inequality: Disadvantaged people may be engaged enough but their engagement is mostly with the people like them that hardly helps to improve the situation. Sometimes intra-ethnicity high social capital (strong ethnic networks) may bar ethnic integration and, thereby, help to promote racial inequalities (Field, 2003).

One central proposition of social capital theory is that networks of relationships constitute a valuable resource for the conduct of social affairs, providing their members with "the collectively-owned capital", a 'credential' that entitles them to 'credit', in various senses of the word (Bourdieu, 1986: 249). Much of this capital is embedded within networks of mutual acquaintance and recognition. However, access to social capital as the resources available due to the membership of a network depends more on power position, and location of the members. According to Portes and Landolt (1996) and Field (2003), due to power and inequality:

- social capital may sustain privilege and underpin disadvantage.
- people may spend social capital at the expense of others.
- powerful people can undermine the social capital of less powerful groups.

According to Lin (2001) the macro-structure of resources is hierarchical: that is, composed of positions, authority, rules and agents where access and control of resources is connected to the authority, a form of power. In a hierarchy, the occupants of higher positions use the positional chain of command of power and authority to dictate, impose and interpret rules and procedures and to allocate resources to those in a lower position. In terms of embedded ness of resources, the hierarchical structure in

general is assumed to be a pyramidal shape: the higher the level in the command chain, the fewer the number of positions and occupants, and the higher level of the positions of occupants, the more command of absolute and relative amount of resources and information on location of them and vice versa (Lin, 2001: 33-38). Figure 2.1 illustrates the concept of social structure in terms of power position, relative access and control over resources and information and endowment of resources.



Source: Compilation based on Lin (2001:33-38)

Figure 2.1: Continuum of social structure and resources possession

b. perverse effects of social capital

As social capital facilitates coordination and cooperation for the mutual benefit of the members of the network (Putnam 1993a), by the same token, some social norms and networks facilitating cooperation may have harmful consequences for the larger society. Though some forms of networks of cooperation that produce negative consequences are non-intentional, others, for example, criminal gangs, drug networks, terrorist networks, etc., intentionally produce antisocial implications (Field, 2003). The negative impact of social capital embedded in powerful, tightly knit social groups, not accountable to citizens at large, is evidenced, for example, in corruption, patronage and cronyism in political and government institutions (Narayan and Cassidy, 2001; Mayoux, 2001; World Bank, 1997).

2.2.4.3 Balance

Putnam and Coleman are criticised for underplaying the importance of power and inequality and Bourdieu for underplaying the importance of social capital to disadvantaged groups (Field, 2003: 40). Putnam (2000) attempted to acknowledge the downside of social capital, by devoting a full chapter of his book to the dark side of social capital. Putnam (2000:21-22) argues that “just like other forms of capital, social capital

can be directed for malevolent purposes”. But social capital is likely to produce more negative externalities than the other two (physical and human capital) “because group solidarity in human communities is often purchased at the price of hostility towards out-group members” (Fukuyama, 2001:8). Despite a few criticisms, social capital is inherently good and dark side is overwhelmingly outweighed by benefits (Putnam, 2002). Even though too much social capital may cause distortions on policies, it is far better; not having any is far worse (Fukuyama, 2001).

Despite the legitimacy of some criticisms of the concept of social capital, they are overstated (Bebbington, 2004). On the other hand some critics who argue for political economy and class politics fail to offer alternative development strategies while the outcome of these strategies have often been patchy (Bebbington, 2004). Harriss (2001) admits that the term ‘social capital’ has meaning as it refers to resources which are inherent within certain social relationships. Though it may have been picked up to serve the neo-liberal interests, it has equally been picked up by those engaged in participation and grassroots empowerment (Harriss and Ranzio, 1997). No doubt social capital cannot explain all things, but it is helpful in providing a more grounded micro sociological explanation of various issues that the macro structural theories alone cannot (Bebbington, 2004). Social capital can be converged with many theories and it is not in a counter position to political economy; rather they can be brought together (Bebbington, 2002).

The above discussion together with the review of literature in section 2.2.5 showing the role of social capital in the resolution of the dilemma of collective action helps us to conclude that it can be a useful framework when the concept is taken cautiously by also recognising the issues of downside of social capital, mainly power and inequalities, as discussed above. The above discussion has also clearly signalled that social capital should not, therefore, be taken for granted always as a ‘good’ thing for the development of communities. Pantoja (1999) confirms this by his study of social capital in community development programmes in India. He maintains:

It would indeed be limiting to approach social capital by focusing exclusively on associational membership and norms of reciprocity and trust and by assuming that social capital always produces beneficial forms of civic engagement of that more of it is intrinsically good for a community ... Positive and negative effects of social capital should be identified and accounted for while evaluating the social capital resources of a given community (Pantoja, 1999: iv).

2.2.5 Dilemma of collective action/organisations and social capital

Robert Putnam (1993a) has devoted considerable space to the discussion on the dilemma of collective action. There are longstanding dilemmas about how to govern resources used by individuals in common (Ostrom, 1990:1). In the theory of “tragedy of the commons”, Hardin (1968) concludes that the degradation of the environment is expected whenever many individuals use scarce resources. In the use of open common resources, every rational user is predisposed to maximise benefits from unlimited resources, which eventually leads to problems of commons. Formalising Hardin’s “tragedy of the commons,” the game theory of prisoners’ dilemma presents a paradox that individually rational strategies lead to collectively irrational outcomes (Ostrom, 1990).

Olson (1982:17) challenges the conventional logic of group behaviours - if everyone in a group of individuals or firms had some interest in common, then there would be a tendency for the group to seek to further the interest - as “fundamentally and indisputably faulty”. He argues that when an individual who makes sacrifices in achieving a common interest gets benefits just the same as those who contribute nothing, once the interest is achieved, he has little incentive to sacrifice voluntarily to the provision of that interest (Olson, 1971; 1982). Ostrom (1990:6) argues that at the heart of all three models (tragedy of commons, prisoners’ dilemma and logic of collective action) is the free-rider problem and irrational outcome of rational individuals.

Putnam (1993a) points out that one of the ways to deal with some of these dilemmas of collective action could be enforcement of credible sanctions, and cites Hobbes, who offers a solution through third party enforcement. In her book, Ostrom (1990) argues that the problems of collective actions sometimes are solved by voluntary organisations rather than a coercive state. She argues that for the solution of the problems, the boundaries of the institutions should be defined clearly; affected parties should participate in defining rule; violators should be subject to graduated sanctions; and low-cost mechanisms should be available in resolving conflicts, etc. Putnam (1993a:166) sees a problem in that the participants themselves cannot create an institution and an impartial lawgiver is problematic.

Putnam offers a solution: social capital. Taking an example of rotating credit associations, he argues that trust has played an important role in the success of these associations. There is implicit consensus that social capital is important because it allows people to work together by resolving the dilemmas of collective action (Portes and Landolt, 1996). In the literature, social capital has come to mean the ability to create and sustain voluntary associations, or the idea that a healthy community is essential to prosperity (ibid). Putnam argues that social capital is a precondition for multidimensional development of community:

Much hard evidence has accumulated that civil engagement and social connectedness are practical preconditions for better schools, safer streets, faster economic growth, more effective government and even healthier and longer lives (Putnam 1998: v)

According to him, the denser the networks of civic engagements, the more likely it is that the citizens will be able to cooperate for mutual benefit. Putnam (1993a:173-174) presents some rationales why the networks are beneficial to collective action:

- They increase the potential costs to a defector in any individual transaction;
- They foster robust norms of reciprocity;
- They facilitate communication and improve the flow of information about the trustworthiness of individuals;
- They allow reputations to be transmitted and refined; and
- They embody past success at collaboration, which can serve as a culturally defined template for future collaboration.

For Fukuyama (1999), the minimisation of transaction costs is an economic function of social capital which reduces the transaction costs associated with formal coordination mechanisms, such as contracts, hierarchies, bureaucratic rules, and the like. He does not rule out the possibility of achieving coordinated action among a group of people possessing no social capital, but argues that, this would presumably entail additional transaction costs of monitoring, negotiating, litigating, and enforcing formal agreements. Uphoff (2000:228) takes the role of social capital in development more as a process of facilitating “mutually beneficial” collective action by lowering the transaction costs and making productive outcomes more predictable.

On the overall positive side, the review of the literature on social capital discussed in the previous sections suggests that social capital contributes positively to community development through:

- Promotion of genuine participation because of trust, and norms of reciprocity, which facilitate collective action and ensuring, expected outcomes.
- Generation and mobilisation of capital and resources
- Establishment of linkages and creating enabling environment
- Enhancement of the level of predictability and reliability.
- Reduction of transaction cost
- Mitigation of conflict through the consensual process of coordination.

Despite these, the “low level of participation in networks and voluntary groups among disadvantaged groups is due to the pressure and lack of legitimacy and recognition of representation of interest, in the context of institutionalised racism” (Field, 2003: 81). Then Putnam, (2002:362-63) recognises that bridging links are required to resolve larger collective action problems.

In sum, this discussion is useful in identifying the factors explaining the dilemmas of governance of community groups in terms of sustainability. It is because community organisations are an aspect of structural social capital as well as forms of collective action.

The following section will further examine the theory and literature on different aspects of community organisations in relation to sustainability.

2.3 Community based organisations

Induced Community Based Organisations (ICBOs) are the central focus of this research study. In this section, a brief review of literature related to various aspects of Community Based Organisations (CBOs), including the evolution of various Local Organisations (LOs), schools of thoughts and types of organisations are presented. Furthermore, under the concept of institutional sustainability, stages of organisational

changes, and issues related to development agencies and indigenous organisations are presented.

2.3.1 Changing development thinking: emerging local organisations

According to the World Development Report 2002/2001 (World Bank, 2001), among the first systematic evaluations of community participation were those conducted by Esman and Uphoff (1984). Esman and Uphoff (1984), however, state that they conducted one of the first systematic assessments of LOs in relation to rural development and participation in 1974 (Uphoff and Esman, 1974). Such systematic studies of LOs in their different forms began on a significant scale since the 1970s. Before that, very few accounts of LOs appeared in the mainstream literature and development reports (Korten, 1980:480-81; Esman and Uphoff, 1984:42).

There is a long history of civil society organisations in their different manifestations and levels of operation. Providing welfare and security through cooperation at various levels started long before the concept of state and market emerged. Until recently, various forms of customary non-state and non-market organisations have been playing important roles in various societies. Among non-traditional organisations, cooperatives are one of the oldest LOs. In many countries of Asia, cooperatives were already in existence before 1950, and were organised and supported by governments (Cheema, 1983:211). In Europe, nearly 25,000 cooperatives, most of which affiliated to a national federation, were in being by 1937 (Esman and Uphoff, 1984:32).

However, it is in recent decades when the civil society sector has taken on an impetus as the 'third sector' of governance with the emergence of new forms of organisations. The major reason for the emergence and surge of the Non Governmental Organisations (NGOs) since the 1970s has been attributed to, *inter alia*, the failure of the other two sectors: state and market (Anheier and Seibel, 1990). There has been rapid growth in the number and size of NGOs as a subgroup of the non-profit or third sector over the past decades (Lewis and Wallace, 2000). In the beginning of the new millennium, the NGOs have been so successful that they have often overtaken the state mechanism in providing development services (McDonnell and Lecomete, 2002; Shrestha, 2001).

This new institutional proliferation is a result of shifts in development policies over several decades. After the Second World War, especially in the 1970s, there was a paradigm shift in development thinking. The earlier focus was on fulfilling the technology gap and resource gap in developing countries through centre governments (Sazanami, 1983). Later an “organisation gap” along with issues like participation, use of labour, self-reliance, equitable growth and income distribution were recognised (Esman and Uphoff, 1984). One positive development in the 1980s was the recognition of the essential role of civil society in development (Korten, 1990) and the shift in the national and international institutional structure where state and market failure led to the further legitimisation of local participation and empowerment (Chambers, 1993). As a result, along with the emphasis on decentralisation, there has been the rise of users groups at the local level (Cheema, 1983) and the increased participation of clientele groups in development decision-making (Blunt and Warren, 1996). With this recent development in the third sector, new forms of self-help organisations have emerged at the grassroots. Rural development agencies in developing countries promote existing groups or impose the creation of new ones (Mayoux, 2001; Garforth and Munro, 1995) in order to deliver development to the rural people.

In the following sections, schools of thought associated with the development of LOs are examined.

2.3.2 Views on local organisations

Different socio-political schools of thought prevailing in different times have influenced the way in which the role of grassroots organisations have been perceived and promoted. Esman and Uphoff (1984:54-57) have presented four schools of thought regarding LOs: Marxist, liberationist, technocratic and structural reformist. In addition, now with the forgoing discussion, the social capitalist view also can be included.

Marxist concepts take state institutions (non-socialist) as the means of sustaining the class structure in which the ruling class exploits the labourers and poor. Neither the state nor local elites, who are associated with the bourgeois state, tolerate any meaningful reform; hence any organisation for that effect will be surpassed or neutralised or co-opted. Any organisations that are not to do with popular mobilisation

for revolutionary change, even if they help improve the well being of the rural poor, are considered a bourgeois act, masking the real exploitation and distracting the exploited class from the cause of their suffering. Under Marxism, organisations are tolerated in two situations: first, under a bourgeois regime, organisation for revolutionary change; and second, under a socialist regime, organisations with compulsory membership in order to better control and serve local constituents.

The liberationist view holds that the change and well being of the rural poor should come about through the process of critical consciousness of self that leads to the recognition of inherent collective strength (Freire, 1970 cited in Esman and Uphoff, 1984) then to confrontational tactics, and eventually to a process of auto-emancipation and liberation (Nerfin, 1977 cited in Esman and Uphoff, 1984). Liberationists view the state as exploitative, inefficient, incompetent and corrupt; hence, rural people should start their struggle from outside established structures and rules of established political and economic institutions.

The technocratic view emphasises that economic growth and technological innovation can help improve the productivity of the small farming systems of the rural people. A neutral state's role is to assist them with information about technology and support for infrastructure, but without an interventionist market. The role of local volunteer organisations should be limited only to pooling resources without distorting market factors, and for articulating farmers' needs and interests to government without constraining correct technical decisions. The view favours dealing with rural problems individually rather than collectively.

The structural reformist view differs from the above views in some aspects, but shares also some elements with them. Esman and Uphoff (1984:56) have presented a view on rural organisations that they call a 'structural reformist position'. This view assumes that at particular times, certain agencies of the state and bureaucracy may tend to favour elites at the expense of the poor, become corrupt, incompetent and self-serving. However, their presence is a matter of degree rather than an absolute (Esman and Uphoff, 1984:56). The rural poor should take the opportunity to organise whenever it exists in any developing countries, because they can enhance their individual interest and collective well being in various ways by taking advantage of such opportunity.

They have contrasted this approach from all other approaches and have given emphasis to the benefits of organising rather than not doing it.

The social capital view holds that organisations as the network of civic engagement promote trust and thus help generate social capital. The density of voluntary associations contributes to performance of government institutions, economic development and vibrant democracy (Putnam, 1993a). The view assumes that people's organisations enhance cooperation and collective action. Therefore, this view is very positive towards promotion of local voluntary organisations as they are now seen as the processes of using and generating social capital (Mayoux, 2001:436).

Under the emerging issues of decentralisation, devolution, institutional reforms and participatory governance, role of grassroots organisations has legitimately been accepted. The following section presents some typologies of LOs and CBOs.

2.3.3 Types of local institutions and organisations

Institutions and organisations have often been confused as interchangeable notions. According to Uphoff (1986), some organisations are not institutions, and some institutions are not organisations. But some organisations are institutions and vice versa. Uphoff (1986:8-9, 1992) defines institution as “a complex of different norms and behaviours that persist over time, by serving collectively valued purposes” and organisation as the “the structures of recognised and accepted roles identified and performed by and for members”. In this study the term institution has been used for various purposes: to denote the shared norms and cultural practices, and also to indicate (formal and informal) organisations. All organisations included in figure 2 can be collectively termed local institutions whereas those membership based are regarded as local organisations.

LOs are diverse and are identified by different nomenclatures. These identifications are normally constructed according to the nature, coverage, specialisation, function, and many other characteristics of the organisations. Even, sometimes, very similar types of organisations are found to be identified differently in different social settings. Among the most commonly used names are: ‘local organisations’ (Esman and Uphoff, 1984); ‘people’s

organisations' (Korten 1990); 'participatory organisations' (FAO, 1979); 'rural people's organisations' (Biggs et al, 2004b; Garforth and Munro, 1995; Bebbington et al, 1994); 'voluntary organisations' (Korten, 1990; Cheema, 1983); 'self-help organisations' (Verhegen, 1987). Frequently used names also include 'community organisations', 'rural organisations', 'grassroots organisations', and 'community based organisations'. These terms found in the literature are often treated interchangeably. Whatever they are called, the essence of most of them is their localised character and a membership-base. In this study, the terms CBO and 'group' has been used frequently, but at times, other terms like 'organisation' or grassroots organisations are also used synonymously to mean the development related non-government and non-market membership organisations. H

2.3.3.1 Typologies

Local level institutions demonstrate great variety: they range from those with purely profit motives to those with purely service motives; purely governmental to purely non-governmental (Esman and Uphoff, 1984; Cheema, 1983; FAO, 1979); purely private to purely public (Esman and Uphoff, 1984); purely political to politically neutral (Esman and Uphoff, 1984), etc. Some have categorised organisations based on their longevity and institutionalisation (Cheema, 1983); formality (Esman and Uphoff, 1984; Cheema, 1983; FAO, 1979); traditional-ness (Bebbington, et al, 1994; Esman and Uphoff, 1984), etc. Others have categorised them based on their self-help and community based nature (Mishra, 2001; Verhagen, 1987). Attempts have also been made to examine them based on their productive orientation (Cheema, 1983); their direct involvement to support the needy community, purity of forms (Korten, 1990); and singularity or plurality of functions (UNDP, 2002).

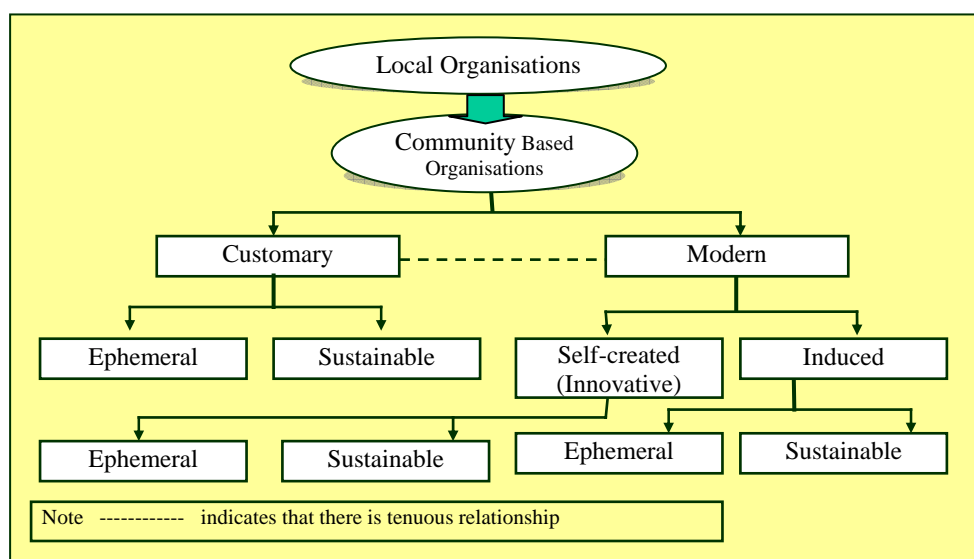
Most comprehensively, Esman and Uphoff (1984) categorised 'local institutions', and Uphoff (1986) slightly revised it. Uphoff (1986) does not mention political organisations which were previously presented towards the private sector of the continuum. Figure 2.2 is an adaptation of both categorisations. According to this typology, local institutions range from public sector organisations to private sector organisations. In between are the voluntary or intermediary organisations which have the character of both public and private sector organisations. These intermediary organisations are termed as the LOs.

| Public Sector | | Voluntary sector | | | Private sector | |
|-----------------------------------|------------------------------|---|----------------------------|-------------------------------------|-----------------------------|------------------------------|
| Central Government Agencies (CGA) | Local Government Units (LGU) | Political organisations | Member organisations (MOs) | Cooperatives organisations (Co-ops) | Service Organisations (SOs) | Private Business (PBs) |
| Bureaucratic institutions | Political institutions | LOs (based on the principle of membership direction and control; these can become institutions) | | | | Profit-oriented institutions |
| Governmental | | Intermediaries | | | | Non governmental |

Source: Adapted from Esman and Uphoff (1984: 58); and Uphoff (1986:5)

Figure 2.2: Typology of local institutions

In the continuum (figure 2.2), CBOs and ICBOs which are a unit of analysis of this study, fall in the centre as a sub-category of LOs. In figure 2.3, CBOs are classified as customary and modern, and the modern as induced and self-created/innovative. Each type of group is divided into ephemeral if created for short-term purposes or sustainable if created for long term purposes.



Source: Loosely adopted from Biggs et al (2004)

Figure 2.3: Classification of community based organisations

Since this study relates to induced (developmental) CBOs, borrowing a typology from UNDP (2002) that categorises them according to their coverage of household in a village on the one side and types of activities they carryout on the other can be useful for the discussion of the group dynamics (table 2.4). Social mobilisation programmes supported by the UNDP emphasise the “motherboard” concept with a broad-based approach, whereas many savings and credit programmes are based on a targeted approach. The methods and policies of the concerned agencies and nature of activities

promoted determine the type of groups. The broad-based approach, also known as the holistic approach, is inclusive of heterogeneity, the “weak ties” (Granovetter, 1983), whereas the targeted approach often entails homogenous groups, the “strong ties”.

Table 2.4: Typology Induced CBOs

| Sector / Activities | Beneficiaries | | |
|------------------------|--------------------|---------------------------------------|--|
| | | Targeted | Broad based |
| | Single – sector | E.g., Gramin Bank's replicators | E.g., Drinking/ water users groups |
| | Multi- sector | E.g., Small farmer development groups | E.g., UNDP supported community organisations |

Source: Adapted from UNDP (2002).

In the next section, review of issues related to group sustainability is presented.

2.3.4 Sustainability of induced community based organisations

This section presents the concept of sustainability and institutional sustainability, and discusses factors affecting sustainability of groups; agencies; stages of groups' development; and indigenous organisations.

2.3.4.1 *Concept of sustainability and institutional sustainability*

Before coming to the meaning of the term “sustainability” in this research, it is useful to present the context of the diverging and differing meanings of “sustainable development” as yet another popular term. The widely quoted definition of “sustainable development” is the one provided by the Brundtland Commission 1987, which related concerns of the environment and natural resources to poverty. They define sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987:43).

Sustainability has also been explained in terms of fairness and equity. It involves both intergenerational fairness and fairness of consumption of natural resources by different consumers. Fairness linked to equitable resource extraction and outcome distribution has been taken in the face of one group enjoying a sumptuous feast while the other is struggling for a bare subsistence (Korten, 1990).

Sustainability has also been presented as capital stocks for future use. In the Sustainable Livelihood Approach (SLA), Ashley and Carney (1999) consider that sustainable systems – whether livelihoods, communities or national economies – accumulate stocks of assets; and increase the capital base over time. Serageldin (1996:3) states that “sustainability is to leave future generation as many opportunities as we ourselves have had, if not more. He equates opportunities to the stock of capitals.

The SLA framework has differentiated sustainability in four ways: environmental, economic, social and institutional. Since this study focuses on the sustainability of groups, the term sustainability used in this study refers to institutional sustainability, which is different from what normally has been understood in the context of ecology and economics. DFID (2000) has extended the concept of sustainability to incorporate institutions and management, which as defined by them, is achieved when prevailing structures and process have the capacity to continue their functions over the long term.

In the case of the agency or project sponsored groups, the withdrawal of project support marks a point where continuity of functioning of groups may become a problem. According to OECD (1998) cited in Lockwood et al. (2003), institutional sustainability is achieved “when it [an institution] is capable of supplying an appropriate level of benefit during an extensive time period after the withdrawal of all forms of support from the external agency”.

In this study of induced community groups, sustainability can be defined as the capacity of the prevailing structure and process to continue their functions over long term (especially after the withdrawal of all forms of support from the external projects/agencies). However, the meaning of sustainability will be operationalised as perceived by the respondents (see section 7.3.1).

2.3.4.2 Factors affecting sustainability of community organisations

In section 2.2.5, dilemmas related to collective actions have been discussed. This section together brings some factors facilitating or constraining the sustainability of the groups.

Garforth and Munro (1995) ask whether groups have a naturally low rate of survivability. The achievement of the original purpose for the formation, and usefulness of the groups to the beneficiaries may determine the continuity of the group's functioning. Researchers have identified other factors that are vital in the sustainability of groups.

Esman and Uphoff (1984:181) identified five areas of vulnerability of LOs: resistance, subordination, internal division, ineffectiveness and malpractices. All these areas of vulnerabilities are mainly of an internal nature and reflect the downside of social capital. They argue that there are counter measures to these negative factors; however, there are not foolproof remedies. According to them, social invention and organisational techniques might reduce the failings to which LOs are vulnerable. Further, measures to hold officers accountable to members should reduce ineffectiveness and malpractices and should make it easier for the LOs to resist subordination from any source (ibid: 204). However, if adverse, a policy framework of government, external assistance and quality of local leadership may, in turn, add problems or negate solution measures. These measures are both internal and external to the organisations and they should probably be introduced in combinations so that they are mutually reinforcing (ibid).

Lewis et al. (2003) argue that development projects involving multi-organisations produce a kind of organisation culture, which, sometimes tending towards fragmentation, provides an important reason as to why some projects fail. The culture of fragmentation could be produced within the community groups or among various external organisations concerning them. Therefore, they are both internal and external. Hence context, practice and power that give rise to such a culture are important issues to be analysed².

As external factors, favourable state policies and an enabling environment are very important. Bad state and local governance practices in developing countries can create barriers to the development of local groups (World Bank, 2001). The absence of

² As set out in the beginning of this chapter, this study involves the social capital framework, which entails the analysis of context, power and local practices. Even though the relation between community groups and various institutions are explored, this thesis however, does not go further to analyse intra and inter organisational cultures as such.

enabling environments as well as recognition and lack of linkage create a condition in which LOs cannot maintain their existence (Garforth and Munro, 1995). Some community organisations in South America which were effective in addressing people's needs have been constrained from being sustainable due to the difficulties in establishing linkages with external agencies (Turton, 1997). The degree of linkage and interaction between the groups and other agencies in horizontal and vertical lines of the social structure, determine the generation and capitalisation of the resources. Resources (in the form of social relations, human skills and capabilities, or in physical forms) may help promote collective actions and, thereby, sustain them. On the other hand, a community-organisation-friendly state mechanism is expected to reduce obstacles of collective action and encourage greater collaboration between communities and local governments (World Bank, 2001).

Similarly, along with internal reasons, continued external support is very vital for groups' sustainability (Pretty, 2003; Chambers, 1983) (see agency and social capital section 2.3.4.3). External support should not necessarily mean the continuity of the same project arrangements. One may, however, reasonably argue for a longer project period for fully preparedness for sustaining community groups. But it is well understood that the direct support of external agencies/ projects cannot be continued for financial or administrative reasons (Pretty, 2003) and should not be continued as dependency may develop (Buckland, 1998) after a certain period. Continued external support, however, is of paramount importance for sustaining community groups. Again, it begs a question: for how long?

The sustainability of groups is not only dependent on external factors; but in fact such external factors may also depend on the internal ability of the groups. The successes of such groups depend on the combination of both factors: good internal governance and external support. In many pro-poor programmes, people are organised in groups, but their participation in the group is often impeded by lack of time, resources, information, and access to outside sources of help (World Bank, 2001:110). Cernea (1987) identified a set of five factors, mainly internal, responsible for the sustainability. They include: effective local organisational structures; active participation of beneficiaries in the decision making process; high degree of autonomy and self-reliance; a measure of beneficiary control over the management of the organisation; and continuing alignment

of the project activities with the needs of beneficiaries. Esman and Uphoff (1984) echo similar internal aspects related to participatory internal mechanism that the processes adopted in initiation, management and internal governance as well as the structure of the organisation can influence the overall performance and sustainability. Uphoff (1986) subsumes decision-making, resource mobilisation, communication and conflict resolution as the important elements for the successful LOs. In a study of institutional sustainability and impact of small farmers' cooperatives in Nepal, Sharma, et al. (2001) have used similar indicators in order to determine successful organisations.

2.3.4.3 Agency, social capital and groups' sustainability

The role of agencies in sustaining exogenous groups is very critical in that it can be detrimental or supportive depending upon how 'sensitively' the process of group formation and management is done (Fisher, 1994:9). Garforth and Munro (1995) concluded their study of various organisational and structural issues in Thailand by pointing a need to assess modes of interaction between agency and Rural People Organisations (RPOs) which are associated with RPOs' sustainability. Krishna (2001) in his study of watershed management in India and Magno (2001) in his study of forest users groups in the Philippines found that combination of high social capital and capable agency are associated most closely with the high development performance³.

A study of the sustainability of NGO intermediated projects in Bangladesh by Buckland (1998) has identified that most of the projects were likely to have failed if development interventions with human and physical capital had not been supplemented with the establishment of networks and norms to enhance co-operative activity between practitioners and participants. The study also found that fair sharing of irrigation benefits discouraged elites' domination and prevented the poor from withdrawing from the system. However, what is lacking is the extended form of social capital along with bonding social capital. In such situations, it is likely that the alliance between the poor and elite in same group may last as long as the agency is there to intermediate.

³ The way Krishna has used agency is different from how the external agency has been regarded in this study. Krishna combines various actors such as: traditional patrons, leaders of caste groups, traditional village councils, local government, and political parties as agency.

These studies have further shown the need for studies of organisations in relation to agency and social capital on the one hand, and, on the other, research into norms and rules that can influence the effectiveness and sustainability of organisations.

2.3.4.4 Stages of organisational changes and sustainability

Evolutionary views of the organisational life cycle presented in organisation theories are useful in understanding the pattern of organisational change over time (Lewis, 2001). Tuckman (1965) proposed four stages of group changes: forming; storming; norming; and performing. He later added “adjourning” as the fifth stage. Although some of these stages and associated features may characterise the trend in modern development related community groups, the groups do not, in principle, aim to be “adjourned”. This is not to say, however, that some modern groups are not adjourned; they are in practice due to pre-designed aim, or failure or accident. Avina (1993) in her four-stage life cycle of NGOs: start-up, expansion; consolidation; and close-out; envisions the “close-out” as the last stage.

According to Greiner (cited in Lewis, 2001:88) who first used the human cycle metaphor in early 1970s to explain organisational changes, most organisations go through five phases, namely: entrepreneurial; collectivity; delegation; formalisation; and collaboration. The transitions from one stage to another go through crisis, threatening the survival of the organisations. These crises have a sequence: leadership crisis; autonomy; control; red tape; and finally crisis of renewal.

Korten (1990:117) has classified cycles of strategies of development oriented NGOs into four generational phases: relief and welfare; community development; sustainable systems development; and people’s movement.

In a study of the growth pattern among the Small Farmer Group Association (SFGA), FAO (1999) identified an “S” shaped curve pattern of group development beginning with a “slow learning phase” with little SFGA service activity during which SFGA objectives are identified, structure developed and technical and management skills are mastered. In subsequent “rapid growth” phase activities develop at a rapid rate. Finally, over-expansion leads to a management “crisis and retrenchment phase”, needing reform. It is argued that the shape of the curve depends on the main activity focus of

SFGA; source of funding (continuity of externally available resources like credit supply); skill factors, etc.

In the context of the externally induced groups, a 3Is (initiation, internalisation and institutionalisation) group development process has been applied by some agencies in Nepal (Adhikari, 1999; Subedi, 1999; RSDC, 1998). The 3Is process assumes that groups graduate with required skills through internalisation process and then are capable to institutionalise them. Normally agencies withdraw at the end of second stage and groups are expected to be self-sustaining.

Pretty (2003:27-30) has developed a model that is different from the life cycle model in that the former assumes positive relations between maturity and social capital in sustaining the groups' life whereas the latter assumes an indispensable death of the organisations. Pretty's model entails three-stage group dynamics regarding changes in renewable assets base (human, natural and social capital) affecting the performance or output of managed natural systems. In the natural resource management context, the model seeks to answer why some groups or communities become highly effective, growing and diversifying their activities, whilst others will struggle in name only.

In stage one, the reactive-dependence stage, groups are formed due to the reaction to a threat or crisis, or as a result of the prompting of an external agency. In this stage, they recognise the group's value, but rules and norms tend to be externally imposed or borrowed. In stage two, the realisation-independence stage, individuals and groups realise new emerging capabilities and witness growing independence. In this stage, trust among members grows, groups start making their own rules and norms and start outward linkages. Groups start diverging and developing individual characteristics. They are stronger and resilient, but may break down if members feel they have achieved the original aim and do not wish to continue. In the third stage, the awareness interdependence stage, groups and members acquire new worldviews and ways of thinking which are irreversible. In this stage, groups are more dynamic and individuals tend to be more self-aware of the value of the group itself (value of social capital). This is the state when external agencies tend to seek an exit. Pretty maintains that there is an important relationship between maturity and social capital. Thus, groups in stage one could easily regress or terminate without external support or facilitation; however, this

is not the case in stage three. Pretty has not given a time period for each stage, but suspects that the stages in reality could be a continuum rather than discrete stages with one or more thresholds.

2.3.4.5 Learning from sustainable nature of indigenous organisations

The indigenous LOs are identified with different names, such as indigenous, traditional, customary and existing groups.

One important lesson for the sustainability of the externally promoted organisations can be learnt from the stable nature of the traditional organisations (Garforth and Munro, 1995:30). Traditional organisations are rooted in culture and tradition, the sources of social norms. “Tradition is not and has never been static, but it survived because of the close fit to the needs, values and interest of people who uphold it” (Uphoff, 1996: ix).

Esman and Uphoff (1984:243) highlight social capital represented in the existing organisations as making them too important to be bypassed or discarded. Wolff and Wahab (1996:85) found that government attempts to supersede indigenous organisations in Nigeria failed. The indigenous organisations were found sustainable because membership forged strong social and economic links and members recognised and trusted their leaders appointed on the basis of age and experience. In Cernea’s (1981:127, cited in Garforth and Munro, 1995) opinion, the degree of group cohesion is critical for the persistence of indigenous organisations. Garforth and Munro (1995:30) observe that their viability comes “because of the stability of structure and members, a set of operational rules and sanctions and an economy of scale, which permits specialisation”.

Traditional organisations differ from ‘modern’ ones as the former are more importantly consensual. Uphoff (1992:8) attributes the success of traditional organisations to their reliance on local knowledge system, quick response to changes, handling of conflicts and climate created for influencing behaviours. In contrast, externally induced organisations will not be initially understood by the members and will not engender their commitment to participation. They are likely to fail unless they meet clearly recognised needs, and the activities involved are reasonably familiar and simple. Externally induced organisations that try to transfer substantial resources from the

outset are likely to fail as they tend to result in the twin evils of corrupted leadership and a psychology of dependency among the members (Esman and Uphoff, 1984).

The experience with traditional organisations gives a clear signal that recognised norms, roles and responsibility, based on trust, and resultant collective actions, contribute to the sustainability of the organisations. It also indicates that recognised and accountable leadership; loyal members and consensual processes; and informality have contributed to the mitigation of conflicts and creation of conducive environments for institutionalisation of such organisations.

Nevertheless, the argument that indigenous organisations are stable and sustainable is not without question as we do not know how many organisations have lost existence through the course of history. Furthermore, there are two challenges with such organisations. First they are not always pervasive in an organised form. Second, traditional organisations, like traditional norms, are mostly used in favour of elites. Those in a leadership position, who are normally drawn from elite strata, are likely to be domineering and exploitative (Esman and Uphoff, 1984). Such a tendency if replicated in a modern and a democratic organisation is likely to create difficulty in building trust and confidence to hold members for collective action. Furthermore, Informal groups may be internally strong but externally less effective and existing groups may be closer to members, but perhaps easily dominated by traditional elites, a trade-off between the positive features of both worlds (informal and traditional) is suggested for effective and sustainable modern induced groups (Uphoff, 1996).

2.4 Conclusion

This chapter has presented a review of literature surrounding the broad area of, and nexus between, social capital and community organisations. The review has shown mutually reinforcing dynamic systems of social capital: membership based community organisations provide a network of civic engagement, which, in turn, promotes trust and norms of reciprocity. By the same token, trust and norms of reciprocity are essential to resolve the dilemma of collective actions. Community based organisations are both the form of collective actions and the means to achieve them (cooperation and coordinated action).

The foregoing discussions have also shown that social relations are complex and unequal as they are mediated through differential power positions. Social capital has downsides as it may reproduce inequality and generate perverse consequences. Due to these complexities, the solving of collective action problems is complicated. These dynamics and complexities equally apply to the sustainability of groups. The review of literature has opened the way for an enquiry into how the features of social organisations, both positive and negative, affect the overall functioning of groups.

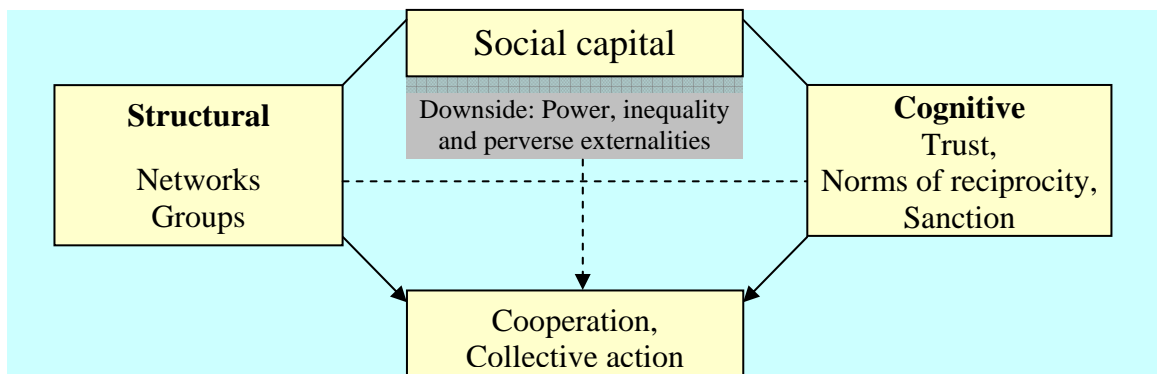


Figure 2.4: Disaggregated conception of social capital

In sum, the multifaceted aspects of social capital have been disaggregated in order to understand better the nature of each aspect in the local context and to apply them as the framework to the study of community groups. Figure 2.4 presents the disaggregated framework of social capital. A further review of literature is presented in Chapter Five where the concept of social capital is operationalised in the particular context of Nepal. In the next chapter, Nepal's historical, structural, and policy setting, shaping the formation and distribution of social capital, are discussed.

Chapter Three

The Context of Social Capital in Nepal: A Review of the Historical, Socio-Cultural and Policy Setting

3.1 Introduction

The aim of this chapter is to present the context and state of social capital in Nepal. In doing so, it reviews the historical, socio-cultural and policy setting regarding various aspects of social capital including the collective action and voluntary organisations. This draws on the dualistic features of social capital, positive and negative, in Nepal. The chapter has three major sections. Section 3.2 briefly introduces Nepal followed by the presentation (in section 3.3) of some features of social organisations that have had a negative impact on Nepal's development and contribution to 'negative-sum' social relations (Bista, 1991: 1). Section 3.4 presents the state of social capital in Nepal in two parts. First, it refers briefly to the studies of social capital in Nepal and highlights some positive aspects of social systems. Second, it focuses on structural aspects of social capital in Nepal presenting a picture of the evolution of organisations at various levels and policy context.

3.2 Brief introduction to Nepal

Internally the mostly mountain-locked (Shrestha, 1993) and externally landlocked small Himalayan 'Kingdom'⁴, Nepal, is bordered by the two giant and most populous countries in the world: India in the east, south and west and China in the north.

Nepal is one of the most diverse places in the world in terms of cultural and physical environment within a short span of 26° 22' and 33° 27' of the northern latitude, around 100 miles width between the Gangetic plain and Tibetan Plateau and an area of 147,181 Square Kilometre (Acharya, 2002:67; Bista, 1991:11). Ranging from the plain lowland in the south, *Terai*, to the world's highest peaks in the north, there lie many distinct

⁴With the people's movement (II) in 2006, the term kingdom has lost its relevance as there have been major changes in the state structures massively reducing the roles played by the monarch. The government known as His Majesty's Government of Nepal has been changed to Government of Nepal.

geographic zones, divided under three broad regions: *Terai*, *Pahad* (Hill) and *Himal* (mountain) which are stretched out from east to west (Paudyal, 1994:2; Bista, 1991). (See map in section 4.5.1.2, map 4.1).

The country has a population of 26.59 millions (WHO, 2006), composed of diverse caste and indigenous *Janajati* groups. The Government of Nepal (GON)⁵ (1998:7 Appendix 1) has identified 61 nationalities- 21 from Himal, 23 from the Hills, 7 from inner *Terai* and 10 from *Terai*, and the 1991 census showed 34 Hindu caste groups including 9 ‘untouchables’ spread across the country and all regions (Dahal, 2003). In 1991, the ethnic indigenous people from the Tibeto-Burman group together formed 39% of Nepal’s population and the *Dalits* (the oppressed) from the Indo-Aryan Hindu caste group formed 12% leaving the so-called high caste ruling Brahmin and Chhetries, and Newars in the minority (Shrestha, 2001). Studies have shown that there are over 90⁶ spoken languages in the country (Toba et al., 2005), with the Nepali language, the language of *Khas* brought in by Gorkhali kings, as a *linga franca*. According to the 2001 Census, there are 10 known religions in Nepal with the majority (80.6%) of people belonging to Hinduism followed by Buddhism (10.7%), Islam (4.19%) and Kirats (3.60%) (CBS, 2001). This diversity makes Nepal a garden of 4 major groups and 36 sub-groups of castes (*‘4 Varna and 36 jaat’*), as explained by Prithiwi Narayan Shah, the emperor from Gorkha, who unified Nepal.

Over 3000 years of history (Regmi, 1999), the country, which unlike her neighbours was never colonised, has taken different forms and sizes: a united country, a set of series of independent yet interrelated principalities known as *baise chaubise rajya* (twenty-two and twenty-four principalities), and finally a unified kingdom under the Shah Dynasty in 1768 (Upreti, 2001; New Era 1988). Within the 238 years’ period of ‘modern’ Nepal, the country has been under different oligarchic regimes for a long time. Noted is the hereditary family *Rana* regime 1846-1950 (Acharya, 2002:19) that was eventually overthrown after 104 years through the people’s movement in 1950 that for the first time established multi-party democracy in the country. However, the democratic system was dismissed soon by the king who replaced it with the party-less *Panchayat* regime in 1960. Only after 30 years, a popular movement restored

⁵ Some references related to GON are presented under His Majesty’s Government of Nepal (HMG).

⁶ Bhattachan, K.B. (2003:33) mentions them to be over 125.

democracy with a multi-party system in 1990. Even though Nepal has made substantial developmental advances within the democratic political system, it continues to suffer from the legacies of a feudal past evident in bad governance practices, political instabilities and inequalities. During the past 10 years, Nepal has experienced armed political rebellion, which has taken over 13000 lives (Dhungana, 2006:1), demanding restructuring of the state with a republican constitution. In 2005, the King usurped power triggering a people's movement (II) in July 2006 that eventually restored people's government. At present the government is working with a mandate to resolve the insurgency through, *inter alia*, holding a constitutional assembly.

Economically, Nepal has been predominantly an agricultural country. Agriculture provides over 80% of the population with employment and subsistence, but employment is seasonal and is decreasing (Adhikari and Gautam, 2004:7). As a result, the contribution of agriculture to GDP is only 38%. Due to the underdeveloped industrial labour market, there is high mismatch between the annual growth of the workforce and employment opportunities in the country (NESAC, 1998). As a result, the unemployment rate is rising and forcing people to go abroad, mainly to India, for low paid work. One of the least developed countries, Nepal's GDP per capita value is \$1420 (UNDP, 2005) with 31% of people living below the absolute poverty line as shown by the Nepal Living Standard Survey (NLSS) 2003/2004 (NPC 2005; CBS, 2004). With a difficult physical terrain, the country has no known natural resources, except for water. But only 0.63% of the potential hydropower has been harnessed (Shrestha, 1993). Tourism and remittances are the two major sources of foreign currency; the former has been part of a sluggish economy affected by the conflict for over a decade.

Despite progress, Nepal's social development scenario is still dismal (table 3.1). The Human Development Report (HDR) 2005 shows Nepal's Human Development position (HDI) to be 136th out of 173 countries in 2003 with an Human Development Index (HDI) value of 0.526 (UNDP, 2005). Life expectancy is one of the lowest in the world. The majority of the adult population (51%) cannot read and write (NPC, 2005). Primary education is not universal (net primary enrolment is 71% in 2002/03), and there is a high dropout rate. Lack of irrigation leaves much of the limited arable land dependent on rains. There is lack of essential infrastructure, such as roads, telephones, safe drinking water,

hospitals, electricity, etc. in much of the rural areas. Due to the lack of welfare measures and insurance system, the majority of the population live constantly in a vulnerable position. The social sector spending is one of the lowest (NESAC, 1998) and the trend is alarmingly downwards. The ratio of development expenditure to total budget expenditure is decreasing with 39.4% of total budget in 2001/02 to 26.6% in 2003/04 (NPC, 2005) to meet the growing expenses of militarization (Subedi, 2006).

| Table 3.1: A glimpse of Nepal' socio-economic development status | |
|--|-----------|
| GDP per capita value | \$1420*** |
| Population increase rate | 2.1% |
| Literacy rate | 53.8%* |
| Infant mortality rate (per 1000) | 64* |
| Life expectancy (at birth) | 61.06*** |
| Urban population | 14% |
| Poverty index | 44.2 |
| HDI value | 0.526*** |
| Combined primary, secondary and tertiary gross enrolment ratio | 61%*** |
| Net primary enrolment rate | 84%**** |
| Proportion of population within 30 min. walk to health service | 62%**** |
| Access to safe and sustainable drinking water | 73%**** |
| Household electrified | 48%**** |
| *2002, and rest 2001 figure (Gautam et al, 2005) | |
| ** Fact sheet CIA, 06. | |
| ***UNDP (2005) 2003 value. | |
| **** NPC (2005) in 2003/04 | |

3.2.1 Stark disparities

Along with the state of underdevelopment, inequality in its various forms is astounding in Nepal. Massive scale of rural poverty and unemployment coexist with a small segment of a newly emerging affluent economy (Shrestha, 1993:23). With 95% of the poor living in rural areas, poverty has been a predominantly rural phenomenon (Gurugharana, 1993: 85). From the asset distribution point of view, distribution of land is very asymmetrical (Shrestha, 1993:19) as 45% of farmers are small farmers and 8% farmers are larger, operating 13% and 31% agricultural land respectively (CBS, 2004:4). The income distribution pattern closely corresponds to the landholding pattern in Nepal. Obviously, such disparity has been reflected in income distribution with the top 20% of households receiving 53% of the national income whereas the bottom 20% households receive 5.3% only (CBS, 2004: 41; NESAC, 1998: ii).

Along with disparity of distribution of assets and income, the overall human development level is highly skewed across the regions, caste, classes and gender. According to the Nepal Human Development Report (NHDR) 1998, the human development index among rural residents is only two-thirds of that among urban residents; the human development index among the residents of western and central regions is nearly one-third higher than that of residents of far and mid-western regions; the human development index among the “untouchable castes” and Muslims people is

almost half of the Newars and the high caste people. The Gender-sensitive Development Index varies saliently by gender ranking men much higher than women (NESAC, 1998). It should be noted that underdevelopment and disparity are not only limited between various groups and regions, but also within them.

3.3 Historical and structural discourses on unequal social relations

As discussed in Chapter Two, social capital has downsides. While analysing the state of social capital, the dualistic aspects enhancing or weakening social capital need to be analysed in a balanced way. Before directly addressing the state of social capital in Nepal, in this section the production and reproduction of institutions of unequal social relations – downsides of social capital- are discussed by analysing the historical and structural discourses.

Nepal's state of underdevelopment and disparity in the distribution of development outcomes are mainly due to the power laden and unequal social relations embedded in historical and structural discourses (Bista, 1991). There is dualism which is the product of social and historical bias against rural population, especially the oppressed groups such as: women, landless and minorities (Panday, 1999). Against this backdrop, most social relationships in Nepal are 'negative sum', where losses in a total social sense exceed gains as a few are gaining at the cost of many by perpetuating the system (Uphoff, 2005). These problems are not merely due to current governance problems, rather they are historical and structural problems (Panday, 2005) embedded in economic, social, political and cultural relationships (Uphoff, 2005). Nepal is hardly alone among the numerous countries worldwide that have allowed both historical and contemporary factors to perpetuate the gaps between its haves and have-nots (UNDP, 2004:1). According to Panday (2005:8), one may note any of the following structural factors, among others, as problems in the country.

- The use of the institution of monarchy to protect feudal privileges and interests.
- Patrimonial and hierarchical social order including the *thulo manchhe*, *sano manchhe* (powerful and powerless) syndrome.
- The domination of one particular ethnic (caste) group in the exercise of political and bureaucratic power.

- Hindu caste system that legitimises the exploitation of *Dalits*.
- The unequal sharing of power between geographic regions.
- The barrier to entry of women (who are reportedly less corrupt) in the ruling class.
- An exploitative land system.
- The inability of the political parties to assimilate a democratic political culture into their organisation and their work.

The production and reproduction of major institutions feeding “negative sum relationships” can be discussed under three overlapping themes: the caste system, fatalism and feudalism.

3.3.1 The caste system: establishment of a hierarchical social order and exclusion

Caste is one main source of stratification in Nepal (FAO, 2004). Under the Hindu system, people are divided into four *Varna*: *Brahmin*, *Chhetri*, *Sudra* and *Baisye* with various sub-castes. Jayasthiti Malla (1380-1395), a King of Kathmandu valley, had divided people into different castes (Regmi, 1999). Originally, a form of division of labour, the system has eventually been applied as a form of social stratification based on social hierarchy and has been the basis for identification and purity. Mobility between major hierarchies has been impossible (Paudel, 2002:111). The system has spread its roots in society in such a way that the Buddhist *Newars* of Kathmandu also have caste-based hierarchies. Later, the first civil code of Nepal 1854 (*Muluki Ain*) formally legitimised the caste system in its worst forms of discrimination (Hofer and Sharma, 2004).

Ever since the unification of Nepal, the ‘high caste’ people have been ruling the country, and the people on the lower rungs of caste hierarchy have constantly been excluded. Discriminatory practices rooted in the ethno-caste system have dominated Nepalese culture for centuries (UNDP, 2004:4). The legacy of the caste system, which was formally abolished 44 years ago, continues to form a basis of social structure and guide social relations between people as *thulo and sano manchhe* (powerful and powerless person) (Panday, 2005). Untouchability still exists extensively and people in the ‘lower caste’ continue to be excluded from the social developmental process at all levels. However, Bista (1991:3) argues that Nepal’s caste system, which is not as rigorously

orthodox as in India, is ascriptive and should be seen in combination with the class system as the latter is legitimised by the former with attendant adverse cultural elements.

3.3.2 Fatalistic orientation and dependency culture

According to Bista (1991:4) fatalism, “the belief that one has no personal control over one’s life circumstances, which are determined through a divine or powerful external agency” has been a dominant feature of Nepal’s socio-cultural organisations with negative effects on development. He argues that fatalism that promotes dependency, devalues self, and does not bear the sense of guilt as donating to the priest can dissolve the guilt, is not a Nepali culture; it is imported from India. He argues that fatalism is pervasive in Nepal’s power structures as the society is hierarchised through acculturation, *Bahunbad*, so rapidly that it engulfs every culture and ethnicity and demeans endurance, quality and propensity to work, collectivism that is very useful if nurtured properly. *Bahunbad* has nothing to do with those bearing a caste Bahun; it is rather a tendency that pervades all castes and ethnicity (ibid). According to Bista, dependency and fatalism have produced *afno-manche* (one’s own people) culture which, on its negative side, when mingled with the *chakari* (sycophancy) culture under hierarchisation, has detrimental effects on the overall development of society. Bista notes “With *afno-manche* culture, one finds exclusionary, factionalism, failures in cooperation, and corruption in various forms leading to malfunctioning of development administration and dissatisfaction at every level” (Bista, 1991:4). The effects of fatalism are also seen on education as scholarship, as an end rather than a means, is automatically associated with higher status and privileges. To be educated is to be effectively removed from the workforce (ibid: 6).

3.3.3 Feudalism: legitimising and surging of perverse institutions under Ranas

Even though Nepal’s production and distribution system has never been as feudalistic as in Western Europe, the historical discourses in Nepal, mainly, during the Rana regime (1846-1950) have had feudal characteristics (Paudel, 2002; Upreti, 2001; Bhattarai, 1998). Soon after the snatch of power by Janga Bahadur Rana, who declared himself as *Shree Teen* (the glorious three times), there began a hereditary prime-ministerial system in parallel with the hereditary kingship in the country. The family

regime ruled the country in a centralised, close and feudal way. This period marked the cumulative enforcement of caste-based, fatalistic and feudalistic production systems promoting dependency and oppressive social relations based on hierarchy.

After the unification of Nepal in 1768, especially during the Rana regime, centralisation of land rights and a production system called *raikar*⁷, a form of state land-lordship, started and many institutions of feudalistic production relations evolved to serve the interest and power of the rulers (Paudel, 2002; Bhattarai, 1998).

Designed to reduce dependence on revenue so that they could use it to maintain lavish lifestyles, Ranas intensified distribution of *raikar* land as various forms of gift and remuneration like *jagir*⁸, *birta*⁹, *rakam*¹⁰, *sera*¹¹ and *rajya*¹² to the people serving in the army and other government services or as the local functionaries, all their favourites. They nominated local village heads like *jimmawals* and *mukhiyas* in the hills and *jimdars* and *Chaudharis* (landlords) in *Terai* as functionaries of the state who were given enormous power to govern the local communities, including the right to collect land revenue and grant land. In a bid to increase revenue, the local functionaries increased new settlements, which led to massive deforestation in the *Terai* and accumulation of land, making themselves new landlords. By the 1950s, one-third of agricultural and forestland was distributed in this way and the rest belonged to the Rana themselves (Regmi, 1978). These new landlords exploited the peasantry by fixing a minimum rent at 50% of the yield and giving the land on *kut* (rent) to those who agreed to pay even more.

The social philosophy of the Ranas was only to realise rents and revenues without any investment to increase productivity. Various forms of forced labour were used for doing domestic chores of the rulers and developing infrastructures. In the twentieth century

⁷ Land under state ownership.

⁸ A type of tax free land tenure granted to military personnel or civil servant in lieu of service, especially during Rana regime.

⁹ A tax free land tenure system, especially during Rana regime, in which land is granted as a pension or as a reward to political supporters and family members (abolished in 1959).

¹⁰ A form of tax free land tenure granted to individuals by the state in payment for military or administrative services—in lieu of other emoluments

¹¹ A form of land tenure explicitly used by the royal palace to meet food grain and other land requirements.

¹² A form of land tenure granted as princely state award to members and relatives of royal families.

the Ranas started two additional forced systems of labour contribution called *jhara*, and cash contribution in lieu of labour services called *rakam* (Bhattarai, 1998:140). At local level, people had to work at the will of the *jimmawal*, *mukhiya* or *jimidars*

The practices during the Rana Regime gave rise to various institutions like patronage, favouritism, elite-capture of common resources, tendencies of rent seeking (Gyanwali, 2004). The system of governance ranging from the centre to local level was 'elitist-statist' giving rise to patron-client relationships between people as servants and the government functionaries as masters, and to power-based hierarchies. The institution called *afno-manchhe* and *chakari* (sycophancy) were reinforced in Rana rule in which massive areas of land were distributed to family members, relatives and those around them who did *chakari*. Practices of diverting state benefits and favours using the channel of *afno-manchhe* in power position have ever since become institutions engulfing government and the social systems. The remark of Prithivi Narayan Shah "*ghus dinya ra linya dubai rastraka satru hun*," meaning both bribing and bribed are the enemy of the country, speaks of corruption as an age-old tradition in Nepal. The Rana Regime symbolises an era of massive corruption of national resources for gaining personal income by the rulers and their functionaries.

It was during the Rana Regime that the Hindu *Varna* and caste system was legitimised in its worst discriminatory form through the first civil code, *Muluki Ain*, in 1854 (Hofer and Sharma, 2004). The Regime also symbolises the era when hierarchisation of society through feudalistic production relations, fatalistic psychosocial structure and caste-based discrimination, institutionalised "negative sum social relations" in Nepal. The Ranas propagated the one nation, one language and religion and one culture drive which were further promoted later in the *Panchyat* period (1960-1990) (Dahal, 2003).

Although Nepal has made progress in many sectors since Rana rule, the legacy of the past continues to affect the government institutions and social relations. The institution of monarchy in Nepal has always been feudal and continues to be the central driving force protecting and sustaining feudalism. The aristocratic and privileged classes, like the Shah, Rana, and previous feudal lords like *jimdars* and other high caste people, continue to hold covertly large areas of land as absentee farmers (Karki, 2005). These people have managed to control national politics and state affairs, and dominate the

high-ranking police, military and bureaucracy (ibid). The *afno-manchhe* connections, *natabad-kripabad* (nepotism-favouritism), *chakari* (sycophancy) and bribery and corruption are still the means to sustain these relations and positions (Acharya, 2002). The bureaucracy is apathetic to change and delivering good government as demanded by a democratic governance system. The contemporary aphorisms like, “*rajako kam kahile jala gham*” (when doing public/civil service, only think about passing time, do not bother about the attainment of outcome) symbolise that state of civil service in Nepal is with no sense of care for public, productivity and accountability. In government offices “*bholi*” (come tomorrow) and “*mathiko adesh*” (order from ‘above’) are common terminologies for turning down or delaying services. In development arena, discretionary attitudes to dictate and distribute development projects (*vikas badne*) undermine attempts on decentralisation.

At local level, many of the Local Government Units (LUG) are captured by rural elites (Winter, 2003), relatively large landowners and village moneylenders, who exploit the landless and bonded labour and other rural proletariat (Karki, 2005). The aphorisms like “*jasko shakti usko bhakti*” (one who is powerful should be obeyed), “*ke napchhas ra, sake garera dekha*” (show your power to withstand me if you are able), “*kaska bauko tagat*” (can anybody dare to challenge me?), “*sabai baleko ago tapchhan*” (all take the powerful person’s side), “*garibali matra niayam lagchha*” (law for poor, impunity for rich) speak of discourses of power-led asymmetrical social relationships in common life.

3.4 The state of Nepal’s social capital

The preceding review of the historical social structure of Nepal has explained why Nepal’s social relations are likely to have “negative sum outcomes”. This section reviews the social capital literature in Nepal and explores norms and institutions promoting cooperation. Then, it presents the structural parts of Nepal’s social capital: voluntary membership organisations in detail.

3.4.1 Social capital in Nepal

3.4.1.1 Review of previous studies and grey literature

In contrast to the explosion of social capital literature internationally, there has been a negligible amount of works and publications on this subject in Nepal (for the list see annex: 1).¹³ The Nepal Human Development Report 1998 (NESAC, 1998) is the first document that dealt with social capital at some length. In 1999, two very short papers were published in newsletters touching on social capital issues while dealing with institutional and network issues (Sadeeqe, 1999; Gibbon and Pokharel, 1999). A working paper published in 2000 made brief reference to social capital (Bajracharya, 2000). In 2001, a journal article was published linking social capital with micro finance and feminism (Rankin, 2001). A short workshop paper appeared in 2002 on social mobilisation and on irrigation, making a short reference to social capital (Pradhan, 2002). In 2003, a short essay appeared in *The Rising Nepal* (Rijal, 2003). In the same year a conference paper included social capital as a theme (Eklund et al, 2003). A short essay on social capital was published in *The Kathmandu Post* in 2004 (Nepal, 2004). In the same year, a PhD thesis was written on school enrolment linking with household human and social capital (Dhital, 2004). Lately, in 2006 a short essay appeared on an online news portal about enhancing social capital in Nepal (Devakota, 2006). The terms have been sporadically referenced in many other works, mainly on evaluations of community forest and irrigation management, reports of development agencies related to grassroots mobilisations and some academic works.

Many of the above mentioned works have used social capital in a piecemeal way without conceptual clarity or analysis. None of them, however, is based upon substantial empirical work, methodologically; nor have they tested the relevance of Putnam's or Bourdieu's perspectives of the concept. So far as availability of useful data set goes, neither the national census nor living standard surveys have generated data for social capital analysis. The NHDR 1998 has, however, conducted a relatively extensive discussion on social capital in Nepal. Written before Putnam's "Making Democracy Work" (1993a), the work by Dor Bahadur Bista on Fatalism and Development analyses Nepal's social and cultural organisations in terms of collectivism and development

¹³ This is not to claim that it is an exhaustive list of studies in social capital in Nepal.

extensively without referring to social capital *per se*. These works, however, lay some foundation for the analysis of social capital in Nepal.

Due to the lack of any rigorous theoretical and conceptual base, the studies have often taken social capital as a 'win-win' set of concepts. Interestingly, one similarity among most of the studies is that they have embraced institutional/network perspectives of social capital. Some have highlighted the role of new forms of sponsored organisations while others have given primacy to occupational organisations, political parties and local government. However, NHDR (1998) has presented a comprehensive institutional approach to social capital. Devakota (2006) has combined both traditional and modern institutions to describe Nepal's social capital and emphasised inducement of social capital through credit unions.

Dahal (2001) argues that many organisation are successfully promoting civic engagements. He explains:

The most effective civic organizations, such as human rights organizations, bar associations, students unions, teachers unions, trade unions, etc. are effectively organized. They have established local chapters, broadened the base of their organizations, increased the participation of their members and garnered social capital by drawing citizens together in interpersonal relations concerning solution of their problems (Dahal, 2001:24).

He further argues that a web of local government units at various level has not only empowered them but also generated a high level of social capital and, consequently, greater interest in voluntary cooperation for the promotion of public goods (Dahal, 2000).

Many have taken new forms of community organisations as an example of enhancing social capital. Gibbon and Pokharel (1999) have presented social capital as the quality of relation between and among people, which increases as the networks in the community increase. RUPES (Home Page) claims that social capital among Tamang people is high as there is high solidarity and they have youth and women's groups. Devakota (2006) presents political parties as one major component of social capital. Rankin (2001) presented social capital as groups of borrowers who monitor one another's financial activity. UNDP's Participatory Conservation Programme (PCP) (Home Page) presents the number of users' groups/ community based organisations to claim increased social capital. Upadhyay (1998:3) underlies the importance of building

institutions of the poor for their common benefits and illustrates several cases of social capital development through social mobilisation in various sectors of community life. Discussing the community organisations through social mobilisation, Bajracharya (2000) argues that people, development agencies, and local government institutions are the main actors in mobilizing social capital. Pretty (2003) has annexed a table to a working paper under the title 'formation of social capital' in which the number of groups formed in Nepal and elsewhere related to irrigation and forestry is presented.

As an exception to these above examples, Dhital (2004) has used social capital frameworks in a different way, when he defines household social capital in the form of intra-household relationships (help received by parents from non-resident children) and community ties (increased parental participation in youth clubs).

3.4.1.2 Rising or falling?

There are contradictions in these observations on the state of social capital in Nepal. Some have described Nepal as having affluent social capital (FAO, 2004: 161; Sadeeque, 1999; RUPES Home Page) while others have argued the opposite. Still another section thinks that now it is not like the "good old days" when Nepal had affluent social capital, but it is gradually depleting due to violent conflict, social stratification and partisan politics (Devakota, 2006; Stiftung, 2006; Prasai, 2000). However, FAO (2004:161) argues that in Nepal caste-based stratification coexists with high endowment of social capital. This issue will be discussed later.

3.4.1.3 Nature and sources of social capital in Nepal

Nepal's political and economic domains largely operate within distinct physical bounds, and crossing the local bounds is very limited. Such limitation is highly localised and segmented, yet mutually relatively well articulated with intense social organisation and social relationships revolving around the household, kinship network, neighbourhood and community structures and processes (Mishra, 2001:2; NESAC, 1998:168). The NHDR 1998 further characterises the organisations of cooperation as:

... is based, among others, on the predominantly subsistent and feudal agrarian modes, the historical seclusion imposed by physical geographical barriers, the (male-based) coparcenary rules of inheritance, caste/ethnic and class exclusion, segmentation of market and economic disarticulation (NESAC, 1998:166).

Mishra (2001) argues that traditionally the formation and nurturing of social organisations at a more encompassing level are based on the religious, linguistic, ethnic and caste group affiliations. Similarly, modern institutions like health posts, schools, local government units, have been emerging to facilitate cooperation at more encompassing levels: bridging and linking level (NESAC, 1998). In addition, the Community Based Organisations (CBOs) have traditionally formed the foundation of local-dominant social relationship (ibid: 3) at village level. Furthermore, the recent upsurge in development related CBOs have enhanced the prospects of cooperation.

3.4.1.4 Positive socio-cultural and structural aspects

Despite the problematic social institutions mentioned in section 3.3, there are also elements that make the local level cooperation possible. Among them are the various indigenous voluntary organisations related to the cooperation and collective action (table 3.2). The principle behind these organisations has been voluntarism (Bhattachan, 2001). Bista (1991) argues that Nepal has positive elements and its strength has always been in the indigenous qualities and ethnic groups. He elaborates:

In various areas of Nepal may be found the social qualities that, with the correct external facilitation, may generate and sustain the kind of progress envisioned by national planners. These include a strong commitment to productive labour, a high adaptive propensity at individual and social levels (Bista, 1991:2).

Despite the religious hegemonic configuration in the state apparatus, Bista (1991) argues that Nepal has never been plagued by any form of religious fanaticism and Nepalese love all kinds of colourful rituals and religious traditions. The society is also replete with Hindu and Buddhist philosophies and the relation between these two is described as the one of religious harmony and coexistence. These religious traditional aspects indicate a condition in which cooperation emerges at various levels.

Governed by religious codes, there are some popular principles which guide social relations in Nepal. As in many other religions, philanthropy, cooperation and collective action are religiously inspired. In both Buddhism and Hinduism, *dharma* (institutional duties and roles) have an intricate relationship with *karma*. Contrary to the fatalistic connotation of *karmic* relations, it has also positive implications in social relations. *Karma* signifies that good actions have positive results while bad actions have negative (Dahal, 2001:5). Hence performing *dharma* is believed to be a way to pursue *mokshya* in Hinduism and *nirvana* in Buddhism (both meaning salvation).

Regarding doing good action, there are countless examples where people have invested their wealth and labour in order to construct collective assets such as rest places; trails; water fountains; irrigation systems; schools, etc. Occasionally, people organise religious ceremonies, like recitation of *purana* (Hindu religious literatures) and singing *bhajana* (hymns), inviting relatives, neighbours and villagers (Timilsina, 2000). Such organisations also provide a place for informal interaction to agree on future cooperation. Nevertheless, it is not surprising to find people organising religious ceremonies or working for community welfare in the belief that such activities help wash out sins they have committed.

The ethical policy in Sanskrit, “*Paropakaar punnaya papaya parapidanam*”, (helping others with self-less mind results in *punya*- gains- and suffering others results in *pap*-sin) is very popular in the discourse of social relations. The often referred old Sanskrit remarks like “*Wasidhaiba kutumbakam*” (meaning, the whole world is a family); “*Sanghau shakti kalau yuge*” (meaning, in kali yuga- present Iron Age-, associations are power), and “*Sangham saranam gachhayami*” (meaning, I take refuge in associations) signify the importance and power of associational life. Developed from the Vedic age (3000 B.C.) and inspired by Buddha’s teaching over 2500 years, a polytheist country like Nepal (Dahal, 2001) has upheld flexibility, tolerance and coexistence, giving a sense of autonomy. Hence, Hinduism fosters flexibility, national pride and this world ness (Razeeb, 2004).

In the following sections, the structural social capital in Nepal is presented by reviewing the evolution and history of membership/ civil society organisations and their policies. The section also presents the level of emergence of induced CBOs in Nepal.

3.4.2 History and policy on voluntary organisations in Nepal

In one extensive study on ‘development groups’ in Nepal, Biggs et al. (2004b) have classified types of groups as customary (culturally embedded) and sponsored (outsider-initiated) (figure 3.1). The figure shows the types and evolutionary trends of various groups. Of the customary groups, indigenous groups have been gradually declining, whereas traditional groups are almost at constant position because some newly sponsored groups are taking traditional forms. Sponsored groups and their federations have been increasing since 1990.

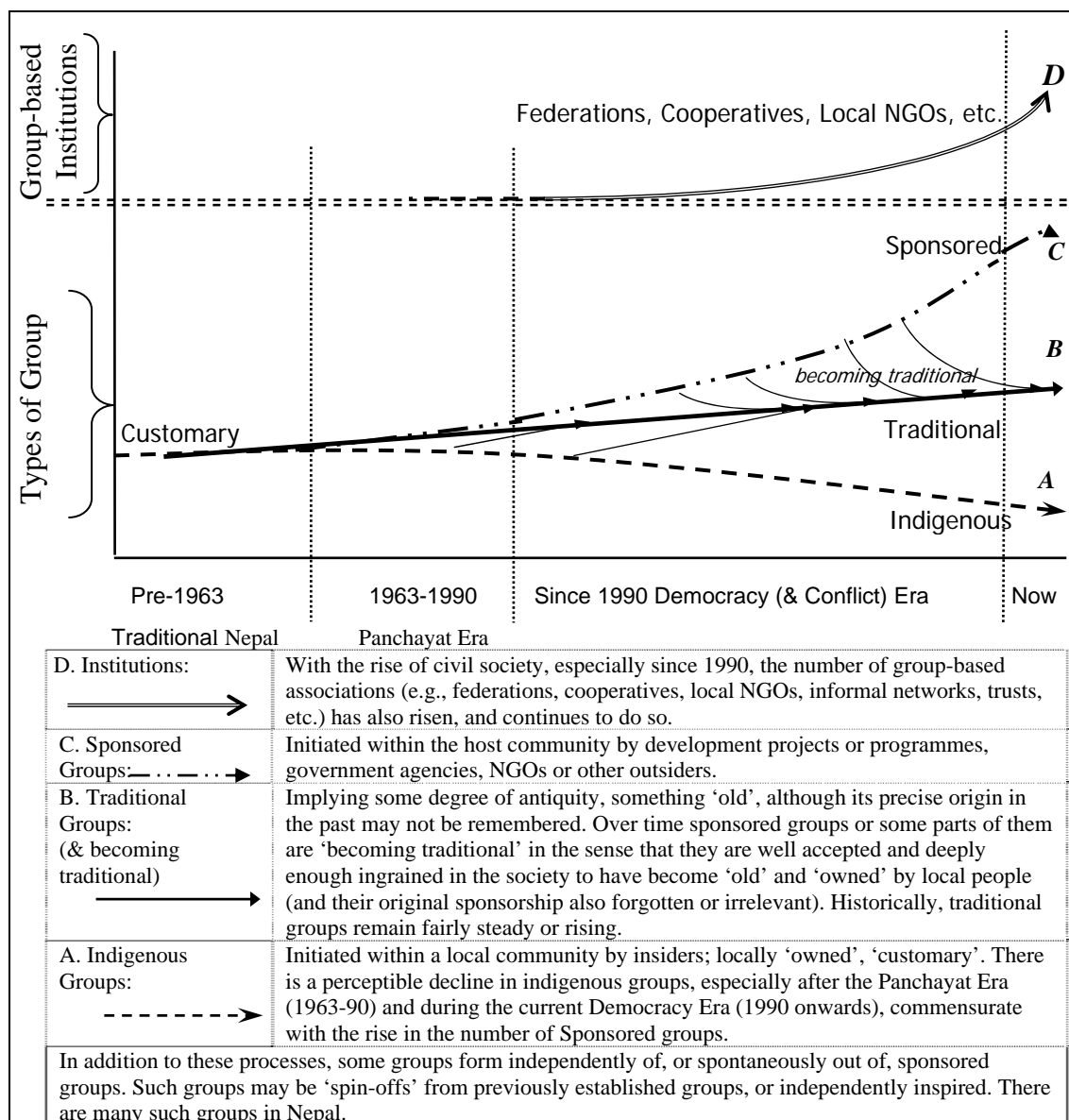


Figure 3.1 Rise and decline of groups and group-based institutions over time, by type

Source: Adopted from Biggs et al. (2004a:8)

Taking different historical contexts and shifts in political-economic paradigms into account, the analysis of evolution of groups vis-à-vis policy is presented into three period: before and during the Rana Regime; from the end of the Rana Regime to the end of the Panchayat system, and under the present multiparty system.

3.4.2.1 Before and during the Rana regime

Before the Rana regime, there were not any formalised people's organisations. However, many community level informal social organisations related to various caste/ethnic groups emerged long ago and many of them continue to exist at various levels. Most such

organisations were related to agricultural production and welfare of members belonging to a particular ethnic/caste or region. While some of them are typical of certain ethnic groups, some others like *parma* have widely spread across various groups (table 3.2). Some ethnic activists argue that the unification process gave rise to fatalism and hierarchisation in the society through *Hinduisation* and *Sanskritisation* which have had adverse effects on ethnic collective qualities (Bhattachan, 2001, 2003; Hachhethu, 2003; Shrestha, 2001; Bista, 1991). Nevertheless, both the compulsion to cooperate for livelihood security and survival of the cooperative systems are attributed to the enclave settlements based on ethnicity and caste, and difficult topography (making transportation and communication difficult) (FAO, 2004, Bhattachan, 2002).

Table 3.2: List of some customary organisations (networks and norms) in Nepal

| Name of the organisation | Description | Ethnic /caste groups |
|---|---|-----------------------------------|
| Dhikur | Rotating credit association | Thakali |
| Dharma Panchayat | Local level political organisation | Thakali |
| Guthi | Land based religious organisation | Newar |
| Tho, Gola and Rodhi | Social organisations | Gurung |
| Ama samuha | Mother's groups | Gurung |
| Bheja | Social, cultural, religious, political and economic organisation | Magar |
| Kipat | Communal land tenure system | Kirat |
| Chumlung | Social organisation | Kirat |
| Tumyangbhang | Pancha bhaladmi [Community judiciary group of noblemen] | Limbu |
| Posang and Mirchang | Social organisations | Marphali |
| Chhatis Mauja Irrigations System | Social organisation (to manage irrigation) | Tharus |
| Khel | Social organisation | Tharus |
| Choho | Ritualistic, administrative and judiciary organisation | Tamang |
| Maijan | Social organisation | Various group in Terai |
| Parma, Pareli, Huri and Nogyar | Labour exchange system related to agriculture | Various groups |
| Sharmadan, Badghar, Jhara, and Maha-Jhara | Community labour groups | Various groups |
| Kulo Samiti, Kulo Samuha | Irrigation management associations | Various groups |
| Nangkor, Banpale, Ban Heralu, Ban Samiti, Ban Samuha, Ghar Lahure | Traditional forest management groups and norms | Various groups |
| Dharma Bhakari | Collection of food grains in a group to use during off season | Various groups |
| Panchayat | Local collective governance | Various groups |
| Bhajana Mandali | Traditional/folk form of singing religious hymns in a organised way | Various Hindu and Buddhist groups |

Source: Adapted from Biggs et al (2004b); Yadama and Messerschmidt (2002); Timilsina (2000); Bhattachan (2001: 71) and Pokharel and Willet (1996).

These organisations are still in existence and form the basis of cooperation and collective actions. Many of the above mentioned customary CBOs are very successful

even today. The indigenous system of irrigation management is one of them. The around 150 year old Chhatis Mauja irrigation system is regarded as one of the best four irrigation systems in the world (Uphoff, 1986).

The history of modern membership based organisations, however, is not very long in Nepal. When the rest of the world was awakening to independence, modernisation and prosperity, Nepal was still under a family oligarchy until 1950. Under Rana's rule, the country was completely closed from the outer world. People were denied all freedoms, including freedom of expression, rights to education, etc, let alone the right to organisations. Such freedoms were seen as a threat to the regime. Thus, people trying to form organisations were harshly penalised. Nonetheless, a few modern philanthropic and political organisations emerged during this period. Inspired by Gandhi's *Charkha* movement, the first people's organisation established in Nepal was Chandra Kamadhenu Charkha Parcharak Mahaguthi in 1926. Later, in 1931, a public library was founded, but the founders were penalised. In 1934, an Earthquake Relief Committee and Relief Force was constituted. In 1948, a philanthropic hospital was founded. The political parties, Nepali Congress, Nepal Communist Party and Rastriya Parja Parishad Party, which emerged in exile in the 1940s were banned in the country and operated from exile.

3.4.2.2 From the end of Rana regime to the end of the Panchayat system

This period can be divided into two: the 1950-1960 period of transitional democracy and the 1960-1990 period of party-less *Panchayat* system. The first period had a system of multiparty democratic government guaranteeing people the right to organise. In this period, Nepal was opened to the outside world and the country obtained membership of the United Nations and its agencies. People participated in various political, occupational and social organisations. In 1951, three major social organisations were started: Paropakar Sanstha, Nepal Ayurvedic Organisation and All Nepal Homeopathic Union. The next year Nepal People's Welfare Organisation was opened. In 1955, the Nepal Tuberculosis Eradication Organisation and in 1955 Marwari Sewa Samiti were opened. In 1960 Rotary Club Nepal and the Nepal Family Planning Association were started. Aimed at promoting food security through local cooperation, in the 1950s, the Compulsory Grain Saving (CGS) policy was launched. The cooperative movement was

launched after a decade aiming at promoting the welfare of the people through cooperation at local level. However, due to the state-led nature of these organisations, the highly imposed corporative movement could not generate true cooperation and eventually met with wide failure (Mali, 2005).

The second period, the Panchayat regime, is reminiscent of the dark Rana era in terms of banning of organisations. The system was party-less, hence all political parties were banned. The concept of occupational organisation was promoted in order to consolidate the regime by getting support from the various occupations. However, outlawed political party organisations, which were operating from exile and underground, had extensive organisational webs at various occupational levels. The system of governance was centralised with the executive power of the country resting on the absolute monarch. By the 1970s, the community management of collective resources such as forest, irrigation and schools was nationalised by undermining the local social capital. Even though the concept of sectoral/functional users groups (e.g., water users, buffalo keepers) was initiated in the late 1960s and early 1970s, such groups were used to facilitate service delivery rather than promoting ownership of developmental activities. They lacked civic virtues and were not meant to be sustainable.

In the 1960s, the Integrated Rural Development Programme (IRDP) was launched but it did not adopt a group approach until 1989. The programme failed to promote social capital: it started with incentives generating artificial participation and with little chance of continuity after cessation of incentives; it did not have clarity about institution building; it lacked strong coordination among government agencies; and was handed over to government, keeping people at bay (Amatya, 1989). On the other hand, the National Development Service (NDS) launched in 1974, became very successful in mobilising communities and was gaining credibility nationally and internationally (Maskay, 1998). However, it met with apathy in the policy process as the government adopted a 'slowdown' approach due to fear of increased mass awareness (Yadama and Messerschmidt, 2002; Amatya, 1989).

In the mid 1970s, the Small Farmers Development Programme (SFDP) was initiated. The SFDP adopted a group-based self-help approach to facilitate the welfare of small farmers. In 1981, a group based credit programme called Intensive Credit was started.

In the same year a women's credit programme called Production Credit for Rural Women (PCRW) was launched.

Despite its antipathy to peoples' organisations, the state could not resist the changes in the global political and development paradigm and growing pressure at home. As a result, it made changes in the administrative structure in the 1980s and promulgated the Decentralisation Act in 1982 that recognised users' groups. In the late 1980s, the government started the Community Forestry Programme, which paved the way for what are now called successful Forest Users Groups (FUG).

Regarding organisations at meso and macro level, the government had to allow a few organisations (box 3.1). As obliged by international treaties (Acharya, 2000), the Nepal Red Cross Society was established in 1964 followed by the establishment of the Nepal

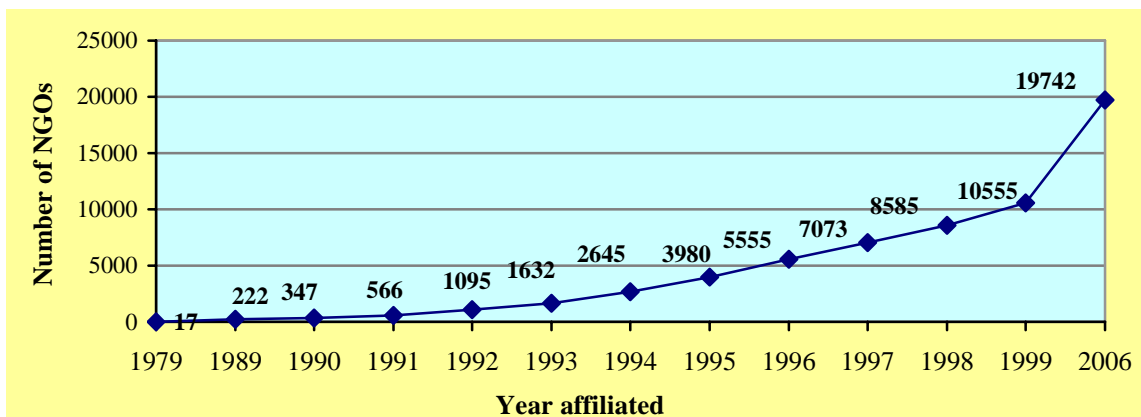
| Box 3.1: Chronology of evolution of civil society organisations/Movement in Nepal | |
|---|---|
| 1926 | Chandra Kamadhenu Charkha Parcharak Mahaguthi |
| 1931 | Public Library (founders were penalised) |
| 1937 | Nepal Nagarik Adhikar Samiti (Committee for Citizen's right. |
| 1934 | Earthquake Relief Committee/ Force |
| 1947 | Jayatu Sanskritam Movement |
| 1947 | Workers strike in Biratnagar Jute Mills |
| 1948 | Paropakar Ausadhalaya |
| 1951 | Paropakar Sanstha [Charity organisation] |
| 1951 | Nepal Ayurvedic Organisation |
| 1951 | All Nepal Homeopathic Union |
| 1952 | Nepal People's Welfare Organisation |
| 1954 | Nepal Tuberculosis Eradication Organisation |
| 1955 | Marwari Sewa Samiti |
| 1960 | Rotary Club |
| 1960 | Nepal Family Planning Association |
| 1964 | Nepal Red Cross Society |
| 1965 | Nepal Children's Association |
| 1970 | Nepal Leprosy Eradication Organisation |
| 1970s | Beginning of organizations as NGOs |
| 1960s/70s | Occupational organisations (affiliated organisations of Panchayati political structure) |
| Source: Compiled by Researcher | |

Children's Association in 1965. In 1970, the Nepal Leprosy Eradication Organisation was established. However, many such organisations then opened were like an organ of the government as their management was often nominated by government with patronage of members of royal families. After the enactment of the Organisations and Association Act (1977), organisations posing no political challenge to the regime were allowed to run, but they too were controlled by then National Social Service Coordination council chaired by the Queen. By 1989, there were 222 NGOs.

3.4.2.3 *Present multiparty system*

The reestablishment of the multi-party system in 1990 guaranteed freedom to organise. It marked an era in which civil society organisations (CSOs) have boomed at various

levels. There are no reliable data available, but it is estimated that as many as 30,000 NGOs have been registered in the country (Global Policy Forum, 2005). The figure 3.2, which presents the NGOs voluntarily registered with the Social Welfare Council, shows the rising trends in NGOs' numbers in the 1990s. However, this trend is expected to have shifted toward a decline after October 2002 since the country did not have democratically elected governments until the restoration of the parliament through the People's Movement (II) in April 2006.



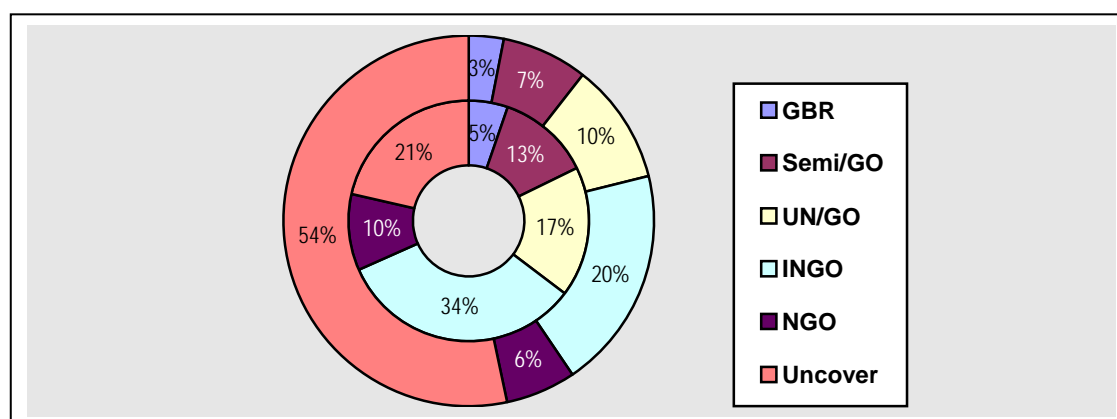
Source: Swar et al. (2003), and personal enquiry with SWC. The 2006 data includes up to mid April.

Figure 3.2: NGO's (only affiliated to SWC) growth between 1979-2006 (cumulative)

Freedom to organise did not only lead to the rise of NGOs, but also many other political and occupational bodies. Altogether 44 political parties (recognised by the Election Commission) came into existence in 1991 and have organised and massively mobilised party members and supporters at various levels (Savada, 1993). The major political parties expanded party organisations at VDCs and even village level throughout the country. Most political parties have separate occupational organisations, such as: trade unions, women's organisations, student organisations, farmer's organisations, etc. functioning at various levels. People have been extensively mobilised for political actions, sometimes giving rise to a negative impact on wider social functioning. Included under NGOs, various right-based groups, such as human rights, women rights, and ethnic rights groups have emerged, advancing the movement for ethnic and disadvantaged groups at an unprecedented level. The civil society sector, in the broader sense and cumulative form, has been so strong that it was evident in its ability to resist the hostile situation during the King's direct rule in 2005/06, and in its ability to mobilise the masses in the people's movement of 2006.

On the bottom rung of the civil society continuum are the CBOs. As the traditional and indigenous CBOs have already been described, the newly induced/sponsored CBOs are discussed below. In recent decades, extensive mobilisation of communities (with different approaches) has been taking place through the inducement of CBOs. Because CBOs are largely understudied until recently (Biggs et al, 2004:6), this research study has attempted to capture some aspects of induced CBOs through a national level survey with 39 leading community mobilisation agencies. Concurrently and coincidentally, a broader exploratory study of ‘development groups’ has been carried out by DFID (Biggs et al, 2004b).

Recent studies, including the current, have indicated that there are hundreds of thousands of induced CBOs operating at the grassroots in Nepal. The 39 agencies participating in the survey have alone formed 51,899 community level groups, mobilising nearly one in four households in the country. The survey, built on figures from a previous study (Sah, 2003), has revealed (figure 3.3) that if the overlapping of membership is not taken into account, four in five households in Nepal would have participated in development groups. When the duplication ratio 40.5% (Sah, 2003) is taken into account almost half of households are found to have participated in various groups at village level (for agency-wise details see annex.2A and B).

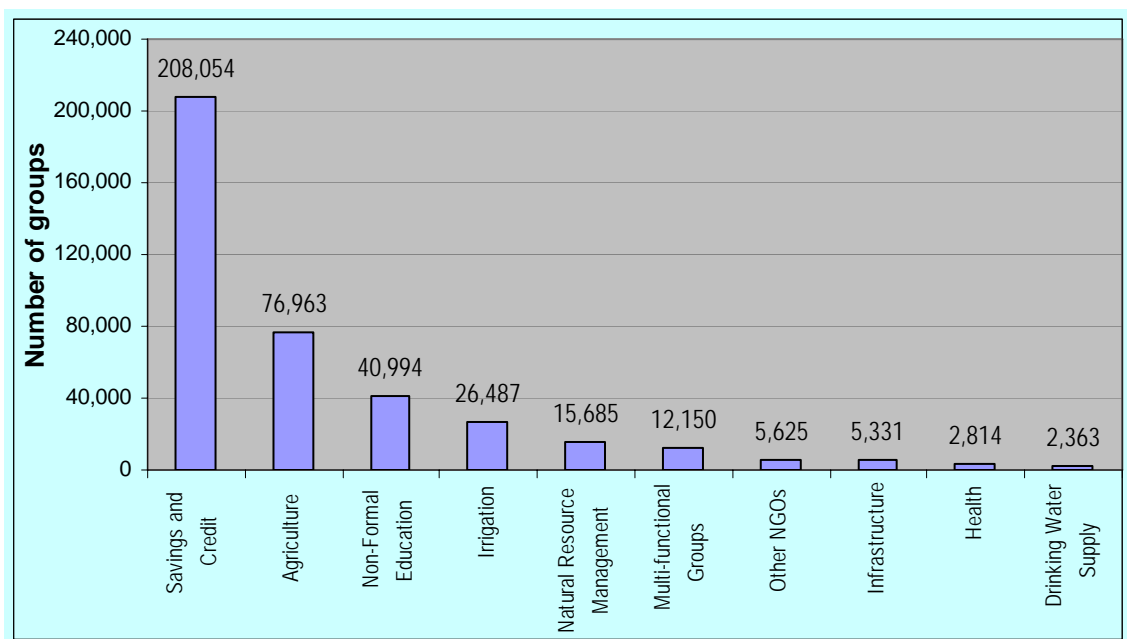


Note: Outer-duplication included, inner excluded
Source: Field survey 2004 and built on Shah (2003).

Figure 3.3: Share of socially mobilised households

Biggs et al. (2004b) have estimated the number of developmental groups at the grassroots by dividing them into 10 sectors: micro savings and credit; agriculture; non-formal education; irrigation; natural resource management; infrastructure; drinking

water; health and other multifunctional groups and other NGOs at micro level (see figure 3.4). They have estimated that there are approximately 396,466 development groups formed so far by different agencies and projects. This figure still can be expected to rise as many community led management committees of public institutions such as school and health posts, and several locally formed users groups, are not included in this figure. On the other hand, some groups such as literacy groups included under the education sector are of a temporary nature, hence not expected to exist for long. On average, this figure of groups comes to be nearly a group among 11 households in the country.



Source: Adapted from Biggs, 2004b

Figure 3.4: Overall preliminary estimate of micro-level groups by sectors (2004)

Federations of groups at various levels have been formed in certain sectors. These institutions have been very useful for bridging and linking relations and advocating and pressing for the collective benefits of their affiliated members. At the micro level, some agencies and projects have started to form federations of village groups. Many groups have a powerful federation at national level too. Some examples are: Federation of Community Forest Users Nepal (FECOFUN), National Federation of Water Users Association Nepal (NFWUAN), NGO Federation of Nepal, and Nepal Federation of Indigenous Nationalities (NEFIN).

The reason behind the unprecedented surge in CBOs is mainly to do with shifting approaches to extension through changes in policies (box 3.2). The financial sector reform programme included NGOs as intermediaries and allowed them to operate deposits. The Eighth Five-Year Plan (1992-1997) put emphasis on partnership with NGOs, groups and local organisations. In this plan, the group approach was emphasised for agriculture extension and polycentric institutional arrangement involving water users associations in irrigation (Upadhyay, 1998). The new Cooperative Law of 1992 gave space for people-initiated cooperatives in diversified sectors, mainly allowing them to operate savings and credits which marked the turning point towards more successful cooperative practices than the old government dominated failing cooperatives in Nepal.

The Ninth Five-Year Plan (1997-2002) gave priority to collaborative/coordinative works with NGOs, groups and local organisations. The Local Self-Governance Act 1999 envisioned the role of community groups and the NGOs sector, assigning local government units a role to coordinate with them. The Tenth Five-Year Plan (2002-2007) gave continuity to previous plans and strategised community (social) mobilisation programmes as the means to poverty alleviation and attainment of Millennium Development Goals, and NGOs are allowed to directly appeal for funding from foreign sources. During the last two decades, Nepal has devolved the management of several collective and public resources at the local level, such as: community forestry; community school management; community irrigation; community hydropower and electrifications; community radio, etc.

In recent years the NGOs and community groups sector has been stagnant due to the unstable political situation. Formal government mechanisms have been dismantled in the rural areas. Hence, no development institutions have existed, except for community level groups, a very few NGO led programmes and Maoist's 'people's governments' in various rural areas. The sector suffered due to the lack of an enabling environment and resources as the conflict caused the shrinking of the development budget due to the diversion of resources to meet growing military expenses (Subedi, 2006; Adhikari, 2005). Furthermore, suspension of many donor funded programmes, on the one hand, and the inability of government to spend a large share of development budget, on the other have contributed to the problems (Singh, 2004). In such an institutional vacuum,

the community level institutions were seen as the one and only direct way to reach the communities to utilise development expenditure (Nepali Times, 2005). After the *coup d'état* (Dixit, 2006) in February 2005, the situation further worsened as the government attempted systematically to curb the freedom of organisations by banning some civil society associations and attempting to police NGOs through the imposition of a Code of Conduct 2005 (Kathmandu Post, 2005).

Box. 3.2: Policies and programmes on community mobilisation and civic participation at grassroots

Major policies related to community groups and NGOs

| | |
|------|---|
| 1960 | Society Registration Act |
| 1970 | Association Registration Act |
| 1975 | Guthi Corporation Act |
| 1977 | Organisation Registration Act |
| 1982 | Decentralisation Act |
| 1990 | The Constitution of the Kingdom of Nepal |
| 1992 | Cooperatives Act |
| 1992 | Social Welfare Council Act |
| 1992 | Eight Five-Year Plan |
| 1992 | Water Resources Act (and Irrigation Rules, 1999) |
| 1993 | Forest Act |
| 1997 | Ninth Five-Year Plan |
| 1999 | Local Self-Governance Act |
| 2001 | National Foundation for Development of Indigenous Nationalities (NFDIN) Act |
| 2002 | Tenth Five-Year Plan |
| 2005 | NGO and INGO Codes of Conduct |

National programmes and projects aimed at mobilising communities

| | |
|----------|---|
| 1950s | Compulsory Grain Saving (CGS). |
| 1960s | Cooperative Movement |
| 1960s | Integrated Rural Development Programme |
| 1960/70s | Sectoral/Functional Users Groups (e.g., Water Users, Buffalo Keepers) |
| 1975 | Small Farmers Development Programme (SFDP) |
| 1977 | Remote Area Development Programme |
| 1981 | Intensive Banking (group based credit). |
| 1982 | Production Credit for Rural Women (PCRW)/Women Development Programme (WDP) |
| 1984 | Integrated Development System (IDS): Swabalamban Programme. (non-governmental) |
| 1990s | Proliferation of NGO promoted community mobilisations of all respects. |
| 1991 | Local Self-Reliance Fund intended to support the credit for community mobilisation programmes |
| 1992 | Rural Regional Development Banks, and Gramin Bank Replicators |
| 1994 | UNDP and other donor supported <i>social mobilisation</i> (PDDP, LGP, RUPP, PPP, etc.) |
| 1997 | Bishweshwar Among the Poor Programme |
| 1997 | Western Terai Poverty Alleviation Project |
| 1999 | Women Empowerment and Income Generating Programme (Jagriti) |

Source: Compiled by the researcher

3.4.3 Maladies of organisations and networks

The customary CBOs, networks and norms of collective actions in Nepal are primordial and parochial in nature. They are extremely localised based on pre-modern social structures such as family, kinship, neighbourhood, community, caste/ethnicity, cultural

associations and class hierarchies (Dahal, 2001; Mishra, 2001). Therefore, these structures of cooperation lack wider encompassing characters even though religion provides a wider forum for cooperation. Hierarchisation of the society through feudalistic production relations and fatalistic psychosocial relations by the mid-twentieth century penetrated many of these localised indigenous systems and new traditions based on bonded and forced labour emerged and became customary. These social norms and networks will be explored empirically in the Chapters Five and Six.

Modern civil society organisations including those at the community level have suffered much due to the policies of governments in the past who saw organisations as a direct threat to the regimes because they could make people aware of their rights and spark agitation out of dissent. Various types of occupational, political, social and developmental organisations, which boomed with change in the regimes, could not purge themselves of the inheritance of pernicious institutions. First, the majority of such organisations have been exclusive as there is very little representation of the people from the powerless class: low caste or ethnic groups, women and the poor. Most organisations lack intra-organisational democracy and good organisational governance. Political parties have been alleged of reinventing institutions like *afno manchhe* (including cronyism), source-force, clientelism, *chakari*, rent-seeking, corruption and hierarchical cultures. Even though political institutions have provided the local community with a bridge and link, the divisionary and exclusionary political culture promoted by them has fragmented societies, undermining collective unity and social capital (Prasai, 2000). The activities of the political parties in the last 15 years epitomise Nepali organisational culture: inter-organisational feuds, factionalism, horse-trading, split, unholy alliances and power obsessed culture. That almost all major parties and unions have gone through vertical splits and many small ones have disappeared suggests that Nepalese organisations have sustainability problems.

While creating conditions for bridging and linking social capital, the NGO sector too suffers from maladies. Just as the political and economic society in Nepal has common utilitarian motives of maximising power and wealth, some associations have become part of political society and have consequently failed to perform civic functions (Onta, 2005; Dahal, 2001:8). The NGOs have often been criticised for their over-dependence on northern donors and government; over concentration in urban centres; extreme

politicisation along party lines; poor membership base; overlap of activities; senseless competition for clients and patrons (Adhikari, 2005; Dahal 2001:24).

Many of these organisations have accountability problems. Such anomalies undermine their ability to promote civic virtue. Many of the NGOs have membership problems as they are run by a small group of people (Mishra, 2001). This was found to be true with most membership based agencies surveyed in 2004 (table 3.3). It was found that Kathmandu based Community Mobilising Agencies (CMA) have a low overall

Table 3.3: Membership in CMAs (N=31)

| Membership range | No of CMAs | Mean members |
|------------------|------------|--------------|
| 7-60 | 22 | 31.05 |
| 100-416 | 7 | 184 |
| 1946-27000 | 2 | 14773 |
| Total | 31 | 994 |

membership base and low female representation in the organisation and on the executive board compared to that of the agencies from outside Kathmandu.

Source: Adhikari, 2005

There is a greater sustainability problem of these organisations due to their external inducement, dependence, and weak resource and membership base. Even though there is a lack of national statistics to indicate how many NGOs have actually renewed their registration, it can be estimated to be very small. Of the 496 NGOs registered in Rupandehi district, only 95 (19%) were renewed in the year 2000 (DDC Rupandehi, 2000). This situation must have worsened due to the insurgency, lack of popular government and anti-civil policies of the king's government in 2005. The Maoists have had controversial policies, but in essence they regard NGOs as "petty bourgeoisie", or "agent of international imperialists" and "distracting people from the cause of suffering and oppression through cosmetic reform measures" (Onta, 2005).

The sponsored/induced community (development) organisations have largely outnumbered what are often called the "mushrooming" number of NGOs. These organisations at the community level have fostered modern collective cultures and have more positively been able to include *Dalits*, women and other disadvantaged groups (Biggs et al, 2004b). Their associations at a more encompassing level (meso and macro level) have fostered bridging and linking social capital. However, these organisations too are not immune to pernicious institutions that permeate the whole of Nepalese society. At a time when there is no information on how many 'civil society'

organisations including community level organisations have been formed, it is not surprising that we know very little about their sustainability. These issues related to community level organisations are presented in the coming chapters based on the empirical study.

Civil society organisations and other stakeholders including development agencies and projects related to the sponsored organisations lack coordination and cooperation at various levels (Dahal, 2001; Amatya, 1989). This is a generic, and a persisting problem. In a survey with community mobilisation agencies in 2004, the respondents highlighted lack of coordination as the most challenging issue in the institutionalisation of community mobilisation in Nepal (Adhikari, 2005). Lack of collaboration and coordination has severely undermined the prospects that these organisations have to enhance social capital in Nepal. Similarly, the agency survey identified policy problems regarding these organisations including: lack of firm policies and resource support to enable local initiatives, and lack of suitable registration process (Adhikari, 2005; Sah, 2003; Upadhyay, 1998).

3.5 Conclusion

This chapter has shown that the state of social capital in Nepal manifests dualistic characteristics. Nepali social organisation has both virtuous and vicious features which facilitate or constrain collective action. On the negative side, the feudalistic production relations, fatalistic belief system and caste based hierarchical practices have produced negative institutions, such as *afno-manchhe* (cronyism), *chakari* (sycophancy), source-force, hierarchism, exclusion, corruption, rent-seeking and patron-client relations. The oppressive regimes in most of the period of modern Nepal, mainly the Rana Rule, produced and reinforced many of these negative institutions and hierarchical power relations which contribute to negative social relations. They undermined the localised collective qualities and opposed people's organisations. On the positive side, though affected very much by the negative institutions, localised customary social norms and networks of collective action and cooperation have survived in Nepal. Embedded in highly philanthropic *Vedic* philosophy and the flexible and harmonious Hindu and Buddhist religious nexus, the belief in *dharma* and *karma* have positively contributed to

the collective organisations of voluntary social services and human welfare. With the liberalisation of policy in recent decades, civil organisations have evolved at various levels. These organisations together have demonstrated propensities to build civic virtues, hence social capital. However, pernicious social institutions inherited from the past have found their way into the voluntary and associational sector limiting the potential of generating cooperation and collective actions.

The following chapter presents the research methodology selected to investigate these issues in detail through empirical study in the field.

Chapter Four

Research Methodology

4.1 Introduction

This chapter discusses methodological choice and processes applied in this study. The study required a multi-method research strategy: qualitative and quantitative; multi units of analysis: household, group and village; and multi-stage research process: exploratory, in-depth study and follow up. The process applied and activities carried out in each stage of fieldwork are here elaborated. Then, the process and rationale in selecting the research sites and samples are discussed, followed by a discussion of household interview environment and attempts made to build a relation of trust between the researcher and respondents. The chapter briefly presents the nature of research instruments and the process of data analysis. The issue of rigour is examined by exploring associated threats undermining the quality of research, and explaining the strategies employed to minimise them. Finally, the limitations of the study and lessons learnt are presented followed by the conclusion. Moreover, this chapter should be viewed in conjunction with the methods and measurement of social capital presented in Chapter Five.

4.2 Learning process

Researching on social capital is complex due to the vague and highly contextual nature of the concept. The straightforward methodology clearly mapped out at the beginning may not always capture such complexity (Booth et al., 1995). Furthermore, given that no study of this kind has been carried out so far in Nepal, the development and adaptation of a locally suitable methodology has been itself an extended learning and research process (see Chapter Five). In this chapter, I intend to present even errors to show that how the learning process has eventually contributed to the quality of data, findings and interpretation of the research results.

4.3 Rationale for adopting a multi-method research strategy

The study of social capital and community organisations involves researching other human beings. Studying behaviours, interrelations, interactions, and cooperation among

human beings implies desired or undesired influence. This is what Anthony Giddens calls “double hermeneutics” (Ritzer and Goodman, 2003). These inevitable human influences and embedded subjectivity make an objective study on social capital and community organisations difficult; hence, making it a field of interpretative commitment of worldview that holds value-free social research is not possible (Williams, 2003). In his discussions of social capital, Quibria (2003:36) concludes that social capital studies should naturally rely on subjective data because the concepts relate to social interactions involving subjective processes. William (2003:3) further elaborates: “Research is never neutral and there is always a context”. Given the highly contextual nature of social capital (Foley and Edwards, 1997, 1999), a set of indicators or measurement tools applied in one context is not necessarily applicable in measuring social capital in another context (Chapter Five). Therefore, this study follows commitment to the worldview that social understanding and meaning is subject to interpretation as it is constructed in particular social contexts.

In social science, there are established traditions which state that employing a particular method for researching social phenomena is not only about data collection and interpretation but also about their inextricable embeddedness in commitment to a particular version of the world and to knowing that world (Hughes, 1990, cited in Bryman, 2001). To put it simply, quantitative and qualitative research strategies are often linked to dichotomous epistemological and ontological commitments. The academic literature has dealt with the quantitative and qualitative divide as mutually exclusive, taking quantitative methods as synonymous with positivist and qualitative methods as synonymous with interpretative commitments (Bryman, 2001). Such a divide often implies that one is superior to the other.

While acknowledging the boundaries between quantitative and qualitative methods and their particular applicability to particular types of research, I am of the view that seeing quantitative information as unsuitable to explaining the meaning of the reality and qualitative information as redundant in researching the ‘objective truth’ is not fully convincing. As we observe the world through constructed and reconstructed meaning at different contexts, we do so by using quantitative and qualitative information complementarily. It is very difficult to see realities revealed devoid of quantities or refraining from narratives.

The above stance concurs with Bryman (2001), who states that there is a distinction between quantitative and qualitative research but it is overblown. He further states, “The connections between epistemology and ontology, on the one hand, and research methods, on the other, are not deterministic” (p: 440). He has given instances that pure survey type questions have been very exploratory, and many of them have suggested new departures and theoretical contributions, whereas many qualitative researches have been quasi-quantitative. The research methods are much more free floating than is sometimes supposed and that there has been knowingly or unknowingly an increasing use of combining research methods since the 1980s (Bryman, 2001) and triangulation or mix of research method in social science is an acknowledged fact now (Marsland et al., 2001; Chung, 2000; Knodel, 1997; Svetsreni and Attig, 1993; Debus, 1988). A multi-method-research study, if designed properly, has many benefits, such as: triangulation, one research facilitating the other; filling gaps; combining static and processual features; using quantitative methods to solve the problem of generality; and using qualitative research methods in interpreting relationships between variables in quantitative research (Tashakkori and Teddlie, 2003; Bryman, 2001; Tashakkori and Teddlie, 1998; Brewer and Hunter, 1989).

Like many survey researches that have been extensively based on pre-field in-depth qualitative exploration in order to incorporate the local issues and terms in the survey questionnaire (Svetsreni and Attig, 1993; Hennink and Dimond, 1999; Bryman, 2001), this research has adopted a qualitative exploratory exercise followed by survey type interviews in combination with other methods. Using various methods of information collection and analysis, which include brief case studies, the study also borrows from Yin (2003) who suggests that case study design should use all possible sources of evidence in a bid to make the study more triangulated in order to enhance the validity and reliability of the findings. According to him, six sources of evidence, which can be combined in case study, are: documents; archival records; interviews; direct observation; participants’ observation; and physical artefacts (Yin, 2003:83).

The adoption of a multi-stage research process and employment of multiple units of analysis in the study demanded a mix of methods suitable for each stage and unit in order to build one onto another to understand and explain phenomena as constructed in the local context. Furthermore, the choice of mixed methods is informed by the

methodological literature review on social capital and community organisations in that there is growing recognition of a mixed and integrated methodology (see Chapter Five). Highlighting the lack of commensurate increase in analytical rigour in the proliferating studies in social capital, Quibria (2003:35) points out the need to emphasise qualitative and historical data as much as the quantitative data in order for studies to be rigorous. He further states that some questions are better addressed in broad qualitative terms than others, which may require greater reliance on a quantitative approach, which again requires reliable and relevant data.

Based on the above discussions, I argue that mixing methods provides the benefits of utilising the positive sides and offsetting the negative sides of the two traditions, the quantitative and qualitative. This can lead to an appropriate understanding of the state of social capital and to explain its relations with the functioning of induced forms of community organisations. Concurrently, it enhances the validity and reliability of the study. Hence, a "multi method" research approach is applied in this study

4.4 Unit of analysis

The study adopts a set of three units of analysis: households, villages, and organisations. Individual household interviews generate information both on household and village attributes making it possible to analyse phenomena at household, village and organisation level. In addition, village and organisation related information were collected through exploratory activities, observations, interactions and focused group discussion. The units of analysis are discussed later in this chapter.

4.5 The multi-stage research process

The field research process went through different stages; one stage leading to another, the latter building onto the former, making use of various methods according to the nature of the information obtained in each stage. The whole process took on a funnel shape, as the research focus was general in the beginning and specific in the end. In addition to this process at micro level, a separate national level survey with leading agencies was also conducted to understand the national scenario related to community mobilisation and community organisations in Nepal. The stages of the fieldwork, and ways and types of

data collected are presented below dividing into three major categories: the exploratory study phase, the in-depth study phase and the follow-up study phase. Figure 4.1 below summarises the activities carried out in the first two phases.

4.5.1 Exploratory phase

After completing the literature review, particularly the methodological review, the exploratory phase began with the following step-by-step activities.

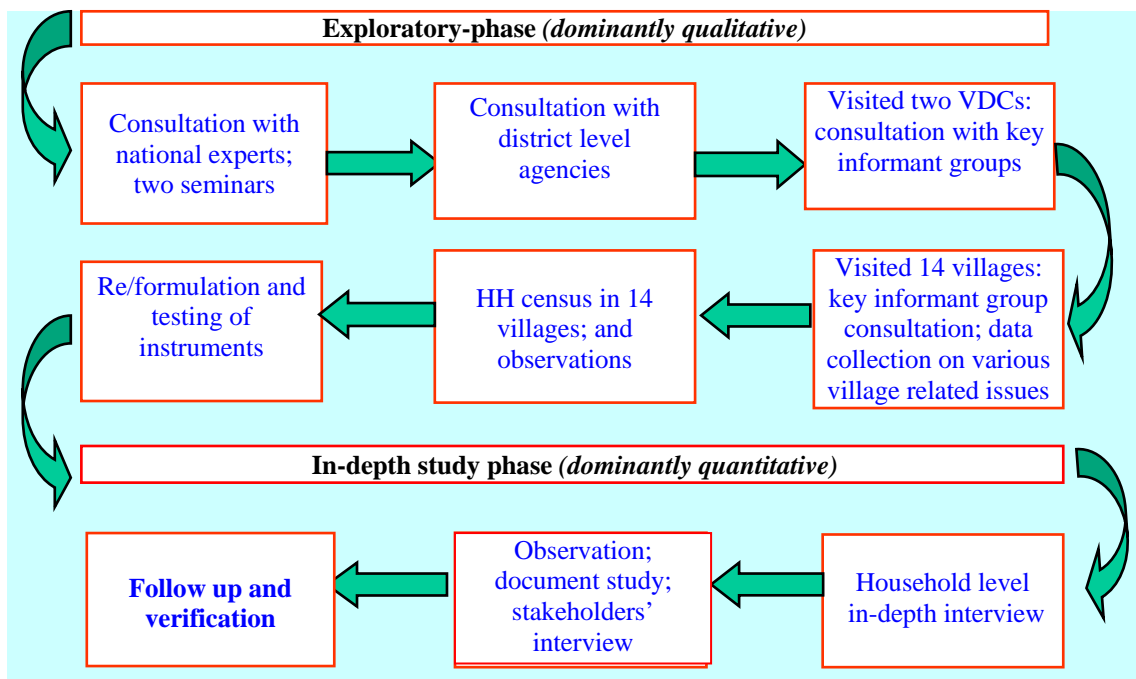


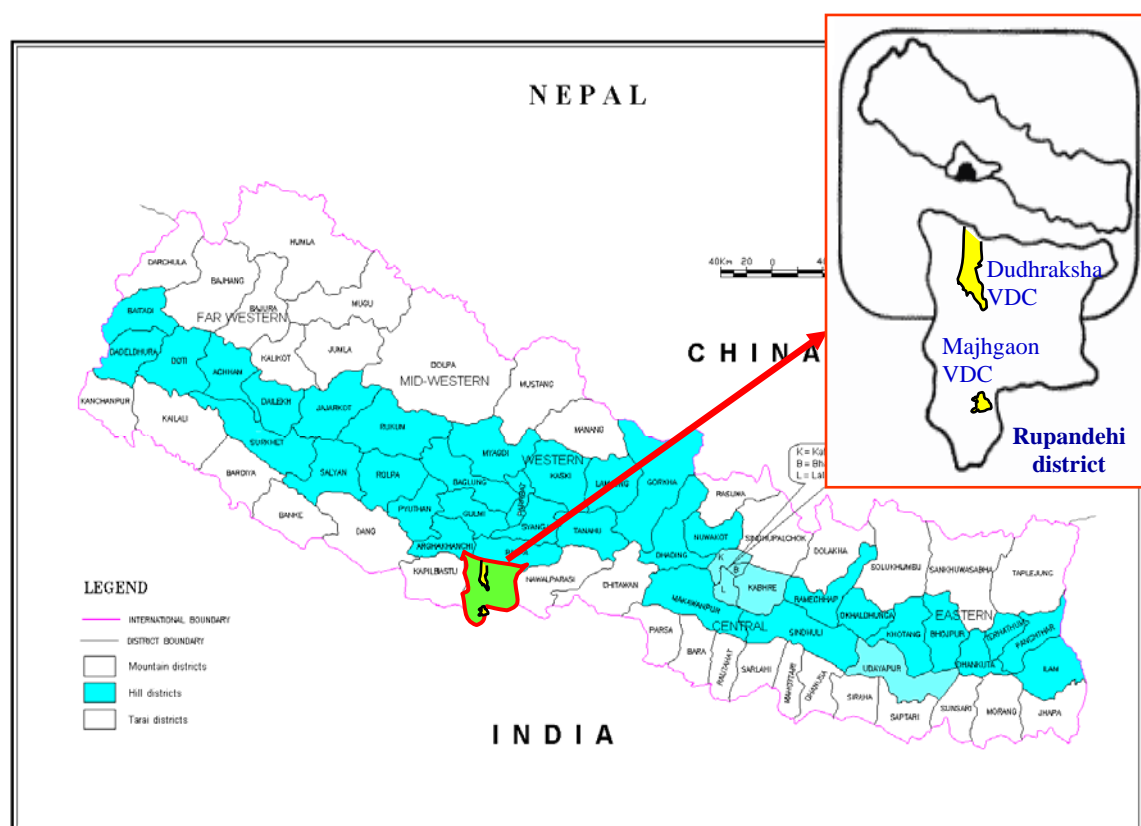
Figure 4.1: The steps of data collection in the field (micro level study)

4.5.1.1 Validation with experts and practitioners

The fieldwork started by presenting and validating the significance of the concept, problems and design of the research with noted authors, researchers, practitioners and institutions in Nepal. Altogether seven experts including an internal supervisor in Nepal were consulted; and two seminars, one with experts at UNDP Kathmandu office and another with NGOs' field practitioners, were organised. The comments from the seminar and meeting have been helpful in several ways: improving the research design by incorporating nationally important research concerns; gathering relevant literature; updating the security situation and other practical problems; selecting districts for the fieldwork, etc.

4.5.1.2 Information collection from district agencies

In the next step of the exploratory phase, I visited almost all noted district level agencies (see annex 3) promoting and mobilising community organisations in Rupandehi district, held informal discussions and obtained up-to-date information on such organisations. Views regarding the selection of Village Development Committees (VDCs) were solicited. Map 4.1 shows study district and VDCs in a Map of Nepal.



Note: Map is not to scale and villages shown are rough illustrations.

Source: Adapted from NESAC (1998).

Map 4.1: Map of Nepal with Rupandehi district and two study VDCs.

4.5.1.3 Exploring at VDC and village level

Time and resources were concentrated on exploratory activities in the villages such as: familiarising and rapport building; developing close understanding of the local setting in general and in relation to social capital and community organisations in particular; forming and reforming instruments for subsequent steps.

a) Consultation with institutions

In both selected VDCs, I visited all relevant local level government agencies, institutions and representatives in order to introduce myself, obtain preliminary

information and seek cooperation for the fieldwork. The list of institutions visited is in annex 3.

b) Consultation with VDC-level key informants' group

In each of the study VDC, a group of locally knowledgeable persons including VDC (past) representatives, teachers, VDC secretary, development workers were consulted to prepare:

- list of villages;
- tentative number of households in each village;
- list of membership and voluntary community groups;
- list of local and external NGOs;
- list of public institutions;
- list of all development projects ever operated in the VDC;
- tentative inventory of each of the villages based on ethnicity, wealth, level of collective actions accomplished, presence of *jamindars* and leaders, number of community organisations and their success rate, etc;
- list of local norms of cooperation, collective actions and networks and categorise them based on their implication to the wider society;
- list of caste/ethnicity and their grouping in three layers of hierarchy (table 4.3); and
- criteria for wealth ranking (table 4.4).

Due to their prolonged interaction with the villagers and active involvement in development activities in the VDC, the group of people mentioned above is a good source of information. At the end, 14 villages were sampled for the in-depth study.

c) Understanding villages

Following village selection, I visited each of the villages, made direct observation of major collective activities and participated in group meetings as and when they coincided with my visit. Beside familiarising and observing, two important tasks were carried out at this level with the help of small groups of local key informants including ex-representatives of local government in each of the 14 villages. The first involved preparing an inventory of the selected villages in terms of history, ethnic composition, collective actions and assets, socio-economic setting, local norms, etc.; and the second

preparing a sampling framework of the villages. Moreover, a small group of local people were found to have in-depth personal information of their neighbours. Thus, the process of wealth categorisation (in relative terms) has been robust and other data provided were found reasonably accurate as verified by household interview data at a later phase. Finally, household respondents were sampled for in-depth interview.

4.5.2 In-depth study phase

After completing the exploratory phase, in-depth information was collected through various methods outlined below.

4.5.2.1 Household in-depth interview

Before administering the interview with individual households, different types of questionnaires were pre-tested, improved, and retested. Altogether, 94 household interviews were carried out to collect three sets of information: household demographic background, household affiliation to any formal or informal groups/associations and information related to social capital and beyond.

4.5.2.2 Study of selected organisations

During the household interviews, an exhaustive list of associations/groups affiliated by households, and information regarding these organisations was collected. In addition, detailed information on one successful or moderately successful and one unsuccessful (if any) groups was gathered from each respondent.

4.5.2.3 Stakeholder consultation/ interview

The stakeholder consultations/interviews were conducted to generate, complement and triangulate information regarding various aspects covered in the study. The stakeholders consulted/interviewed were: Secretaries of VDCs, ex-VDC Chairpersons/Vice Chairperson, and agency representatives (NGOs, semi-GOs and GOs).

4.5.2.4 National survey

A separate national survey was conducted in collaboration with RSDC, a national NGO. Participated in by 39 leading national and local level community mobilisation agencies, it identified the state of induced community mobilisation in Nepal from macro perspectives.

The preliminary findings were presented in a national seminar participated in by the responding agencies, senior government's representatives and officials from the donor community. Unveiling the extent of prevalence of the community organisations in Nepal, the survey provided a point of reference for comparison with household data (see annex 2, also Adhikari and Risal, 2006; Adhikari, 2005 and 2006; Adhikari, 2004 for details).

4.5.3 The follow up phase

During and after preliminary analysis of the data, a follow up field study was conducted for verifying information and validating the findings. The information from different sources was compared and errors and omissions identified were corrected by going back to the informants.

In summary, the account above on the field research process has shown the necessity to go through a multi-stage and multi-method strategy for the exploration, accommodation and understanding of the local reality and meaning as correctly as possible. The next section elaborates on the sampling procedures, characters of the samples and the administration of the household interview.

4.6 Selection of sites, sampling and administering household interview

4.6.1 Multistage site selection

As stated earlier, site selection for the field study went through different stages; the criteria and process applied are elaborated in the following sections.

4.6.1.1 Selection of study district

As presented in section 4.2, the study of induced community organisations vis-à-vis social capital requires an in-depth understanding of the context through microanalysis of the reality. Therefore, the study was to be confined in specific locations that meet the requirement of the study objectives. The preliminary review of the pervasive violent-insurgency and counter-insurgency situation in Nepal made it necessary to make a choice of location by taking care of two additional yet most important factors: my own security and the willingness of people to provide sensitive information as demanded by

the study. Further, avoiding too many gatekeepers in gaining free access to the field was also important. As a result, choice of location was reduced to one district of Nepal, namely Rupandehi, where I had spent nearly 3 years in the past and had local contacts. From my previous knowledge of the area, suggestions from noted development practitioners and researchers at an early stage of fieldwork and from analysis of preliminary information, the district showed a good deal of induced community organisations as well as a rich informal network of people, so it was ideal for the study of induced community organisations in relation to social capital. Though this is a *Terai* district, home to *Madhesi* people, it also has a large number of people migrated from the hills in recent decades. The combined features gave an additional opportunity to understand the variation (in terms social traditions, norms, etc.) between *Madhesi* and *Pahadiya* communities.

4.6.1.2 Selection of study VDCs and villages

Based on an analysis of the information and suggestions from the officials of the District Development Committee (DDC) -local government unit which coordinates the whole affairs of local development in the district- and other agencies at the district, two VDCs, Dudhrakshya and Majhgaon, were selected purposively considering the following criteria:

- Community organisations: presence of both successful and unsuccessful induced community organisations with various forms of facilitating agencies, mainly government and non-government.
- Social structure: representation of diverse caste/ethnicity, norms and practices.
- Local contacts: for personal security as well as cooperation to provide information.

Dudhrakshya, which is one of the biggest VDCs and situated in the northwest of the district, represents hill migrants, *Pahadiya*, and the indigenous *Tharu* community. Majhgaon, which is one of the southern VDCs of the district, represents *Madhesi* (both Hindu and Muslim) people mainly of Indian origin.

The *gaun* (village) or *tole* (hamlet) normally serves as the unit for the analysis of social capital, collective action and community organisations. Many related researches in Asia and Africa have taken villages as the unit of analysis (see Chapter Five). Unlike Krishna and Uphoff (1999) who have taken the Ward as the unit of analysis while

studying social capital and collective action in Rajasthan India, this study has used villages. Some wards include more than one village and some villages have two or more wards. The village is the settlement pocket/cluster of households within a spatial boundary. Villages, not the wards, represent the realistic collective agency (as they provide a network of interest, space, and collective needs) (Savada, 1993). Each village bears its unique name.

As mentioned in section 4.5.1.3, the listing of villages showed 14 villages in Majhgaon VDC and 45 in Dudhrakshya VDC. Due to limited time and cost resources, only 14 villages (eight from Dudhrakshya and six from Majhgaon) were randomly selected for study. The list is presented in table 4.1.

Table 4.1: Villages selected in two study VDCs

| Village Development Committee | |
|-------------------------------|------------------|
| Dudhrakshya | Majhgaon |
| Bharatpur | Itahiya |
| Andhikhola | Majhgaon |
| Ramapur | Chhotki Majhgaon |
| Buddhanagar | Teliyagardh |
| Ramapur | Nauwadiya |
| Balapur | Dewanboxapur |
| Gobraiya | |
| Bhadsa | |

4.6.1.3 *Sampling households for in-depth interview*

Mapping of social capital at the village level as well as at individual household level is based on household interviews. In this section the process of household sampling and characteristics of the sample is discussed.

a) *Preparing sampling frame*

Following a common practice of sampling households using the electoral record, which is a standardised list containing all adults of a VDC, I tried to see if that was practicable. I obtained the electoral list from the VDC secretaries under a strict condition not to show it to anybody and not to make any copies due to the insecure political situation. However, a close review of the list revealed that the households were not listed in consecutive order; some household members were split and placed under different villages; and information from two villages of a ward were mixed up making it difficult to distinguish according to village. Furthermore, some non-existent households

were in the list, while some newly created/migrated ones were not included. The list, which was still in the process of updating, as a result, appeared to be inappropriate.

The lack of an alternative option led me to decide to conduct a census in all the selected villages. This made it possible to collect additional features such as the wealth category (very poor, poor, medium and rich); age and sex of the household heads; family size with sex; caste/ethnic group; and religion. The census was conducted with the help of a small group of key informants in each village. For the purpose of uniformity among villages, wealth categorisation was done in accordance with the criteria developed by VDC level informant groups. (See table 4.4).

b. Household sampling

The population was stratified according to space (VDC and villages). About 10% (94 altogether) households were sampled from each of 14 villages using systematic random sampling. The systematic sampling process has been useful to obtain fair distribution of sample across the village¹⁴. Some alternative samples were also drawn to substitute the respondents, who in case were not available for the interview.

c. Sample's characteristics

Location (VDC and village) is the main variable in this study. However, wealth, caste/ethnicity, education and position are also important as part of the analysis of power and inequality. Table 4.2 presents these variables in composite form and further breakdown of variables is presented in annex 4.

Social capital endowment varies from one place to another and so does the quantity and quality of management of village collective actions and organisations. Taking more than one village does not only serve the purpose of seeing differences but also provides multiple cases for observations and pattern matching. Since some villages have as little as 20 households, a village level index prepared by aggregating 10% responses would hardly represent the village situation. Hence, in such a case, a minimum of five respondents per village were chosen. As a result, small villages (in HH size) are highly

¹⁴Given the small size in each village, the first attempt to use random sampling tool in Excel add-in menu was not helpful, as the sample chosen was not well-distributed across the sampled village. Hence, after stratifying the households and determining tentative quota, the households were selected systematically. The sample represents small neighbourhood clusters in each village because the list of households was prepared in order of location.

represented in the sample (up to 25%). In this thesis, at places, analysis is made based on origin of the respondents - *Pahadi and Madhesi*- as these two categories have differences. The sample represents both almost equally.

Table 4.2: Ratio of population representation in the household sample

| Characteristics | Category | Population | | Sample | | Representation |
|--|------------------------------|------------|---------|----------|---------|----------------|
| | | HH (no.) | Percent | HH (no.) | Percent | |
| Location: VDC | Dudhrakshya | 642 | 67 | 60 | 65 | 9.35 |
| | Majhgaon | 314 | 33 | 34 | 35 | 10.83 |
| | Total | 956 | 100 | 94 | 100 | 9.83 |
| Origin | Pahadiya | 491 | 51.36 | 47 | 55.29 | 9.75 |
| | Terai | 465 | 48.64 | 47 | 55.29 | 9.92 |
| | Total | 956 | 100 | 94 | 110.59 | 9.83 |
| Caste/ethnicity: three group | High | 382 | 21.97 | 35 | 20 | 9.2 |
| | Medium: Janajati | 356 | 24.90 | 37 | 25.88 | 9.7 |
| | Bottom: Dalit or Musalman | 218 | 45.50 | 22 | 45.88 | 11.3 |
| | Total | 956 | 100 | 94 | 100 | 9.8 |
| Wealth category: two | Poor | 452.0 | 46.86 | 46.0 | 48.94 | 10.18 |
| | Non-poor | 504.0 | 53.14 | 48.0 | 51.06 | 9.52 |
| | Total | 956 | 100 | 94 | 100 | 9.83 |
| Category of respondent's education | Illiterate | | | 29 | 30.85 | |
| | Just literate | | | 34 | 36.17 | |
| | Above literate | | | 31 | 32.98 | |
| | Total | | | 94 | 100 | |
| Ever elected a member of family in local government | Yes | | | 27 | 28.70 | |
| | No | | | 67 | 71.30 | |
| | Total | | | 94 | 100 | |
| Party affiliation | Supporter/Voter | | | 68 | 72.30 | |
| | Organised member | | | 26 | 27.70 | |
| | Total | | | 94 | 100 | |

As mentioned in Chapter Two, caste and ethnicity form a strong bond and are the basis of social interaction and some socio-cultural practices and norms. They also serve for power laden and unequal social relationships. The field study showed that people belonging to diverse kinship, caste or ethnic groups live in the study area. Since it is not possible to analyse by all caste/ethnic groups and sub-groups, they were collapsed into three broader groups based on social hierarchical status (table 4.3) with the help of VDC level key informants.

At the top of the hierarchy are the so-called high caste, at the bottom are the *Dalits* and the rest, mostly '*Janajati*', are in the middle. Since the number of Musalman in the sample is small (7), they are included at the bottom category as per the treatment they

receive in the social hierarchy. Further breakdown of three groups under the *Pahadiya* and *Madhesi* category is presented in annex 4.

Table 4.3: Caste/ethnicity groups and sub-groups (by family name) in the study villages

| | | |
|-------------------------|----------|--|
| Top of the hierarchy | Pahadiya | Acharya, Adhikari, Aryal, Atrey, Ban, Bashyal, Belbase, Bhandari, Bhatta, Bhattarai, Bhurtel, Bhusal, Chalise, Chapagai, Chhetri, Dhakal, Dumre, Gaire, Gautam, Ghimire, Giri, Gyawali, Jaisi, K.C., Kafle, Kandel, Karki, Khadka, Khanal, Kharel, Khatri, Koirala, Lamsal, Marasini, Neupane, Pandey, Panta, Panthi, Parajuli, Paudel, Pokharel, Puri, Ranabhat, Rijal, Sapakota, Sharma, Subedi, Thapa, Timilsina, Upadhyay and Yogi |
| | Madhesi | Giri, Panday, Singh, Tripathi and Upadhyay |
| Middle of the hierarchy | Pahadiya | Bamrel, Baramle, Chhahari, Gaha, Gharti-Magar, Jhakri, Magar, Pun, Rahadi, Rana, Saru, Shrestha, Sinjali, Suryabanshi and Thapa |
| | Madhesi | Ahir, Baniya, Bhusiha, Chai, Chaudhari, Gaderiya, Gupta, Jayasawal, Kahar, Kalwar, Kaushal, Koiri, Kurmi, Lodh, Mallah, Maurya, Murau, Nau, Pakhiya, Sesh, Sribastav, Tandon, Teli, Thakur, Tharu, Thather, Thuniya and Yadav |
| Bottom of the hierarchy | Pahadiya | B.K., Darji, Gandharba, Kumal, Lohar, Nepali, Pahadi, Pariyar, Rasaili and Sunar |
| | Madhesi | Badhai, Chamar, Chamkatiya, Harijan, Lohar, Loniya, Musiyar and Pasi |
| | Musalman | Churiyar, Dhobi, Dhuniya, Joloha, Musalman and Patwa |

Another aspect for analysis of the household data is the wealth status of the respondents. The population's wealth ranking was done with the local key informant groups by considering two wealth related indicators: a) income: annual food sufficiency (from farm) as well as other sources of income, and b) wealth: values of overall wealth possessed by the household. Based on the above two major principles, the groups then worked out loose indicators in order to ascertain the ranking of each of the respondents (table 4.4). The criteria provide only a general guideline, and the possession of one or more items rank an individual as decided by peer group. Table 4.2 shows two-category (poor and non poor) statistics whereas information on the four category is presented in the annex 4.

In order to see how education matters in the study of different aspects of social capital, information of the responding households in terms of both the level of education of the responding household head as well as overall household educational status was collected. In table 4.2, the level of education of the responding household head is presented in three categories: illiterate, just literate (up to primary education), and above literate (lower secondary or above). Four quartiles of household education status computed by categorising the family education index are presented in annex (4). It was computed with the assumption that the greater number of household members educated and the higher the level of their education, the higher the family educational status.

Table 4.4: Criteria for four-wealth category

| | Very poor | Poor | Medium | Rich |
|------------------|--|---|---|---|
| Food sufficiency | Cannot meet family food needs for even 6 months. | Meets food needs but less than a year | Food sufficient, and also can have small surplus | Have surplus to generate cash savings |
| Occupations | Mostly wage labourer, member of family may be in low paid work in India | Besides own farming members of family also are on low paid employment, e.g. in India | Have occupational diversifications, members of family are in civil service, teaching, or Gulf/ Malaysia. Have small-scale business. | Have occupational diversifications: members of family are in good jobs in Nepal or elsewhere. Have good scale business. |
| Land holding | Landless or squatters having marginal plot of land normally unregistered | Might have little land handling but not enough to keep family labour utilised fully. Need to take <i>adhiya</i> . | Might have some land holding that uses family labour fully. | Might have land that more than one can cultivate, thus need to hire people or need to let for sharecropping. |
| House types | Have <i>kuchhi</i> thatched house | Have <i>kuchhi</i> mud, tile or corrugated sheet roofing. | Have <i>pucci</i> traditional house | Have <i>pucci</i> modern house |
| Location | Away from main <i>bazaar</i> and motor road. | Away from main <i>bazaar</i> and highways (motor road) | May have land near highways and <i>bazaar</i> | Normally have land or building near highway, or at the urban centres |
| Amenities | Do not have TV but may have radio, share communal drinking water | Have radio and may have B/W TV. Share communal drinking water. | Have TV (may have a colour), may have family <i>pucci</i> toilet, share or have own water tape. | Have colour TV, means of transport (motorbike), own drinking water pipes, family toilet. |
| Loan | On debt normally with high interest | On debt but with reasonable terms | Normally in saving position, but might give and take loan | Have good savings, and often lends on interest. |

Finally, two aspects related to positional power were considered: first, whether any member of the family was ever elected to local government and, second, whether any member of the family has organised membership of a political party. Despite being one important source of stratification, the sex of the respondent was not regarded as significant in this study as the interview was jointly administered in most cases, and it was not possible to have equal representation of sexes, as most heads of households are men.

4.6.1.4 Selection of community organisations for case study

As mentioned above (4.5.1.3) an inventory of various types of organisations in each village was prepared right from the beginning of the exploratory phase. In addition, the following information was collected from the household level in-depth interview: list of all groups in which any of the family members were ever involved; perceived functioning and effectiveness of all types of groups listed; and short-list of perceived successful, moderately successful and unsuccessful induced community groups and in-

depth information about them. All community groups (129) were considered for the analysis of structural social capital, and 86 responses related to successful, moderately successful and unsuccessful groups were considered for the analysis of induced groups. However, for brief case analysis, four unsuccessful induced groups were selected purposively.

The summary regarding site, sample and case selection is presented in figure 4.2.

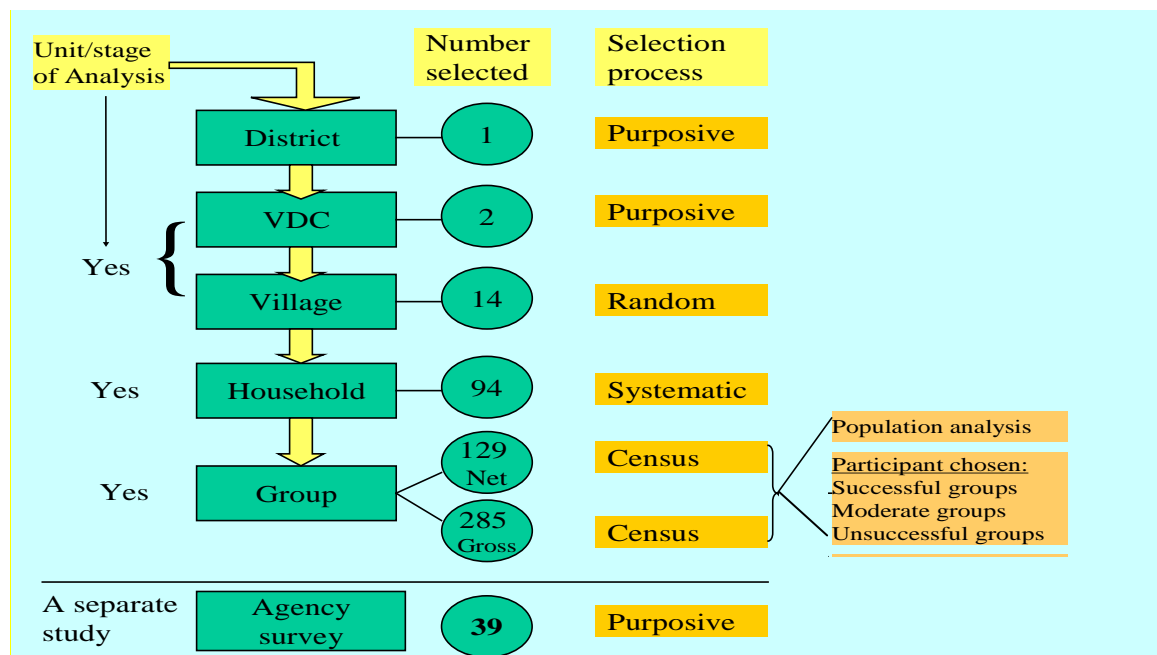


Figure 4.2: Summary of research stages, units, sample and selection process

4.6.2 Instruments and administering household interview

For the household level interview, a set of questionnaires was prepared and tested, and trust building exercises were carried out before administering it to the 94 respondents.

4.6.2.1 Trust building and interview setting

It was challenging to solicit information from people regarding neighbourhood relationships and with external institutions in the face of intensified insurgency and counter-insurgency. I witnessed the heat of conflict while being stranded several times and for days on highways due to frequent and inadvertent national and local (decentralised) *bandh* (general strike). Several unpleasant incidents (for example, killing of civilians and blasting of private buildings) happened during this period in

both VDCs. It was a tense and frightening time. I was myself constantly under fear that anything unpleasant could be encountered anytime.

In recent years, people have experienced the rebels collecting information from local sources and taking severe actions against those who have allegedly oppressed poor peasants or have spied on Maoists. There were also reports that the rebels were collecting a so-called ‘people’s government tax’ from many villages. Simultaneously, the activities of the state force were intensified in the community with a newly established joint-force base-camp in Majhgaon and constant monitoring and sporadic actions in Dudhrakshya. They were often alleged to use civilians to ‘cooperate’ with them and spy on Maoists.

In such a context, exploring how social relations were affected by the unequal power situation among different actors including state institutions was very challenging. In order to identify informal networks of cooperation, responses were to be obtained about intimate personal affairs, delicate neighbourhood relations, and sensitive public and governance affairs. At times, some respondents seemed worried that inappropriate handling of the information could invite dire consequences. In sum, to them, speaking with any outsiders about such delicate and sensitive affairs was neither required nor desired. People were better off keeping their lips tight. Box 4.1 and 4.2 present two cases illustrating the respondent’s fear of the rebel and government authority respectively while taking part in the research.

Box 4.1: Case 1-Fear of rebels

A respondent belonging to non-poor wealth category was of some acquaintance to me few years ago. He was informed in advance through a local research assistant about the interview. He was also informed in writing about the objectives of the study and other ethical matters including confidentiality. It had been five years since the respondent and I had seen each other. After meeting for the interview and greeting each other, we took time for conversation about families and other formalities. To my surprise, the respondent slowly started to praise about Maoists saying, “a few days ago few insurgents had come... um... they were *Pahadiya bhaiyalog* [brothers from hill]. ...actually they are doing good things for the people you know”. I could guess that he wanted to judge my response in order to know if I was turned a Maoist. In this few years period, many things have changed in the area. Most recently, a Military camp was established in the area and Maoist’s activities were reportedly increasing. Nothing was heard about Maoist activities in this particular area five years ago. Taking stock of these situations, I sensed his doubt about the purpose of the study and looming concerns if it would not lead to any bad consequences. I asked him to bring the letter and I read that for him. The letter with University’s letterhead was clear and convincing. Then I offered him choice that he was free not to participate in the interview if he did not want. At last he was happy to be interviewed and cooperated fully.

Rapport building and trust enhancing was a very crucial issue. The selection of these sites where I had some personal contacts and familiarity was the result of an awareness of the abovementioned situation. It was very difficult, if not impossible, to go to the field without some kind of support network. Hence, I approached the Rural Self-reliance Development Centre, a national NGO, for support. There were two local staff members working in the district and with up-to-date contact at the study VDCs who introduced me and my study to local leaders. I renewed my introduction and developed many new acquaintances. As explained in section 4.5.1.3, the introduction with local leaders, teachers and ex-representatives of local governments and the use of local research assistants have been instrumental as they spread my introduction down to the household level through the usual informal networks and interactions- utilising social capital *per se*.

Box 4.2: Case 2 -Fear of the authorities

A respondent belonging to very-poor wealth category was informed and consented for the interview. Suitable time was arranged in advance so that we could have enough time to administer the interview without hampering his work. Since he and his wife were members of some groups, both of them were at home for the interview at the agreed time. Suddenly, the man left home asking me to wait until he would come back soon. After ten minutes, he arrived and we completed formalities and set the atmosphere before starting the interview. Both the husband and wife interestingly participated in the interview and contributed their share of knowledge on groups and household related issues. In the questions related to the assessment of governance in terms of quality of service delivery by local public institution, particularly by a local police post, he expressed great apprehension. To doubly ensure on confidentiality, he said, “As I am a poor man, I cannot afford inviting any trouble from the authorities as a result of giving interview”. Realised his concerns, I proposed a break and asked him to bring the letter delivered to him. As we read the letter line-by-line, he seemed illuminated on the purpose of study and choice of anonymity. He was offered choice to answer some or all questions; to continue or leave and discard the interview taken so far if he wished so. Then, he reaffirmed that he trusted me. He disclosed that before we started the interview he had been to *badka ghar*, a neighbour who ‘patrons’ him, for consultation who had reportedly suggested he should go through the interview without fear. Perhaps, his advisor had heard about the on-going field research. The local research assistant had introduced me and he had heard about me in the past too. After he was satisfied, we resumed the interview and completed it in a natural way.

Spending a considerable amount of time (on and off 8 months) in the areas helped me further to immerse myself in the community. I participated in group meetings; visited teashops, community waiting points/houses and villages numerous times and seized chances to say ‘hello’ to the passer-by as per local customs. Because of frequent interactions with informants at VDC and village level in the beginning, many people were already aware of the research. In succeeding phases, as a result, I did not need more introductions as the villagers started to communicate with each other. Hence, I did not only establish good rapport with the community but also gained further insights of local realities.

All respondents were visited in advance, briefed about the research objectives, process and confidentiality issues; asked for consent; and booked date and time for interview. Although it would be enough in a normal condition, making these issues clear further in writing was found to be useful in building confidence and trust for two reasons: the insurgency situation and the sensitive nature of some questions. I sent letters to all respondents informing them of: the objectives of the study; the process of respondents' selection; the implication of the information on the respondent's personal life; confidentiality and other ethical issues; average time needed to conduct the interview; types of information required; and who is required to attend the interview and where (annex 9B).

Furthermore, a summary of the abovementioned information was written at the top of each questionnaire and was read-out at the start of interviews to reassure that confidentiality would be maintained and that respondents would not be identified in the report. This process was very fruitful in boosting the confidence of the respondents to respond questions honestly.

In order to break the barrier of doubts about the purpose of the interview and help the respondents realise the significance and importance of providing correct information in meeting the study purposes, I used a historically relevant and culturally pious metaphor of '*guru*' (teacher) and '*shikshya*' (student). *Gurus* (the respondents) were reminded that the more they cooperated, the more the *shikshya* was likely to learn the knowledge (*dikshya*) accurately. At the same time, the metaphor also helped neutralise any perceived power imbalance between the respondents and me since it placed the respondents, as a *guru*, in a position to value their knowledge and feel powerful because what they perceive and respond was making meaning. Overall, I was very satisfied with the level of confidence and trust between me and the respondents.

In the case of the respondents from the so-called 'untouchable' group, additional efforts were crucial to demonstrate equal ground between us. In the hot summer temperature, asking them for drinking water was not only simple and natural but was also a symbolically important way to instil the sense that there is no barrier between us.

It was agreed with all respondents that it was important to have the interview at their home and to ensure that nobody other than adult family members intrudes during the interview. The respondents were happy with this provision since this insistence also demonstrated my seriousness in handling the confidential issues. In all cases, we had agreed that we would sincerely request any visitor to go away during the interview or just take a break until the person (s) had gone away. The presence of an outsider would force the respondents to make up an answer, thus threatening the reliability and validity of the information. All interviews were conducted in quiet and non-intrusive places at the respondent's home. In some cases, visitors insisted on staying during the interview; as a result, some interviews were paused. Box 4.3 illustrates a case of a visitor.

Box 4.3: Case 3- Interest in neighbour's interview

While, we were carrying out an interview with a village leader (ex-representative to a local government) in his own house, an elderly neighbour arrived. We took a pause and requested him to go away until the interview was completed. However, he did not like to go away. He suspected that I could be somebody trying to gather village information for launching new development programmes in the village. He thought it was vital to gain information and attend the full proceedings. He did not believe that it was a private interview, neither did he think of any need for an interview to be private. At last, after explaining the whole thing in detail, he left the place saying, "I would not have harmed, I would not have told anything to anybody. But you did not trust me." He asked if I was coming to his house too.

Since the questionnaire is about the household as well as communal issues, it was necessary to interview the household head in order to solicit accurate information. However, since the head of the household was not likely to have full knowledge about groups participated in by the other members of the family, respective members were present at least to respond to the parts relevant to them. In many cases, both husband and wife were present in the interview.

4.6.2.2 Question construction and translation

After extensive field exploration, the questionnaire was designed incorporating local issues, instances and languages. It was prepared in Nepali and translated to local dialect, 'Bhojpuri,' for Majhgaon. More on language is presented in section 4.8.4.2.

4.6.2.3 Question structure, coding and recording

The main household questionnaire has three separate parts: household socio-demographic, organisational, and in-depth social capital and beyond. Because household socio-demographic information was taken separately, no personal detail was

to be noted in the main questionnaires. The third part was arranged in various themes: groups and networks, trust and norms of reciprocity: norms of cooperation, collective action and community participation, community resources and extended relationship; governance and management and others (see annex 9 for all instruments related to information collection at the field level).

Questions range from highly structured likert-types scales to open-ended ones. The frequent use of ‘why’ questions in the questionnaire helped maintain a balance between the close-ended questions and innovative responses. In addition, the spontaneous interests of respondents to add on as well as probing during the interview led to what the participants called ‘a lengthy yet interesting’ interview process. On average, most interviews were completed in 2-3 hours; but in a few cases, it took much longer depending upon the level of information one had to offer. The respondents liked the interview as the themes switched from one issue of household and communal concern to another. The participants commented that it was ‘meticulous and rich in information’.

On top of the household interview questionnaire, an ID number was assigned to each respondent in order to help trace the identity to connect responses to the background information of the respondent.

The responses were recorded in the questionnaire book by the interviewer. In closed questions, responses were entered/marked in the pre-coded questionnaire. Responses on why and other open-ended questions and additional information were immediately noted down on the back of the questionnaire keeping reference to the particular question number (where applicable). To simplify the response process on scale questions, two aids were used: one, a poster of scales in the local language showing the continuum of scales and, the other, converting scales in terms of local measurement ‘*aana*’¹⁵. The field exploratory exercise found that expressing qualitative facts in *aana* analogy was common in day-to-day conversations. Questions were asked such as how much do you trust someone if expressed in *aana*. These two tools proved very effective to enhance the validity and reliability of the information related to scales.

¹⁵ *Aana* was in wide use to indicate one-sixteenth of a rupee until a few decades ago. Nowadays, *aana* is in more use to indicate the area of land in which 16 *aana* makes a *Ropani*.

4.7 Data analysis

Quantitative information was analysed and systematically handled without using sophisticated statistical tools. The results are presented in tables and simple graphs.

The field based participatory ways of information collection and analyses were adopted simultaneously at the exploratory phase. At this phase, information was analysed by simple manual tabulation as well as by the use of Excel and word processor. The household census information was entered to Excel and analysed by using tools, such as data filter and add-in. Later, the data was imported to SPSS file and further descriptive analysis was done. Wealth ranking and hierarchical layering of caste/ethnicity were done in participatory ways (see table 4.3 and 4.4).

A diary was maintained to record the village level information explored through observation, informal interaction and consultation with a group of key informants. Data was entered into a word processor and analysed under various themes such as historical background of the village; local norms of cooperation; common properties and their condition; level of collective action; types and condition of different programmes and groups in the village and overall local governance. Village level information was also stored and analysed by using participatory tools such as resource mapping. The listing of formal and informal organisations started from the district level and had been constantly improved at the VDC, village level and household level.

The household information contained quantitative information complemented by descriptive narratives. All quantitative information and descriptive information up to 250 characters, translated into English, was stored into SPSS in thematic sequence. The remaining narrative information was stored in a word processor using MS-Word. (See annex 10 for the two sample interview transcripts).

The information entered was rechecked section-wise and verified to avoid errors. Once data entry was completed, the process of data cleaning started with exploring errors and outliers. Two separate files were created in the computer to prevent losing the information. Every time the data was improved, it was saved as both files: working and master. A separate notebook was prepared to record the changes made. In some cases,

the variables were recoded for consistency. The values of the variables representing negative characteristics were inversely ordered in order to make the results compatible. Even though the size of sample is just 94, the volume of information solicited from each respondent was so huge that it took longer than expected to complete the process to enter and clean both types of data. After completing this process, the quantitative data was analysed by computing mean differences, correlation coefficients, Chi-squared tests and other descriptive measures.

Studies on social capital and organisations have extensively used an index measure of information according to selected variables, especially on location/region basis (UNDP, 2002; Cameron, 2006; also see Chapter Five). In order to simplify comparisons of various social capital and related issues at individual as well as village level, scale data are indexed and converted to score against the scale of 100. Similarly, to compute the index score of individual items, the mean value of responses is divided by the highest value in the scale and then multiplied by 100. For computing village and VDC level index scores, the mean village and VDC values of items under analysis are divided by the highest score value and multiplied by 100. It should be noted that if all respondents choose the highest value in the scale, the index score would be exactly 100. This made it possible to identify the level of prevalence of phenomenon under study and compare them between items and locations. Even though the index based on perceived information may not be an objective measure, based on the information provided by multiple respondents they are found to reflect the village scenarios relatively accurately as verified by other supporting facts.

The household level data was analysed in various sections. Information regarding community organisations was analysed through simple calculations and tabulation to show three major results: density, diversity, democratic functioning. In addition, various aspects of group governance and management, social capital inducement and sustainability were analysed simply comparing the responses according to successful, moderately successful and unsuccessful groups. Index scores were computed for trust and norms of reciprocity (local norms of cooperation, collective actions and sanctions) following the process mentioned in previous paragraphs. The village level index of various social capital related features were cross-analysed by comparing their pattern through simple correlation. Similarly, the index scores for some issues related to

downside of social capital in the study villages are computed using a similar process. However, many of them are done to indicate more the overall situation than for comparison and most information is qualitative. Since the size of villages as the unit of analysis of social capital and collective action is too small, qualitative information is used to triangulate the results. Direct quotation and supplementary information are presented where relevant.

Similarly, the national survey information was also entered into separate SPSS and Word files. Contents in the Word file were manually analysed into various themes.

4.8 Quality of research and handling of embedded threats

4.8.1 Subjectivity and objectivity; and validity and reliability

One general but important issue in researching social life is maintaining balance between subjectivity and objectivity. According to Williams (2003:3) even though value permeates the entire research process and value freedom is unattainable, this does not mean, however, that it cannot be objective and indeed moral and political commitment is often an important precursor to good research studies. Maintaining validity and reliability is often regarded as the means of achieving objectivity in research. However, these issues too are not free from the normative and value-free dichotomy. Even though their attainability is questionable, qualitative researchers too, however, attempt to establish trustworthiness, credibility and rigour in the research process.

The present study is informed that while discrediting the positivist position of value freeness, 'bias' enters in social science research and distorts the research findings. I am convinced that no matter which research method is applied, it should be made sure that there is not any systematic bias and flaws in the whole research process. Williams (2003) argues that to be objective is to be transparent but to aim to get as close as possible to the truth, which may not always be clear and we will never fully possess it. In order to implement the stance, I assessed the sources of bias, threats and challenges and attempted to prevent or minimise them.

Furthermore, the strategy of reflexivity, a self-awareness and realization of one's own position in relation to those being researched (Williams, 2003), was adopted right from the beginning of the fieldwork. Many challenges and responses have already been discussed in section 4.6.2.1 on trust building and interview setting. In the following sections, more of them are further elaborated.

4.8.2 Dealing with conflict and pre-existing relations

4.8.2.1 Avoiding gatekeepers, ensuring security and finding people ready to participate

As explained in previous sections, the conflict-emanated challenges to the research were enormous, mainly: ensuring my own security, avoiding 'gatekeepers' for free access to information and finding people willing to participate. The strategies applied to mitigate these challenges are discussed in detail in section 4.6.1.1 regarding the selection of study sites and in section 4.6.2.1 regarding trust building and interview setting. Furthermore, in regards to personal security, I deliberately avoided the risks of coming across Maoist cadres and military personnel and never made any comment about them in order not to trigger controversy and suspicion.

4.8.2.2 Dealing with researcher's pre-existing relationship and power

Even though the purposive site selection was useful to find people willing to cooperate, it presented inextricable challenges due to the pre-existing relationship. I identified three possible threats associated with the purposive site selection: supporting agency's influence; sampling bias; and positional power effect.

First, RSDC, the agency that partially supported the fieldwork, had promoted community organisations in these areas in the past. In addition to providing me with logistics and some financial support to pay for field assistants, their role was limited to introducing me to local leaders, teachers, and agencies. No condition was attached and the matter was clarified from the onset.

Second, since I had worked in one of the study VDCs (Majhgaon) as a development worker a few years ago, there was a possibility that this pre-existing relationship could have an influence in many ways, i.e. on selecting the sites, respondents, etc. To minimise the effect, I applied non-judgemental approaches and methods on the one hand, and a

more reflexive, self-critical approach of handling the study, on the other. The study villages and household informants were selected through probability sampling. Furthermore, the research assistants interviewed a few of the sampled respondents who had links with me due to my previous involvement. The wealth ranking and grouping of respondents as per caste/ethnicity was done on a participatory basis. Organisational analysis in the beginning was based on population, and short-listing for success, moderately success and unsuccessful cases was participatory. Hence, I am satisfied that the negative effects, if any, of any pre-existing relations were minimised substantially.

The third effect, though lesser, might arise from a general impression of some local people who knew me as a project/agency worker. However, my previous knowledge of the area has been an advantage rather than disadvantage in that the understanding of the local context enabled me to explore and accommodate local reality in the research process. However, I felt it crucial to make it plain to all acquaintances that I was an independent researcher with the sole aim of exploring and assessing the reality as accurately as possible. In a bid to transform myself completely into a researcher, I applied a strategy of viewing the familiar as strange and vice versa. Such self-awareness led to my looking at things from different perspectives permitting the modification of the research design as per field realities (see section 4.8.3). With this attitudinal and behavioural awareness along with the changes in action and discourses, I felt easy to handle the research agenda as an independent researcher.

As elaborated in section 4.6.2.1, different strategies were employed to normalise the perceived power relation between the respondents and researcher: for example, use of *guru* and *sikshya* metaphor; strictness in confidentiality and anonymity; informing in writing of the purpose and implications of the research. As a result, respondents saw themselves to be important actors and me as an independent researcher. The differences were apparent with the revelation of many intimate secrets; one example is, how leaders in some groups make up a 'paper horse' [report] so as to show a community group as healthy in order to attract continuing funding from an agency.

4.8.3 Dealing with the pre-designed theory, methods and instruments

The process and design of locally suitable instruments for the measurement of social capital is presented in the next chapter. The following sections present briefly some issues that are related to the methodology.

4.8.3.1 Field-informed reversal of research process

As explained above, a ready set approach to fieldwork designed during library based research was altered to integrate the ground reality while in the field. The original plan was to identify and explain why some community groups are successful and others unsuccessful by first selecting the cases and making an in-depth analysis in relation to social capital in the communities in which these cases were embedded. This approach, however, appeared to be impractical. It was realised that the study of the relationship between social capital and induced community organisations could not be done properly without prior mapping of social capital, and quantity and quality of community organisation in a given village. The change in the approach made it possible to select cases in a participatory way followed by universal assessment of organisations. Even though adopting the new strategy was a rather lengthy process, it opened ways for a more exploratory, engaged, interactive and systematic process.

4.8.3.2 Accommodation of previously un-thought of variables

Adopting a pre-defined set of research processes and instruments sometimes adversely affects the generation of valid and reliable data at local context. To minimise the effect, the initial processes, as explained above, focused on exploring and carving out research instruments in order to generate previously unthought-of issues. For example, the in-country consultations with noted researchers, practitioners, and preliminary field observation showed that the political factor has a marked influence either on facilitating or constraining the development of community organisations. In the first field visit, I came across leaflets issued by the Maoist's people's government warning organisations not to run without registering with them, and observed a local cooperative office locked up by them. These issues were incorporated in the household interview questionnaire. Interestingly, the exploration of politically led community divisions and the implication to the management of collective action has led to a major finding in explaining the functioning of induced community organisations.

There are several other examples that the study benefited extensively through field exploratory activities. The exploratory and pre-test exercises led to the rejection of some pre-designed instruments while replacing them with ones appropriate to the local context. These issues are presented in detail in Chapter Five. These types of exploratory exercises have contributed to the enhancement of the validity and reliability of the study.

4.8.3.3 Use of tested questions

One source of threat to the validity of the whole study might be the construction of the research framework and design *per se*. One way to minimise this threat is to critically analyse and adapt tested concepts and instruments, from similar studies as far as practicable. They ensure a good degree of validity and reliability. Even though there have not been any studies of social capital in relation to local organisations in Nepal, a number of theoretically and operationally acceptable studies of a similar nature conducted in India or elsewhere became useful. In this study, I have borrowed most of the research exercises (constructs, methods and tools) applied in similar contexts and adapted them in the local context after going through a series of tests (see Chapter Five).

4.8.3.4 Accommodating lessons learnt through pilot test

Pilot testing is one way to improve instruments in order to enhance their prospects of measuring what it is intended to measure (Gilbert, 2003) no matter how many times repeated. After concluding the questionnaire and interview schedule for the household, I reviewed them asking myself the questions to see how I would answer if I were a respondent. This helped to see whether the questionnaires were clear enough to generate information. Then, the questionnaires were sent to a colleague, a PhD student, to read and provide feedback. After incorporating feedback, they were used for the field test. Two tests were made with two types of local people in Dudhrakshya VDC: one illiterate and another educated. Similar tests were carried out in Majhgaon. After feedback, improvements were made in the areas where the respondents had found it difficult to understand clearly. Besides dropping some questions adopted from similar studies, rephrasing the questions and making semantic changes, the following strategies were applied after pilot testing.

- *Questionnaire shortening*: Selecting and putting a star mark on questions which were particularly about the general village issues so that they could be asked only to the key informants in order to shorten the interview time.
- *Local measurement of scale*: Using day-to-day language of qualitative measurement like 16 *aana* for the highest score and 0 *aana* for no score to simplify the responses on scale questions.
- *Use of poster for scale*: Using a poster showing categorical degrees in scaled continuum showing the highest score at one extreme and lowest at the other to help make easier response to scaled questions.
- *Making clear about no future 'projects'*: Since some people were hoping that providing information would bring a project in the village, a special briefing was prepared while booking the interview emphasising that the study would not bring any support nor would the information be used for formulating any project.
- *No use of tape recorder*: The piloting of tape recording of interview resulted in rejection from some respondents owing to the implications in the face of the complex conflict situation in the region. If tried and rejected, it sometimes could lead to an embarrassing environment, hence, affecting the whole interview process. Therefore, a tape recorder was not used to record field information.
- *Additionally informing respondents in writing*: It was found most essential to assure the respondents about the full confidentiality of the information. In addition to the rapport building and oral briefing, providing a written letter with an official look was an additional and very effective confidence building measure. However, care should be given to use such letter in combination with other informal measures in order to preserve informality of the interview process.

4.8.4 Other aspects affecting rigour

4.8.4.1 Handling sensitive issues

Some sensitive issues related to caste, gender, wealth, politics, etc. needed careful handling. Some well to do and elite persons might find some of the questions regarding equitable and altruistic practices challenging and were less likely to respond. Those practicing high interest money lending could find it challenging to talk about this. Similarly, people often found it absurd to accept that they have bribed civil servants or that themselves embezzled public resources. However, information was collected to

some extent by crosschecking, probing and prompting as far as practicable. Supplementary sources of information were also used to understand the situation more clearly.

4.8.4.2 Dealing with language variation

Another possible source of threat to the study of complex social issues is language. This is a constant problem in a multi-ethnic and multi-lingual country like Nepal. It would have been difficult to prepare the tools in English and translate them into Nepali as there is no word-to-word translation of social capital terms. After visiting the area and exploring the possible terms that carry the essence of what is being measured, the semi-structured questionnaire for household interviews was originally developed in Nepali. Since a considerable number of people in Majhgaon VDC have difficulty communicating well in Nepali, the questionnaire was translated into the local Bhojpuri language. One local research assistant, fluent in both Nepali and Bhojpuri, translated the questionnaire into Bhojpuri. Then it was given to a teacher of a local high school to verify the translation. The questionnaire was tested with two respondents. Thanks to my previous stay, I could communicate without difficulty, and could administer the questionnaire. Hence, language did not become a barrier to the study.

4.8.4.3 Research assistants and training

The two research assistants employed were both college graduates and had been in the locality for some time. I organised indoor training for two days and involved them in all pre-tests. I also prepared a summary guideline containing essential ethical issues as well as the appropriate ways of handling the challenging and sensitive issues (see annex 9C). I carried out most of the field interviews and only those, where I felt it inappropriate to interview myself due to pre-existing relations, were assigned to the research assistants. The role of research assistants was also to help in note taking during interviews where they were present and gathering required information from records and sources other than interviews.

4.8.4.4 Triangulation through multi-method and multi-stage process

One important strategy adopted in the study is the triangulation of information with the use of a multi-method design. The information collected at one level led to another level opening option to verify the previous information. Multiple and alternative sources and

follow up study were used for information verification. For example, most of the information collected through the individual interview regarding the functioning of the community organisations or management and governance of village collective affairs was verified through office records (like minute), village level group consultation and interview with agency staff. Similarly, the findings of quantitative analysis have been substantially triangulated by qualitative analysis. Hence, the research process benefited from the triangulation of information in order to reach firm findings and interpretation.

4.8.5 Generalisability

Despite the reasonable level of validity and reliability of the household interview instruments, it is difficult to argue that the findings of the study are statistically generalisable given the confinement of the study to a small area, a few organisations and a small household sample. They are representative of the study VDCs and district. However, analytical generalisability of certain findings (where indicated) is high due to the multiplicity of observation (in several villages) and sources of information including an additional survey at national level. The finding of this research is solely contextual and does not claim to be representative of broader population in statistical sense. However, in analytical sense, the findings of the study could be indicative of many villages with similar situation in Nepal.

4.9 Lessons learnt

As mentioned elsewhere, the whole field research experience has been a learning process. The step-by step approach to field work generated a number of lessons allowing me to accommodate them in subsequent steps in order to improve the overall quality of the study. These lessons have been presented as appropriate, and particularly in the pilot test section. Two additional lessons are given below.

- While being aware of one's position of bias and prejudice, equal awareness of that of the respondents is very important as they too sometimes give a much-fabricated account of something or about somebody. For example, a community group leader might not want to say that his group has problems, or the leaders have mismanaged the group fund; a money lender might not tell that he is displeased with the village

groups pushing his business to the margin; an illegal logger might not tell that there is any illegal logging from the forest, etc. Hence, awareness of such situations is desirable to adopt prompting, probing and other appropriate alternative ways of information collection and triangulation.

- Despite the reservation that people would not come out to give information due to conflict-inflicted fear, the opposite was the case during the household census in Majhgaon. While preparing the sampling framework with a small peer group of key informants in Majhgaon 2, for instance, the news spread across the village so fast that people started to crowd out uninvited. They knew that in the past collection of information this way used to eventually lead to the formation of development projects. In order to justify the need of a project or to qualify for support, in some cases, people used to fabricate personal information. This very incidence has been a learning case that people should be made aware of the purpose of the information collection and its impact on them in order to avoid unnecessary expectation and fabrication of the information.
- Given the fragile security situation at present, it should be recognized that without having some sorts of local contacts, it is almost impossible to carry out field research anywhere in Nepal (except in the capital).

4.10 Limitations

Despite the different processes and strategies applied to minimise the flaws and enhance the overall quality, the research is not still without limitations. This research has low coverage of the country as it is limited to a small region, i.e. two VDCs of the western-central *Terai* region. It does not cover the hill and mountain regions. Given the village as the most suitable unit of analysis for the study of issues related to social capital, a sufficient number of village units are required for more sophisticated statistical tests in order to enhance statistical generalisability within a larger context. This could enable testing of new propositions regarding social capital measurement in the context of developing countries, especially those where social relations and cooperation are largely shaped by semi-feudal and hierarchical or unequal social organisation. Undertaking such a study would require a large project, which was beyond my ability from the resource and time perspectives. However, to balance the situation, this study has concurrently made

detailed qualitative analysis in addition to the quantitative analysis, and done a survey with major agencies.

In the given situation, plenty of post project community groups were not available to analyse sustainability in relation to social capital. However, consideration of age of the groups in analysis and focus in phased out groups in each analysis has fulfilled the study requirements.

4.11 Conclusion

Explaining the relationship with the commitment to the interpretative worldview, this chapter has shown why the study on social capital and community organisations required a multi-stage process (exploratory, in-depth-study and follow-up), multi-method (quantitative and qualitative) research design and multi unit of analysis (household, village and group). Similarly, the process and rationale of the selection of two VDCs, 14 village, 94 households 129, groups and 4 case groups/agencies have been presented and socio-economic information regarding the sample and study area has been discussed in terms of location, caste, wealth, education and positions held by respondents and members of the households. The chapter showed that data analysis involved a participatory visual process during the exploratory phase and a computerised statistical process in the in-depth studies phases.

Finally, the chapter has carefully analysed the threats to validity and reliability of the research and strategies applied to mitigate them. By applying a reflexive approach in terms of evolving, adopting and adapting instruments and revisiting my position with those being researched; by adopting confidentiality and anonymity; and establishing good trust as well as using locally useful tools, rigour of the study has been enhanced.

The next chapter focuses more closely on the methods and findings specifically related to social capital.

Chapter Five

Operationalising, Exploring and Analysing Social Capital in the Study Villages

5.1 Introduction

The main aim of this chapter is to build village level set of data for each component of social capital and analyse them in relation to survival and functioning of the groups by villages. In order to do so, an appropriate method of measuring social capital in the local context needs to be developed and operationalised. As this is the first research on social capital and community groups in Nepal, operationalising the measurement of social capital at the local context requires first a review of methodologies applied in the similar studies conducted in similar contexts.

Therefore, the chapter first presents the operationalisation of measurement of social capital based on two interrelated exercises: review of methodologies applied to measure social capital in similar contexts elsewhere and exploration and test of instruments in the local context. Then, it explores, measures and presents the findings on each component of social capital. While fulfilling the main aim of preparing village wise set of information, each components of social capital is analysed in relation to socio-economic variables (as applicable) for additional understanding of their nature and, thereby, the context of study villages. Under cognitive social capital trust, norms of reciprocity and tradition of sanction are presented. Similarly, under structural social capital, organisations/groups and networks are presented. Finally, various aspects of social capital are synthesised and are examined in relation to the functioning of community groups.

5.2 Operationalising measurement of social capital

5.2.1 Conceptual confusion and measurement variations

The review of literature related to social capital (Chapter Two) has clearly shown that there are conceptual debates and differences on what constitutes social capital. Quibria

(2003:20) criticises that the proliferation of the literature on social capital is “fraught with serious conceptual and empirical measurement and estimation problems”. Field (2003) finds the conceptual difficulty further aggravated by the use of very different measures of social capital by different researchers.

However, Grootaert and Bastlaer (2002) take the spontaneous growth of different interpretations of the concept to be positive because a growing number of research activities used them (interpretations) to try to capture the essence and development potential of the concept. They assert, “It is, perhaps, the testimony to the seriousness of these activities that the lack of agreement on precise definition of the concept has not inhibited the empirical and applied work” (ibid: 2).

In fact the difficulty of measurement of qualitative subjects like social capital is generic in social science research (Narayan and Cassidy, 2001). Referring to the multi-faceted concept of social capital, Fine (2001) argues that when there are heterogeneous characteristics of the subject to be measured, and they are qualitative phenomena, then accurate measurement of them is very difficult, if not impossible. Acknowledging these difficulties, this section attempts to adapt an ‘appropriate’ measurement of social capital for the context and purpose of present study by reviewing methodologies applied in similar contexts. (See section 3.4.1.1 for the review of studies on social capital in Nepal).

5.2.2 Methodological review of studies conducted in developing country contexts

Originally, Putnam (1993a) used associational density, electorate turnover, and newspaper readership to measure degree of civic ness in Italy (Serra, 1999:6). However, the review of several studies revealed that these measures are not necessarily applicable to measure social capital or civic ness in developing countries because newspaper readership and formal associational life is almost non-existent in some of these contexts and formal elections do not take place or take a very different form (Serra, 1999). The types of networks vary, and manifestation of civic virtue is contextual (Foley and Edwards, 1999). Thus, most of the studies conducted to measure social capital, and to understand the developmental outcome and collective actions in the developing countries have applied a set of indicators, which are different from Putnam's.

Furthermore, some of these measures are found varying from study to study even within a similar context. A review of some selected studies is presented below.

Pantoja (1999) applied purely qualitative exploratory case studies, including the household survey method while exploring the concept of social capital and its relevance for community-based development in two coal mining areas in Orissa, India. He tried to capture social capital through the analysis of: institutional and policy framework; family and kinship ties; horizontal network; community life; group-based associational life; trust and generalised trust; cross-sectional linkage (vertical); social norms and values; political variable and power relations. Even though the study tried to bring together many important aspects, including power relations into the social capital envelop, the methodology was rather limiting (Pantoja, 1999:6).

Bebbington and Carroll (2000) studied induced social capital and federations of the rural poor in three countries: Bolivia, Ecuador and Peru. They studied 12 cases through survey and other methods including documents analysis. The study focused on structural social capital: internal relations, external linkages and other assets harnessed and mobilised; and within organisations, dealt with leadership, internal participation, organisational culture, resource mobilisation and use, sustainability, intermediation and negotiation, and linkages and alliances. The important aspect of this study is that it has focused on the induced and bridging level organisations.

Drawn on a multi-country (some European countries, India, South Africa and United States) study of associations, participation and government: linking local communities and state actors in sustainable rural development, Prakash and Selle (2003) used descriptive qualitative method in which they focused on three variables: connectedness or linkage, agency (agents) and local government agency. They found out that the level of connectedness or linkage across organisations and sectors has major impacts on the performance, inclusiveness and sustainability of associations. It showed the need to include the linkage with agency and local government in any study of associations and connectedness.

Mukharjee (2003) in her study of social capital in joint forest management in West Bengal, India used four case studies in which she quantified three qualitative aspects,

which she calls aspects of social capital: productivity, equity and sustainability. However, despite her claim, these aspects *per se* do not reflect the fundamental aspects of social capital: trust, network, and norms (and sanctions). They are purely about organisational effectiveness, and, thus, are in part related to the structural aspects.

Similarly, Jain and Jain (2002) have studied social capital in community-based institutions in Western India, using qualitative descriptive methods. Quantifying the qualitative aspects in the scale of one to ten, they measure capacity of collective action in joint forest management. The aspects measured are as follows: participation of members; participation of women; protections from illicit use; establishment of extraction rules; regulation of sharing; management for improving production; involvement in planning; conflict resolution; community self-reliance; and involvement in other aspects of community development. Even though the indicators capture many of the aspects of structural social capital within a given organisation, they do not, however, grasp the full measures of social capital *per se*.

Reid and Salmen (2000) studied six villages, three high performers and three low performers, in Mali to understand agriculture extension in relation to trust and social cohesion. Through qualitative interview and observation, the following indicators were selected to determine village dynamics, village performance and cohesion: village cleanliness; distribution of infrastructure according to needs (equitable distribution); number of organisations; ability to organise for maintenance or construction of public goods; leadership; physical condition of the mosque; and Friday afternoon prayer attendance. Though this study has included many structural and cognitive aspects of social capital to identify the level of social capital, this does not cover trust and aspects of other inter-community relationships.

Grootaert and Narayan (2000) combined qualitative and quantitative methodologies to study the local institutions in Bolivia. They collected information at three levels: community, district and households. They built an index of social capital by combining: memberships in syndicates; memberships in other local organisations; index of heterogeneity; meeting attendance, index of participation; index of contributions and community orientation. Again, since the study is about the institutions, the social capital index is heavily related to the structural aspects of social capital. Though the study has

taken all organisational issues into the fold of social capital, it does not include the informal networks of mutual cooperation.

Similarly, Isham and Kähkönen (2000) have applied similar methods and indices to study the determinants of the effectiveness of community-based water projects in Central Java, Indonesia. They carried out an extensive survey in water committees in 44 villages. In addition to other indicators, cognitive aspects like neighbourhood trust and bridging social ties like social interaction have been included in the index of social capital.

An integrated questionnaire on measuring social capital [with a focus on applications in developing countries] prepared by the World Bank (Grootaert, et al., 2004) and tested in Albania and Nigeria embraces issues beyond the cognitive and structural aspects of social capital. The social capital issues have been divided according to input, output and outcome indicators. According to them, the six dimensions of social capital are: groups and networks (structural: input); trust and solidarity (cognitive: input and output); collective action and cooperation (output); information and communication (output); social cohesion and inclusion (outcome); empowerment and political action (outcome). They have recommended to use them with qualitative data, and analyse along with further data such as National Living Standard Survey (NLSS) data. Even though the household questionnaire integrates many issues, it does not, again, address very well the power issues ingrained in the social interactions. However, the questionnaire has been useful to the present study.

In a study of collective action for conserving and developing watersheds in Rajasthan, India, Krishna and Uphoff (1999) have used predominantly quantitative methods: household survey in combination with focused group discussion and official records. They have used households and villages as the unit of analysis to capture two aspects of social capital: structural and cognitive. In order to do so, they asked respondents six questions: three related to the structural and three to the cognitive social capital. Even though this study is underpinned by an acclaimed theoretical framework of social capital and a rigorous field exercise, it is not free from some problems set out below.

- It assumes the index of response on six hypothetical questions measuring collective orientation of the community as the social capital, and shows high correlation with collective action. However, it is not surprising to find such a relation because both variables are built essentially on the same things- collective orientation and collective action. However, they have argued that the index is robust in their case due to its high correlations with alternative measures of trust and networks.
- It does not include formal associational aspects because they were either non-existent or non-voluntary due to inducement from outside agencies (government).
- It does not take into account the extra-community connections like bridging and linking aspects.
- It does not take into account the negative and power laden implications of social relations in collective action.

However, Krishna (2001) has used the agency variable in analysis and found that an index of agency is independent of social capital. The combination of the two is highly correlated with the development outcome. Since the conceptual foundation of the study is very strong and the context of Rajasthan in India is very similar to the present study, it was judged worthy of pre-test for possible replication. Similar types of questions portraying an imaginary situation (incidents) with the locally relevant set of alternatives (from more individualistic to more collectivist) were tested in the field. Respondents were asked to choose an alternative from a pre-scored scale. However, it was found confusing as all possible alternatives were found to have been in place on different occasions. Rather than giving an imaginary incident/instance and reading out what alternative would be applicable in most situations, it was found useful to explore real incidents/instances and probe/prompt on how such situations were dealt with.

In summary, the findings from the review of methodological literature can be presented as follows:

- Some studies have tried to measure purely structural social capital while others have captured some or more aspects of both cognitive and structural social capital.
- Some studies have focused on purely community or organisational level, while others have also included bridging and linking aspects.

- Many studies have ignored the role of power and unequal social relations in social capital. However, those which considered them, have found a strong connection with social capital.
- The unit of information collection could be the village, organisation and or households depending on the purpose of the study. It is common to explore and index various social capital indicators at village level and compare them.
- Due to multiple units of data collection and the different stages involved, application of multi-instruments and in some cases, multi-strategy (qualitative as well as quantitative) methodology is required. Quantified scoring of qualitative variables and combining household survey with case study methods are common.
- The social capital framework has been widely applied to assess the performance or effectiveness of various organisations as structural social capital.

5.2.3 Formulation of social capital measurement in the local context

Taking account of the lessons learnt from the review of studies in similar contexts, the formulation of social capital measurement for the purpose of the present study has embraced two approaches: ‘loose tight’ approach and ‘multi-dimensional’ approach.

‘Loose-tight’ approach: The foregoing discussion has shown that the understanding and measurement of social capital varies according to contexts and purposes of the studies. Local cultural contexts are unique and social capital can only be understood in its local context (Foley and Edwards, 1999). However, while recognising and being sensitive to cultural variations, the measurement of social capital must provide a common conceptual framework that helps to unify different dimensions of social capital. Borrowing the ‘loose-tight’ framework of Peters and Waterman (1982), cited in Krishna and Shrader (1999), I have tried to apply flexibility in the local adaptation of measurement of social capital while tightly sticking to the concept.

Multi-dimensional approach: Quibria (2003:35) argues that to overcome the problem related to the measurement of social capital, it should be acknowledged that there is not a single entity called social capital, but many distinct notions. Based on the analytical framework (section 2.2.3 and 2.2.4), the social capital measurement tools were devised

in the study by disaggregating the concept into structural and cognitive lines. The information collection methods and tools were designed to capture ‘multi-faceted’ (Dasgupta and Serageldin, 2000) aspects of social capital. Principally, this is a similar approach to the ‘vitamin model’, which Halpern (2005) borrows from Warr (1987) to emphasise the need to measure each forms of social capital, just as a community needs a blend of different types of vitamins in their diet in order to be healthy. To capture all relevant aspects of social capital, information was collected from different units: households, community (villages) and organisations/groups by combining quantitative and qualitative methods and tools.

Based on the reviews, a social capital operational framework was developed. The research methodology (Chapter Four) presented the process and methods of information collected at different stages and different levels. Figure 5.1 below operationalises the concept of social capital as applied in this study. The following aspects of social capital were measured through household questionnaires and other methods, and their interrelationship, mainly with the functioning of groups, are examined.

- Cognitive social capital: Trust, norms of reciprocity (norms of cooperation and collective actions) and sanctions.
- Structural social capital: Groups and networks (formal and informal).
- Downside of social capital (Power and inequalities ingrained in social relations, and norms and networks having negative externalities).

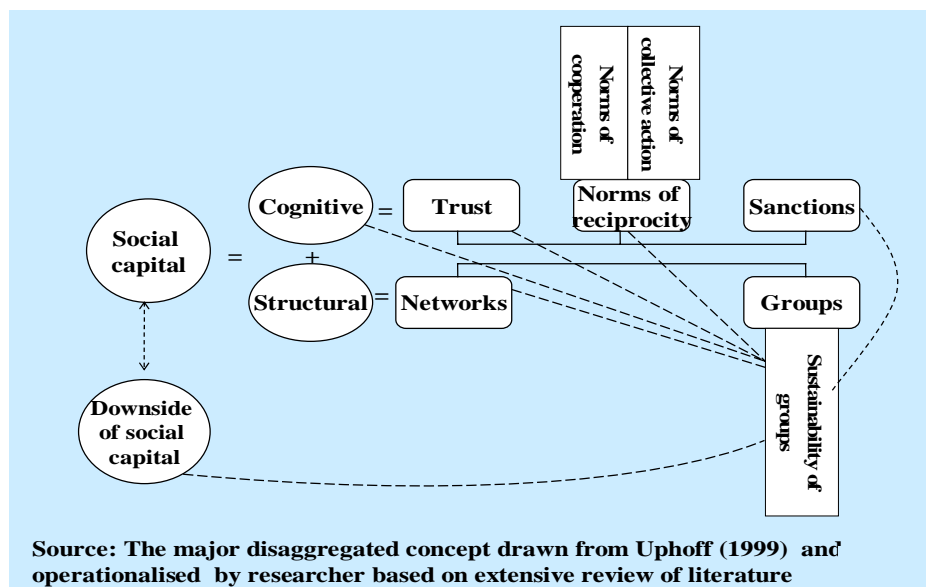


Figure 5.1: Operationalisation of social capital

In addition, further information on governance of general collective affairs and public institutions was collected to understand how collective action impacts at a broader level and how it affects the functioning of groups. These aspects of social capital along with the downside of social capital are explored in Chapter Six.

The remaining sections of this chapter present exploratory process, data analysis and findings related to each aspect of cognitive social capital: trust, norms of reciprocity and sanction, and structural social capital: groups and networks. Finally, their interrelationships including with the functioning of the community groups, are presented.

5.3 Exploring, measuring and presenting findings on cognitive social capital

This section deals with trust, norms of reciprocity and sanctions that predispose people to cooperate with each other or for collective action.

5.3.1 Exploring, measuring and presenting findings on trust

Some researchers have used trust as the sole proxy indicator of social capital while others have taken trust as part of a set of several indicators of social capital measurement. In many instances, the degree to which “most people can be trusted” has been used as a ‘rough and ready’ substitute of measuring social capital at a national level (Halpern, 2005:33). Putnam (2000) constructed an elaborative index including: measures of home entertaining; socialising with friends; group membership and attendance; voluntary and community service and attendance at public meetings. The overall index was found to be highly ($r=0.92$) correlated with the ‘most people can be trusted’ measure, which captured 85% of variability of all measures.

Borrowing from Krishna and Uphoff (1999:31) the following question, which is locally very relevant for this research, was tested in the field to measure trust at village level.

Suppose some person from this village had to go away for a while, along with their family. In whose charge would this person leave their fields? (Can only close relatives be trusted, or a larger group of villagers?)

However, it was found not to be appropriate since most people said that they could trust almost anybody but would like to give them to the person who is close and more trusted than others. Some said they would never go away without somebody from the family living at home, or if they went, they would sell their property. Hence, the answer was not straightforward, and it did not measure trust as intended.

The test of many instruments from similar studies at international level, combined with the exploratory activities carried out at the beginning of the fieldwork led to the emergence of many elements for trust measurement at the local context. It emerged that measuring the level of trustworthiness in villages is not a straightforward issue. It showed marked differences of trust based on: who we are trusting and what we are trusting for. The trust measurement process should cover the diversity (Grootaert et al., 2004; and Krishna and Shrader, 1999).

Given embedding kinship, caste, political and economic structure, *inter alia*, in the study villages, it became a prerequisite to understand how the level of trustworthiness differs from one group to another. Capturing and aggregating trustworthiness of individuals from different groups in the villages and various concerned institutions was found appropriate for this study. This position necessitated identification of important actors (individuals as well as institutions) with a significant presence in the villages (see table 5.1).

Based on the definitions of bonding, bridging and linking concepts presented in section 2.2.3.4, the actors identified have been grouped as presented in table 5.1. The perceived trust in people from similar groups in the village constitute the bonding level trust, that in the people from dissimilar groups constitute bridging level trust, and that in institutions or representatives constitute linking level trust.

Table 5.1: Individuals and institutions for trust measurement

| | |
|--|--|
| People from the similar groups (Bonding level) | Reasons to include |
| Close kin or relatives | Kin and relative support network exists |
| People of the village from the same caste group | Caste/ethnic diversity exists |
| People of the village from the same income group | Different wealth categories exist |
| People of the village with the same political group | Party based politics is pervasive |
| Members of the groups of one's affiliation | People organised in different groups |
| People from different groups (Bridging level) | |
| People of the village from dissimilar caste/ethnicity | Caste/ethnic diversity exists |
| People of the village with different income group | Different wealth categories exist |
| People of the village with different political group | Party based politics is pervasive |
| Most of the people of the village | Villages has various social groups |
| Local traders | More transactions through retailers |
| Familiar people from neighbouring villages | Relations with people from neighbouring village exist |
| Unfamiliar people from neighbouring villages | Relations with people from neighbouring village exist |
| Institutions or representatives of the institutions (Linking level) | |
| Representatives from different non-governmental organisations | Various non-government organisations bodies work in the villages |
| Local government officials (elected) | Local government exist |
| Government (centre) employees at the local level | Various government service agencies work in the villages |
| Government offices at the district headquarters (developmental) | Many government agencies (developmental) work at district headquarters |
| Police, local administration and court (administrative) | People have to visit administration offices for essential services |
| Political party of ones own affiliation | Most people are affiliated to party |
| Member of parliament (MP) | People directly vote to elect an MP |
| Centre government | Centre government policies affect grassroots |

5.3.1.1 Questioning, measuring and analysing trust

The respondents were asked normally to what extent people from different groups in the village can be trusted in mutual transactions and, in the case of institutions or representatives, can be trusted that they perform their institutional as well as personal responsibilities with due honesty and fairness. The respondents were provided with five point scale pre-coded choice of responses, 1 representing 'can be trusted to a very small extent' and 5 'can be trusted to a very great extent' (table 5.2).

Table 5.2: Codes and indexes of trust measurement

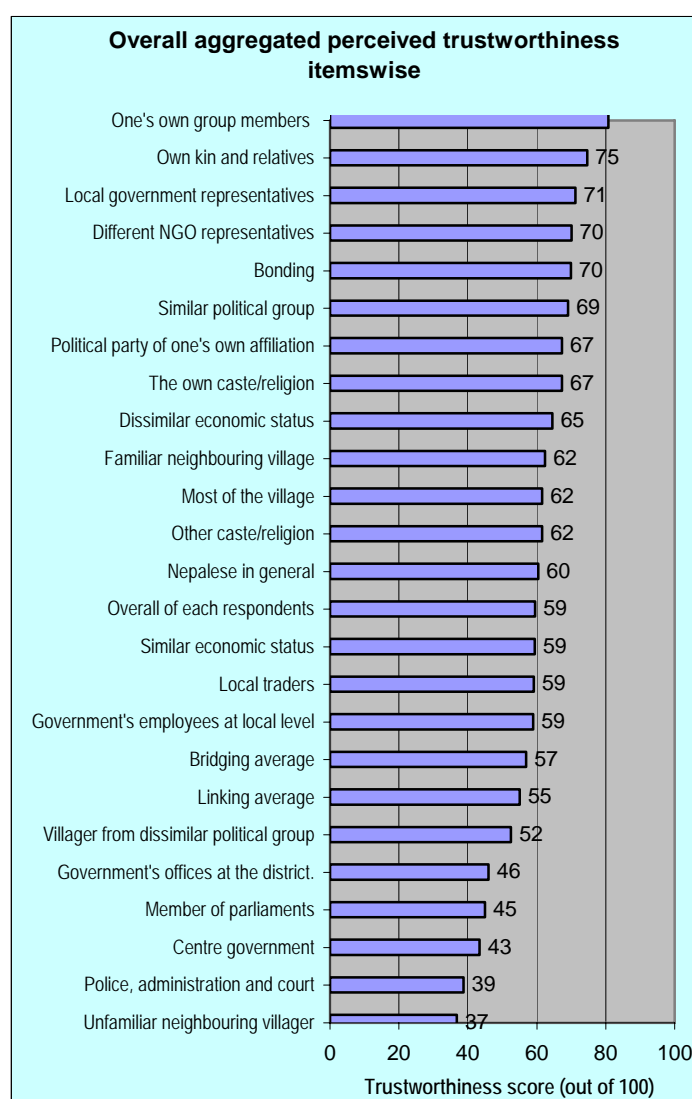
| | |
|---|--|
| Code of scale and alternative extents of trust | Converted index score in the range of 1-100 |
| 1. Can be trusted to a very small extent | 20 or less |
| 2. Can be trusted to a small extent | 21-40 |
| 3. Can be trusted neither small nor great extent | 41-60 |
| 4. Can be trusted to a great extent | 61-80 |
| 5. Can be trusted to a very great extent | 81-100 |

The responses were entered in the SPSS and analysed. To make comparison easier, mean scores were converted to the scale of 100 in which 1 implies no trust and 100

implies full trust. This was done to identify the aggregated trust for individual respondents, individual items listed above in table 5.1, as well as for each of the 14 villages and two study VDCs. Bonding, bridging, linking and overall trust index scores are also computed. The findings are presented below.

5.3.1.2 Findings: comparison between items

Figure 5.2 presents findings on the level of trustworthiness of various individuals and institutions in the villages in the scale of 1-100. It clearly shows that people in the villages



Source: Fieldwork, 2004/2005

Figure 5.2: Indexed scores of trustworthiness

trust other people and institutions at varying level. The overall index of trustworthiness, hereafter referred to as “overall trust” is 59 in the study villages, which is close to trust in the Nepalese in general (60). The index of trust in the people in the bonding circle, hereafter referred to as “bonding trust”, is stronger (70). The index of trust in people at the bridging level, hereafter referred to as “bridging trust”, and in institutions and representatives at the linking level, hereafter referred to as “linking trust” are at the moderate level with 57 and 55 index scores respectively. Both of them are slightly below than the overall trust.

Trust in the people included in the bonding level is at the higher level. Of them, trust in the fellow members of community groups is the highest with an 81 score followed by trust in one’s own kin and relatives (75). The trust in people of the village with similar

political party and similar caste/ ethnicity attachments are slightly below the bonding trust whereas that in people from a similar income group is much lower (by 11 points).

At the bridging level, the people from the dissimilar income groups of the village are highly trustworthy (65 score). Most of the people at bridging level have trustworthiness above overall trust except for people from two groups in the villages: people from a different political party (52 score), and unknown people from the neighbouring villages (37 score).

Most of the items at the linking level have a relatively lower trustworthiness score. Especially those related to central level (government) institutions and district level government agencies are below the linking trust. The trustworthiness of institutions like police, administration and court is the lowest of all (39 score) followed by centre government (43 score). Nonetheless, trust in local government representatives, different NGOs working in the villages, political party of one's affiliation and government staff working at the local level is above the linking trust with 71, 70, 67 and 59 scores respectively.

To evaluate the differences in trust between items pair wise mentioned below, paired sample tests were conducted. The tests show that overall, people tend to trust more the people from a similar caste/religion in the village ($P < 0.05$) than from a dissimilar caste/religion. This indicates that the community relies more on strong ties. It also showed that people from similar political groups are more trustworthy than people from different political groups ($P < 0.001$). These differences are indications of political divisions in the villages. Conversely, it shows higher trustworthiness between people from different income groups than similar income group ($P < 0.05$). This reflects the tendency of people doing day-to-day transactions with a dissimilar income group. A reason for trust in a dissimilar group is the poor people's reliance on rich people for borrowing money. The local government representatives are largely trustworthy when compared with trust in central government ($P < 0.001$). Similar differences are observed between trust in government employees working at local level and government offices at the district level ($P < .001$). It is not surprising that trust in the elected representatives or government staff at the local level is higher than in the central government because close proximity to and constant interaction with people at the local level puts pressure

on them to fulfil their duty in an accountable and transparent manner. However, there are differences on a location basis too. (See section 5.3.1.4).

5.3.1.3 Findings: cross analysis with socio-economic variables

Between groups tests were carried out to identify whether there are any significant differences in the perceived trustworthiness between various groups. The statistical detail is presented in annex 5.

From the point of view of origin of respondents, *Pahadiya* (migrants from hills) trust the following people significantly higher ($P < 0.05$) than the *Madhesi* (plain-dwellers other than migrant *Pahadiya*): kin and relatives, people from one's own caste/religion, people from similar political groups, and local government representatives. The reason why *Pahadiya* trust more their close kin or relatives could be due their recent migration with the help of the close relatives, who are normally from their caste groups. They trust their party colleagues and local government representatives because they are politically more active, and the local government at Dudhraksha, where all *Pahadiya* respondents are settled, is good governed. This is why they also have significantly higher perceived bonding and bridging trusts than the *Madhesi* respondents. The fact the *Pahadiya* trust people from different political group more than the *Madhesi* do also signifies that political division is lesser among them.

From the positions point of view, respondents whose family member(s) were ever elected to local governments trust the unknown people from the neighbouring villages, NGOs working at the local level, and one's own political party significantly more ($P < 0.05$) than the respondents whose family member are non-elected. The respondents whose family members have an organized party membership trust significantly more ($P < 0.05$) the people from other castes and religions, people from a dissimilar economic status, and own political party than those who do not have. Elected people as well as organized party members have to frequently interact with people from dissimilar caste, religion and income and people from other villages; therefore, know their behaviours. Their power position counterbalances any risks, and binds others to act in a trustworthy way. This could be a reason why both these position holders have significantly higher bridging trust ($P < 0.05$) than non-holders. Trusting NGOs can be attributed to their closeness to any development activities in the village on the one hand and better

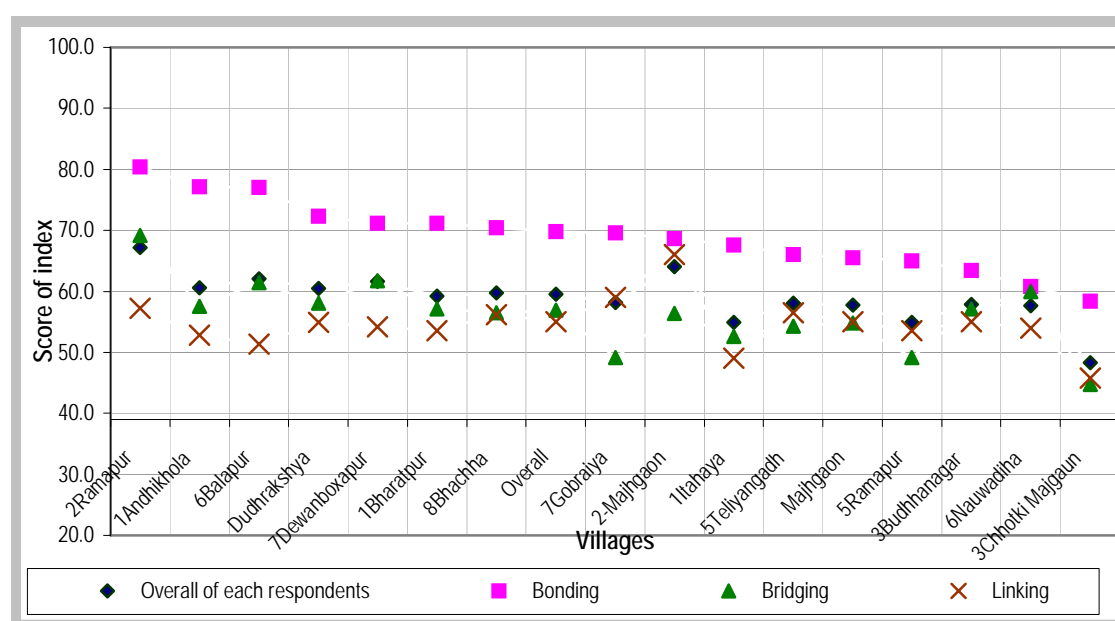
services provided by the NGOs on the other. Having more trust in ones' own political parties could be due to their higher affiliation to party activities than the non-elected people. These results are similar with VDC-wise results presented in table 5.3.

On wealth, the non-poor category of the respondents trusts the police, administration and court significantly higher ($P < 0.05$) than the poor category. Rich people can afford to draw services from the government offices at the district level more than can do the poor. The analysis shows that poor and medium category people have a significantly higher bonding trust than the rich category ($P < 0.05$). It could be because poor and medium category people rely more on mutual help at bonding level.

From the education point of view, both illiterate and above literate respondents trust villagers from the same income category significantly higher ($P < 0.05$) than the just literate do. Above literate respondents have higher bridging trust compared to just literate or illiterate respondents ($P < 0.05$). Educated people may have a network across the social divisions.

5.3.1.4 Indexing trust at the villages and VDC levels

The responses on trust was averaged and converted to the scale of 100 by villages in order to have a comparative mapping of trustworthiness across villages and VDCs. The figure 5.3 presents the findings by villages and VDCs.



Source: Field survey 2004

Figure 5.3: Village and VDC-wise index of trust at different level.

The indices of trust at the VDC level show that trustworthiness at all levels- bonding, bridging and linking- is slightly higher in Dudhraksha VDC than that of Majhgaon. The overall index of trustworthiness in Dudhraksha is 61 and that in Majhgaon is 59. There is a similar trend in many individual components of trusts. Particularly in two areas, level of trust is significantly higher in Dudhraksha than in Majhgaon; the first, trust in people from a dissimilar political group in the village, and the second, trust in the representatives of local government. Table 5.3 presents VDC-wise comparisons at different level. Many of the villages in Majhgaon VDC have low level of trust of all types compared to the villages in Dudhraksha. Section 6.1 in Chapter Six will explain these differences.

Table 5.3: Mean differences of trust score by VDCs

| Trust to | VDC | N | Mean | Std. Deviation | t | Sig. (2-tailed) |
|--|------------|----|-------|----------------|------|-----------------|
| People from own caste/religion | Dudhraksha | 59 | 3.54 | 0.86 | 2.06 | 0.04 |
| | Majhgaon | 34 | 3.06 | 1.20 | | |
| People from similar political group | Dudhraksha | 59 | 3.59 | 0.85 | 1.74 | 0.09 |
| | Majhgaon | 34 | 3.26 | 1.12 | | |
| People from dissimilar political group | Dudhraksha | 59 | 2.81 | 1.14 | 2.42 | 0.02 |
| | Majhgaon | 34 | 2.29 | 0.91 | | |
| Local government representatives | Dudhraksha | 59 | 3.90 | 0.82 | 4.31 | 0.00 |
| | Majhgaon | 34 | 2.97 | 1.09 | | |
| Bonding average | Dudhraksha | 59 | 72.36 | 11.85 | 2.38 | 0.02 |
| | Majhgaon | 34 | 65.50 | 15.72 | | |

Note: One respondent did not respond

5.3.2 Exploring, measuring and presenting findings on norms of reciprocity

Norms of reciprocity entail social capital as they foster people to work together in order to perform various individual and communal activities (Putnam, 1993a). With an assumption that every society is somehow operated with shared norms of cooperation, the present study has identified: norms of cooperation, norms of collective actions and changes in them overtime in the two study VDCs. In this section the prevalence of norms of reciprocity and sanctions are first explored, and then mapped through responses on questions based on village attributes. Therefore, the information is not suitable for analysis based on individual variables. Negative aspects related to norms of reciprocity are presented in the next chapter (section 6.3.2.1).

5.3.2.1 *Norms of cooperation*

People co-operate with each other in order to carry out farm work, perform rituals and build community infrastructures. Unlike in the urban centres where people can live without even knowing their neighbours, the people in the study villages are highly dependent on cooperation as the respondents said it would be difficult (20.02%) or very difficult (48.9%) or impossible (27.7%) to live if there was no cooperation in the villages. Only the remainder 3.2 % of respondents said that it would only be a little difficult to live without cooperating. Such extreme dependence among villagers is also to do with the fact that the majority of people are resource poor and the state welfare system is non-existent.

5.3.2.2 *Exploring prevailing major norms of cooperation*

The exploratory fieldwork identified various traditions and practices as social institutions, which guide people to work together abiding by the established norms. Most of such norms are related to performing farm-based work while others are related to helping each other at times of need. The prominent institutions for cooperation found in the study villages are as follows.

- *Parma*: Mutual exchange of labour or animals mainly for farming purposes. In some places in Nepal, a system called *pareli* is practised in which two or more households set terms of contributions and responsibilities for working together during the year until the farming cycle is completed.
- *Aicho paicho (Anaj)*: Borrowing and bartering foodstuff as and when required and available. This also includes *biyu satasat*, exchange of seeds.
- *Anaj karja*: Loaning foodstuff during the lean season normally with cost attached which is paid back after crops are harvested.
- *Sar sapat*: Mutual lending and borrowing of money for the short term in urgent need.
- *Karja (sud)*: Money lending with a certain percentage of interest attached.
- *Adhiya (Kheti)*: System of farming in which tenant does the farm works and the produce is shared half and half between the landlord and tenant.
- *Adhiya (Pasu)*: A system in which cattle(s) are looked after by tenant and, afterwards, value added is shared half and half between the care-taker and the master.

- *Hali*: A system whereby a ploughman from the 'lower castes' normally works through a short-term 'bonded' arrangements. In *Madhesi* communities *haruwai* system prevails which entails mechanisms of bonding for generations.
- *Bali-laune /Kami rakhne*: A system of having a permanent (passing through generations) ironsmith to manufacture and repair farming tools at a household level. A village could have one or more ironsmiths who are paid individually, and normally in kind.
- *Bali-laune /Darji rakhne*: A system of having a permanent (passing through generations) tailor to give universal tailoring services to the household. A village could have one or more tailors who are paid individually, and normally in kind.
- *Katuwal*: A community messenger who serves the whole village is paid in food grains by all households of a village. A *katuwal* is familiar with and belongs to all in a given village. In *Madhesi* community *Chaukidar* (watchman) is kept for this purpose.
- *Anaj/jinsi uthaune*: A system of collecting/contributing kinds (food stuff) to mark rituals at a home in the neighbourhood or for common functions.

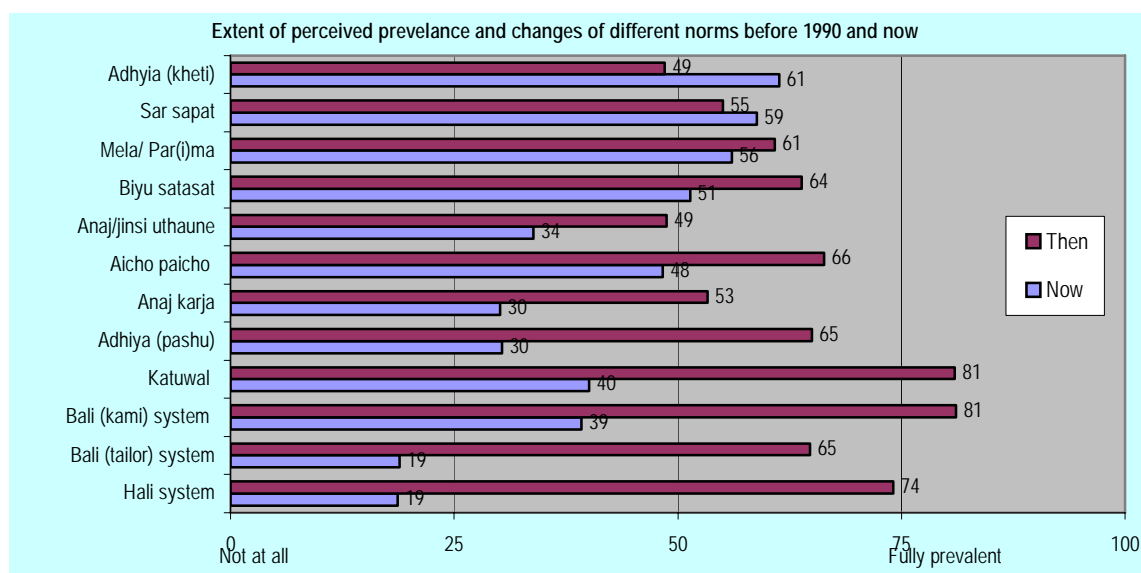


Photo 5.1 Two women from Majhgaon-2 exchanging mustard seed.

Other norms of cooperation include *jajamani* in which a (permanent) family priest performs all family rituals as and when required and gets *dakshina* (honorarium), and *Thakur*, in which a permanent hair dresser serves households and is paid for the services.

5.3.2.3 Degree of prevalence of norms of cooperation and change overtime

Some of the norms explored here relate particularly to the *Pahadiya* who brought them when migrating; some others are related to the *Madhesi* people and are little known among *Pahadiya*. Furthermore, some norms are common to both communities and some have just spread from one community to another over time. These differences are analysed in the coming sections. The overall average score (converted to a scale of 100) of each norm shows that the *adhiya* farming system prevails relatively more highly than all other norms under comparisons followed by *sar-sapat* and *parma*, which prevail slightly more than a moderate extent. On the other hand, the *hali or haruwai* (and *charuwai*) system and *bali* (tailoring) system exist only to a small extent (figure 5.4).



(Note the figure is computed assuming not in practice at all as 0 and to a great extent as 4)

Figure 5.4: Prevalence of different norms of cooperation now and then (before 1990).

The perceived changes in the normative practices over time were assessed by measuring their degree of prevalence before the establishment of the multiparty system in 1990 (as an easily memorable point in time) and after. There has been a massive shift in some traditions over time, particularly, after the restoration of democracy in 1990. The study shows that in the agrarian rural context, *adhiya* farming has increased by 14 points making it a tradition prevailing to a great extent now from a previous moderately prevailing tradition. The tradition of *sar sapat* has increased slightly whereas the system of *parma* has decreased slightly. There have been drastic reductions in the systems related to providing labour in return of *majuri* (remuneration in food grain) like *hali*, *haruwa*, *bali* (tailoring), which are either extinct or on the verge of extinction. Even

though the tradition of having community messengers and *bali* (iron smith) has decreased by half, they still exist to some extent. The traditions of *aicho paicho*, *anna/jinsi uthaune*, exchanging seed, and cattle *adhiya* also have decreased significantly.

There are many reasons why the forms of cooperation have changed over time. There is not a single factor behind these changes (table 5.4). Commoditisation of goods and services as well as expanding markets and monetised transactions in recent days has brought massive changes in the way cooperation takes place. When options are available in the market with the use of money, one no longer is compelled to opt for *aicho-paicho*, food loan, or getting services from only one person. The process of modernisation brought livelihood diversification as well as awareness in people that they could opt for some other jobs available in town or even in foreign countries where they could earn relatively better returns with perhaps more dignity and freedom. These changes have consequently opened ways for self-evaluation of the terms and conditions of existing forms of cooperation like *harawa/charawa* in which *jamindars* used to make people undertake full time labour with meagre remunerations. Changes have been possible also with the collapse of the *jamindari* system, even though the remnant of ‘*jamindari* behaviours’ still controls different forms of social relations.

Table 5.4: Perceived reasons for changes in traditions of cooperation

| Reasons | Yes (count) |
|--|-------------|
| Due to low return but high input involved in cooperation | 57 |
| Due to improved awareness in people of unfair relations of cooperation | 53 |
| Due to improved income that people can buy things or do different things | 52 |
| Due to difficulty to sustain livelihood with the existing forms of works | 52 |
| Due to improved market accessibility | 51 |
| Due to tremendous exploitation/oppression associated in the cooperation process | 44 |
| Due to easiness to get job in the town | 31 |
| Due to increasing selfishness in people | 18 |
| Due to any other reasons (decrease in family size, education, increased income, group participation, etc.) | 7 |

5.3.2.4 Differences in the extent of norms of cooperation by location and origin

The systems of *aicho paicho* and *sar sapat* have decreased in Majhgaon VDC so much that now they exist to a significantly lesser extent than in Dudhraksha. There was no such difference before. People from *Pahadi* origin used to practice *aicho paicho* more

than the *Madhesi*. *Pahadiya* and migrated people depend now comparatively more on *sar sapat* than *Madhesi*.

The extent of collecting foodstuff for ritual ceremonies in the past was significantly higher in Dudhraksha, and among the people of *Pahadi* origin. However, this has reduced substantially so that it exists only to a small extent today and with no significant difference with Majhgaon VDC. The extent of the *adhiya* system has increased, and now it is significantly higher in Dudhraksha VDC. The system of having *hali* was significantly high with *Pahadiya* (and in Dudhraksha) but it has dropped so much that this system is almost on the verge of extinction in both VDCs now. The *bali*-tailors system has never been at a significant level in Majhgaon, and now is diminished in Dudhraksha too. In Majhgaon and among *Madhesi* people in Dudhraksha, there is a system of having a hairdresser. There is no significant difference on the remaining systems on the location basis. System of *parma* was significantly high among *Pahadiya* before, but no longer so. Similarly, these days, cattle *adhiya* is practised among *Pahadiya* more than among the *Madhesi* people. Conversely, taking foodstuff on loan during the lean season is significantly high among people of *Madhesi* origin today than among the *Pahadiya*.

A village-wise index of norms of cooperation (figure 5.5) shows that the aggregate of ten major norms of cooperation now exist to a high extent in Balapur village followed by Itahiya and Gobraiya and is lowest in Chhotki Majhgaon, Ramapur2 and Dewanboxapur.

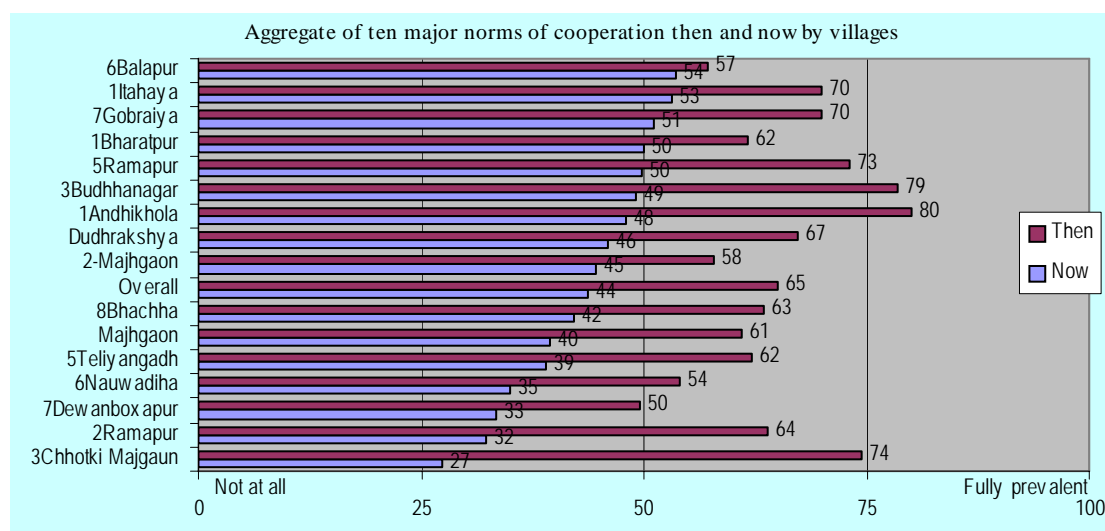


Figure 5.5: Prevalence of norms of cooperation then and now by villages

5.3.2.5 Norms of reciprocity: collective action

Respondents were asked many questions related to the system of collective actions in the community. Responses have been presented separately to show the village level practices/norms of carrying out collective actions.

5.3.2.6 Exploring and mapping the prevalence of traditions of collective actions

Until a decade ago, most of the villages did not have any outside support to build infrastructures such as drinking water systems, village roads, schools, irrigation systems, etc. To fill such a vacuum, villagers developed an institution called *janashram* or *shramadan* in order to contribute free labour, material and equipments for building and improving collective assets. As the nature of village collective assets is universal (common good), so is *janashram*. To map the prevalence of traditions of collective action, the questions related to the following four set of issues with equal five point scales (recoded as 0 for 'not at all' and 4 for 'a very great extent') were asked:

- Tradition of participation in community affairs (past)
- Tradition of preserving community assets (past)
- Tradition of donating cash and or labour for community works (past)
- How many would be ready to contribute (cash/labour) for a most needed common scheme (present).

These four variables were combined to make a composite index of *janashram*. Table 5.5 presents the results.

Table 5.5: Responses and indices related to tradition of *janashram*

| Extent | Tradition of participating in community affairs | | Tradition of preserving community assets | | Tradition of donating labour and or cash for community works | | People ready to contribute (cash/labour) for a road programme | | Aggregate (overall norms of collective action) | |
|---------------------------------------|---|-------|--|-------|--|-------|---|-------|--|-------|
| | Count) | % | Count | % | Count | % | Count | % | | |
| None or not at all | 1 | 1.1 | 2 | 2.2 | 9 | 9.9 | 2 | 2.1 | 14 | 3.8 |
| One quarter or to a small extent | 21 | 22.6 | 21 | 23.1 | 26 | 28.6 | 6 | 6.4 | 74 | 20.1 |
| Nearly half or moderately | 22 | 23.7 | 25 | 27.5 | 21 | 23.1 | 12 | 12.8 | 80 | 21.7 |
| More than half or considerable extent | 33 | 35.5 | 31 | 34.1 | 26 | 28.6 | 31 | 33.0 | 121 | 32.8 |
| Everyone or to a very great extent | 16 | 17.2 | 12 | 13.2 | 9 | 9.9 | 43 | 45.7 | 80 | 21.7 |
| Don't know/ Missing value | 1 | | 3 | | 3 | | 0 | | | |
| Total | 93 | 100.0 | 91 | 100.0 | 91 | 100.0 | 94 | 100.0 | 369 | 100.0 |
| Score: scale of 100 | 61 | | 50 | | 58 | | 78 | | 62 | |

A simple frequency analysis shows that there would be more people ready to contribute (labour or cash as per rule of the village) if a most needed scheme like a road/trail was to be initiated than in other situations. The overall score of each of the traditions listed above and their aggregated index showed the extent of collective actions at a moderate or above level. In all above indicators of collective action, Dudhraksha VDC has a relatively better position. It is significantly so ($P<0.05$) for aggregated *janashram* index of four factors. Similarly, significantly more percentage of people from Dudhraksha are expected to be ready to contribute if a scheme concerning with everyone like a road is started ($P<0.05$).

Respondents were further asked a bi-polar five point scale question where there has been any increase or decrease in the attitudes of donating labour and or cash, getting united to take collective initiatives and taking care of common properties. Results are presented in the table 5.6.

Table 5.6: Change in the *janashram* before 1990 and now (frequency of response and score)

| Particular | Decreased very much | Decreased | Neither increased nor decreased | Increased | Increased very much | Can not say | Overall change score |
|--|---------------------|-----------|---------------------------------|-----------|---------------------|-------------|----------------------|
| Attitude/trend of donating <i>labour</i> and cash (n=82) | 1 | 30 | 20 | 30 | 1 | 12 | 0 |
| Customs of getting united and taking collective initiatives (n=82) | 1 | 29 | 18 | 34 | 1 | 11 | 5 |
| Taking care of public property (78) | 2 | 28 | 15 | 29 | 4 | 16 | 5 |

Unlike the general speculations, the overall conversion of response to the scale of 100 shows that there has not been decline in the various practices of collective actions. In fact, the overall state of *janashram* as perceived by the respondents has not changed much in last 14 years. What have changed, in some cases, are the forms of contributions such as a cash donation in place of volunteer labour, as well as the forms of collective actions. However, the situation varies from village to village. In all three aspects, there has been a slight decrease in Majhgaon but an increase in Dudhraksha, and the overall difference of change between these two VDCs is significant ($P<0.01$). Annex 6B and 6D present village-wise changes and collective activities carried out in the previous 12 months respectively.

5.3.3 Tradition of sanction

Once the norms of collective action- *janashram*- are examined, it is necessary to take into account to what extent the norms of collective action are enforced into action. Using a similar five point scale, the respondents were asked a question regarding the extent of rule keeping in their respective villages. While measuring total rules keeping in the villages two aspects were considered: the extent of rules breaching in the first place and punishment for the breaching afterwards. The result shows that the overall rules keeping index score is 65 in the scale of 100. There is great variation in rule keeping from village to village. The overall level of rule keeping in Dudhraksha (score 70) is significantly higher ($P < 0.01$) than in Majhgaon (score 56). Village wise, Chhotki Majhgaon village has the lowest level of rules keeping (score 40) whereas Bharatpur has the highest (score 92). The index score of rules keeping by villages is presented in annex 6C. Further qualitative detail on rule keeping is presented in the next chapter (section 6.2.1.4) where aspects of collective governance are examined in detail.

In the next section, analysis related to structural social capital is presented.

5.4 Exploring, measuring and presenting findings on structural social capital

Putnam used the number or density of voluntary organisations as a measure to capture social capital. However, only inclusion of meso-level horizontal voluntary organisation in the measurement of connectedness invited many criticisms. The emergence of new forms of association as well as an informal pattern of association is excluded from the narrow definition of association (Rich, 1999; Lowndes, 2000). Further, because of the different scale of power they exercise (DeFilippis, 2001), it is wrong to compare one voluntary group with another with a uniform parameter of measurement: density or number. Such measures fail to capture quality across organisation types (Halpern, 2005). Many studies in developing countries have suggested that despite the absence of formal voluntary associational network, people engage intensively in many informal networks (Narayan and Cassidy, 2001; Krishna and Uphoff, 1999; Pantoja, 1999). Hence, by including formal groups and informal networks and analysing their quality, this study has attempted to resolve many of the above-mentioned problems.

5.4.1 Organising (Groups)

Mapping the prevalence of organisations and the extent of their democratic functioning provides a measurement for density and quality of the organising respectively. In this section, a wide range of voluntary as well as membership-based groups – economic, developmental, social and political – are covered to identify the size of structural social capital, mainly through the density of associations. However, government organisations, including local government, are not included in the list of groups even though they too offer the structure of roles and responsibility, and thereby power, that influences the quality of structural social capital. Reasons not to include them are: they are involuntary in principle and not (formal or informal) membership-based. The in-depth analysis of the induced community groups is presented in a separate chapter (Chapter 7). The information used to analyse the broader structural social capital is based on the individual household responses, which are also used to find village level group densities for spatial comparisons.

5.4.1.1 Net and cumulative number of within and beyond village level groups

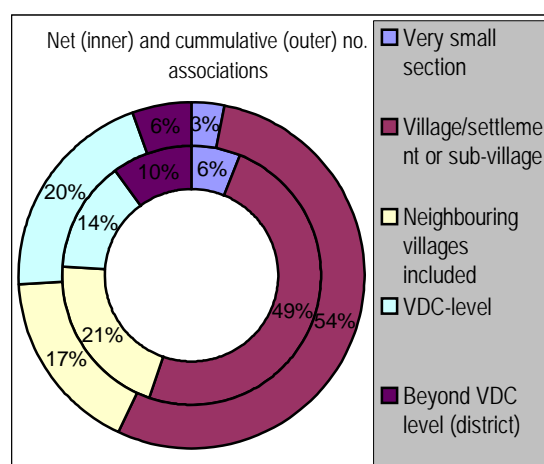


Figure 5.6: Ratio of net and cumulative groups at various level

In net terms, 86 responding households have participated in a total of 129 groups. However, because some households participate in more than one group, the cumulative number of groups, which is considered for the analysis of density, is 285. The field inquiry has shown that the groups have varied scopes and operate at different levels.

The figure 5.6 shows that the groups operating at the village or sub-village level occupy more than half number of associations in net as well as cumulative terms. This is due to the heavy inducement of village level community groups by development agencies. This issue will be dealt with in further detail in Chapter Seven. In net numbers (counting a group once irrespective of how many respondents have participated in

them), groups operating between neighbouring villages come to be the second largest. Unlike all other level of association, sub-village and beyond VDC level of groups are not only few in numbers but also have very small membership in cumulative terms. The reasons are: these groups are either formed with few representative or selective members; involve personal approaches to become a member; or are of exclusive nature due to the targeting of certain section of people in the village.

5.4.1.2 Density

In this study, group densities are computed as mean number of groups per household for three conditions of cumulative number of groups¹⁶: a) *total* (all groups participated in so far), b) *existing* (*total* groups minus left out or dead groups), and c) *functioning* (*existing* groups minus inactive groups). Similarly, per capita density of groups is calculated by dividing the number of groups at household level by the family size of the corresponding household. However, for the purpose of analysis only density of group at household and village level is considered.

The *total* (cumulative) number of groups is 285, which is 3.03 per household. The cumulative *existing* groups are 239, which is 2.54 groups per household. Furthermore, the actually *functioning* number of groups in cumulative terms is even smaller (212 total and 2.26 per household). The per capita densities of groups come to be 0.52, 0.44 and 0.39 for the *total*, *existing* and *functioning* groups respectively.

The number of cumulative groups of all conditions at household level has been analysed from various socio-economic variables. Analysed from the origin point of view of the respondents, the data shows that *Pahadiya* people are affiliated to a significantly greater number ($P < 0.05$) of functioning groups. Again, similar differences are found between the non-Muslim and Muslim respondents. This is interesting in view of the fact that groups previously participated in by Muslims in Chhotki Majhgaon, Teliyagardh and Nauwadiya remained dead after a certain period of time. There are both general as well as religious reasons behind this which is discussed further in the next chapter.

¹⁶ For the purpose of calculating household density of groups, cumulative number of groups has been considered. It should be noted that cumulative number of groups here denotes to sum of the responding households' membership in various groups.

From the wealth point of view, the non-poor people have participated in a significantly greater number ($P<0.05$) of groups of all conditions. Further dis-aggregation of the wealth category shows that people from the medium wealth category have affiliated with a significantly higher number of groups. Similarly, those having at least a member of family ever elected for local government or organised in political parties are affiliated with a significantly higher number of groups of all conditions than those whose family members have not been elected or organised in political parties ($P<0.05$).

In table 5.7, the household density of associations: *total*, *existing* and *functioning* are presented by dividing them into two levels of operations: within village, and beyond village.

Table 5.7: Density of association by within and beyond village

| Statistics | Cumulative per-household | | | | | |
|----------------|--------------------------|----------------|----------|----------------|-------------|----------------|
| | Overall total | | Existing | | Functioning | |
| | Village | Beyond village | Village | Beyond village | Village | Beyond village |
| N | 94 | 94 | 94 | 94 | 94 | 94 |
| Sum | 162 | 123 | 133 | 106 | 121 | 91 |
| Mean/household | 1.72 | 1.301 | 1.42 | 1.13 | 1.29 | 0.97 |
| Std. Deviation | 1.13 | 1.74 | 1.06 | 1.55 | 1.05 | 1.45 |

It is not surprising that the densities of all conditions of within-village level associations per household is higher than that of the beyond village level associations. What is surprising, however, is the reasonable degree of density of beyond village associations. This indicates a good level of prevalence of bridging level associations in the study villages. This is mainly due to the VDC level federation of various within village level groups(s).

Analysis of these figures from the wealth category of the respondents shows that the non-poor households have higher number of associations of all conditions at all levels, but this difference is significant ($P<0.05$) for all densities of beyond village groups only. Caste based analysis shows that ‘high-caste’ households have relatively a higher number of groups than those of *Janajati* and *Dalit/Musalman*. Similarly, the *Janajati* have more associations (non-significant) (at all level and conditions) than *Dalit/Musalman* except for the *total* within village level associations.

It is not so surprising that more educated respondents (household leader) have a greater number of beyond the village groups ($P<0.05$). A similar result is found on the overall household education index: the more educated the family, the more groups they have. From the positional point of view, respondents having family members either elected in local government or having organised party membership have a greater number of all levels and conditions of groups, than those non-elected and non-organised in party respectively; but the difference is significant ($P<0.05$) only for beyond the village level groups.

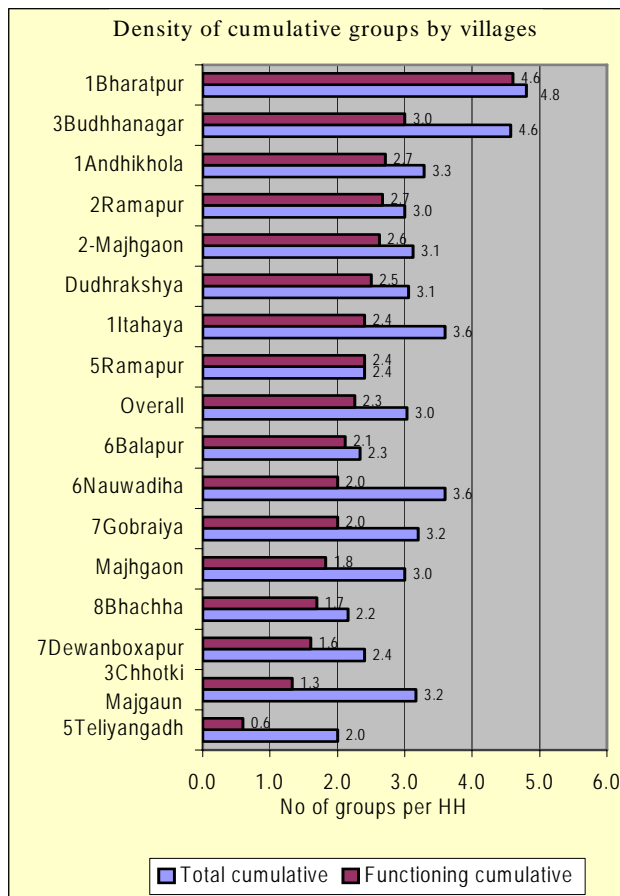


Figure 5.7: Density of cumulative groups by village

From the location point of view, the data show that Dudhraksha has a higher density of groups (all conditions and levels) than Majhgaon. However, the difference of densities between them is the lowest for *total* cumulative groups and the highest for *functioning* groups. This indicates the ratio of *functioning* groups is higher in Dudhraksha than in Majhgaon. The figure 5.7 presents a comparison of density: cumulative *total* and *functioning* groups by villages. Further analyses on functioning issues are presented in section 5.6.

5.4.2 Networks

As reviewed earlier, mutual-cooperation and collective actions are facilitated not only because of (in)formal associations but also from the informal networks between and among individuals. In the study areas, where formal associations are relatively new phenomena, cooperation among people based on informal networks has existed for

centuries. Respondents were asked a range of questions, some of them ordered from small to high or individualistic to the collective alternatives, in order to identify scope, diversity and intensity of cooperation at individual as well as village level. Respondents were asked for the following information related to their real life situation:

- Network to get monetary help
- Network to share private household matters
- Network to give general help
- Network of help in calamities

5.4.2.1 Network of help in the village to address financial needs

The respondents were asked how many people are there in the village willing to help to whom (s)he can turn with confidence if a small amount of money is urgently needed for household expenses. The respondents were asked to remember if it had ever happened like that. It was found that almost every one of them had required help from someone in their network. The response was noted as none, one or two, three or four, and five or more alternative categories.

The study has shown that nearly 65% of the respondents have five or more people in their network of help, 19% have three to four people in their network and 13% have one to two people in their network. However, three percent of respondents do not have certain people who could be approached with confidence for help when needed. Of them, two are very poor. Another one is rich but feels that there is hardly anyone in his village trustworthy as and when money is required. Similarly, of the people in the highest income category, two were found to have only one or two people in the village who were able to help them in need. Except for these, in general, there is no significant difference between the two-income categories: poor and non-poor in their size of networks.

Looking from the 3-category of castes/ethnicity, significantly higher percent ($P < 0.05$) of high caste people have five or more people in their network than *Janajati*. Similarly, the analysis based on origin shows that *Pahadiya* people have a significantly ($P < 0.05$) bigger network than the *Madhesi* people.

There is no significant difference based on positions. From the location points of view, although people in Dudhraksha have a wider network than the people in Majhgaon the difference is non-significant.

5.4.2.2 Composition of the network to get help

The respondents were asked who the people in their village network were that they turn to when in monetary need. The response (table 5.8) shows that most people (44.7%) turn to their neighbours followed by community groups (30%). Altogether, 34% of people turn to kin or close relatives. This shows that more people rely on neighbours than on kin and relatives in monetary needs.

There is not much difference in origin. Caste-wise, *Dalit*/Muslims rely less on relatives and more on neighbours, but the *Janajati* have quite a different situation. Wealth-wise, the poor rely more on kin and relatives combined (40% against 27% non-poor) whereas non-poor rely more on neighbours (54%). There is no difference based on VDC.

Table 5.8: Who one turns to for money in times of household need (N=94)

| Category label | Code | Count | Pct of responses | Pct of cases |
|--------------------------------|------|-------|------------------|--------------|
| None | 0 | 3 | 2.5 | 3.2 |
| Immediate kin | 1 | 20 | 16.5 | 21.3 |
| Close relatives | 2 | 12 | 9.9 | 12.8 |
| Local money lenders | 3 | 11 | 9.1 | 11.7 |
| Neighbours | 4 | 42 | 34.7 | 44.7 |
| Others | 5 | 2 | 1.7 | 2.1 |
| Bank or financial institutions | 6 | 3 | 2.5 | 3.2 |
| Community groups | 7 | 28 | 23.1 | 29.8 |
| Total responses | | 121 | 100.0 | 128.7 |

Twelve percent of respondents approach local moneylenders as they have a sustained relationship for a long time. These are mostly *Madhesi* (19% compared to 4.3% *Pahadiya*) and from Majhgaon (24% compared to 5% from Dudhraksha). Those going to local moneylenders are: half from the very-poor category and half from the medium category; none from the high caste; but mostly they are illiterate. Both the community groups and their emergency funds are relatively new phenomena in the local support system. Thirty percent of respondents have support from groups. More *Pahadiya* than *Madhesi* (36% compared to 23%) have used such support. Wealth groups and household education status of the respondents do not matter on approaching groups but the respondents' education does (above literate 38% against illiterate 17%; and of the above literate are mainly rich people (45% against 22% poor)). However, community

groups have been a source of help for all types of people. Overall, non-poor *Dalit*/Muslims mainly depend on neighbours and lenders, and high castes of this category depend heavily on neighbours and groups (not on lenders). The remainder are spread across different alternatives.

5.4.2.3 Consultation of private issues outside the family

Respondents were asked whom they consult outside the family when they have a private issue. The respondents said that it differs from issue to issue. For example, if it is an intimate family issue, then it is limited to family and relative circles. However, when it is about something specialised, people in the village who are knowledgeable about the issue are consulted. In the latter case, the people to be consulted are teachers, political leaders, local government representatives, etc. The findings show that 11% of respondents do not consult such issues outside the family whereas the largest section (33%) consult with immediate kin and another 14% with close relatives. Hence, almost 58% respondents keep these issues within the family and close-knit relatives circle. However, 23% respondents have a special and closely trusted person with whom they discuss private family issues. Unlike the close relatives' circle, these people are also the ones to whom one can turn with confidence for monetary help. Normally, non-poor, above literate or position holders (in a local government or a political party) have more close friends than the poor and illiterate and position non-holders. Similarly, 16% of people consult private issues with neighbours and 3% do that with anybody in the village (all non-significant).

5.4.2.4 Number of people sought for help in the past 12 months

The number of people one can approach for help when in need indicates only one aspect of the support network. In order to understand another side of it, the respondents were asked how many people turned to them for help of any type (monetary and non-monetary) in the previous 12 months. The result shows an average of 15 people coming for some help, but there is high variation. The size of network in this case is bigger than that of those who could be approached for borrowing money in need because it included all types of monetary and non-monetary helps.

Analysis of mean difference shows that people of *Pahadi* origin, from Dudhraksha VDC, and holding positions of power had more people who came for help in the

previous 12 months than those people from the *Madhesi* origin, from Majhgaon VDC and not holding positions of power respectively. However, this difference is not statistically significant. The household literacy status did not matter at a significant level, but the level of education of the household head did. The respondents with above-literacy status have a significantly higher ($P < 0.05$) number of people to help than the illiterate.

As far as economic status is concerned, the richer the household, the higher the number of people it has to help. A cross tabulation showed that all 11 people who reported that nobody came to them for help last year, were poor (10 very poor and 1 poor). They have a small support network as they have very little or nothing to offer except labour.

For the purpose of the village-wise comparison, the figure was converted to four categories to resemble the category of another variable: whom one turns for help in need, and index score against 100 was computed. It was found that the size of network for Majhgaon is 58.82 whereas that of Dudhraksha is 61.

There is not any direct correlation between the number of people who could be approached for urgent household monetary needs (borrowing) and those who come for any help during the year. However, while categorising the continuous data of the people who come for help into 4 categories as per the number of people one turns for help in the village, there appears to be a small correlation (non-parametric) ($P = .008$, $r_s = .271$). A correlation analysis shows that the wider network one has for consulting on private issues, the more one is also likely to have a greater number of people who ask for help ($r = 0.410$). However, the people who are asked for money are not necessarily those with whom private matters are consulted except for issues that are related to money.

5.4.2.5 Network of support under emergencies and calamities

Respondents were asked how the support system works at a more collective level when one or more of the villagers get into difficulty due to emergency incidents. From the preliminary exploration, it was identified that the most frequently occurring incident in both places is fire. Respondents were asked if there had been such an incident, and how support was provided to the victim(s) in the village.

The responses (table 5.9) show that in 94% of cases, all villagers, irrespective of caste and class, provide some type of help with food, clothes or cash in order to rehabilitate the victims immediately after the incident. Villagers, mainly close neighbours, provide some sorts of building materials in order to help to repair or rebuild the house. In 6% of cases, the help is arranged through immediate kin and relatives only. In 28% of cases, some (though small) support is generated through groups as well as institutions like VDC and District Development Committee (DDC).

Table 5.9: Perceived support network in calamities (fire) in a household in the village

| | Frequency | Percent | Cumulative Percent |
|---|-----------|---------|--------------------|
| Immediate kin and relatives manage emergency living | 6 | 6.4 | 6.4 |
| Plus: Every villagers gives something (cash, kind, labour, accommodation) | 18 | 19.1 | 25.5 |
| Plus: Villagers help build accommodation | 43 | 45.7 | 71.3 |
| And groups provide special collective help | 11 | 11.7 | 83.0 |
| And VDC and other institutions help | 16 | 17.0 | 100.0 |
| Total | 94 | 100.0 | |

Overall, the mutual support score is significantly high for Dudhraksha VDC, and for the *Pahadiya*, who are the dominant groups in that VDC. There is huge variation from village to village. Because the responses in this particular issue are about general practices in the village, no statistical test or correlation with wealth, education, caste and position was conducted.

If group support were to be taken out, 94% of people in the village would help with at least something which would mean that the support network in tragic cases is very different from other types of cases in the villages. In natural calamity, the support is almost universal whereas in other cases like consulting on private matters or borrowing money, it is very narrow. Therefore, village solidarity and unity is demonstrated through help in dire situations where caste, class, previous hostility, etc. do not matter as people rise above them. However, the group support phenomenon also has to be taken into account as it has permeated in such a way that almost 92% percent people today had some sort of affiliation to and reliance on group-based activities. Annex 6C presents the village wise network size.

5.5 Synthesising aspects of social capital: village level analysis

Preceding sections have presented the status of different aspects of social capital and analysed them in terms of location, wealth, caste, position and education variables. The presentation has shown that different items forming the strands of social capital have unique relationship with each other and with other socio-economic variables. Some of these differences will be discussed in Chapter Six (section 6.3.3) in which the issue of power and inequality associated with social capital will be explored. This section attempts to consolidate different strands of social capital where possible. Some network and norms variables are consolidated based on location only as they measure the village attributes.

5.5.1 Synthesising cognitive social capital

Section 5.3.1 has developed three main strands of trust measurement: bonding, bridging and linking and subsequently a composite index of all items under trust. Section 5.3.2 has developed indices of prevalence of norms of cooperation and collective action separately in different villages. In this section, they are averaged to identify the index of overall norms of reciprocity. Annex 6C combines village-wise index of trust and norms of reciprocity to generate the index of cognitive social capital in each of the villages, VDCs and overall. In addition, the overall index of rule keeping is also included in the annex.

The analysis of the pattern of village score (correlation) has shown that in the villages where there is high bonding trust, the index of *janashram* (collective action) is also relatively high ($r = 0.456$, $P = 0.066$). However, this is found to be inversely correlated with the linking trust in the villages ($r = -0.224$, $P = 0.387$). The bonding trust is consistently positively correlated (small) with elements of *janashram*, whereas the latter have very small negative correlation with the linking trust. In all these cases bridging and overall trust have very little positive correlation with collective action. The prospect of people willing to contribute with labour or cash if called for is found to be moderately negatively correlated with the linking trust score of the village ($r = -0.573$, $P = 0.016$). This indicates that the villages where people have more trust in government (linking) but less bonding trust rely more on external schemes and less on their own initiatives and contributions for collective action.

Similarly, the indices of the overall norms of reciprocity are positively correlated with bonding trust ($r=0.444$, $P=0.07$) and overall trust ($r=0.181$), but not correlated with bridging trust and negatively correlated (very small) with the linking trust. All items forming linking trust, except local government, have negative relations (mostly significantly) with almost all norms of cooperation and collective action. These patterns further confirm that village cooperation as well as collective action has little negative or no relation with institutions at the linking level. Interestingly the villages that have high trust in local governments are also found to have done more collective action (most of such relations are significant). This signifies the role of local government in promoting collective and cooperative actions and vice versa. Among the items of norms of cooperation, villages where the extent of *sar sapat* (borrowing and lending petty cash) now is high, also have high bonding trust. This could be because the bonding trust measures were based on monetary transactions.

In general, regarding enforcing the community collective rules, the villages where the norms are frequently breeched are found to have low trust of all types, mainly bonding and overall trust, and are less cooperative with each other. The villages breeching rules more in the first place also are those where overall local initiative and contribution for collective action is very small. In such villages, overall norms of reciprocity as well as overall cognitive social capital are low ($r= -0.562$, $P=0.02$ and $r= -0.688$, $P=0.002$ respectively). Since the index of overall rule keeping is positively correlated with the indices of all types of social capital and overall norms of cooperation and collective action, the sanction issue has arisen as an important factor reinforcing trust and collective action.

5.5.2 Interrelating the aspects of structural social capital

Section 5.4.1 presented the density by conditions of groups: cumulative *total*, *existing* and *functioning* per household and per capita, and by level of groups: within village and beyond village.

A correlation analysis of household level data shows that the households with a greater number of group memberships (all conditions) also have a greater number of beyond village level groups ($r>0.8$). However, the correlation between overall number of

groups and number of groups within village level is relatively less strong. (The comparisons of village level densities also have shown similar results). There is not any significant correlation between the number of within the village associations and the number of beyond village associations per household.

Correlation analysis between the density of associations (overall cumulative *total* per household) and network of supports shows a slightly positive relation (the number of people who can be turned to for monetary borrowing, $r= 0.231$, and the number of people turned to in the previous 12 months for help, $r=0.545$, respectively). One who has more number of groups of all conditions has (significant) positive correlation with the size of network seeking help in the previous 12 months. This indicates that those who are in a wider informal network are likely to have a wider formal structural network too. This is further corroborated by the fact that those who visit public institutions more frequently also have a greater number of groups. Bridging trust has some small positive correlation with associational density.

The correlation analysis of village level densities of associations (various conditions and levels) has shown result mostly similar to that of household densities presented above. The village to village correlation confirms the results of household level analysis that where there is high density of total cumulative groups, there also is a larger informal support network.

5.6 Analysis of group functioning vis-à-vis village features (social capital)

In an attempt to understand the sustainability of groups vis-à-vis social capital, this section compares village-to-village data on structural social capital (group) with cognitive social capital. The first part of this section compares village wise densities of groups of all conditions with other village features, and the second part deals with the ‘quality’ aspects of groups comparing the index of group functioning scores with other aspects of social capital.

5.6.1 Comparing patterns of static data with village level social capital indices

Village to village correlation analysis of information shows two interesting results (table 5.10). First, in the villages where norms of cooperation prevail to a higher extent, the ratio of *functioning* groups is also higher. It is because the correlation of the index of norms of cooperation is relatively higher (positive) with the density of cumulative *functioning* groups than with the densities of cumulative *total* and *existing* groups. A similar trend (but less strong) is found while correlating the index of norms of collective action with the group densities. However, the indices of norms of reciprocity and cognitive social capital have relatively stronger relationship in the similar direction.

The second most important fact is that the correlation between the index of total rule keeping and densities of groups in the villages, especially those of *existing* and *functioning*, is very strong and the highest of all other features. The relation is positive but is very small with the density of *total* groups. It is stronger with the density of *existing* groups and strongest with the density of *functioning* groups. In sum, the findings show that groups may be induced in any village, but more of them survive and function in the village where rules are strongly observed.

Table 5.10: Correlation of density of groups with norms and rule keeping (village-wise)

| Aspects of social Capital | Pearson Correlation (r) | Density of cumulative number of groups by villages | | |
|------------------------------|-------------------------|--|----------|-------------|
| | | All groups | | |
| | | Total | Existing | Functioning |
| Norms of cooperation | r | .238 | .342 | .462 |
| Norms of collective action | r | -.150 | .084 | .235 |
| Overall norms of reciprocity | r | .025 | .241 | .407 |
| Cognitive social capital | r | -.035 | .242 | .453 |
| Total rule keeping | r | .370 | .604* | .783** |
| Norms breeched | r | .420 | .176 | -.039 |
| Division in the villages | r | .021 | -.099 | -.299 |
| Political division | r | -.102 | -.307 | -.477 |

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

5.6.2 Group functioning: patterning of dynamic data with village social capital

5.6.2.1 Measuring functioning of various types of groups

This sub-section deals with the quality aspects of various groups. It measures the perceived functioning level of groups and shows their relationship with various variables. An index of effective functioning has been computed through responses on the following two issues:

A. Democratic functioning: Meeting attendance and participation in decision-making process:

1. No meeting attendance in last 12 months as they were not organised
2. Nearly one-fourth of the members attend but most of them do not participate in decision making process.
3. Almost half of the members attend but most of them do not participate in decision-making process.
4. Most of the members attend but only some involve actively in decision-making process.
5. Almost all members attend and actively involve in decision-making process.

B: Effective functioning: Overall rating on the effectiveness of the groups:

1. Dead or disbanded
2. Inactive
3. Neither active nor inactive
4. Active
5. Very active

Since some of the organisations may not hold a regular meeting or have good attendance or participation in decision-making process but may yet be deemed effective for carrying out the desired activities, the respondents were also asked to rate the effectiveness of the groups participated in by them under five alternatives mentioned above. After the respondents rated the functioning level of each group participated in by their households, all scores were averaged to identify the degree of functioning of each group (net). By combining two types of functioning given above, each group's overall functioning index was identified, which is converted to the scale of 100 for the convenience of comparison.

Level of functioning of the different organisations may vary from time to time; presumably the functioning is relatively better in the initial days in which people have more interest combined with incentives and direct or indirect support of agencies/projects that started their formation (see section 7.3.2.2). Thus, the respondents were asked to rate the functioning status of the groups based on the latest situation. Because only 29% of groups in the study are phased out or formed after agency/project phased out, their age, not the phase of the projects, was considered to identify the functioning level. Therefore, for the analysis of functioning, two years or older groups, which are 102 (80% of all), are considered.

5.6.2.2 Comparing functioning level of various types of groups

Table 5.11 shows that the overall functioning of all groups under analysis is at a moderate level (with mean 51). Comparing between groups operating at various levels shows a varying level of functioning. It is relatively high for the groups operating within village level and low for the groups operating beyond village level. The functioning score of the groups operating between neighbouring villages is just below overall average and the groups operating at VDC level is close to average, whereas that of the beyond VDC group is very low.

Table 5.11: Functioning score of groups (2yr or older) operating at various levels

| Level of the group | N | Mean | Std. Deviation |
|---------------------------------|-----|-------|----------------|
| Very small section of a village | 8 | 57.81 | 32.39 |
| Village or sub-village | 48 | 55.87 | 32.33 |
| Neighbouring villages included | 19 | 45.57 | 30.82 |
| VDC-level | 16 | 50.10 | 34.22 |
| Beyond VDC level (district) | 11 | 35.23 | 22.93 |
| Total | 102 | 50.97 | 31.65 |

The test of mean difference of functioning of groups across various categories shows the following results:

- The VDC-wise overall group functioning score is significantly higher in Dudhraksha ($P < 0.001$) than in Majhgaon.
- Exclusively women groups are functioning significantly higher ($P < 0.01$) than other types of (mixed or male only) groups in both VDCs. The functioning of both women and others groups in Dudhraksha is higher than that in Majhgaon.

- Groups with savings credit activity are functioning higher than without ($P < 0.05$). The functioning of groups with savings and credit is higher in Dudhraksha than in Majhgaon although the groups with savings and credit in Majhgaon are functioning higher than groups without savings and credit. It is because savings and credit is as an element which enhances stake among members and is useful to members than, perhaps, other activities.

From the groups' formalisation point of view, even though the difference is non-significant, informal groups are more functional than semiformal and semiformal are more functional than formal. Most of the informal groups are self-created whereas the formal are government induced groups, political groups or some registered groups. Among the types of agencies that induced the groups, the government-induced groups are the least functional of all followed by other types of groups most of which are the political party related groups. These two groups are slightly below the average of overall functioning. The groups that were created by the villagers themselves, most of which are mothers' groups or religious groups, are the best functioning of all followed by those induced by NGOs and semi-GOs, which are slightly above overall average level.

Table 5.12: Functioning mean scores for groups 2 yrs or older by inducement types

| Inducement | N | Mean | Std. Deviation |
|------------|-----|-------|----------------|
| Yes | 68 | 49.28 | 34.58 |
| No | 14 | 58.40 | 24.76 |
| Partial | 21 | 50.24 | 25.30 |
| Total | 103 | 50.72 | 31.60 |

Similar to the above analysis, the table (5.12) shows that the rate of functioning of the two years or older induced groups is significantly lower than that of the groups that are not induced.

5.6.2.3 Comparing patterns of group functioning score with social capital indices at village level

In section 5.6.1, analyses were conducted on why several groups are inactive, left or dead in some villages and are functioning in others. The analysis did not consider the differences on the level of functioning between groups. In this section, the dynamics of functioning is analysed in order to identify which village features, including aspects of

social capital, are more closely associated, if any, with the functioning level of various groups. Village level overall group functioning score is prepared and analysed using the Pearson correlation. The results are presented in table 5.13.

The results mostly converge with the results of static analysis, and in most cases the relation between some aspects of village social capital is even stronger. It is found that villages where overall and bonding trusts are high also have relatively better functioning groups. Among three strands of trusts, the village level bonding trust has a strong correlation with the groups' functioning score in the village. However, the correlation with bridging and linking trust is small. Regarding the elements of linking trusts, most of the trust scores are either not correlated or slightly negatively correlated, except for the trust in local government, which is very highly positively correlated with the functioning score of groups by villages.

Table 5.13: Correlation between 2 yrs or older group's functioning and social capital in the villages

| Aspects of social capital in the villages | Pearson Correlation | Functioning score of all over 2 yrs group |
|---|---------------------|---|
| Positive aspects | | |
| Overall trust | r | .527 |
| Bonding trust | r | .765** |
| Bridging trust | r | .304 |
| Linking trust | r | .212 |
| Cognitive social capital | r | .793** |
| Overall norms of reciprocity | r | .671** |
| Norms of collective action | r | .626* |
| Norms of cooperation | r | .460 |
| Overall rules keeping | r | .737** |
| Negative aspect | | |
| Norms breached | r | -.655* |
| Division in the villages | r | -.703** |
| Political division | r | -.699** |

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

The analysis between the village index of norms of reciprocity with the functioning of groups at the village level shows positive associations at an over moderate level. A separate analysis shows both the norms of cooperation and norms of collective actions are positively associated with the groups functioning scores at village level. The village composite of cognitive social capital is highly correlated with the group functioning score.

In previous sections, it was identified that the villages are cooperative and interdependent, but, at times, they are not without breaching of collective norms. The section 5.6.1 has shown that the issue of sanction is of critical importance to collective action and the functioning of village groups: it is further analysed by comparing it with the degree of functioning of village groups. Interestingly, this analysis too has produced very similar results.

Various village features related to sanction are found to be highly associated with the functioning of the groups. The villages where overall rule keeping is high also have highly functioning groups. It is found that villages where the rules are breached frequently have low functioning groups. There are several aspects of village and group relationships which have negative impacts on the collective goods. Of them, village divisions, ethnic or mainly political, are prominent. It is found that village divisions correlate negatively with the functioning of the groups in the village, and the relation of group functioning with political division is even stronger (see section 6.2.1.1 for details).

5.7 Conclusion

The discussion in this chapter has further shown that there is great diversity in the concept and measurement of social capital, in part, due to the multi-disciplinary and multi-faceted nature, and cultural and contextual manifestation of social capital. The disaggregated structural and cognitive framework is found to be useful to embrace such diversity, as a result, requiring a blend of multiple methods and units of analysis. Based on the review of literature on methodology and ensuing exploratory works, this chapter has presented and applied a locally “appropriate” method to identify the status and examine the nature of social capital vis-à-vis groups in the study villages.

Under cognitive social capital, the study has shown that the level of trust varies significantly from persons to persons and institutions to institutions. Thus to map the level of trust in the village, such diversity should be captured. In the context of the study villages, trust at local level is high with the relatively higher scores of bonding and bridging trust indices, but linking trust, i.e. trust in the government institutions, is at a very low level.

Even though the overall norms of reciprocity are decreasingly practised, people are still highly interdependent in the villages. The relatively rapid decline in some norms related to unfair distribution of outcomes has been due to, among others, freedom and choice that people have through the democratic changes in Nepal since 1990, though the process started long ago. Interestingly, the overall norms of collective action still prevail at a similar level, showing it to be false that people are becoming more selfish and too lazy to contribute to collective action. However, there are obviously differences from place to place and the forms of collective actions are changing.

A group-based network is a new but rising form of cooperation among villagers. A household has 3.03 groups in average cumulative terms, of which 2.25 are still functioning. Informal networking between people in a close-knit circle is an age-old tradition and people have different sizes of network for exchanging help when needed. It is found that among the village level support systems, support in emergency, particularly in natural calamities, is very high and universal.

The village-to-village pattern matching (correlation) has shown that the level of cognitive social capital in the villages and its constituents are positively correlated with the level of functioning of groups in the villages. Overall, the study shows that the extent to which the village rules are respected, breached, criticised and penalised determines the enforcement of norms of collective action and affects cooperation. The findings from both the static (density) and dynamic (qualitative) analysis have corroborated that overall rule keeping in village affairs is highly related with the functioning of various groups. Inversely, rule breeching and village divisions are found to have a negative correlation with the group functioning score at the village. This requires further analysis of the embedded downside of social capital (power and unequal social relations, and norms and networks with negative externalities) and further analysis of how people interact with and govern broader level collective action and the local public institutions. Hence, these issues are discussed in the next chapter as the remaining part of stock taking of social capital for understanding the context and explaining the abovementioned findings.

Chapter Six

Exploring the State of Governance of Collective Issues; and the Downside of Social Capital in the Study Villages

6.1 Introduction

Chapter Five explored and mapped the prevalence of social capital in the study villages according to various cognitive and structural strands and assessed their mutual relationship. As the complementary part of understanding the context and exploring social capital, this chapter analyses two broader issues: governance of the overall bridging and linking environment, and downside of social capital. This analysis identifies various problems inherent in the governance of collective issues and social relations in the study villages and offers explanations as to why groups also may have problems especially, why rule keeping is a critical factor in the functioning of community groups as identified in Chapter Five. The first section explores the village and local public governance, and the second section, aims to explore and map the downside of social capital. This chapter uses both qualitative and quantitative information.

6.2 Interactions at a wider level: governance of collective issues

This section explores the governance of wider collective affairs, which may help to understand how it influences the governance of community organisations operating within that broader environmental context on the one hand, and why there is low trust in institutions on the other. This section is divided into two parts: the status of governance of collective affairs at village level; and local public institutions, including the local government units (VDC). Both issues involve greater interaction between people and institutions or representatives at a wider level, an area of study on social capital and collective action.

6.2.1 Exploring village governance

As described in Chapter Four (4.5.1.3), the village is a collective agency with universal informal household membership, sharing of infrastructures and natural resources, and participation for building common schemes. With or without being connected to the formal local government, there are traditional systems in villages whereby people gather, discuss and plan collective issues, and implement them solely through local initiation and participation. Such local systems of governing collective issues used to be led by different community leaders such as tribal leaders, village *mukhiya* or *janne bujhne* according to the ethnic or communal traditions (see section 3.4.2.1). However, in recent decades, the localised and informal system is gradually vanishing with the advent of a system in which village affairs are looked after through formalised local government and party affiliated leaderships. These issues of village governance are beyond the scope of this thesis. The specific issues to be explored here are: how internal village relations are operating; to what extent people are informed and interested in collective issues; what is the condition of rule enforcement; how effective are the local elected leaders, and what is the relation with neighbouring villages and the VDC. They help to understand how the village collective governance affects group governance in the village.

6.2.1.1 Relations within villages: Internal problems

In order to identify the level of internal unity as well as bonding in the village as a whole, respondents were asked a few questions about internal divisions in the village regarding kinship, ethnicity, political faith, origin, income, etc. The overall results on the five point scale question containing: not at all, not particularly, neither little not many, many and too many show that the villages are divided to some extent on various issues. The degree of division varies from village to village. The table (6.1) suggests that the perceived problems are significantly more in Majhgaon than in Dudhraksha ($P < 0.001$). The extent of division seems to be highest in Chhotki Majhgaon village (69 score) while it is lowest in Andhikhola (14).

Table 6.1 Extent of overall internal divisions in the villages by VDC

| | VDC | N | Mean | Std. Deviation | t | Sig. (2-tailed) |
|-----------------------------------|------------|----|-------|----------------|-------|-----------------|
| Internal division in the villages | Dudhraksha | 57 | 24.13 | 11.54 | -5.55 | 0.000 |
| | Majhgaon | 31 | 46.77 | 26.41 | | |

Note: Six persons responded “do not know”.

The respondents were asked a complementary question to mention two major problematic areas of divisions if any. Placed in descending order of frequency, sources of problems as reported by the respondents are as follows: political (31), caste/ethnicity related (12), wealth related (4) and others (1). Villagers' alignment to rival political parties was the single most divisive issue in the early days of political change in the 1990s. In the words of a respondent, “there was *pani bara bar*”, a situation of soured relationship among villagers in which even drinking water is restricted, let alone close cooperation. Respondents were particularly asked a five point scale question whether there is still such division in the villages particularly affecting the personal relations or community works. The result varies. The overall analysis shows that the problem is significantly higher in Majhgaon VDC than in Dudhraksha (table 6.2). Even though Dudhraksha is less divisive due to the dominating presence of one party, unlike in Majhgaon, the villages in this VDC where the opposition has strong presence also have no noticeable problems. Village-wise, the problem is very severe at Chhotki Majhgaon and not at all at Bharatpur -5 (Annex 7). This result converges with the trust related results analysed in Chapter Five which showed lesser trust to people from different political party, particularly in Majhgaon.

Table 6.2: Situation of differences based on political division

| | VDC | N | Mean | Std. Deviation | t | Sig. (2-tailed) |
|--|------------|----|-------|----------------|-------|-----------------|
| What is the extent of politically led community division | Dudhraksha | 56 | 10.71 | 19.57 | -6.56 | 0.000 |
| | Majhgaon | 33 | 49.24 | 30.28 | | |
| | | | | | | |

Note: Five persons responded “do not know”

In some villages, the division intensifies during the elections time as people are involved and compete with each other, but this tension soon melts. However, in others, the political division continues to exist at all times culminating as a problem for individual cooperation as well as for collective actions. Respondents stated that division on political or any other line has been a deterrent to the collective activities in the village. There have been disturbances in completing or carrying out collective action due to this reason. In a few cases, differences on caste/ethnicity lines or instances of corruption have had some impact on the collective works.

6.2.1.2 Transparency on finances and seeking for information

Respondents were asked two questions related to information on issues of collective interest in the village, especially about the accounts and finances of community related activities: are they informed and do they themselves seek for such information.

Table 6.3: Details of progress/account of community activities presented (VDC-wise)

| | | Village Development Committee | | Total |
|---|------------------------------------|-------------------------------|-------------|-------------|
| | | Dudhraksha | Majhgaon | |
| Are details of progress or account of community activities presented? | Yes, fully | 63.3% | 21.9% | 48.9% |
| | Yes, moderately | 16.7% | 3.1% | 12.0% |
| | VDC's never, locally collected yes | | 40.6% | 14.1% |
| | No idea | 8.3% | 3.1% | 6.5% |
| | No | 11.7% | 31.3% | 18.5% |
| Total | | 60 (100.0)% | 32 (100.0)% | 92 (100.0)% |

Note: Missing response no.2.

Table 6.3 shows that the majority of the respondents (61%) are informed of the financial details of community schemes at least to a moderate level or above, whereas nearly two in five respondents are uninformed or unaware of externally funded schemes. Fourteen percent of respondents, all from Majhgaon, said that they are informed of the locally generated resources like the account of the collective prayers fund but never get informed of the schemes funded by the VDC or government. Location wise analysis has shown very different results. In Dudhraksha, 80% respondents said that they were informed to some extent, whereas in Majhgaon only 25% are informed. In Majhgaon 41% respondents are only informed about the finances collected from the household, but have no idea about the VDC schemes. Hence, there is significant difference*¹⁷ (Chi-squared 39.45, P=0.000) between the two VDCs in terms of presentation of details of collective schemes to people.

Table 6.4: Seeking information on progress/account of community activities (VDC-wise)

| | | Village Development Committee | | Total |
|---|---------------|-------------------------------|-------------|-------------|
| | | Dudhraksha | Majhgaon | |
| 7.10 Are details of progress or account of community activities sought for? | Yes, fully | 73.3% | 38.2% | 60.6% |
| | Yes, moderate | 10.0% | 5.9% | 8.5% |
| | Only local | | 17.6% | 6.4% |
| | No | 16.7% | 38.2% | 24.5% |
| Total | | 60 (100.0)% | 34 (100.0)% | 94 (100.0)% |

To what extent people maintain an interest in knowing things also determines the level of their knowledge about the financial matters. The results (table 6.4) show that 69% of

¹⁷* Because more than one cell has expected count less than five, these statistical results may not be valid.

respondents seek all information while another 6% ask only about the money collected locally, and the latter are from Majhgaon only. The rest, 25%, do not seek any information for different reasons. The VDC wise difference is significant* with more people from Dudhraksha seeking for information (Chi-squared 40.11, P=0.000).

6.2.1.3 Effectiveness of local leadership

The elected VDC representatives from villages have an important bridging and linking role. Effective local leaders can help to bring new possibilities to the village and mobilise households for collective action. The level of transparency on handling the collective resources helps enhance effectiveness of both the collective action and the leaders. Because the local government offices were vacant since July 2002, and the election for the new term had not been held due to the Maoist insurgency, the respondents were asked how effectively the local leaders in the local government in the last term performed their job. Overall, the majority of respondents (66%) said that the village leaders were moderately effective, whereas 18% and 16% said the local leaders were effective and ineffective/less effective respectively. VDC-wise analysis shows that the leaders are perceived to be significantly more effective in Dudhraksha than in Majhgaon (Chi-squared= 13.464, P=0.000).

6.2.1.4 Sanctions: rules keeping and actors violating the village rules

Data related to the status of sanction has been presented in Chapter Five (section 5.3.3). As this has emerged as an important factor explaining the functioning of groups in the villages, this section explores further the issue of actors breaching village rules.

Violating village rules has an implication for the effective functioning of collective actions, and even more so if the leaders violate them. Respondents were asked if the rules are breached, who does breach the rules in the village. The overall response (table 6.5) shows that two in three persons breaching rules are leaders and/or well-to-do persons whereas poor and disadvantaged people alone account for only 2%. Thirty percent of respondents said it can be anybody. Regardless of place, it is the elite who breach the rules most but the ratio is higher in Majhgaon than in Dudhraksha.

Table 6.5: People breaking the village rules by VDC (N=69)

| | | Village Development Committee (VDC) | | Total |
|---------------------|-----------------------|-------------------------------------|-------------|-------------|
| | | Dudhraksha | Majhgaon | |
| Village rule breach | Anybody | 39.0% | 17.9% | 30.4% |
| | Leaders/well to do | 58.5% | 78.6% | 66.7% |
| | Poor and disadvantage | 2.4% | 3.6% | 2.9% |
| Total | | 41 (100.0%) | 28 (100.0%) | 69 (100.0%) |

Note 1: Figure in parenthesis is percentage within the VDC.

Note 2: Twenty five people either said “do not know” or did not respond.

It is found that every village has rules, at varied levels and forms, mainly regarding regulating *janashram* and penalties, locally known as *khara* and *dandh*, for non-compliance. In some villages, where the rules are highly respected, breeching of norms is rare; application of monetary penalties is excused after naming and shaming the noncompliant. However, some villages, where the rules are respected to a low extent, have failed to exert any penalties on non-compliance. The following remarks from respondents from the villages where groups functioning scores are low, illustrate this situation.

“In the past when there used to be road work, I did not see those not coming being punished” A respondent from Bhadsa.

“Rule is there for penalty -but it has not happened so far” A respondent from Buddhanagar.

“Rules are made for violators but are never adopted into action”, A respondent from Chhotki Majhgaon.

The findings shows the problems of enforcing rules in villages, where rule keeping is low, it is due to breaching of rules by the village elite. Respondents indicate that when powerless people violate the rules, it is easier to enforce the penalties, but when they are violated by the powerful, it is almost impossible to penalise them. Villagers can hardly identify that leaders have violated the rule in the first place because they normally hide them. Even if known, it is too formidable for commoners to deal with them. It is so intimidating that in the words of a respondent from Majhgaon VDC, “...Nobody raises questions due to fear...”. It is because the village informal network of cooperation revolves around the powerful people who often create difficulty or refuse to cooperate with those who go against them, making their life more difficult afterwards. The following remarks mirror the situation:

“If an influential person does not regard the rules, the mistake is covered up. *Sano* (people from disadvantage status or powerless people) fear to dare to break the rules while *thulo* (elite) does not care”- A respondent from Ramapur 2 village

“Big [position holders or well to do] punishes small [poor and disadvantaged], small are not able to punish the big ones” A respondent from Buddhanagar

“They (powerful) go to police straight way, so no chance and practice to settle at village level” A respondent from Dewanboxapur

“*Bada aadmi* [elites] do it [violate the rules]. If this is the *chot aadmi* [disadvantaged], *dandh* [penalty] is taken. The rich people have ability to bribe money in Thaana [to police] and draw decision in their favour” A respondent from Majhgaon village

When the leaders violate the rules and are set free without any criticism, it is very difficult to make others follow the rules. As a result, it is difficult to initiate or sustain the collective affairs. A respondent mentioned, “No, since they (leaders) do not fulfil rules themselves, how can they make others fulfil it”. The difficulty to penalise also lies in the fact that villagers belong to rival political parties. As discussed in section 6.2.1.1, the political division makes it difficult to initiate collective actions in the first place, and makes it difficult to impose the penalties due to favouritism. The following remarks express this:

“Try for *khara*- but not realised due to multiple political factions in the village”, A respondent from Buddhanagar

“Ways are there, but never implemented due to grouping”, A respondent from Chhotki Majhgaon

6.2.1.5 Relationship with neighbouring villages: village bridging

The respondents indicated that none of the villages have any bad relationship with the neighbouring villages and there is no conflict among villages in terms of resources sharing or for any other matters. Nonetheless, there had been times in the past when there was animosity between some villages. For example, some decades back there had been constant tension between the aboriginal dwellers of Bhadsa, *Tharus*, and incomers who perceivably posed a threat to the traditional resources by destroying grazing forestland and occupying it for farming. However, the tension settled and has become a matter of the past. Respondents from Dewanboxapur also feel that the village at times has tensions with neighbouring villages. Overall, now the villages work together, utilising common resources like sending children to the same school and utilising irrigation facilities (Inguriya Irrigation in Dudhraksha and MLIP in Majhgaon). People from different villages are members of the same institutions such as cooperatives and political parties. Despite religious and ethnic diversity, there has not been any ethnic/religious violence nor on any other ground.

6.2.1.6 *Perceived VDC's attitude towards villages*

The VDC's positive attitude towards a village is reflected through the VDC leaders' frequent visit and interaction with commoners and assistance given to generate and mobilise resources, internal as well as external. The relationship with the VDC is also a way of linking a village to vertical power centres. Respondents were asked how they perceive the VDC's attitude to their village. Seventy-two percent implied it was good whereas 16% implied it to be neither good nor bad. However, another 11% termed it as bad as per the condition of their village. VDC-wise analysis of data shows significant differences ($P=0.000$, Chi-squared= 19.891) as almost all (90%) respondents from Dudhraksha termed VDC's view towards their village as good whereas half (45%) from Majhgaon have perceived the relation to be good.

6.2.1.7 *Afno-manchhe in power position and opportunities*

Through the village exploratory work as well as individual interviews, information was gathered on anybody from the village holding an important public position or operating a business and, as a result, bringing more resources into the village. Table 6.6 shows village-wise number of elected VDC member or above positions.

Table 6.6: Representation from village to various elected positions

| Villages | Ward chair | VDC Vice-chairperson | VDC Chairperson | DDC member | Member of parliament | Minister | Others |
|-------------------|------------|----------------------|-----------------|------------|----------------------|----------|-------------------------|
| 1Bharatpur | 3 | | | | | | |
| 1Andhikhola | 1 | 1 | 1 | | | | |
| 2Ramapur | Regular | 1 | 1 | | | | |
| 3Buddhanagar | Regular | 1 | 7 | 1 | 1 | 1 | DC-Secretary, CPN UML |
| 5Ramapur | Regular | | 1 | 1 | | | |
| 6Balapur | Regular | | | | | | |
| 7Gobraiya | 1 | | | | | | |
| 8Bhachha | Regular | | 1 | | | | |
| 1Itahaya | 1 | | | | | | Coops chair & secretary |
| 2-Majhgaon | Regular | | | | | | |
| 3Chhotki Majhgaon | Regular | 1 | 1 | 1 | | | |
| 5Teliyangadh | Regular | | | | | | WUA chair |
| 6Nauwadiha | Regular | | | | | | |
| 7Dewanboxapur | Regular | | | | | | |

Of these villages, Buddhanagar and Ramapur-5 of Dudhraksha and Chhotki Majhgaon of Majhgaon have sent representatives in higher positions. There have been altogether seven VDC chairpersons, including one in the immediate past, one DDC member and one Member of Parliament, who later became a Minister, from Buddhanagar village. Both the immediate past chairperson and vice chairperson of Majhgaon were from

Chhotki Majhgaon, from where a DDC member was elected. Similarly, Ramapur-5 of Dudhraksha had an immediate past member of the DDC, who was also the VDC chairperson in the previous term.

If any *afno-manchhe* (one's own person) holds a good position in any sector, chances are that the position holder does not only attempt to favour his voters, relatives or other locally connected people, but also tries to divert various programmes, schemes and budget to their native places. The response on these issues is presented in annex 6E. In Dudhraksha, the Parroha Bridge was built and a multi-million Ramapur - Lumbini road project was launched with the help of the MP. A respondent claimed that it has been possible to bring the PDDP social mobilisation programme to Dudhraksha VDC because of his position as a DDC member. Respondents from Buddhanagar claimed that villages were electrified because a renowned medical doctor from a neighbouring village used his network to have the scheme put within the government plan. They also mentioned their fields have been irrigated because the chief of the Kapilvastu Nalkup project was from the neighbouring VDC who had an interest to irrigate his own land. The respondents from some villages from Majhgaon said that an MP, who became a Minister, provided an electrification project. However, respondents in Chhotki Majhgaon said that their village was left un-electrified because the village did not give support to the MP in the elections.

On the individual front too, there are many examples where local people have been helped to get a job or go abroad, and those not having such linkage have been deprived despite being qualified (Annex 6F). These examples show that new opportunities come collectively as well as individually due to the power position of *afno-manchhe* and similarly, people are denied opportunities due to the lack of them (see section 3.3.2). The next section deals with governance of local public institutions.

6.2.2 Exploring local public governance

This section explores the issues and status of the linking environment in which local communities (individuals, household, organisations, villages) interact with the public institutions, particularly the local government units. The way this relation is maintained or these institutions are governed affects the trust people have in them and vice versa,

and the governance of collective action and organisations in the villages. The following sections deal with these issues in general as well as by location, in particular.

6.2.2.1 Local public institutions interacting with people

In order to assess the status and quality of functioning of the institutions operating at local level, a list of local public institutions was prepared from the preliminary exploratory exercises in the study villages. The following public institutions (table 6.7) were found to be providing some essential services in the local community.

Table 6.7: List of public institutions operating at local level

| Name of the institutions | Location | |
|--|------------------------------------|-------------------------------|
| | Dudhraksha | Majhgaon |
| Schools | Same VDC | Same VDC |
| Village Development Committee | Same VDC | Same VDC |
| Health Post | Same VDC | Same VDC |
| Agriculture Service Centre | Neighbouring VDC | Same VDC |
| Livestock Service Centre | Neighbouring VDC | Same VDC |
| Party Offices (as per one's affiliation) | Same VDC and District Headquarters | District Headquarters |
| District Administration Office | District Headquarters | District Headquarters |
| District Development Committee Office | District Headquarters | District Headquarters |
| Police Station | Nearest municipality | Displaced but at the same VDC |
| Courts | District Headquarters | District Headquarters |
| Land Revenue Office | District Headquarters | District Headquarters |
| Others (various places) | | |

The respondents were asked a few questions in order to identify the frequency and purpose of visits and quality of services received from these institutions. The result is presented in the table (6.8).

6.2.2.2 Frequency of interaction: visit to local public institutions

The respondents were asked how many times members of their households visited the public institutions in the past 12 months. The findings show that people visited schools the most (7.4 mean times) followed by the VDC Office (7 mean times), and Health Post (4.9 mean times) during the last 12 months. Seventy-nine percent of the responding households visited the school, making it the most highly visited institution at village level followed by the VDC office and the health post with 70% and 65% people visiting them respectively in this period.

Surprisingly, only 20% of respondents visited the Agriculture Service Centre (ASC) (1.3 mean times) and 26% of respondents visited the Livestock Service Centre (LSC) (0.60 mean times) in this period even though almost all respondents are farmers. Such a low interaction between farmers and the government Service Centres raises question on their performance and usefulness.

Fifteen percent of responding households visited a police station (0.5 mean times), 16% visited party offices (1.8 mean times), 33% visited the District Development Committee or District Administration offices (2.1 mean times), 35% visited the Land Revenue Office (1 mean times), 7% visited to the Court (0.1 mean times) and 11% visited (0.03 mean times) to different other offices.

Table 6.8: Summary of visits to local public offices by the respondents in last 12 months

| Offices | Times | Met the concerned official? (respondents' No.) | | | | Spent extra money for work? (respondents' No.) | | | | Satisfied with the works? (respondents' No.) | | | |
|--------------------|-------------|--|----------|-----------|------------|--|------------|-----------|------------|--|-----------|-----------|------------|
| | | Yes | Moderate | No | Total | Yes | No | Silent | Total | Yes | Moderate | No | Total |
| VDC office | 657 | 52 | 6 | 8 | 66 | 16 | 46 | 3 | 65 | 38 | 8 | 20 | 66 |
| Schools | 691 | 73 | 1 | | 74 | 4 | 70 | | 74 | 67 | 3 | 4 | 74 |
| Health Post | 458 | 61 | | | 61 | 9 | 52 | 0 | 60 | 58 | 3 | | 61 |
| Agriculture Centre | 123 | 18 | | 1 | 19 | 2 | 15 | 2 | 19 | 15 | 2 | 2 | 19 |
| Livestock Centre | 58 | 22 | 1 | 1 | 24 | 9 | 12 | 3 | 24 | 14 | 3 | 7 | 24 |
| Police Station | 49 | 14 | | | 14 | 3 | 10 | 1 | 14 | 9 | 3 | 2 | 14 |
| Party Office | 165 | 15 | | | 15 | | 15 | | 15 | 15 | | | 15 |
| CDO and DDC Office | 197 | 29 | 1 | 1 | 31 | 11 | 14 | 6 | 31 | 19 | 2 | 10 | 31 |
| Courts | 12 | 7 | | | 7 | 1 | 5 | 1 | 7 | 4 | 2 | 1 | 7 |
| Land Revenue | 91 | 33 | | | 33 | 18 | 8 | 7 | 33 | 14 | 6 | 13 | 33 |
| Others | 27 | 10 | | | 10 | 6 | 4 | 0 | 10 | 4 | | 6 | 10 |
| Total | 2528 | 334 | 9 | 11 | 354 | 78 | 248 | 26 | 352 | 257 | 32 | 65 | 354 |

Note: Only applicable responses are included.

VDC-wise, people from Dudhraksha visited the VDC, School, Party Office, Chief District Officer's (CDO) office, DDC and Land Revenue Office more (non-significant) than the people from Majhgaon. These figures are congruent with the active VDC Office, high number of schools, active political parties and leaders as well as frequent land transactions. Conversely, people from Majhgaon visited the Health Post, ALC, LSC, Police Office and Court more than the people from Dudhraksha (non-significant except for the visit to Health Post). This could be due to the location of Service Centres at Majhgaon (for Dudhraksha they are located at neighbouring VDC), practices of referring conflicts to Police and Court in Majhgaon unlike local settlement in Dudhraksha. Regarding the more visits to the Health Post in Majhgaon, this could be

due to more people getting sick, higher tendency of seeking health services or other reasons not yet established.

From the wealth status point of view, the non-poor households visited public offices more (significant, $P < 0.05$) than the poor ones. Only the Court and different unspecified offices are the places where the poor have visited more (non-significant) than the non-poor. The responding households having a family member ever elected at the local government tend to visit the public offices significantly more than other households ($P < 0.01$). The only exception is the visit to Courts. Similarly, the respondents with family members organised in political parties visited public offices more (significantly in most cases and $P < 0.005$ overall) than the rest of households. Overall, relatively more educated respondents (including household members) visit the public offices more (significant, $P < 0.05$) than others, except for visits to the Health Post and Court in which case it is the opposite (non-significant). Caste wise, the 'higher caste' people visited VDC Office, Schools, Party Offices, DDC and CDO Offices, Land Revenue Office, and in aggregate more times than middle and low caste people. Similarly, people from middle of caste hierarchy have visited the Agriculture and Livestock Service Centres and Court more times, whereas Dalit/Musalman have visited the Health Post more than others. Overall, the above facts show that the powerful people can and do visit public institutions, and through this, benefit from resources, gain power and influence the overall linking environment.

6.2.2.3 Quality of visits

One difficulty in getting desired services from the local public institutions is the unofficial closure of offices or absence of the concerned officials/workers during office hours. VDC Offices (or designated places)¹⁸ remain closed more than other offices. One in five respondents found them closed on their first visit. However the VDC office in Majhgaon was found closed significantly more often (Chi squared, $P < 0.01$) than in Dudhraksha. Similarly, at times the staff at government Service Centres located in the villages are also absent from office without approved leave or a notice. Normally, the offices at the district level are found staffed as the number of staff in them is high compared to the offices at village level where normally only one or two staff work.

¹⁸ Maoists have locked the VDC offices and VDC secretaries have started to work at a designated place.

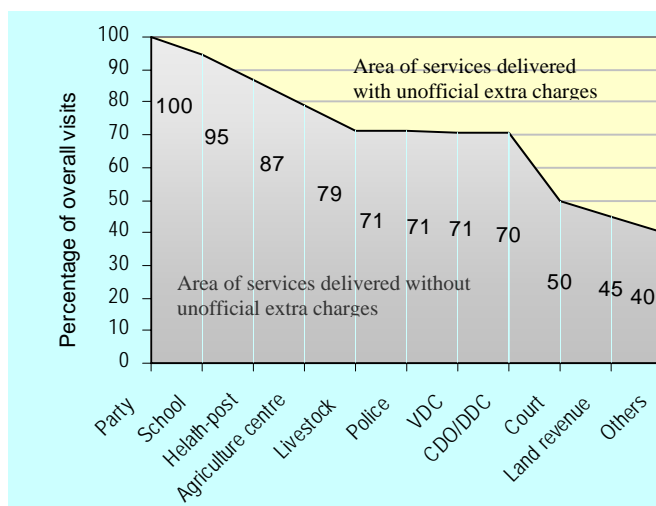


Figure 6.1: Service delivered by different offices with or without extra charge (Percentage of visits)

However, there are instances where people had to return from the CDO's office due to the absence of the CDO.

Even if they were able to meet the concerned officials, this did not necessarily bring the responding households the services they were entitled to receive. Figure 6.1 shows that the whole range of public organisations has developed

a culture (a negative norm) of taking forced bribes of various sizes. This has been nicknamed in less embarrassing terms in order to legitimise the deal as for “*chiya pani*” (tea and snacks) or “*dana pani*” (lunch or dinner). Asking for or giving bribe is made easy with the use of popular code language based on the picture used in the Nepalese notes: “rhino” or “elephant” where rhino denotes one hundred rupees and elephant denotes one thousand rupees.

Findings show that bribing and corruption pervade all public service institutions in varying scales: very little or not at all in the school, and little in Health Post to three in five people being made to pay in the Land Revenue Office, Land Survey Offices, Court, Agriculture Bank, etc. A statement by one of the respondents indicates such trend:

Lets not talk about the Land Revenue Office; nothing is possible there without paying at least some extra. If you say that you have not bribed, either you have never had anything to do with *Napi* [Land Survey Office] or Land Revenue offices or you are lying. But it is not possible at all for the people who are farmers to keep away from these offices.

Almost every respondent gave the example of last year's land survey (*Napi*) team that the extra charge was universally imposed in a way as if it was a mandatory council tax (*ghardhuri kar*). One example is:

Yes...in *Napi*, land survey team took from Rs. 1000 to 10000 saying that your land is omitted to be registered. It was compulsory that everybody has paid in fear of losing land or not getting it properly measured and the entitlement registered.

Taking a loan from the Agriculture Development Bank (ADB) entails a similar process. Respondents from Majhgaon have paid up to 10% of the principal to get a loan from the ADB. A respondent said: “Yes, while taking Rs 15000 loan from Agriculture Development Bank, Rs 500 was given as bribe”.

The VDC office is a very important institution not only because it is a local government office, but also one of the most highly visited offices at the local level. With high frequency of visits, people not only had a problem meeting the officials at their first visit, three in ten visitors had also to pay some additional money for the services. One respondent from Majhgaon expressed:

Yes, for granddaughter’s birth registration the secretary of VDC took Rs. 300, and for preparing recommendation letter for citizenship Rs.250. In other cases [court case] I did not pay as we were represented by an organisation for free.

The findings show that bribing is not always forced by demand; it is supply driven too. For example, some people bribe *Napi* officers to ask to increase their land area, or land revenue officers to evade revenue charges. This process is institutionalised in such a way that there are even agents, such as *lekhandas* (private writers), who mediate the process. The resultant externalities are: evasion of revenue, benefiting the briber by victimising others, etc.

With regard to spending extra money while visiting the VDC offices, there is significant difference (Chi-squared 0.172, $P < 0.001$) between Dudhraksha and Majhgaon. In the former, the problem is sporadic and negligible whereas in the latter it is severe (table 6.9). A similar difference is observed when dealing with the banks. The district level offices, which are out of the control of the local villages, could be the same for both.

Table 6.9: Paid extra charges at the VDC office (VDC wise)

| | | Village Development Committee | | Total |
|--|-----|-------------------------------|-------------|-------------|
| | | Dudhraksha | Majhgaon | |
| Had to spend extra money for work in the visit to VDC? | Yes | 7.7% | 56.5% | 25.8% |
| | No | 92.3% | 43.5% | 74.2% |
| Total | | 39 (100.0%) | 23 (100.0%) | 62 (100.0%) |

Note: Only applicable responses are included.

Even though some people find it easy and normal to get a job done with unofficial little extra payment, which they do not want to call bribery, it does not always lead to their

satisfaction from the job. It was found that seventy-three percent of respondents are fully satisfied and another 9% are moderately satisfied with the services they received. However, 18% respondents are not satisfied at all. This figure does not include those who never bother to go for these services as and when alternatives are available due to the dissatisfactory past or inconvenience. The Chi-squared test shows significant difference (Chi-squared 17.231, $P < 0.001$) between the respondents of the two VDCs with visitors from Majhgaon being less satisfied with the VDC office, Land Revenue Office and Banks. For the rest there is no significant difference. Apart from bribes, misappropriation of resources is a big problem. The next section examines mobilisation of resources at VDC offices.

6.2.2.4 *Perceived misappropriation of VDC resources*

Respondents were asked an open question as to whether they think that the VDC representatives (including employees) embezzle the resources of the VDC. Eighty-two (87%) respondents responded to the questions; 12 did not know anything about it or did not want to speak about it. The responses were categorised as yes, yes to a small extent and no (table 6.10). Forty-five percent respondents believe (yes or yes to a small extent) that VDC representatives abuse resources which indicates a state of bad local governance. However, VDC-wise cross-tabulation of the responses shows a significant difference between two VDCs with problem being very high at Majhgaon (Chi-squared 34.165, $P < 0.001$). This corroborates with the fact that people had to spend money while taking services at the Majhgaon VDC.

Table 6.10: Perception on embezzlement of VDC resources

| | | Village Development Committee | | Total |
|--|-------------------|-------------------------------|-------------|-------------|
| | | Dudhraksha | Majhgaon | |
| Do you think VDC resources are embezzled | Yes | 13.2% | 72.4% | 34.1% |
| | Yes, small extent | 15.1% | 3.4% | 11.0% |
| | No Idea | 13.2% | 17.2% | 14.6% |
| | No | 58.5% | 6.9% | 40.2% |
| Total | | 53 (100.0%) | 29 (100.0%) | 82 (100.0%) |

Note 1: Twelve responses are missing.

Note 2: Because more than one cell has expected count less than five, these results from Chi-squared test may not be valid.

The result shows the perceived level of the problem. It should be noted that the tendency of people generally to suspect position holders of being corrupt by default over represents the size of the problems. Similarly, such an attitude reflects the

institutionalised belief system that positions are made for abuse. An ex-ward chairperson from Majhgaon comments: “All hate him (elected ward chair) and think that he is corrupt. There is widespread belief that any leader is automatically corrupt”. The perception that officials misuse VDC resources in Dudhraksha is not backed by any reliable instances, whereas respondents gave several examples of misappropriation of VDC resources in Majhgaon. For example, a respondent said:

Last year Rs 40,000.00 was allocated for a road in the village, but not a single *paisa* was spent on it. It was kept secret by the village *Pradhan* [VDC Chairman]. I wonder how the technician (overseer) gave a completion report and how the scheme was approved as completed by DDC.

Respondents presented numerous examples. Another respondent from the same VDC said:

There is an alliance between elected people and VDC employees to misuse resources. For example, they spread little *gitti balu*, (pebbles, sand) on the road and the rest of the money make their own.

Before moving to the next section, this section is summarised as presented below.

- Village-to-village relations are smooth, and there is tolerance and peace between religions or castes/ethnicity.
- Intra-village divisions, mainly on political grounds, continue to affect the collective affairs in some of the villages.
- Keeping village collective rules varies, but there is a significant level of rules violation often by powerful people and ensuing impunity in many villages which has made rules enforcement impossible and affected collective actions.
- *Afno-manchhe* culture pervades in such a way that it brings as well as denies opportunities at collective and individual level.
- The relatively powerful people strongly dominate in interactions related to governance of village and local public institutions.
- Culture of forced bribes for essential services is institutionalised and corruption of public resources and corrupt-psychology pervade society.
- The situation differs spatially with a worse state of governance situation at Majhgaon.

These factors explain why trust in institutions and representatives (section 5.3.1.2) are very low. It suggests that the governance pattern determines the level of trust in institutions and representatives. The next section builds on the above points and focuses on the downside of social capital.

6.3 Exploring downside of social capital in the villages

“I do not have connection with immediate family as I left home and moved to new place. Here I have very good relation of trust with a local moneylender who motivates to take loan that I would not need to pay cash as I would be given a work at his farm to pay back the interest which is 10% a month. The neighbours do not trust me, but the moneylender does as we have been co-operating each other for several years now. I benefit from the loan in need and he does with the work in time”. Balku Harijan (name changed), Marchwar.

Chapter Five explored the stock of social capital: trust, norms, sanctions and networks facilitating or predisposing cooperation and collective action in the study villages. This section aims to explore the downside of social capital that includes: a) issues of power and inequality that affect the size, quality and direction of the outcome of social capital: cooperation and collective action, and b) norms and networks that have adverse consequences to the larger society. This sections starts by presenting the impression of local social structure of hierarchical elitism followed by norms and networks with negative externalities. Power and inequalities attached in each of the aspects of social capital are also presented.

6.3.1 Local social structure: hierarchy of *thulabada* (power holders)

Before embarking on exploring various power and unequal social issues, it is useful to explore briefly the local power structure. As described in detail in Chapter Three, Nepalese social structure is hierarchical based on power embedded in position, wealth, caste and education. Hence, social relations are unequal. Even though, having only one element alone, for example, high caste, might not make one powerful, these four elements are the prime sources of elitism in Nepalese rural contexts. It should be noted that gender is an important source of power disparity that, however, has not been taken into account as the study is based on the household as a unit.

In the study area, the respondents have extensively used terms like *thulabada* and *janne-bujhne* to explain the powerful or knowledgeable people. There are other terms, such as *bhadra-bhaldami* (leading gentleman), *aguwa* (leader), *sahu-mahajan* (rich merchant). In Majhgaon people used Bhojpuri terms like *badka*, *bade log*, *netalog* (leader), *malkar* (master) to mean the *thulabada*. The antonym of *thulo* (powerful) is *sano* (powerless). In *Bhojpuri* it is called *chhotelog*. It is interesting that the *thulabada* is a relative and pervasive term. Even in the relatively poor, illiterate and low caste villages, people refer to somebody among them who normally leads villagers within and represents them outside as *thulabada*. There is a chain of *thulabada* when it comes to the wider level. Somebody, whom others term *thulabada*, has other *thulabada* at a wider level. Hence, the society is woven into the chain of *thulabada*. The *thulabada* is a hierarchical pyramid shaped as shown in the figure 6.2. There are many *thulabada* at the bottom (grassroots) and their number decreases at the top, as the level of power rises.

The *thulabada* can be characterised by their relative level of power associated with one or more endowment of resources, expertise, position (formal or informal), caste, etc. (see section 2.2.4.2). As shown earlier in this chapter these hierarchical layers of elitism are interlinked. Against the backdrop of this power structure in the study villages, the following sections explore each strand of social capital in terms of associated negative externalities, asymmetrical and negative sum relations.

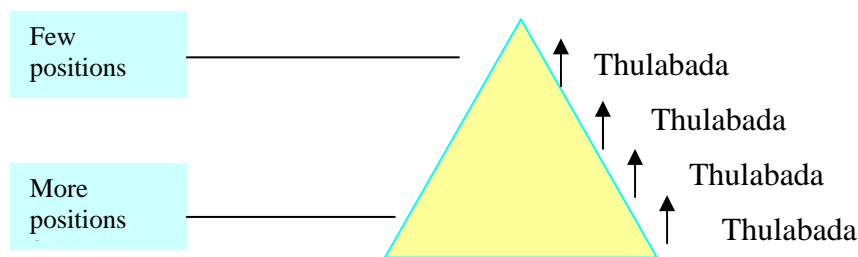


Figure 6.2: Hierarchy of *thulabada* in the study area

6.3.2 Exploring norms and networks with negative externalities

In 1998, RSDC conducted a PRA in Teliyagardh, a village included in the present study, which found that the poverty in the Marchwar area in general and in the study village in particular was mainly caused and sustained by many practices based on socio-cultural and religious norms. Many of these practices concur with those explored by the present study. The diagram (figure 6.3), in Nepali, reflects the true picture of area

specific socio-cultural causes of poverty. These traditions, behaviours and practices, which are translated in table 6.11, have externalities both to the parties of interaction and outsiders.

Table 6.11: A list of norms, tradition, behaviours as the cause of poverty in Majhgaon

| Conservative traditions | Misuse of time | Lack of education | Exploitation | Mis-belief, Misconducts | Anti-social practices | Wasteful spending (on) | Gender discrimination |
|--|--|--|---|--|---|---|---|
| <ul style="list-style-type: none"> Child marriage Inequality Faith healing Religious dogma Favouring own caste, caste based practices | <ul style="list-style-type: none"> Dirty politics Too much unproductive chats Back biting Dependent on others Unemployed youths | <ul style="list-style-type: none"> A few schools Attitudes: education as a threat of being harmful to traditions Not sending girls to schools Attitude: only rich should study | <ul style="list-style-type: none"> Labour exploitation Economic exploitation Identity exploitation Class exploitation | <ul style="list-style-type: none"> Alcoholism Tobacco chewing Gambling Barring women interacting with man Purdha system | <ul style="list-style-type: none"> Dacoits, thefts Highly political disputes Manhandling each others Selfish ness Rude behaviour Vulgarisation Bad intents (dishonesty) Lack of self-confidence Indian influence | <ul style="list-style-type: none"> Dowry Marriage functions Death rites Festivities Religious activities | <ul style="list-style-type: none"> Not sending girls to school Confining women inside house Taking women as servants Undermining women as incapable |

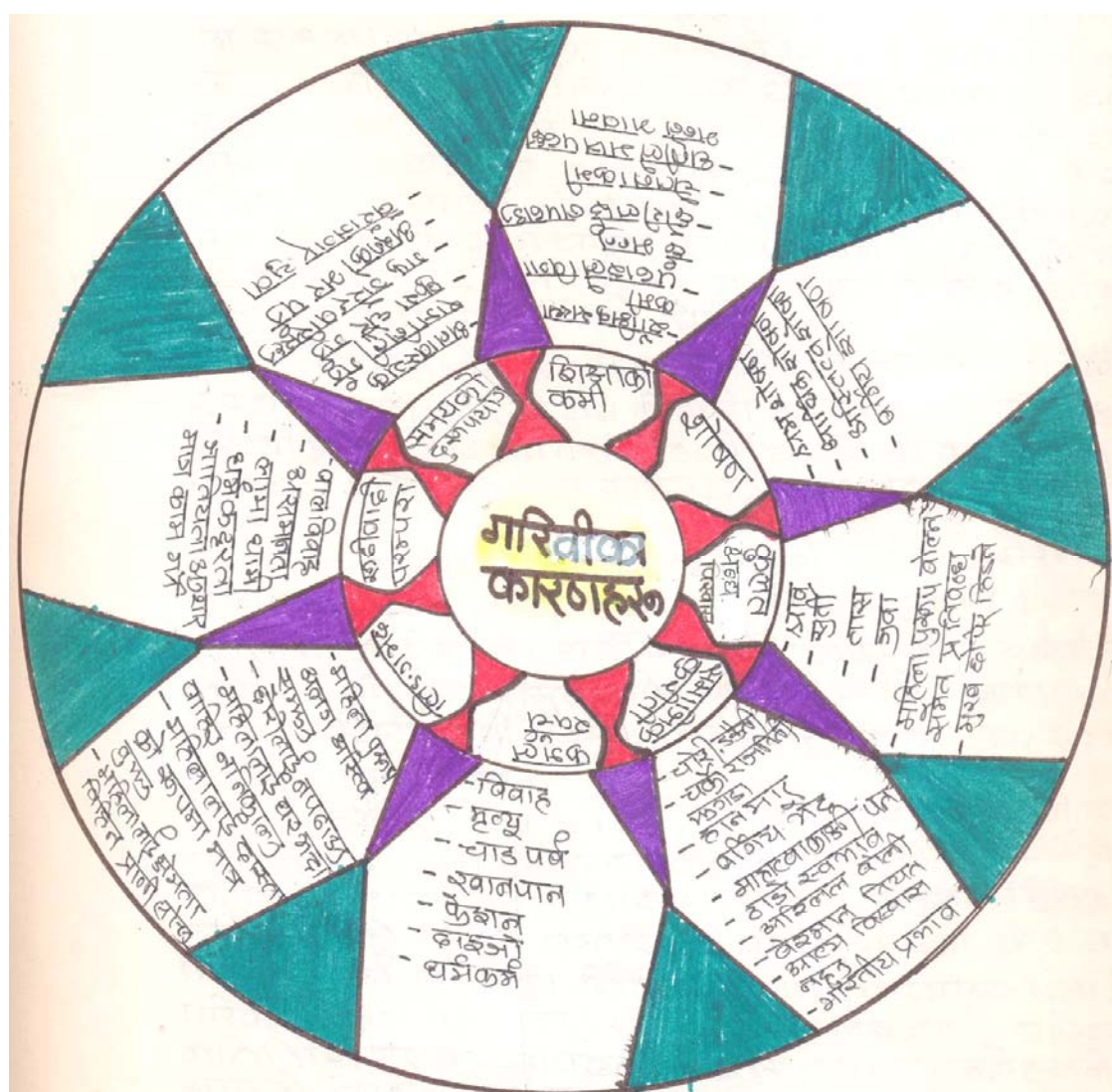


Figure 6.3: Anti-social norms and poverty in Majhgaon
Source: MSP, RSDC, 1998 (PRA)

The following sections present power and inequality aspects related to the norms of cooperation and collective actions presented in Chapter Five and explore further norms and networks in the study villages that have negative externalities.

6.3.2.1 *Norms/traditions of reciprocity*

The field exploratory exercises, including group discussions did not only help identify the prevailing norms of cooperation and collective actions, but also the intrinsic elements contributing to the negative sum outcome of social relations. Of the norms presented in Chapter Five, the system of *parma*, *anaj aicho paicho*, *sar-sapat*, *anna/jinsi uthaune* are mostly positive-sum reciprocal cooperation at individual household level. The norms of cooperation like money lending, *anaj* loan, *hali*, *haruwa*, *charuwa* and *katuwal* were identified as having unfair benefit distributions or negative externalities. In this section they are further explored along with other norms and practices.

Even though the tradition of money lending to needy fellow villagers is helpful, the respondents perceive that the very high cost informal lending system is detrimental to the borrowers. Eighty-five percent of respondents in the study borrowed or lent money or did both in the past. Interest on borrowing has been as high as 120% in Majhgaon (see a quotation on page 170) and 60% in Dudhraksha. A respondent from Dudhraksha VDC remarked, “I regularly take money from a relative on 36% interest. Sometimes on top of interest, I have to do physical works for him”. The following statements mirror this situation:

I have never given to anybody but have always taken. I borrowed from a *jamindar* of the village at the rate of 10 percent a month [120%]. Those who are too poor are still taking loan with interest as much as this. Even the Maoist insurgency has had little effect. A respondent from Majhgaon VDC.

In my village a normative rate of interest is 36% in any local borrowings. Those borrowing high amount loan may obtain it at as low as 30% interest but there are people who take benefit from the urgency and say ‘if you need, take with Rs 5 per hundred per month *sud* or do not take it’. I have myself paid up to 60% interests; I still own 2/4 thousands, you see. A very poor respondent from Dudhraksha VDC.

These examples show that local money lending, despite fostering cooperation between people, has generated benefits to lenders at the cost of borrowers. These transactions involve high trust by providing loans when needed and paying back as per terms.

Although there are group-based and bank provided lending with as low as 15% interest, they are not necessarily able to substitute for the widespread high cost money lending/borrowing.

Anaj loan, the system of borrowing food in the lean season and paying it back with some charges when the crop is ready, is another example of cooperation having unfair outcome. This system also known as *dhanahi* is similar with high cost lending in nature. However, this practice has been decreasing rapidly due to many reasons, mainly the availability of cash-based loan, and goods in the market. *Jamindars* used to loan food grains to poor villagers and take more when harvested. The following remarks of a respondent from Majhgaon shows 75% rate of return in food grains lending. “It was 20 years ago, we used to take 1 *mani* (16 kg) rice in *Bhadau* (Aug/Sept) and pay additional 1 *seri* (4 kg.) in *Mangsir* (Nov./Dec.). At that time money was not much in use”.

The traditions of having *hali*, *haruwa* and *charuwa* that were prevalent to a great extent a couple of decades ago have decreased almost to extinction in the study villages. Having *hali* (bonded ploughman) from a *Dalit* caste is a widely prevailing practice in the hill region which arrived in Dudhraksha with the migrants. The annual renewable contract is normally fulfilled with high trust, but the remuneration paid, normally a fixed amount of food grain, is meagre compared to the value of labour provided. The relationship between the *hali* and master is dominating and demeaning. The *hali* system (known as *haruwai*) and the system of having a servant for grazing cattle (known as *charuwai*) are typically related to the *jamindari* system and were highly prevalent in Majhgaon. These bonded servants run through generations as they can never pay back the bond with the earnings received from the master. There is high reliability and predictability involved in these traditional relations. However, the outcome of these relations is negative sum. Despite the collapse of the *jamindari* system and thus freedom for *haruwa*, *charuwa* to live independently, the remnant of the feudal *jamindari* style domination in social relations still survives in the *Madhesi* villages, mainly in Majhgaon.

Keeping *katuwal*, the community messenger, which used to be a widely prevalent system to inform people in the village and facilitate collective affairs, is gradually falling out of practice. In Majhgaon, people from the *Godaiyit* caste are designated as

village messengers by norms. As a legacy of the *jamindari* system, they too get almost nothing as a return for their contribution. A respondent who is a *Godaiyit* himself from Majhgaon says:

I am myself the *Godaiyit* of this village. However, I nowadays do not give time for this since I get nothing in return. The rule is that people in the village having any religious ceremony or other function invite me for lunch. Nowadays it is not obligatory for us to continue as messengers for nothing in return.

In the process of understanding the extent of *janashram*, a norm related to collective action, the respondents were asked to describe the level of collective works carried out with or without outside supports in the village. The result has shown that some villages have done substantial development work themselves and some with supplementary help from outside whereas others have done very little locally. There are also cases with very little local participation in less-transparent government schemes but very good participation in transparent schemes supported from other sources. On supplementary questions related to collective action in their village:

- Sixty percent of respondents said ‘yes’ that when it comes to giving contributions to the community, the elite do not proactively participate, but when it comes to gaining they are there to capture first.
- Forty percent of respondents said ‘yes’ that if there is a good fund coming from outside for communal purposes, schemes are carried out without information being given to the common people.
- Sixty four percent of respondents said yes to the alternative that natural resources, such as timbers are smuggled out.

There are several other traditions in the village that affect collective affairs and social relations. As concluded through the group discussions, there were very many ill practices in the villages most of which are now greatly reduced. These practices include: cheating, frauds and forgery; dominating and oppressing others through institutions like *mukhiya*, *jamindar*, *talukdar*, etc.; betraying; bribing civil servants which is known as the institution of *ghus*. The system of demanding and giving dowry is increasingly rising since the last decade making it very difficult to establish fair matrimonial social relations. Another social practice that is rising among the poor is to borrow at high cost to celebrate and organise extravagant ritual ceremonies. The

following figure 6.4 shows the perceived extent of the prevalence of different practices affecting cooperation and collective actions in the villages.

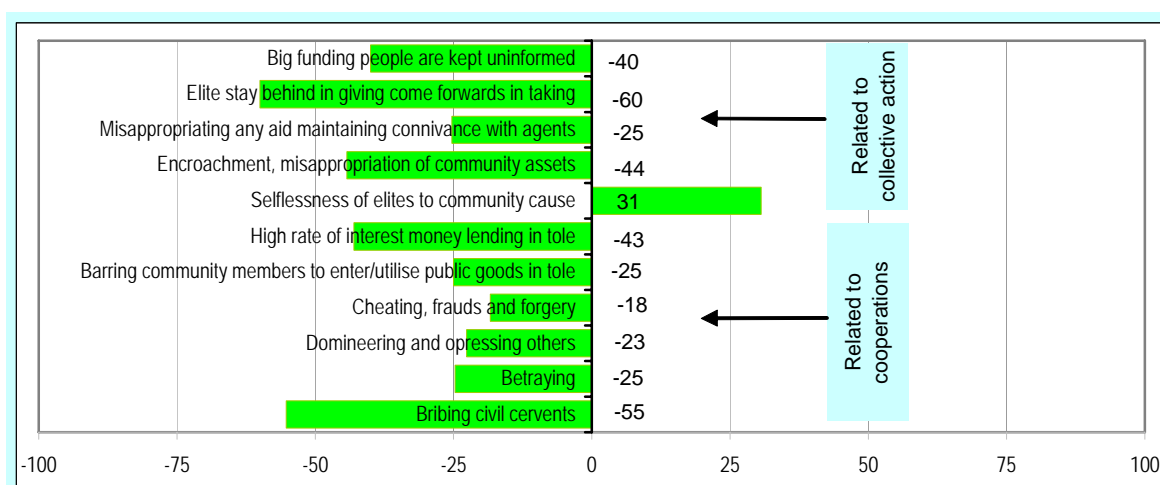


Figure 6.4: Extent of prevalence of some practices having negative outcome in social relations

As shown by the figure 6.4, many prevailing practices affecting, explicitly or implicitly, collective actions were also identified. As stated by the participants, there used to be (still are in some places), the practices of encroaching on communal land for private use; misusing public properties; and having clandestine relations with a government agency for the misappropriation of development grants (cash or kind) for designated schemes. Overall, the tendency of people to encroach on communal land or misuse communal resources exists to some extent (44 out of 100 points) whereas misusing external supports by making alliances with local elites and external agents is only to a small extent (25 points). People attempt to include part of a road and/or open space within house compounds and farmland. Some may be involved in illegal logging. Similarly, community infrastructure or training projects are left incomplete but are still approved as completed by having unfavourable relations among the VDC officials, users' committee leaders, district overseers and officers in the district. The extent of these cases varies from place to place (see section 6.2.2.4).

Further social norms with negative externalities to the wider society were explored in the study villages and are presented below.

Muslims have religiously an obligation to contribute regularly a certain portion of their income for the support of fellow Muslims. With religious contribution combined with

the supports from international Islamic organisations, the local Muslims have run a *Madarassa* in Majhgaon. In the face of proliferating groups based savings and credit activities in the villages (89% groups in the villages operate savings and credit), it is increasingly a contradictory issue for the Muslim participants whether to join other fellow villagers in an organisation because taking or paying interest is a sin in Islam (Ahmad, 2004). Despite this norm, in the heterogeneous society where non-Muslim practices are predominant and money matters are increasingly dealt with by modern institutions like banks, or groups, who operate with interest, sticking to the old mores is getting less practical. Among the study villages in Majhgaon, there is a sizable proportion of the population of Muslims in Chhotki Majhgaon, Teliyagardh and Nauwadiya. There are only a few in Majhgaon-2 and Dewanboxapur. Due to externalities of such norms, *inter alia*, groups established in these villages have failed to function.

Purdha, a system that bars women from showing their face to outsiders and thus prevents women from participating in community affairs prevails to some extent among some Hindu *Brahmin* women and Muslim women in Majhgaon. Participants of informants' group discussion rated it as a norm having negative sum outcome. Similarly, the system of untouchability has prevented villagers from participating in the same groups and utilising the common resources like drinking water and temples. This problem is relatively higher in Dudhraksha than in Majhgaon.

As explained in section 6.2.1.7, the institution of *afno manchhe* (favouring one's own persons) that is widely prevalent in the study villages is a source of favouritism and deprivation. While it has positive sides, it is a constraint for fair collective governance as it encourages rule breaking for the benefit of someone at the cost of others.

The above-discussed social norms and tradition or practices embedded in socio-cultural structure demonstrate how social relations, cooperation and collective actions, are shaped and affected. It is important in many ways to understand if such social practices are changing, and, if yes, in what direction. The respondents were asked to indicate the changes in various social traditions in their villages as perceived by them in a bi-polar five point scale question ranging from -2 for decreased very much and +2 for increased very much. The overall result shows that despite the introduction of some new social

problems like dowry, many power based unequal social relations are perceivably changing for the better. Table 6.12 presents these changes. The condition of changes regarding *janashram* has been presented in Chapter Five (5.3.2.6). Year 1990 has been taken as the reference point to measure these changes before and after. The overall mean is converted to the scale of -100 to +100 where 51 to 100 implies increased very much, 1-50 increased, 0 neither increased nor decreased, -1 to -50 decreased and -51 to -100 decreased very much.

Table 6.12: Changes in some social practices affecting cooperation or collective actions

| Particular | Has decreased very much | Has decreased | Neither increased nor decreased | Has increased | Has increased very much | Cannot say/ do not know/ missing | Overall change score (in the scale of 100) |
|---|-------------------------|---------------|---------------------------------|---------------|-------------------------|----------------------------------|--|
| Dominating and exploitation | 9 | 46 | 16 | 12 | 0 | 11 | -52 |
| Trust in monetary transaction | 0 | 34 | 22 | 22 | 0 | 16 | -12 |
| Trust in each other | 0 | 26 | 24 | 26 | 0 | 18 | 0 |
| Attitude kindness and empathy to (altruism) other | 1 | 25 | 17 | 39 | 1 | 11 | 14 |
| Respect one to another | 0 | 21 | 12 | 45 | 2 | 14 | 28 |
| Relation (equality) between rich and poor | 0 | 14 | 18 | 48 | 0 | 14 | 34 |
| Respects between castes (equality) | 2 | 6 | 16 | 56 | 3 | 11 | 52 |
| Overall conditions of promotion of down-trodden castes | 1 | 4 | 2 | 69 | 4 | 14 | 71 |
| Overall condition of women | 0 | 2 | 1 | 72 | 7 | 12 | 84 |
| Physical facilities such as drinking water, road, radio, etc. | 0 | 0 | 2 | 69 | 11 | 12 | 91 |
| Dowry system | 0 | 15 | 7 | 55 | 6 | 11 | 52 |

The table shows that even though trust in monetary transactions has worsened mainly due to the Maoist insurgency, which has threatened unfair lending systems in the villages by encouraging people to disregard repaying loan, the trust in general remains unchanged. With the change of time and mainly after the advent of multiparty democracy in 1990 that ensured many types of freedoms, there has been a decline in the dominating and exploitative relations in the villages very much (52 points). Contrary to the general speculations that respect between people as well as the kindness and empathy have been degrading, the respondents perceive that they have in fact improved very much. Such changes have been manifested in the improved behaviours between castes that untouchability and exclusion are not only challenged by the victims today but domination on a caste basis forms a source of embarrassment. The overall socio-psychological milieu of the downtrodden caste has perceivably improved very much (71 points). Rich people cannot dominate the poor today as much as they used to in the past. Among those who used to be sufferers in social relations, the condition of women

overall is perceived to have changed very much (84 points). Along with these changes, the respondents perceive that there have been very great improvements in the physical infrastructures of their villages (92 points).

That changes have happened does not necessarily mean that unfair social practices are no longer there. In fact, such social practices still exist; but their degree and trend has changed. Section 6.2.2 has shown that there are problems of wide spread corruption, bribery and practices of embezzlement. Because the question asking respondents to measure changes in corrupt behaviours was found confusing, thus, threatening the validity and reliability of the finding, it is not included here. However, what can be said without dispute is that the corrupt and unethical behaviour in the public domain continues to engulf our society.

Divisions based on political differences, a recent malady affecting our social fabric have already been discussed. In spite of improvements in the situation in many villages, politically aligned networks continue to facilitate and hinder social cooperation and collective actions. Similarly, culture of breaking norms with impunity, by the power holders (discussed in section 6.2.1.4) is also other critical malaise affecting the governance of collective actions.

6.3.2.2 *Network*

Many norms/traditions analysed above have similar characteristics of networks. The group discussions identified and classified networks operating in the villages, and later the degree of their prevalence was measured through the responses of household interviews, which are presented in table 6.13. Recoding response 0 for not at all and 4 for the yes to a very great extent and converting their sum to 100, the overall extent of prevalence has been computed.

Networks of illegal loggers have been active in Dudhraksha for a long time. In the past, these were used for political benefits and settling *sukumbasi* (landless squatters). Despite gains in community management of the collective affairs, people are unable to withstand such a network because they have the alleged support of Maoist insurgents. Most recently, a network comprised of people- some felling and sawing trees in the jungle and some delivering the logs to the different sawmills- was in operation. I visited

the forest and found logs piled up, and came across them several times while the logs were transported on bicycle at night. Maoists reportedly are of the view that the people involved are too poor, so it is reasonable to help them fulfil livelihood needs. In Majhgaon, there is discontent among the respondents about the degradation of the only forest of the area managed through a registered users group controlled by the Water Users Association (WUA).

Table 6.13: Informal networks with negative externalities operating in the study villages

| Particulars | Not at all | Yes to a small extent | Neither more nor little | Yes, to great extent | Yes, to a very great extent | Total responses (N) | Overall score indexed against 100 |
|--|------------|-----------------------|-------------------------|----------------------|-----------------------------|---------------------|-----------------------------------|
| Illegal logging gang in village | 8 | 8 | 2 | 19 | 18 | 55 | 64 |
| High interest rate money lending | 4 | 22 | 5 | 27 | 2 | 60 | 50 |
| Gambling | 4 | 26 | 4 | 21 | 3 | 58 | 47 |
| Land (mafia) broker's network | 11 | 25 | 9 | 8 | 1 | 54 | 33 |
| Black-market/cartel | 12 | 34 | 3 | 6 | 2 | 57 | 29 |
| Dacoits (looters) or smugglers | 18 | 24 | 3 | 8 | 0 | 53 | 25 |
| Running unlicensed/unregulated activities (<i>bhattis</i>) | 17 | 31 | 3 | 3 | 0 | 54 | 21 |

Note: Because these questions did not intend to measure situation for a particular village, only selected respondents from each village were asked these questions in order to reflect the scenario at wider level.

As in many other villages, there are unlicensed and unregulated (*bhatti*) pubs selling alcohol. Drunken mobs often clash disturbing others. Similarly, some people for many years have spent their time in gambling. Such activities do not only pollute social values by not respecting time for work, but also promote family destitution by spending money and incurring debt. Recently the problem of uncontrolled alcoholics has been lessened due to the Maoist ban on selling alcohol, but gambling still exists.

Black marketing, which is seen as a national phenomenon in Nepal, exists in the study villages to a small extent. The price of the items of daily use like, sugar, kerosene, etc. is hiked during the high demand times, like the *Dashain* festivals or general strikes.

Pseudo financial institutions in the past have left locals in Majhgaon with bitter experiences. A respondent from Majhgaon explained:

Few years ago, various financial companies from India persuaded us to have an account with them and save regularly. After all they vanished with thousands savings. This seriously diminished our trust in outside institutions that later arrived in the name of savings and credit programmes.

Cross border smuggling of subsidised items like petroleum products from Nepal to India and cement and iron rods from India to Nepal is very common at individual as well as organised levels. Even though the overall result shows small-scale prevalence, it is highly in practice in Majhgaon as the VDC borders the Indian town of Nautunawa. Locals estimate that goods worth hundreds of thousands are smuggled through Marchwar in order to evade custom duty. Organised smuggling operates under the eyes of state authorities. In a tea meeting a one person who claimed to have been working for the local joint security forces in many ways, anonymously claimed that the recently established security establishment in Majhgaon had to submit NRs. 200,000 a month to their bosses as the share of commissions realised from the smugglers. During my fieldwork, there had been an armed clash reportedly between the police and smugglers refusing to pay commission.

Cross border gangs of dacoits operate frequently in most of the bordering area of Nepal and India. In the past Marchwar was notoriously a hub of organised-criminals. There is hardly any village in Majhgaon that has not been looted *en masse*. The armed operation is such that the dacoits are able to overpower the villager's collective resistance. It is like fire that engulfs the whole village. The locals say that until a decade and half ago, the *danka* system was so pervasive that there used to be voluntary recruitment to join the gangs from almost every household in order to protect family and property from the enemies. Operations by the Nepal Police in the mid eighties which killed over a dozen dacoits brought a sudden decline in the *danka* system.

The informal network of land brokers, notoriously popular as *bhu-mafia*, is increasingly becoming a lucrative business in most urban areas. Overall, such networks operate to some extent in the study villages. In the past, some hill migrants, who used to have connections at the land registration office, deceived *Tharus*. The spree of land sales by the aboriginal people has reduced most of them to marginal farmers. As a result, the government brought in a law that imposed restrictions on buying and selling of *Tharus'* land. This system too proved prone to abuse as *Tharu* needed to satisfy the CDO, generally through bribes, to sell their land. A respondent from Dudhraksha says, "Sometimes some *Pahadiyas* used to make a deal with *Tharu* for a piece of land and deceive them by transferring ownership of a different more valuable piece of land."

The *jamindari* system that has been mentioned frequently in this thesis has been a powerful institution in the past oppressing local residents. As recalled by the locals, *jamindars* were so ruthless that, for example, people in Marchwar were not allowed to ride a bicycle or wear nice clothes in front of their masters. The legacy of the past still exists in that people greet *Shukla* clans, *jamindars* of Marchwar, saying *pau lagi malkar* (I kiss your feet master!). It is said that in the past newly wedded brides were to be submitted to the *jamindar* for the first night. People used to be forced to work for them and for collective purposes free or with meagre remuneration. (See also section 3.3.3). Many people were enslaved for generations as *haruwa* and *charuwa*. With the change of the system in the last two decades, *jamindars* in Marchwar have changed their way and have been able to capture local government positions and become Members of Parliament and Ministers. They still maintain a strong network through political parties. Marchwar Lift Irrigation Project benefits them most, but some of the *jamindars* have large amounts of water fees outstanding for several years. As a result, there is widespread discontent and small farmers too are reluctant to pay the fee. The legacy of the *jamindari* system is not confined within the circle of *jamindars* only. It has transferred to new power centres, for example, local government chiefs. A respondent says:

Once elected they feel and behave like a new *jamindar*. They forget their background. They are uncontrolled and do not care about others. They always try to please their bosses and oppress the people below them. They are engaged in pursuing their own benefits.

Power differences and size of network of cooperation

The analysis of five questions related to networks presented in Chapter Five (section 5.4.2) shows that a portion of very poor people do not have people to whom they can turn with confidence for help. Those who go to moneylenders when in urgent need are mostly the very poor people, illiterate and belong to lower rungs of the caste hierarchy. Overall, the study showed that the non-poor *Dalit*/Muslim people depend on moneylenders and neighbours, whereas the high caste non-poor depend heavily on neighbours and groups (not on lenders). Relatively educated respondents from the richer class approach groups more than others when in need.

Another side of the support network, which is about providing help to others, is similar in terms of the size of network according to power positions. Helping others is more about

capacity, which also determines the size of one's support network. It has shown that the rich, educated and publicly important position holders are capable of helping and have a wider network of people to help too. As far as the economic status is concerned, the richer the household the higher the number of people it has to help. Furthermore, it is found that 50% of very poor people did not have anybody asking for any help in 12 months (and never about money). Similarly, the respondent who is in a better position in terms of education has had more people to help in the last 12 months than illiterates. Position wise, those who are organised members of different political parties had over double the number of people to help than those not having organised position, and those whose family members had taken local government positions had time and half number of people to help than that of never elected to local government position.

The study showed that the support system is almost universal for natural calamities and accidents. Respondents were also asked if the things (presented in table 6.14) also happened in such crises. Corroborating other information, 70% of respondents agreed that there are moneylenders who try to take benefit of the situation by charging a high rate of interest to the loan-seeking victims. Forty-three percent of respondents believe that if the fire incident happens to the local elites, everyone from the village would provide help but for the powerless only a few would do so.

Table 6.14: Alternative scenarios while helping people in calamities

| Category label | Count | Pct of Responses | Pct of Cases |
|---|-------|------------------|--------------|
| Elite's case everybody helps, poor 's case only few do | 32 | 26.0 | 43.2 |
| Money lenders profit the situation with high cost lending | 52 | 42.3 | 70.3 |
| Helped only if it is from ones group (caste, party, religion) | 8 | 6.5 | 10.8 |
| Generous discounts are made in group loans | 31 | 25.2 | 41.9 |
| Total responses | 123 | 100.0 | 166.2 |

20 missing cases; 74 valid cases

6.3.3 Issue of power in trust and groups

In this section issue of power attached in trust and group aspects of social capital presented in Chapter Five are further explored.

6.3.3.1 *Trust*

The status of trusting others has shown mixed results. On the challenging side, mapping of trust indicates that the study villages are close-knit; bridging trust to the dissimilar

wealth categories is high; the gap between political groups is relatively wider; public institutions lack trust; and non-poor people have more bridging and linking trust than the poor.

Even though there is a good level of bridging trust between dissimilar caste and wealth groups in the villages, as well as people transcending their kinship groups through political affiliations, the study villages are still close-knit with overall bonding trusts being very high compared to overall trusts. Trust for one's kin and relatives is one of the highest just as trust for unfamiliar people from the neighbouring villages is very low, suggests that there is strong insiders and outsiders feeling in the villages. These all close-knit bonds have resulted in high bonding trust and comparatively low in other trusts. Such a situation provides a basis to exert favouritism to "*afno-manchhe* and *afno-group*" in social relations as it exists somehow to differing extents in everyday social practices as discussed in previous sections.

Within the villages, trusting more the dissimilar wealth group than the similar wealth group is a unique case of bridging trust exceeding the bonding level. There is no doubt that monetary transactions are mainly conducted between the rich and poor. The study of general money lending practices showed that high trust is evident of age-old tradition of lending and paying as per terms. However, the terms *per se* are unfair as the lending not only brings the lenders high interest but also works as the power generator in terms of influence and control. This issue is connected with social traditions of lending, and, thus, has been dealt with in the corresponding sections.

High differences between the trust to the similar political group and dissimilar political group in the villages corroborates with the prevailing political divisions on the one hand and political favouritism on the other as explained in section 6.2.1.1. With the advent of multiparty democracy, political alignment has not only been one of the highly influential factors dividing village community into various factions, but also has given rise to animosity within the close-knit community. These political alliances and networking facilitated village collective actions in some villages and, unfortunately, severely hampered them in others. This is further evident from the quotation of Mr. Tajmmul Musalman of Majhgaon:

Once in the past the epidemic of malaria spread everywhere and killed massive number of people. Now the politics has sharply divided the people; animosity has come to the proportion of making one enemy of one's own brothers and sisters. This division has negative impacts on community works. (RSDC, 1998:14).

Bridging and linking trust show that the non-poor and more educated households and those that have powerful positions have wider networks as they maintain trust at a wider level with relatively high bridging trust scores than the poor, less educated households and those that do not have powerful position respectively.

6.3.3.2 Groups

Participating in associations is normally popular among the non-poor, particularly the medium wealth category respondents. Non-poor households (as well as per capita) participate in a greater number of groups of all conditions- cumulative *total, existing and functioning*.

Despite the fact that almost all categories of (wealth, education, caste, position and location) households have affiliations to a varied number of associations, almost 13% of respondents are not affiliated to any functioning associations today. Exactly half of them had been members of some groups in the past but either they have already left voluntarily or the groups are dead or inactive. But another half of them have never been members of any associations. The result shows that these people are mainly from poor; less educated family whose household head is illiterate or just literate; Dalit and Musalman (also Janajati); and from Majhgaon. In several villages, even the programmes like PDDP that have broad-based household coverage strategy have excluded people from disadvantaged communities.

The households whose members are in influential positions are also involved in a significantly high number of associations. For example, those households who have family members ever elected for local government or whose members of family are organised members of political parties are found to have a higher number of groups of all conditions. The scope of the less powerful households in terms of group affiliation is very limited. A further categorisation of associations as village and beyond village level shows that respondents who are non-poor, high-caste; have both relatively educated household head and members; and had member of family elected to local government

or organised in political party have a significantly higher number of beyond village groups than poor, low-caste; have both illiterate household head and less educated family members; had never had a member of family elected to local government nor organised in a political party respectively. In contrast, the difference between these above groups is not significant in terms of number of within-village-groups affiliated by them also indicates that the within village associations are more inclusive and equal than the beyond village groups.

In sum, this situation shows that the people, who enjoy more power by virtue of their social status in one or more forms, also have greater networks and connections. The households that have more beyond village groups also have more groups overall. They have connection inside the village as well as outside. The people that have a wider formal structural network also are found to have a wider informal network in the village too. They know more about the people from heterogeneous groups and from neighbouring villages and thus have more bridging trust. These people are found to frequently visit the public institutions for their personal work or to support others.

6.4 Conclusion

This chapter has explored the state of village and local public governance and the downside of social capital. Despite high cooperation as presented in Chapter Five, the hierarchical power structure in the study villages is constantly feeding unequal social relations. It is found that the society has a myriad of pernicious norms, tradition, practices and behaviours competing with the cooperative and collective norms, traditions, practices and behaviours. Along with the formal and informal structures of networks predisposing people to cooperate and act collectively, there are many formal and informal structures operating to various degrees that have negative externalities. As shown by the study, these two forms of norms and networks interact constantly in such a way that there is always a high risk of the former being undermined by the latter. The study has shown that many of the exploitative, power laden social practices are changing for the better. However, their existence constantly poses threats to the positive sum cooperation. The analysis of social capital strands: trust, group, norms and networks from the power point of view shows that people in better power positions have wider networks, trust at wider level and control over formal groups and other

powerful positions. The mixture of all of these scenarios make villages complex. Cooperation and collective actions coexist with power laden and unequal interactions. Overall, this chapter has shown social norms, traditions, practices and behaviours have been a constant source of power laden unequal social relations that constantly undermine the cooperative and collective endeavours. This explains why rule breaking, particularly by village leaders, is so detrimental to collective actions and the operation of village associations. These issues will be discussed further in Chapter Eight.

In the next chapter, sustainability of selected induced community groups is examined in relation to inducement and sustenance of social capital.

Chapter Seven

Inducing and Sustaining Community Groups

7.1 Introduction

This chapter extends the analysis related to structural social capital presented in Chapter Five. It first presents a brief pattern of emergence and prevalence of groups, their types and inducing agencies in the study area. It further focuses on the issue of sustainability by establishing the trend and dynamics of group functioning. It establishes how groups' success and sustainability are perceived. The chapter further presents on functioning and sustainability of groups in relation to various organisational as well as social capital factors. These analyses are based on three categories of selected induced cases: successful, moderately successful and unsuccessful. The groups are analysed in relation to their perceived usefulness. As part of the analysis of democratic functioning of the selected groups and the examination of the alternative factors explaining their sustainability, it then analyses the governance and management aspects. Finally, it assesses the status of enhancement-- through group inducement and extended relationship of groups, including that with the facilitating agencies-- and sustainability of social capital in relation to sustainability of the groups under analysis.

7.2 Prevalence

7.2.1 Explosion of groups after 1990

The participants were asked whether they now participated in more, the same or fewer number of organisations compared to before 1990. Ninety-four percent of respondents said that they participated now in more groups, whereas the rest said that they have never participated.

7.2.2 Rate of prevalence overtime

The section 5.4.1.1 under structural social capital showed the density of community organisations in cumulative numbers from various angles. However, it did not show the changes or progress over time. The figure 7.1 shows clearly that the grassroots

organisations of various types have risen in number, mainly since 1990, the year Nepal restored multiparty democracy. Obviously, this trend is in line with the trends of emergence of leading facilitating organisations (see section 3.4.2.3).

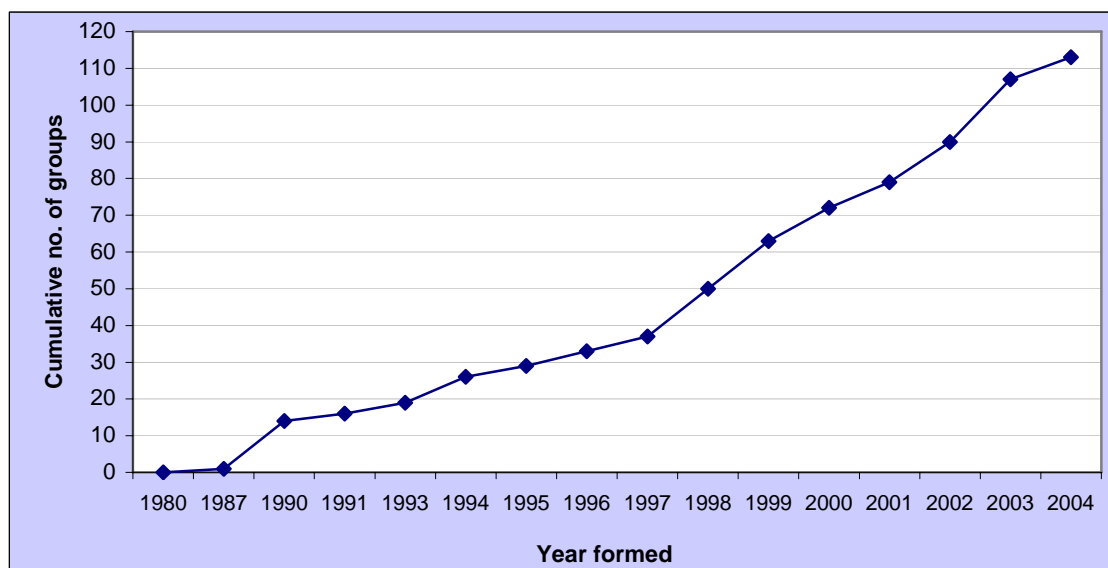


Figure 7.1: Trend of emergence (cumulative) of various grassroots groups by year

7.2.3 Types of groups

The groups participated in by the responding households in the study areas cover 22 types of groups, which are summarised in the table 7.1 in 15 sectoral groups. The table shows that almost all major types of various groups are found in the study area and they range: from multipurpose community development groups to sectoral development groups such as agriculture and irrigation; political groups to ethno/religious empowerment groups; and mothers groups to youth groups. The highest numbers of groups in the area are the multipurpose (community development) groups followed by micro savings and credit groups. The agriculture/livestock groups come third in terms of number, which includes two livestock related groups.

The majority (68%) of these groups have one thing in common: savings and credit activity. All targeted groups, which have a very small membership and are confined within one village, practice savings and credit-- mostly savings and credit only. Overall, 89% of groups operating at village level practice savings and credit, whereas this figure is less than half for all other groups operating beyond a particular village. Only political organisations, community management committees of public institutions like health

post management and school management, voluntary relief groups and some of the youth groups do not have savings and credit activity. Periodical savings and credit activity has been an important factor for encouraging people to meet regularly and fulfil their loan needs while may be performing other sector-based activities. A national level survey with leading community mobilisation agencies of various types in Nepal has shown a similar result that savings and credit has been one of the mostly practised components of community mobilisation in Nepal (Adhikari, 2005). Out of 37 agencies active in different sectors, 33 were found to be promoting savings and credit activities in order to fulfil the financial needs of the group members and enhance their common interest.

Table 7.1: Types of groups emerged in the study villages by sector

| SN | Types | Frequency | Percent |
|-----|--|-----------|---------|
| 1. | Community development (holistic) | 28 | 21.7 |
| 2. | Savings and credit (finance) | 26 | 20.2 |
| 3. | Agriculture/livestock | 15 | 11.6 |
| 4. | Political | 14 | 10.9 |
| 5. | Occupation/ethnicity | 8 | 6.2 |
| 6. | Mothers | 8 | 6.2 |
| 7. | Irrigation | 6 | 4.7 |
| 8. | Others (coops, community lighting, cultural) | 5 | 3.9 |
| 9. | Drinking water | 4 | 3.1 |
| 10. | Voluntary-social/relief | 4 | 3.1 |
| 11. | Women | 3 | 2.3 |
| 12. | Education | 2 | 1.6 |
| 13. | Forest | 2 | 1.6 |
| 14. | Health | 2 | 1.6 |
| 15. | Youth | 2 | 1.6 |
| | Total | 129 | 100.0 |

Of the groups identified, 41 (32%) are women only groups whereas the rest are either mixed or male only. However, there are more women groups in Dudhraksha (38%) than in Majhgaon (18%). Overall, total female participation in the groups is 44% (48% in Dudhraksha and 38% in Majhgaon). Overall, more women (53%) participate in village level groups whereas more men (68%) participate in beyond village level groups. As far as the number of groups is concerned, nearly half of within the village groups are women, but that of the beyond village group is one in ten. Proportionately, more men (48%) have held management positions than the women (36%). The good level of women's representation in management position (compared to other public sphere) is due to the significantly high number of women only groups at the village level where they have a slightly high ratio of position taking, but that is opposite in the case of beyond the village groups.

7.2.4 Agencies and Inducement

The majority of the groups in the study area have supporting agencies. Findings show that two out of three groups are directly induced by external agencies whereas another 18% have some inducement but not as direct as those in the first category where the agencies spend considerable time and resources to facilitate the process. The other 15% are self-created, but many of them still have indirect or invisible connection with some agencies. For example, the ethnic empowerment groups such as *Tharu kalyan* groups were created as the result of a larger appeal from national level institutions. Only a few of the religious/temple management groups are purely self-created as part of tradition and culture.

Related to groups with direct or partial inducement, a large number of facilitating external agencies are or were active at a given point of time in the study of VDCs. The gross categorisation shows that 22% of groups are facilitated by government agencies whereas 20% of groups are facilitated by semi-government agencies. The largest number of groups (28%) is facilitated by NGOs, and 16% of groups, which include: mothers groups, cooperatives, youth clubs, and other neighbourhood development groups, are created by the local people themselves. The remaining 15% of groups are mostly political groups sponsored by the national level political parties (annex 8).

More discussion on agency and group inducement is presented in section 7.5.3. The following section focuses on perception, trend and nature of sustainability and the dynamic change process in the induced groups selected by respondents.

7.3 Analysis of trend and nature of group sustainability

Very limited systematic knowledge on the group phenomenon is available in Nepal, and hardly anything is known about the trend and nature of sustainability of community groups. In such a context, knowing the trend and nature of sustainability of developmental groups has implication for both policy and practice. This issue is a focus of the current research study at micro and macro level.

The respondents were asked to define and single out one successful or moderately successful, and one unsuccessful group (if any) created as the result of inducement from external developmental agencies and participated in by a member of their family. Among the selected induced groups, all two years or older successful (37) and moderately successful groups (14), and all unsuccessful (15), and were taken for detailed analysis.

7.3.1 Understanding perceived indicators of group success/sustainability

Along with explaining the various reasons for the success and failure of the related groups, respondents identified the conditions, which indicate whether a group is successful (or moderately successful) or unsuccessful: continuity or regularity of the group activities; continuity of meetings; and savings and credit (if any), are the major indicators of a successful group. Respondents have distinguished the successful groups as active and unsuccessful groups as either inactive or dead. Similarly, in another question, the respondents indicated that sustainability, which was roughly translated as *digo* in Nepali and *tikau* in Bhojpuri, meant continuity and regularity of their group activities such as meetings, savings (if any), investment and repayment (if any), and or specific sector based activities. This definition has been used to construct the analysis of various aspects of induced groups in this chapter. The table (7.2) presents some examples stated by the respondents.

Table 7.2: Indicators of successful, moderately successful and unsuccessful groups

| | Successful | Moderate level | Unsuccessful |
|--------------------------|---|---|---|
| Indication: Condition | Running/continuing/ continue for long Regular meeting, savings and repayment Timely savings All attend the meeting Active members, All active | Operating by home visit by leader, no meeting Regular savings Is less active after 4/5 active years Revived from the inactive position | Dead Dissolved Inactive. Halted all of sudden No regular savings No meeting |

7.3.2 Trends and nature of group sustainability

7.3.2.1 Trends in sustainability of groups

The trends in sustainability of the groups were captured in various ways (figure 7.2). In the micro level field study, the trend has been mapped through the information related to individual households. The total cumulative number of groups joined so far by the household members of the respondents is 285. Only 239 (84%) groups are in existence

as 46 (16%) have been left either for personal or collective reasons. Furthermore, only 212 (74%) cumulative groups are functioning at various levels as 27 groups (9%) are inactive. The analysis of the net number of groups (counting a group once irrespective of frequency of membership), shows that of 127 groups whose functioning level was determined, 14 (11%) are either dissolved or defunct, and a further 12 (9.4%) are inactive. Hence, only 79.5% of groups are functioning at various levels, but 7.9% of total groups are operating at a very low level. The further analysis of the functioning level of the two years or older groups shows that 22% of groups are either defunct or inactive, 10% are functioning at a low level and another 22% of them are functioning neither at a high nor low level. The rest, over two in five, groups are functioning at a high or above level (figure 7.3).

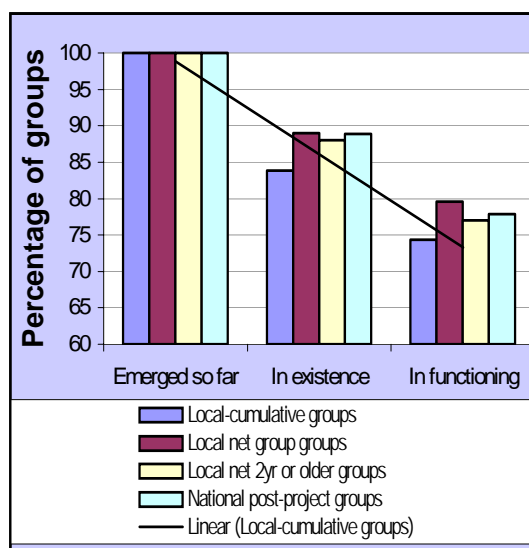


Figure 7.2: Trends in group functioning

The analysis of the group survival rate in the study area shows approximately three in four groups are surviving even though their functioning level is varied. However, it should be noted that many of the groups included in this study are very young and/or are still supported by external agencies and projects. When they are phased out and get older, it is expected that this number will go substantially lower.

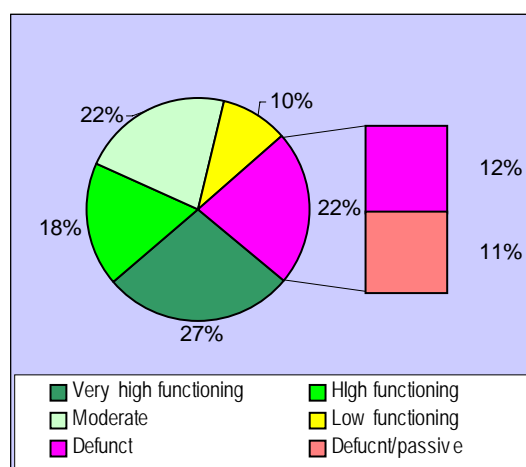


Figure 7.3: Categorisation of group by level of functioning (percentage of groups)

In an attempt to triangulate information and see the trend on a broader scale, one question included in the survey with the 39 leading community mobilisation agencies in Nepal referred to the status of functioning of the project phased-out groups promoted by them. Since this was based on the self-report of the agency, the tendency to exaggerate success and hide failure also could not be ruled out.

However, the status of all phased out groups formed within the last 14 years has shown an almost similar result: three in four groups are surviving; almost half of which are continuing at a normal level and the other half of them are functioning above normal level. One in four groups is either dead or inactive.

All findings show very close results. It is realistic to infer that at least over 70% of the groups formed in the last 14 years are surviving and functioning at various levels. Nearly two in five are functioning 'properly' and the rest are functioning but are weak. Though the majority of the groups are young, the group dying out rate is not as alarming as it is normally thought to be.

7.3.2.2 Differences in functioning level

A correlation analysis shows a small negative correlation between the age of the groups and the functioning score. The older the groups, the smaller the functioning score. This is indicative of the diminishing trend; however, it is not the rule as some old groups are actually functioning well.

In order to see the changes in the functioning level of all groups, their level of functioning during the project support (if any) or initial days was compared with that of today. The comparison of the effectiveness of the groups (paired-samples t-test) has shown significant decrease in their effectiveness from ($M=73.68$, $SD=16.4$) to [$M=44.76$, $SD=26.71$, $t(126)=12.30$ $P<0.001$]. The Eta squared statistics (0.55) indicated the large effect size. This shows that normally the groups function better before the project is phased-out or in the initial years even if there had never been any project support.

7.3.2.3 Changes in the group dynamics

After examining the trend in group survival and changes in the functioning level of the groups, in this section a brief analysis is presented on the changing dynamics of the selected groups. Four aspects, namely, membership status, level of participation of the members, number of activities and resources were considered to examine the changes. The respondents were asked to indicate if there has been an increase, decrease or no change in the above mentioned four factors in their respective groups.

Results show that the majority of the groups go through changes in membership, level of participation, number of activities and resources (table 7.3). All of these aspects increased in some groups whereas all of them decreased in some others. There has been increase or no change in the majority of younger groups. Resources increased in a greater number of groups compared to increase in all other aspects. All of these aspects decreased in a few groups. The majority of the two years or older groups have gone through decreases in their activities and participation. There has been a great decline in the membership in them. However, only a few groups have had a decrease in resources. This is because group savings continue to increase in spite of no change or decline in other aspects. Only very few two years or older groups have had increase in activities and level of participation and few have had increase in membership. Around one in four groups have no change in all of these aspects. Observation shows that initially groups start with relatively few members and fewer activities, which start to rise with rise of resources, support and initial achievements. Roughly after a year when groups reach momentum, they remain constant with the continuity or increase of support. After then, in the groups with broad-based membership and holistic activities, membership, activities and participation tend to decrease while the resources may continue to grow. Some of the targeted single activity groups or groups with no activity may remain unchanged.

Table 7.3: Perceived changes in the status of groups (selected induced 2yrs or older)

| | Change in membership | | Change in participation | | Change in activities | | Change in resources | |
|-------------|----------------------|--------|-------------------------|--------|----------------------|--------|---------------------|--------|
| | < 2 yrs | >2 yrs | < 2 yrs | >2 yrs | < 2 yrs | >2 yrs | < 2 yrs | >2 yrs |
| Increased | 41.2% | 18.3% | 31.3% | 5.0% | 37.5% | 3.5% | 56.3% | 54.2% |
| No change | 41.2% | 36.7% | 43.8% | 28.3% | 37.5% | 28.1% | 25.0% | 23.7% |
| Decreased | 17.6% | 45.0% | 18.8% | 66.7% | 12.5% | 66.7% | 18.8% | 22.0% |
| No activity | | | 6.3% | | 12.5% | 1.8% | | |

Even though the analyses do not present temporal patterns of changes, the changes in group dynamics, differences in functioning level at two points in time and trend in sustainability indicated that most groups go through a shrinking process as they get older and when they are left on their own (see Chapter 8). The following remark of a respondent from a dissolved group in Buddhanagar, Dudhrakshya is illustrative of the scenario.

Until the 4/5 meetings everybody used to be present and bring their savings. Then problem started with meeting and savings. People did not come at the same time, and savings also was not collected at the same time.

7.4 Groups' status, usefulness and aspects of governance

Both the usefulness of the groups and good governance practices are often taken as the conditions for group sustainability. By comparing these aspects among three categories of groups: successful, moderately successful and unsuccessful groups, this section assesses alternative aspects explaining the sustainability of groups.

7.4.1 Usefulness and sustainability of induced groups

In order to assess the assumption that people should be willing to continue group activities and that such willingness is dependent on the usefulness of the groups, respondents were asked two questions: “when you joined the group, did you think that you would want to run the group for a long-time?” And, “what do you think at present?” A cross-tabulation of the response is presented in table 7.4.

Table 7.4: Responses on expected life of groups then and now

| | | At joining thought to run group for long time? | | | Total |
|---------------------------------------|---|--|------------------------------|-------------------------------------|-------------|
| | | No only for short time | Yes, but only for some years | Yes, expanding and running for long | |
| Think now about the life of the group | It should not run as is useless | 0% | 26.7% | 2.2% | 5.7% |
| | Yes, it was useful for some time, but no more | 0% | 33.3% | 11% | 14.2% |
| | It should run for long | 0% | 40.0% | 86.8% | 80.2% |
| Total | | 0% | 15 (100.0%) | 91 (100.0%) | 106(100.0%) |

It is found that of the 106 responses related to the 66 groups, none of the respondents thought that their joining the groups was for a short term. However, 14% of respondents said that it was only for some years as they were unsure how they would go on, while the rest wanted it to run for a long-time. The interviews with the agencies as well as study of their documents confirmed that from the outset the aim of their programme was to sustain the groups. Since the households in these villages are permanent, it is realistic to aim to run groups in a sustainable manner. A survey with leading national agencies also has shown that in order for their programme at village level to be termed successful they (95% agencies) needed to have these groups active even after the withdrawal of their direct support. This shows that only completing the project does not necessarily mean that the project aims are fulfilled; rather groups are expected to continue with their activities after the project has been phased out.

Of the respondents who wanted to run their groups for a few years (possibly for the project period), 40% want it today to run for the long term, whereas 27% think their groups have stopped because they have been useless. Of those who wanted to run the group for a long period, 79 (87%) are still unchanged whereas the rest found them either useless or useful only for a few years. Interestingly, of the 79 responses, 13 are related to the unsuccessful groups. In other words, 62% of respondents related to unsuccessful groups wanted their groups to continue even today. Respondents have given several illustrations to justify their case. A member of Kuber IGG, Majhgaon said, “I am still willing very much to join the cooperatives if somebody comes and helps to clear our fund, which is frozen with leaders” A respondent from Bhadsa, Dudhrakshya said:

... do not think any of the groups will be sustainable. It is difficult to find all people always honest in today's world. Despite the hope of running it for indefinite time period, it is doubtful that it will run.

The evidence suggests that usefulness of groups and willingness to continue by the members are not sufficient conditions for the sustainability of the groups. In the next section, governance and management issues are assessed.

7.4.2 Comparing governance and management aspects of induced groups

In Chapter Five, the effective functioning of the groups was assessed taking into consideration the quantity and quality of meetings and overall effectiveness of the groups. In this section, the governance feature of the groups, i.e. decision-making process, leadership selection process, effectiveness of leadership, transparency of the groups, rules keeping and resource aspects are briefly assessed by comparing between the selected induced successful, moderately successful and all unsuccessful groups. The analysis in this section is based on the number of individual responses, not the groups.

7.4.2.1 Leadership selection

Responding to how the leadership was selected in the groups, 85% of respondents reported that the selection was made through plenary deliberation whereas 6% reported that the nomination or selection took place outside their groups. A further 5.1% said that the selection was formalised through a group meeting but the selection was normally designed outside the groups. In the latter two cases, the supporting agencies

and or dominating people or their network played vital role. Some of the people did not even know how the selection was made because they normally do not participate in the group activities. The data show that a significantly high number of all categories of groups (96% of successful, 64% of moderately successful and 78% of unsuccessful) had followed leadership selection through plenary deliberations. This shows that most of the unsuccessful groups had their leaders selected through a group process.

The respondents were also asked to what extent certain considerations affected the selection of leaders: political parties; kinship/relatives; sex or other factors. The highest influence given in selecting the leaders is other factors (42% response) followed by political party (19%) and kin/relative (13%), whereas the attention given to sex (10%) is the least of all. All types of these attentions are found in all three categories of groups. However, the political factor is highest (24%) in unsuccessful groups and higher in moderately successful groups (21%) than in successful groups (17%). There is not much difference in sex factor, but the kin and relative factor is slightly higher in moderately successful groups than other two. Attention on other factors is highest in moderately successful group (50%) but is lowest in the unsuccessful groups (35%). The other factors specified by the respondents include: education; competence; ability to lead, motivate and satisfy members; etc. This shows that as in successful groups, many unsuccessful groups also do not give attention to political, kin/relative and sex factors, but rather give attention to other virtues while selecting their leaders. In some groups, members force credible leaders of the community to lead the groups. Chairperson of Prabhat-II group, Buddhanagar said:

The members in the group force the ones who are more social and credible leaders to be the leader of the group. The person proposed tries to reject the offer but cannot withstand the positive pressure and aspirations of the fellow members.

However, since only a few people meet such qualifications in many villages, there is very little choice. Then most of the persons qualified to be leader also are the ones who are already powerful by virtue of their status and some might have problems. A respondent from Gobraiya says:

There is compulsion to select the manager who can read and write, but because he is a goldsmith, he is not at home for 5-6 months as he has to go far away for his business. Then there is dispute about this because he is not able to fulfil his responsibility. He should leave the position.

Village level political divisions have affected many groups (see section 6.2.1.1). Even some successful groups are not without the *afno manchhe* syndrome while selecting leaders (see sections 6.2.1.7 and 3.3.2). In rare cases, group leaders are selected via elections, which are contested through political groupings. The election of MLIP/WUA is an example of this kind.

7.4.2.2 Effectiveness of leadership

Based on responses to an open question regarding the effectiveness of leadership, it is found that in most successful and some moderately successful groups the leadership is effective as shown by the satisfaction level of the members. As described by respondents, effective leaders call meeting regularly; share programme information; regularise savings, lending and repayment activities; and keep a good record of all financial and non-financial matters.

Since most of the groups are guided by their agencies, the leaders tend to work properly and in line with the expectation of the diverse membership although some of the groups have already had a leadership crisis and are unsuccessful even during the project period. Nevertheless, many groups with effective leadership begin to have problems right from the ending of the project's (agency) direct support. Almost all post project unsuccessful groups in this study had effective leadership during the project period. The following statements of a respondent from inactive Kuber IGG, Chhotki Majhgaon illustrates this scenario:

They (office bearers) were fine, but later (after the agency left completing the project), they started not to attend the meeting, wanting to participate in things (any opportunities provided for the groups) themselves, and had lack of communication.

7.4.2.3 Transparency

The respondents were also asked an open question to describe the level of transparency in their groups. They mentioned ways for maintaining transparency through: presenting full information to all members about project supports; full group deliberations for selecting appropriate candidates for training, visits, etc. and providing loans from local as well as project provided funds; informing groups about the fund status, meeting decisions, status of implementation of group decisions, etc., at every meeting. Apparently, maintaining transparency on these issues is the responsibility of the people

holding an official position. Hence, among others, the level of transparency determines effectiveness of leadership as well as the success of a group. A respondent from the successful group from Majhgaon said: “Selection of leaders, financial transactions, training and visit and all other activities are fully transparent. If they were not open, the group would not be operating like this.”

In most of the groups practising savings and credit, it was observed that the groups had well maintained passbooks and savings and credit accounts. Most of the agencies have provided training on accounting and record keeping. However, the groups where the agency were not doing enough training and providing necessary books, the group accounts were found sometimes to be mismanaged. For example, in Dalit Kiran Women group, the people dealing with the money did not keep records for a long time. When this was known two years ago, it was problematic. As a result, many people, including the leaders, left the group. Respondents argued that if the group account is not clear, it should be taken as an indication that the group leaders have become greedy. In such situations, failure to make the leaders be transparent, which is often the case observed in unsuccessful groups, is likely to constraint the smooth functioning of groups.

It was also the case that some of the groups were found to be somewhat transparent on local resources and not so transparent about agency related activities, which eventually became the reason to dissolve their groups. For example, many groups supported by the government’s agriculture office in Majhgaon had transparency related problems and most of the groups stopped functioning during the project period. The programmes supported by another two government programmes, Women Jagriti and BAPP, were found to be in a similar situation. A respondent from Majhgaon compares three of her groups this way:

Compared to the Jagriti (formed under government’s women awareness national programme) and Nabdurga group (formed under government’s BAPP national programme), this group (Didi Bahini Nagarik group) is more open. The bosses from the agency come and give their thoughts. Even though not a single penny is received (regarding training) every detail should be given.

Just as in the effectiveness of leadership, in some of the unsuccessful groups the level of transparency of the group and agency related activities were high during the project

period. However, soon after the projects were phased out, problems started to emerge. Some groups continued as before, while in some, the agency's absence itself appeared as an opportunity for the leaders to act arbitrarily and in an un-transparent way. A respondent from the unsuccessful Bhadsa group said:

Soon after the agency was phased out and the staff left, problems emerged as the chairperson, secretary and treasurer started to work arbitrarily. The chairperson himself took a loan from the group and did not pay in time. When he failed to abide by the rule how could he force others to pay back?

7.4.2.4 Group rules and their keeping

Since the village-to-village level patterning of data has shown that village level rule keeping has a very high and positive correlation with the quantity and quality of the functioning of groups participated in by the households from the respective villages, this section assesses further the rule-keeping pattern within the groups. A set of five elements are examined across the successful, moderately successful and unsuccessful groups: rule presence; the extent rules are respected; actors violating rules; provision for punishment; and experiences on rule keeping,

Ninety-three percent of respondents said that groups have formulated rules. The agencies like PDDP and RSDC in the case of Marchwar have readymade charters that serve as the basis for group formation and management. These charters are used during the discussion in the run up to group formation and, in principle, people who agree to the charter are eligible to be members (see box 7.1). In addition, groups have also prepared operational rules aimed at regulating meeting attendance, savings, repayment, etc. The decisions and plans made by the groups regarding various activities, including volunteering for community works, selection of candidates for training, utilisation of training skills and raising group funds also are constituted as the rules of the groups. There is a slight difference (non-significant) among groups as 11.8% response related to the unsuccessful groups showed lack of any rules as compared to 5% regarding the moderately successful and 2% regarding the successful groups.

It is perhaps idealistic to imagine groups where rules are perfectly respected even though many groups have adopted 'consensus-based group processes' and 'rules must be followed' principles. Overall, 82% of responses indicated that rules of the related groups are respected (54% fully and 28% moderately), whereas 5% responses indicated

that the related groups did not respect rules at all. A further 12% of responses, all of which are related to unsuccessful groups, indicated that rules were respected very much during the project period, but the extent of respect declined dramatically after the project and agency were phased out. There is significant difference among the three types of groups in terms of rules keeping. Ninety-six percent response related to successful group indicated rule keeping (with 78% very high and 18% moderate) whereas all responses related to moderately successful groups indicated rules keeping position (with 38% very high and 61% moderate). Regarding unsuccessful groups, 45% response indicated rules keeping (with 19% very high and 26% moderate). In unsuccessful groups, 12.9% response indicated no rules keeping at all in the relevant groups whereas 38.7% responses indicated that rule keeping in the groups was very high before the projects were phased out, but rules were violated afterwards.

Twenty-five percent of responses indicated that leaders breached rules in their groups and 16% of responses indicated that rules were breached by members. Further 26% of responses indicated that all people in the related groups violated the rules. There is not much difference between the types of groups but the proportion of leaders breaching the rules is significantly higher in the unsuccessful groups, and the share of all types of people breaching rules also is slightly higher in the unsuccessful groups. In successful groups, some of the poor people tend to fail to keep the rules, but the descriptions explain that this is due to the lack of ability to pay the loan back in time rather than the intention to default. However, in some unsuccessful and moderately successful groups, the agency supporting the groups breached the rules themselves making it very difficult for the groups to enforce punishment. A respondent related to the dissolved Krishak Samuha Majhgaon stated:

There were rules and members used to follow them. But mostly such rules were violated by the office (agriculture office) itself. They used to affiliate new members in the group or allocate benefits directly bypassing the group. How can we take action against the agriculture service centre?

Most of the respondents (74%) indicated that there was provision for penalising rules violation in their related groups. There is not any significant difference among the three types of groups regarding provision for punishment on violation of group rules. However, what is different is the level of actual implementation of these rules.

In sum, some successful groups have rules and respect them to a large extent. If they are breached sporadically, this is due to mainly circumstances rather than intent. Breaching is penalised mostly by fines but at times people are made to apologise. However, some groups implement penalty provisions with facilitation and pressure from agencies. Even with agency facilitation, some groups are unable to keep the rules or are already dysfunctional within the project period. On the other hand, many groups under the unsuccessful category that used to be good rule keepers during the project period failed to maintain the same position after the termination of the project. This shows that the failure to keep group rules afterwards is to do with the internal power politics in the village. A respondent from an unsuccessful group, Majhgaon VDC said:

Local elites got the opportunity to play their dirty game and commit irregularities after the agency workers left. The rumour-mongers alarmed members that the money could be taken away if they joined the cooperatives. "With the fear of losing money after agency" the *dhanimani* (rich and powerful) people started to ask loan for NRs 2,000/3,000 like that. They knew that there was not that much fund to meet such demand. While the project was active, rules were perfectly respected. There were fines for breaching the rules.

7.4.2.5 *Decision making processes*

Respondents were asked closed questions on decision-making, and an open question on relevant experiences. It was found that, in principle, almost all groups have/had adopted 'consensus based' decision-making processes. This is because the nature of village collective practices also somehow has to be consensus based in order to have participation from all, and the agencies tend to impose attainment of consensus in the group process. Fifty-seven percent of responses indicated that in their related groups decisions are made unanimously. A further 14% of responses indicated that decisions used to be consensus-based in the related groups but later that turned into arbitrary practice after the concerned projects and agencies were phased out. Sixteen percent of respondents indicated that there was a majority based decision-making process in their groups, whereas the remainder (13%) indicated that there had been no activities and meetings, hence decisions are either made arbitrarily by the leaders or are imposed by the supporting agency. Significant difference among groups is found as the large number of successful groups tends to have a consensus-based decision-making system, and a large number of moderately successful groups have either consensus-based or majority-based decision-making processes. A substantial number of unsuccessful groups are either in the category of no meeting, haphazard decision-making or external imposition of decision-making. However, many groups now in the unsuccessful

category, used to have a consensus/majority based decision-making process during the project period. This indicates that even having consensus-based decision making in the initial successful project days is not a guarantee of the sustainability of groups.

The above findings are corroborated by the result from the additional analysis of the decision-making process. Almost all successful groups and most moderately successful groups make decisions through full plenary discussion, and thereby, reach consensus or majority-based decision making, or in a few situations group leaders (chair) consult with others and reach decisions. Almost half of the responses relating to unsuccessful groups indicated that group decision-making was based on full-scale discussions during their project period. Respondents have illustrated the situation with examples. The following statement of a member of Kuber IGG, an unsuccessful group, tells how things changed after the agency phased out.

There used to be very good consultations with everyone, but later things took an uncontrolled path when the agency employees left. It started to be carelessness and arbitrary actions after the staff [agency] left the group.

7.4.3 Resources

7.4.3.1 Sources of essential skill and knowledge to run the groups

Many groups obtain the necessary skills and knowledge to run the groups from their agencies, who usually provide training on bookkeeping, meeting procedure, etc. and provide simplified account books and passbooks, with or without cost as per their policy. Even though there is a fashion among agencies to provide informal literary classes to the group members, some groups, mainly women's groups, were found not to have any member able to keep good accounts. In many cases, in the early days, agency staff themselves attend every meeting, help conduct the meeting, make the plan, manage the fund and keep the records with the aim that the group will slowly graduate. Normally groups are found to be using a mix of sources for the essential skills and knowledge required to run the group.

7.4.3.2 Sources of income to run the groups

While the self-initiated groups are normally run solely through the mobilisation of internal resources such as membership fees, regular savings, interest on investments, donations collected through cultural programmes like *deusi and bhailo*, the induced

groups have an opportunity to combine local resources with the support received from external projects. Most induced groups (93% of induced groups) (except for the irrigation groups) selected for analysis in the study practise savings and credit. Since most of the community level groups are run informally and voluntarily, they do not require any office nor do they need to pay for officials; hence, they incur negligible operational costs to buy record books, which too are often provided free of cost by supporting agencies during the project period. Although all types of induced groups rely on external resources, in relative terms, successful groups were found to be more (non-significant) internally dependent than the unsuccessful and moderately successful groups.

7.5 Inducing, enhancing and sustaining social capital through groups

In this section, the status of formation, enhancement and sustenance of social capital through the inducement of groups is explored by comparing the successful, moderately successful and unsuccessful groups.

7.5.1 Inducement of social capital formation and sustenance through groups

There is a wide belief that social capital is created or enhanced as the organisation provides people with a structure and a set of roles and responsibilities to work together for common and individual goals (see Chapters Two and Five). Some questions in the study addressed the issue of the perceived increase in trust in and cooperation between members due to group participation. The questions asked were based on the bi-polar five point scale statements with “fully agree” at one end and “fully disagree” at the other end of the scale. The data was coded and transformed with fully agree as 2, agree as 1, neither agree nor disagree as 0, disagree as -1 and fully disagree as -2. Then the mean value of each statement was computed according to the successful, moderately successful and unsuccessful groups. For easy comparison, the value was converted to 100's scale where 100 indicated all respondents fully agreed. The results are presented in figure 7.4.

It is found that social capital has been enhanced in overall terms because of group participation as all statements presented in figure 7.4 have been agreed to various

extents, at least over ‘agree’ level (50 score) except for cooperation with neighbouring villages which is slightly lower.

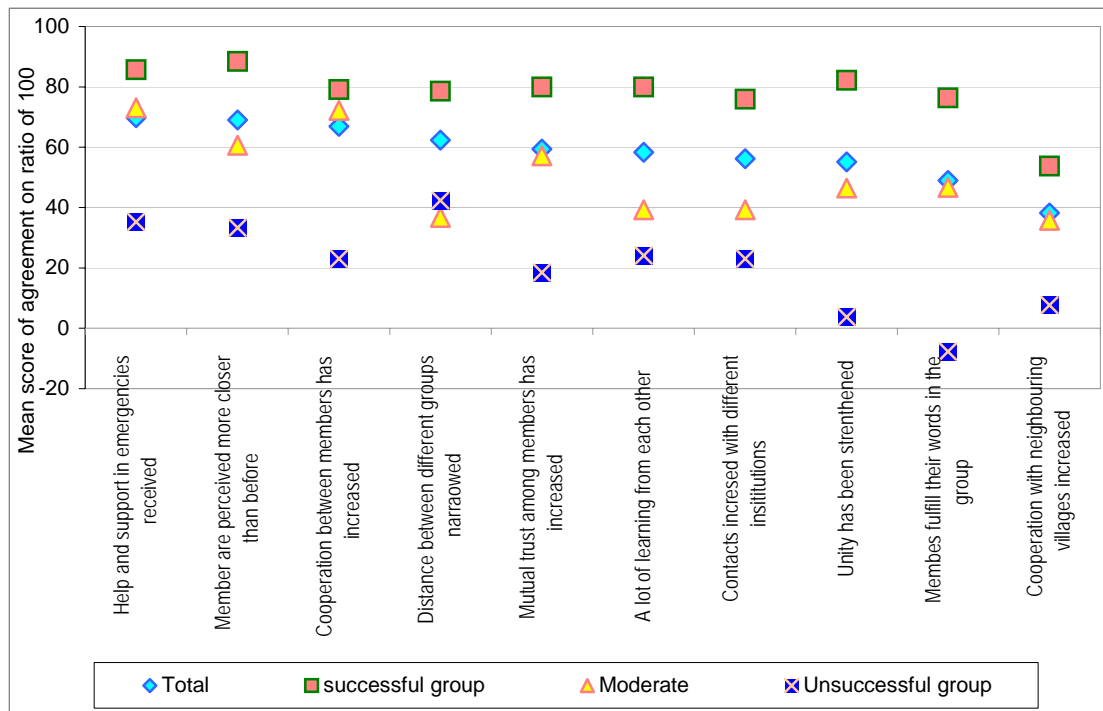


Figure 7.4: Perceived social capital inducement through groups by types of groups

Overall, the respondents agree that as a result of group participation: a) there has been help and support in emergencies; b) members of the groups are perceived to be closer than when they were not in the same group; c) cooperation between members has increased, d) mutual trust between different members increased; e) distance between various groups of people (e.g., sex, caste/ethnicity, income, religion, origin, education and party) has narrowed, f) there has been learning from each other; g) unity has strengthened; and h) contacts with external agencies increased. Further, respondents disagreed to varied extents: that “nobody in the group fulfils their words”.

As shown by the figure, the respondents related to all three types of groups have agreed to varied extents on these statements related to social capital enhancement apart from the one, “nobody fulfil words in the group”, which is slightly agreed by the respondents related to the unsuccessful groups. In most of the cases, the level of agreement on trust indicating statements related to successful groups is highest, followed by moderately successful groups. Significant differences are found between the responses related to successful and unsuccessful groups in various statements presented in the figure except

for, “help and support in emergency”. The respondents have described some of their responses, and the pattern of response shows two things related to the unsuccessful groups: a) some of the groups such as the irrigation block committees or other groups which were unsuccessful from the beginning had very little trust promoted, and b) some of the initially successful groups which were unsuccessful after the project phased out had a good amount of social capital promoted, which could not be sustained.

The villages where the groups are embedded already have a level of social capital, as the villagers have known each other over a long time. When they come together in a group and meet regularly for common goals, they decide and carry out some activities, individual as well as collective, for each other’s benefit. Respondents said that by working in the same groups, they have the opportunity to closely understand each other’s habits/behaviours, and, as a result, the level of trust increased. As long as group affairs go smoothly, the relationship is idealized as they perceive each other as if they were the “member of an extended family,” in some of the respondent’s terms.

The groups provided help in emergency. A respondent from an unsuccessful group of Naudihawa said, “..when in emergency, there is no money available in the village free of interest, but in the group there was an emergency fund”. The study has shown (section 5.4.2) that helping in emergency calamities is universal, but helping with money in urgent needs is not. Even though there are cases where members are helped, there is very little evidence to suggest that this cooperation by virtue of membership has been extended to and reflected in person to person (private) relations. A respondent from a successful group in Ramapur⁵ said, “The cooperation is confined in the group, there is not an increase in cooperation at household level (*gharayasi hisable*)”. Another respondent claims that the high trust in the member is due to collective nature of transaction. But the same person is not necessarily trusted for private transactions. The respondents mentioned that as the trust increased, so has the betrayal in many of the groups (mainly by the leaders) leading collective efforts towards collapse. One respondent from an unsuccessful group said, “there had been increased trust, but it is temporary”.

Certainly the group process helped to narrow the social differences and boundaries of caste/ethnicity, sex, etc. One respondent from a successful group in Bharatpur recalls

the local *Tharu* women's remarks that, "we had not got chances to meet and interact with *Pahadiya*". However, there are also exclusionary cases (often due to lack of interest of the persons concerned) based on caste and ethnicity. Even some inclusive groups, once lauded as successful, have failed when agencies left. For example, most of the *Dalits* in Bharatpur have not participated in village groups, but have made their own; Bhadsa IGG has allegedly had problems due to such mixture; and some successful groups in Majhgaon had problems.

The respondents indicated that the local elites are not happy with the group. There could be several reasons for this. One is the possible displacement of their high interest money lending business by the cheap interest group lending. A respondent from Majhgaon explains, "The elites are not happy at all because if there was not this group, they would have opportunity to finish us by slapping an extreme rate of interest on loan". The people, who used to have power over local people in the past, especially some *jamindars* in Marchwar, do not like to see the oppressed act as liberated through group process. When ordinary people get involved in group activities, they can get a loan and skills and can work with freedom. A respondent from Majhgaon VDC said:

The Jimdar people were certainly unhappy and were furious with the groups. They did not get people to work for them. The people belonging to lower rung of caste hierarchy started to give public speeches in the village in front of and with them.

7.5.2 Status of bridging and extending relationship

7.5.2.1 Interaction between groups

This study has shown that in most of the villages, more than one group exists. But do these groups interact with each other? Thanks to the agency politics which often insist on forming groups as per their interest and keeping distance from old groups facilitated by other agencies. In most of the villages, some leaders and members are overlapping and activities such as savings and credit are duplicated. However, good group practices have transcended the boundaries between groups. A respondent from Ramapur-5 said:

Members in different groups are duplicated. But there is not any inter-group interaction. However, members in the agriculture group say that the account should be as clear as in the group promoted by PDDP.

Analysis of responses confirms the lack of a coordination mechanism among groups with only 9% responses showing customary interaction. Sixty-seven percent of responses indicated that groups never interacted with each other at village level, whereas 25% said ‘yes sometimes’ (as and when). Almost two-thirds of all types of groups, including three in four unsuccessful groups, never interacted and a very small number of groups usually interacted with each other at village level. This suggests that village level interaction, which is expected to contribute positively, has not necessarily become a condition for groups’ sustainability. A respondent from Chhotki Majhgaon stated:

RSDC used to organise interaction programme, we too had opportunity to participate. Now there are no other groups (as Kuber group is inactive after RSDC phased out); hence there are no relations.

Although the interaction between groups promoted by different agencies at VDC level is very rare, or happens not at all, in some groups some other forms of interaction take place. Supporting projects organise visits for some members to other groups and people from different parts of the country visit to some local groups. Some groups organise an annual assembly and invite village social leaders, representatives from different groups and local government and share their progress. Some agencies have promoted networks of groups through the formation of a federation or coordination committee.

7.5.2.2 Federation of groups

Federating groups in various ways is expected to generate synergic effects and to improve the effectiveness of the groups during and in the post project period. In Nepal, agencies are increasingly adopting this policy of federating groups at the grassroots. The survey with agencies at national level showed that out of 39 agencies, 23 have promoted the strategies of federating groups. Similarly, in two study VDCs, RSDC was found to have a Coordination Committee (CC) later turned to cooperatives; PDDP has a Chairman Managers Conference (CMC), and SFDP has a three tier cooperative model. Such federations provide a forum to interact and exchange ideas or resources with each other, and raise the strong voice of the groups horizontally and vertically. A respondent from Janakalyan group, Itahiya, Marchwar explained:

A cooperative has been formed from all *Swabalamban* groups in the village. All groups represent to the meeting on the third of each month at the cooperative office. Issues raised

from all groups are discussed and the representatives inform the respective groups of the decisions made in the cooperative.

However, respondents reported that many other agencies, mostly the government, such as Agriculture Service Centre (ASC), BAPP, Women Development and Jagriti Mahila do not have such a provision.

Fifty-two percent of responses indicated that the related groups were federated. There is no significant difference between types of groups in terms of having federations, but slightly more unsuccessful groups than other were found to be federated. For example, of the 10 groups participating in the same CC, five have been defunct soon after the project terminated while other fives have been working under the new cooperative.

7.5.2.3 Relationship with local governments units (LGUs)

Some programmes such as PDDP have close relations with Local Government Units (LGU) as the programme is implemented through them. However, many non-governmental programmes have very loose or no relations with VDC, but still have good relations with VDC members in the villages where the groups are formed. In formal policy terms, VDC is the coordinator of all developmental activities (HMG, 1999) but in terms of actual relationship of groups with the VDC, the case is different.

Over 30% of responses showed no relations with of the LGUs, whereas nearly 60% indicated good relations with them, but with the Ward committee being slightly higher than with the VDC office. There is no significant difference between the groups in terms of their relations with the VDCs, but it is significant in terms of their relations with the Ward committees as a greater number of successful groups have good relation with Wards than the moderately successful and unsuccessful groups. Nonetheless, at least 50% of response related to the unsuccessful groups showed a good relationship with the Ward and VDC. It should be noted that many respondents indicated “good relations” with the Ward member and VDC officials because they have not done anything bad to the group. Some VDC representatives have joined some groups, but such participation is a personal choice as an eligible member of the community rather than as the representative of the VDC. Ironically, rather than being a bridge between the groups with VDCs, in some situations, the powerful members contribute adversely to the groups through capturing resources. For example, as mentioned by respondents,

the VDC Chairman of Majhgaon used his positional power to appoint member of his extended family to the position of the agency facilitator (a full time paid job) of a government programme called Women Jagriti.

Apart from some compelling cases (like programmes implemented through VDCs), there are very few activities, or none at all, from the VDCs towards the promotion and mobilisation of groups. With mounted pressures from the group's federations and agency workers, the VDCs offices have carried out only a few infrastructural works in collaboration with the agencies during the projects terms. The groups' potential for village development, and their collective entities have not yet been fully recognised through collaborative actions. They are ignored in the planning process and are not allocated any budgets. A respondent from Nauwadiya indicated, "VDC does not keep any interest at all. They only criticise or oppose. Do not provide any budget, rather disturb (oppose) in labour contributions". A respondent from a successful group from Majhgaon has this to say:

We have made several meetings and asked for support for the group and cooperatives on skill related training and community development activities. But they have never listened to us. Hence the relationship is not useful.

Respondents from Majhgaon indicated that no Ward assembly takes place and that the VDC council too is no more than a farce as stakeholders are denied participation. The VDC officials (particularly the chairperson) have hardly attended a group meeting. However, in Dudhraksha the case is different. The VDC officials were reported to have participated in some group formation meetings and attended programmes as and when invited. They have held an open council meeting and invited stakeholders, including leaders of federations of different groups. These are the reasons why the respondents found the relationship between groups and LGUs significantly good in Dudhraksha. However, respondents still complained of discriminatory access to resources (Local Trust Fund) based on the PDDP vs. non-PDDP groups.

7.5.2.4 Relationship with external organisations

Even though all induced groups at some point had facilitation and support from the external agencies, very few groups have extended relations in terms of tracking resources and supports. Some groups, which are already phased out, or were formed

later with initiation from their federations, do not have relationships with external organisations. Many groups in this study feel that they have relationship with external organisations just because they are still under direct project support. However, some groups induced by PDDP, Mahila Jagriti and BAPP complained of having no support from the agencies except for inducement to form groups.

Sixty-one percent of respondents said ‘yes’, that their groups have relations with outside agencies and organisations. The response related to successful groups having relations with external groups is much higher in than that of unsuccessful groups, but the difference is not significant. It is found that a good number of successful groups do not have a relationship with external organisations whereas some groups that had some relationship with external agencies were unsuccessful. Where there are apex tiers (federations), these have relatively more linkages and exchanges of supports with external organisations. For example, the Jana Sewa Cooperative Limited of Dudhrakshya has had good coordination with RSDC, District Livestock Service Office, and District Cooperative Offices.

7.5.3 Relationship with agencies

7.5.3.1 Promotion of social capital and agency facilitation

In this section, various aspects of social capital promotion through project/agency facilitation and the relationship between the local community and agency are assessed. Agencies’ policies and practices in regard to the level of support and facilitation to the groups while implementing the programmes varies. This section analyses these aspects in relation to three types of groups. Using similar methods to those used in section 7.4.1, responses on five-scale statements were analysed and the results are presented in figure 7.5.

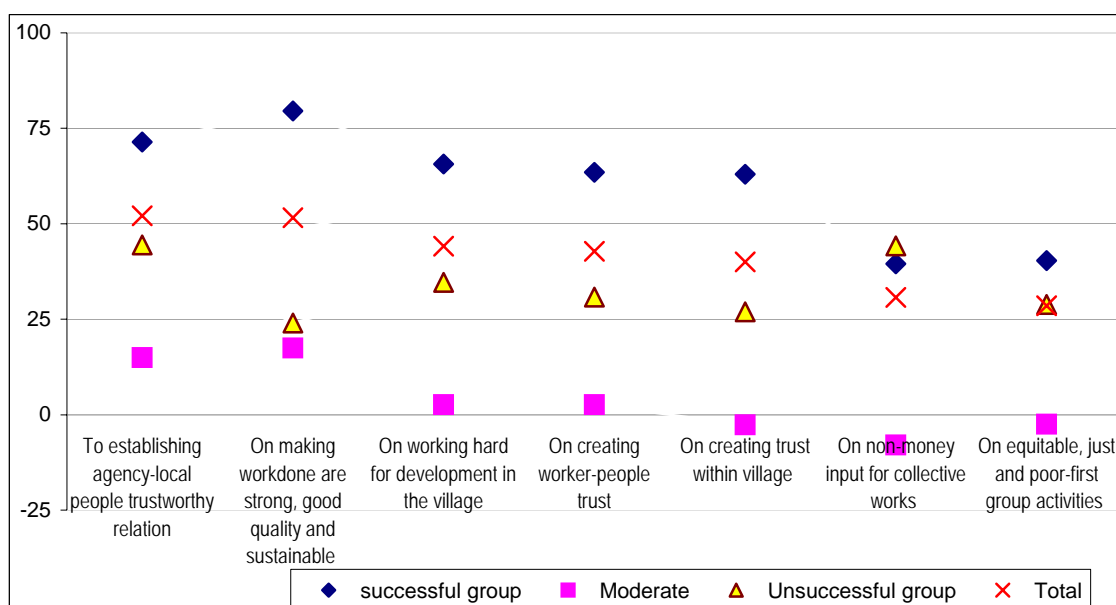


Figure 7.5: Agency's attention on various aspects of group relations and facilitations

Respondents agreed on three statements related to trust building: slightly more on “agencies gave attention to building trust between the project and local people” than on “creating trust between the workers and the local people”, but slightly less on “creating trust among members”. The results related to all three trust-related statements show that despite the efforts to create trust, overall, the response is not at the fully agreed level. Surprisingly, the response related to the successful groups is in between the fully agree and just agree level whereas that related to unsuccessful groups is little below the agree level. However, the response related to the moderately successful groups is close to neither agree nor disagree level. In these groups, respondents marginally disagreed that the agencies “gave attention on creating trust among members”.

Respondents have agreed on the statements that agencies gave attention “to ensure the work done is strong and of good quality in order to increase sustainability” and “doing wilful hard works to bring about development in the village”. On two other statements the respondents agreed to a low extent overall are: “agency gave attention to establish equitable, just and priority to poor in the group policies” and to “initiated collective actions without economic (monetary) inputs through people’s mobilisation”. Interestingly, respondents agreed that the agencies related to the unsuccessful groups gave more attention on mobilising people without economic inputs than the successful and moderately successful groups.

In the remaining part of this section, some issues regarding agency governance vis-à-vis group related programmes are examined further. The respondents were asked open-ended questions on usefulness and the level of transparency of agency activities and helpfulness of the agency workers.

Respondents have judged the usefulness of the agency activities based on the level of services and benefits received. The analysis of the response justifies the position shown by the figures 7.5 above in most of the moderately successful groups that the agencies have done too little to be useful. In many such groups, mainly induced by government, like Mahila Jagriti and BAPP, respondents are assured of help but frustration has started, as they do not see much happening on the agency's side. A respondent stated:

We only submit our savings in the meeting; nothing more happens. The mobiliser does not explain anything. There has not been any community works and mobilisation of the villagers. No educational (literacy) classes have been run so far.

In most cases respondents related to the successful groups see the agency activities as useful to them. This is evident from the following remarks of a respondent from Janakalyan IGG, Majhgaon, promoted by RSDC:

We received farming training and a treadle pump at subsidized cost. It is after joining this group; I took loan, invested in income generating activities, and with that earning constructed this house. I used to sell the construction materials and spend on alcohol. It is after joining the group due to the group rules and policies, I have changed a lot. I am able to build my house.

But few of such groups have problems related to benefit sharing, as a respondent of a group promoted by District Women Development office said, "It is very useful, but the powerful and forceful (*thulo*) people took double benefits from the group." Although some unsuccessful groups did not have useful activities from their agencies, for many the activities were very useful.

The short answers or long statements given by the respondents were roughly categorized as 'useful or very useful', 'little or moderately useful', 'no thing has happened so far' and 'not useful at all'. The cross-tabulation of usefulness with the three types of groups, confirms the above-presented pattern that highest response (84%) related to successful groups indicated agency activities as useful/very useful whereas only 33% of response related to moderately successful groups indicated so. The Chi-

squared test showed significant difference ($P < 0.005$). Responses related to unsuccessful groups indicating usefulness is 53%.

Most respondents had difficulty in answering a question related to the transparency of agency activities as they did not know much about how agencies operate, how much budget was available and how much was spent. They responded to these questions based on the level of transparency of the agency activities conducted in the field. The result is presented in table 7.5. The Chi-squared test showed a significant difference at a 0.018 level of significance.

Table 7.5: Perceived level of transparency of support agencies by types of groups (N= 83)

| | Successful and unsuccessful (g) | | | Total |
|-----------------------|---------------------------------|----------|--------------------|--------|
| | Successful group | Moderate | Unsuccessful group | |
| Un-transparent | 15.6% | 36.4% | 37.0% | 25.3% |
| Partially-transparent | | 9.1% | | 1.2% |
| Transparent | 84.4% | 54.5% | 63.0% | 73.5% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

Note1: Eleven respondents told they did not know or could not say

Note 2: Because more than one cell has expected count less than five, these statistical results may not be valid

On the question related to the helpfulness of the agency staff, the response was roughly categorised as helpful, moderately helpful, and not helpful /do not visit groups. The result shows that agency workers related to the unsuccessful groups were very helpful, followed by the successful group. A respondent from an unsuccessful group said about the agency workers:

They were very open; every time any programme was to be launched; they used to give full details. They were diluted in the community in such a way that they even used to take us to hospital when we felt sick. What else!

However, in the case of the majority of moderately successful groups, the agency workers either were not helpful or did not visit the group and members. A respondent from a failed agriculture group supported by the government agriculture office remarked:

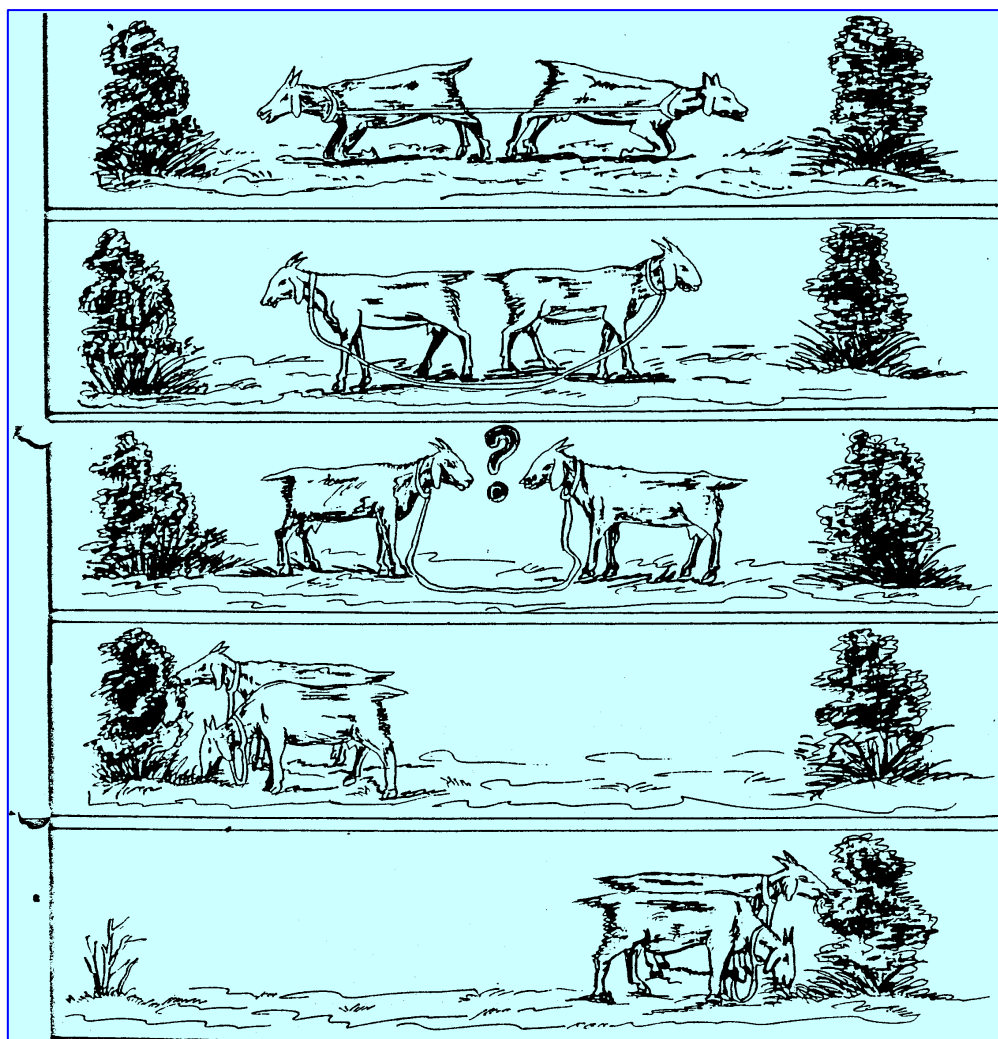
The agriculture office is staffed by *hakims* [bosses]. It is purely government programme. Why would they bother to devote themselves to the people? There is irregularity and discretion. Their roles are just to fill up reports in the paper. That is it.

7.5.3.2 Agency efforts on promoting social capital and sustainability: case analysis

Previous sections have presented relations between agencies and groups in general by making comparison among successful, moderately successful and unsuccessful groups. In order to have an in-depth understanding of agencies' policies and efforts in promoting social capital and sustainability, this section uses different methods: agency specific case analysis. For this, three agencies are selected: PDDP, RSDC and ASC. PDDP represents semi-government agencies, RSDC represents NGO agencies and ASC represents government agencies. All three agencies have promoted several groups in the study villages and elsewhere, and are bigger agencies. To facilitate the analysis, four failed groups are taken as reference groups. Two groups are from Dudhraksha VDC: Parbhat Women Community Organisation in Buddhanagar village, and Bhadsa Income Generating Group in Bhadsa village; and another two from Majhgaon VDC: Kuber Income Generating Group in Chhotki Majhgaon village, and Saraswati Agriculture Group in Majhgaon village.

In terms of group facilitation, both PDDP and RSDC were found to be promoting adoption of group charters that uphold the principle of social capital. They were found using visual materials and stories to encourage collective action and promote social capital (see figure 7.6 and box 7.1).

Working directly tied with the local government, PDDP attempted to promote cooperation between (local) governments and local groups, and some resources have been mobilised from them for the benefits of groups. Most of the conditions agreed on while forming the groups emphasise cooperation and collective action. The policy is that before the project support is released, groups should graduate on the procedures and generate benefits by working together. Trying to promote the broad-based participation in a given village (with a claim of near 100% coverage of a given settlement as well as a VDC), the programme also aimed to widen the bridging social capital between various social groups. Organising a Chairman Manager Conference of all groups each month, the agency attempted to promote intra and inter group collaboration.



Source: PDDP's Social Mobiliser, Dudhraksha.

Figure 7.6: An aid used to promote collective action by PDDP while forming a group

However, by using the power of alliance with district governments, PDDP monopolised resources and exerted power hegemony by choosing sites wherever it wished and promoted duplication in spatial as well as household coverage. There also seemed several problems in this process: a) broad based coverage has not been realistic, b) non-poor members overtook the poor in taking charge as well as benefits of the projects, and c) agency facilitation has been virtually impossible. Despite the claims of extensive sensitisation to the people of the benefits of organisations, skill and savings, it was found that three groups were formed in the same day in Dudhraksha. Rather, the formation of the groups seemed left at the discretion of local politicians, who are known for raising people's expectation, promising them to bring development hand-outs. In such a context, the selection process of group officials is most likely to be politicised.

The groups formed at Buddhanagar seemed more pushed by the desire of the VDC leader(s). The lack of the agency's moderation as well as difficulty of the non-poor in getting along with the poor has been problematic. In fact the group failed to generate much social capital and make benefit as it started to have problems very early. Despite the broad-based coverage principle, local *Tharus* were excluded and the group members were mainly the supporters of a political party. Obviously, it seems, the focus was on selecting leaders from the dominant party. However, these groups that received active support from the local politicians during the formation actually became victims at their hands as they took off their support and or did not perform their responsibilities later.

PDDP lacked plans for the groups' sustainability. Most of district level project arrangements have already been terminated, but the senior level PDDP executives argued that it is not a kind of project which needs to be phased out. Because the Village Development Programme (VDP) is jointly controlled by the local governments, the absence of local governments for years has created uncertainty. In fact, in many VDCs of southern and eastern Rupandehi, the programme has totally failed while it has successfully continued in several mid and northern VDCs, Dudhrakshya included. Even in Dudhraksha, of 54 groups formed only 45 are functioning; but many of them not with the original features: no weekly or fortnightly meeting, no broad-based coverage and no multiple activities.

From the beginning RSDC, NGO, had reservation, in principle, about working with the LGUs because many of the government agencies with an alliance with LGUs, often controlled by local elites, had hindered the development of the disadvantaged. However, in the case of RSDC in Bhadsa, it did not have problems as the leaders of Dudhraksha VDC showed interest even though no material collaboration took place. Because RSDC had only seven groups in the VDC, it was possible to focus intensively in facilitating the groups. In fact, the groups generated several collective as well as individual benefits. In Bhadsa, despite the focus of the programme to the poorest of poor, the group was very large, thus broad-based. The uniqueness of the programme was to mobilise the *Tharus*, who are often excluded. Mixing both *Pahadiya* and *Tharu* together helped to reduce their social distance, and to share information and resources.

Because the programme was heavily facilitated and the agency did not have a clear phase out policy, dependency of the community members on the external motivator was very high. The social capital generated through the group appeared induced and very fragile due to the lack of proper mechanisms to safeguard it. They did not have any sustainability plan. When it came time for the agency to phase out after 4 years, an option was floated for the group to join a registered cooperative of all groups promoted by RSDC in the VDC. However, due to the lack of credible structure and homework, the agency failed to persuade the members about the new arrangements. The proposal of joining the cooperative and centralising all funds was doubtful. However, other groups in the VDC joined cooperatives, which later took charge and expanded the programme to 35 groups by July 2005. These groups, perform only savings and credit activities, and thus are no longer like the original multipurpose groups.

In the case of RSDC in Chhotki Majhgaon, some new institutional arrangements were put in place in order to promote and sustain social capital, and the groups. More collaboration with VDC was sought despite the independence of the project. Some small material collaboration took place in the VDC. Elsewhere, such collaboration had not been possible as many local governments did not stand by their commitments to release funds despite formal agreements. Given the high irregularities at the government offices (see Chapter Six), a collaboration with them could erode trust in the groups and promote the downside of social capital.

In the case of the Kuber group in Chhotki Majhgaon, the group formation process followed the extensive work and agreement on 20-points group charter (box 7.1). The group promoted social capital: savings, credit and other activities had been very regular; people contributed with labour and materials ‘first time’ in last in many years, etc. Amidst the high political division, feudalistic and hierarchical village relations, the group successfully performed during the project period. There had been intensive agency facilitation and support.

Even though the project period was short, the agency seemed to have a clear idea about the future of the group. An apex body of all groups known as the Coordination Committee (CC) was formed from the beginning. Under the institutionalisation phase (the third phase), the CC was transformed to a cooperative. The group under analysis

was a part of the CC. However, the social capital promoted in the group was to live for a short time. Things changed quickly and badly. Despite the interest of many members, the leaders did not show interest to join the cooperatives. They rather took things into their sole control, leading the group to freeze. In an interview, the agency's managers admitted that time for managing the project transition phase was very short and their preparation and facilitation in the process was rather limited. Out of a total of 10 groups promoted by RSDC in Majhgaon VDC, five became defunct after the project period whereas the other five have joined a cooperative which has been running smoothly.

1. We believe that IGG organising, savings mobilisation and skills enhancing promote self-dependency and thereby self-reliance.
2. We will be compulsorily present at the regular meetings of the IGG. (fortnightly or monthly)
3. We agree to contribute regular savings to the local self-reliance fund as decided by the IGG.
4. We will be engaged in income generating activities. The loans from local and RSDC funds will be received as per need.
5. We will manage kitchen garden round the year. The surplus produce will be sold in the market.
6. We will perform our duty and maintain mutual trust. We will strictly regularise the transaction i.e. submission of saving, repayment of instalments, etc.
7. We will plant at least five fruit or other suitable saplings with the help of the loan from IGG.
8. We will apply the skill in income generating works and seek to commercialise the enterprises getting training from or through Swabalamban Programme.
9. We will enrol the children at the school.
10. We will collectively endeavour to maintain the household and community sanitation. We will use smoke free stove and build the latrine as per our capacity.
11. We will have the children and pregnant women inoculated regularly.
12. We will actively take part in the IGG meetings. Any disputes will be settled on the basis of discussion leading to consensus. We will hold equal respect to the fellow members.
13. We will not smoke, chew tobacco and drink alcohol while attending the meeting. We think that these things de-generate us. We will improve bad habits, if any gradually.
14. Gambling and alcoholism waste the productive time and consume more money. So, we decide to fight against them and will implement the decisions gradually.
15. The expenses incurred in observing the cultural and ritual rites are being unaffordable and unproductive. So, this expensive system will be done away with collectively.
16. We are ready to contribute labour and support to community works as demanded by the IGG.
17. We will take part in training and other activities representing the IGG. The skill and knowledge thus acquired will be demonstrated by applying in real life and disseminating to the fellow members as necessary.
18. As the members of Swabalamban, we will keep better relation and extend humanitarian help to one another as much as possible.
19. We agree to make the illiterate members of the family literate by sending him/her to the literacy classes.
20. We will play significant role in saving collection, realisation of investment and maintain accounts voluntarily.

Source: RSDC (1998b)

Box: 7.1: Group charter adopted by groups formed by RSDC

The District Agriculture Development Office (DADO) promoted agriculture groups under the government's policy drive for group based extension approach as envisioned

in Eighth Five Years Plan (1992-1997). With the government's policy priority to favour group based and participatory approaches, the programmes related to agriculture extension also adopted this approach in order to provide equitable, farmers to farmers extension services.

Even though there are several successful groups promoted by the government agriculture agency in Dudhraksha, most groups promoted in Majhgaon are being already defunct (4 out of 5). In terms of promoting social capital, the impact of ASC in Majhgaon is rather negative. No serious efforts were made in promoting groups' cohesion and collective action in the case of the Saraswati group. The group was formed at the ASC office. Given the village social organisation, it is quite natural for the marginal farmers not to be able to attend a programme at the government office. There was neither any door to door visit nor any village-wide consultation in order to raise awareness of the group approach. Rather, the ASC staff motivated the participants with benefits that could flow from the agency. As the government employees, the respondents reported, the ASC staff acted in a rather bossy and bureaucratic way and at times the efforts made by members via. group were by-passed. Some members allege that because some of the ASC staff were from neighbouring villages, they often tended to transfer the benefits to their village or to their *afno manche*. Those having access to, and able to keep linkage with the office staff benefited more than those who did not. Such practices fed the tendencies of group officials to extract benefits in their favour. In fact it promoted the downside of social capital and the group became defunct during the project period. Despite promoting hundreds of groups under the agriculture extension programme, the District Agriculture Development Office did not seem to have any plan towards the sustainability of the groups. Neither did it promote any federation of groups nor were any interactions among groups organised.

These cases show that social capital can be promoted through group process, in which agencies also play a role. It further shows that some agencies fail to understand or take into account existing social situation, and promote downsides of social capital.

7.6 Conclusion

This chapter has shown that there has been a steep rise in the number of groups in the 1990s. Most such groups (85%) have been created by a large number of agencies—governmental, semi-governmental, and non-governmental. In terms of the sustainability trend of groups, findings show, in general, the older the groups, the less the functioning level. Assessing the dynamics of selected induced groups, this chapter has identified a dynamic process in which group membership, activities, participation and resources gradually shrink. Despite members' wish to run for a longer period, a few groups appeared to be useless whereas many groups that were perceived once to be useful ceased to operate.

It is found that all types of groups had adopted principles such as selecting capable leaders; sharing information; consensus-based decision making process; keeping rules strictly; and taking tough punitive measure for non-compliance of group rules. Despite these, the failure of some groups to continue to comply suggests that good group governance process during the project period is not a sufficient condition for sustainability.

Finally, this chapter has assessed social capital inducement through group process and extended relations. It has shown that social capital is enhanced through the group process. However, in some unsuccessful groups, the high social capital accumulated during the project period was very quickly dissipated after the project was phased out. In terms of relation with the agency, most successful and unsuccessful groups had/have very good agency care and facilitation whereas many moderately successful groups had/have weak agency care and facilitation. Some groups are unsuccessful despite having had high agency support, which indicates that agency support alone is not a sufficient condition to sustain induced social capital. Further, it also has shown that agencies lack strategies for group sustainability.

The following chapter addresses the issues of social capital and sustainability of community groups.

Chapter Eight

Reflecting on Social Capital and Sustainability of Groups

8.1 Introduction

The general discussions of various cognitive and structural aspects of social capital have already been included in previous chapters. This chapter aims to discuss the central theme and the main objective of the study: the role of social capital in the sustainability of Community Based Organisation (CBO). First, sustainability of groups is discussed examining the importance accorded in policy and practices, followed by the discussion of trends in group development. Second, sustainability of groups is discussed in relation to various aspects of social capital. In this section, other associated aspects such as: role of agency, transition management, and issues of groups' governance and management are also briefly discussed. Finally, a synthesised schematic diagram has been presented followed by the conclusion of the chapter.

8.2 Sustainability: policy and practice; and group development trend

8.2.1 Sustainability of groups: an ignored dimension

Chapters Three and Seven have demonstrated that the sustainability of community organisations is an ignored dimension in Nepal. One reason for this is the relatively recent emergence of the concept of sustainability in development discourse (Forest Action, 2003; Korten, 1990). The survey conducted with mobilising agencies shows that there is a tendency among the agencies to emphasise forming groups, without having a view on how to sustain them. In some instances, the interest and politics of the agencies and donors drive the agenda rather than the interest of the local community. Agencies tend to ignore existing groups, enticing people to participate in multiple groups and inviting 'group fatigue' (Biggs et al, 2004b). There are no uniform ways to mobilise such groups nor are there any limitations regulating these practices (Adhikari, 2005). The results are clear: a great lack of coordination; a high degree of geographical as well as households overlapping; unhealthy competition among the agencies; exclusion or artificial participation through unsustainable incentive mechanisms; elite

capture of resources, etc. placing the beneficiaries in a disadvantaged position (UNDP, 2004). Furthermore, the agencies who participated in the national survey have admitted these practices. The findings on unhealthy competition resulting in problems is consistent with Platteau (2003) who found that competition among donor agencies resulted in more problems and elite capture of resources.

The recent emphasis on project 'handover' is not realised in the case of many agencies. Furthermore, agency withdrawal after finishing extravagant project resources did not prove to be a solution to the problem. Forcing the transfer of the management to the local community is a futile move from the beneficiary's point of view in that a huge amount of resources are completely used up during the project period leaving little or nothing for future use by the CBOs. Echoing this situation, a respondent remarked, using a metaphor of an overhead projecting: "how can you sustain when you are told to preserve what is being projected on the screen when all hardware is taken away". Some major government and semi-government agencies, for example, Participatory District Development Programme (PDDP), which cover a large number of induced groups in Nepal are still unprepared for the future and claim that groups promoted by them are never 'phased out' even though all project related arrangements including funding have already ended. Even some agencies which have recently initiated some efforts towards helping community groups to be self-sustaining seemed not to have a good understanding of vulnerable periods and lack appropriate support mechanism.

The study has shown that government policies encourage people to form groups through various programmes but are passive, if not blind, to the quality aspects, which explains the apparent lack of an enabling environment and post phase out support mechanism. Due to the lack of an appropriate registration mechanism that suits the nature of the CBOs, they are forced to adjust their normal structure in order to fit under the given registration structures (Adhikari, 2000; Upadhyay, 1998). Central and local government units play the role of 'rival' agencies, rather than being a monitor or coordinator, and discriminate between CBOs in accessing state resources (Paudyal, 2004; Dahal, 2000). Frequent changes in policies, for example, slapping new taxes onto the forest users' groups, and politically motivated whimsical decisions like the cancellation of the Bishweshwar Among the Poor Programme (BAPP), the only

programme having coverage in almost all districts in Nepal, have jeopardised the future of the thousands of groups already established.

In sum, the trend indicates that the sustainability of CBOs continues to be an ignored dimension in Nepal.

8.2.2 Trend in group dynamics: A shrinking pathway

Naturally, not all groups survive. Some groups that were originally meant to be long term remain inactive or are closed. Some people leave groups which are still functioning. Chapter Seven has shown that the newer groups were found to be functioning slightly better than the older groups, and the level of effectiveness of the groups reduces substantially as they grow older. Groups grow in their number, activities, participation and resources when they are new and supported by the agencies: the findings suggests that they, however, tend to shrink when the project is terminated or they are older (see section 7.3.2).

Taking the UNDP's typology earlier presented (Chapter Two) and based on the analysis, a post-phased-out group development trend is identified. The agencies that promote a broad-based holistic programme claim that their model works better (Sah, 2003). This study has revealed that however broad-based is the participation and however multi-sectoral are the activities, the CBOs of this category tend to shrink both in participants' number and number of activities after the phase out of projects. Figure 8.1 proposes a shrinking trend of post-phased out groups.

In the figure 8.1, A tends to shrink in both ways: decreasing membership on the one hand, and number and types of activities on the other. Such groups tend to shift gradually either to B or C or even directly to D. There are several reasons behind such a shift. Lack of usefulness and motivation and interest in nurturing imposed activities for a long time, combined with some instances of possible conflicts, or capture of resources by some powerful members can translate into lethargy. As a result, groups tend to gradually lose members and shift from A to B. They give up multiple functions and are left mostly only with a savings and credit activity, coming to C from A or D from B. This two way change may bring groups to the condition D, directly or through

different courses, where only a few likeminded members carry out almost only savings and credit functions or only the sector based specialised activity. The time groups spend in each stage differs, and groups may revitalise with new energy and support if they get external help again. However, at D stage, revitalising the groups without external incentives is least likely. At some point, they may decide to divide their money and dissolve their group or, in some cases, the group is automatically frozen due to defaulted loans and misappropriation of other resources by local elites or groups' leaders. For any of the above reasons, the eventual outcome is their closure. Given the present scenario of agencies' favouring a fresh group, groups are also closed down in order to qualify for new and lucrative programmes launched by other Community Mobilising Agencies.

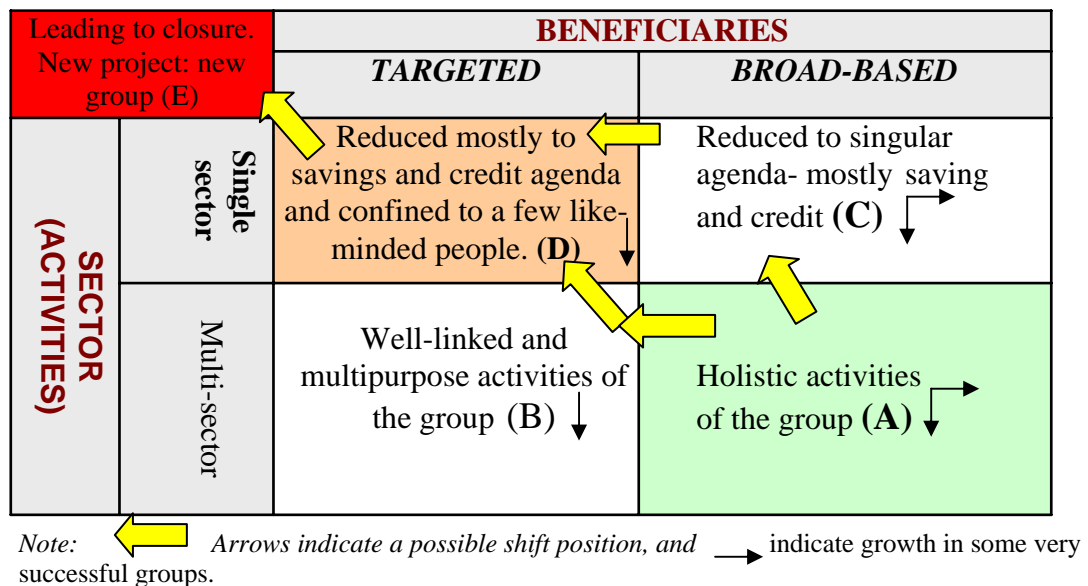


Figure 8.1: Process of shrinking tendency of groups

Even in some successful groups, frequent turnover in the membership is natural. Many successful groups were found to have changed from a multi-dimensional group to a savings and credit group with slight reduction of membership. However, in others, the absence of outside mediation and/or good governance capability provided space for conflicts to emerge without any solution. Some feel comfortable to leave, as they feel too weak to withstand the hegemony and capture of local 'elites'. The community mobilisers, who used to work as glue between different sections in community, will no longer be there to continue to hold them. Buckland (1998) has observed such a situation in NGO managed projects in Bangladesh. There are several instances presented in the literature regarding elite capture of resources as a major problem in the management of collective

resources in Nepal (Marcus and Acharya, 2005; Biggs et al., 2004b; Lachapelle et al., 2004; Smith 2004; Thomas et al., 2004; UNDP, 2004; Malla et al., 2003; Timsina 2003; Winter, 2003; Ulvila and Hossain 2002; Esman and Uphoff, 1984). The tendency of elite capture of resources feeds into norms breaking down in the absence of an agency, a main finding of the research, and will be later discussed in detail.

The process can go through many stages, in a continuum rather than in discrete stages. The time and process to go through this cycle may vary according to the level of group governance which is dependent on the level of social capital and downside; and level of institutional arrangement of the phased out groups. In the management of natural resource groups, such as forest users' groups, this trend may apply as they are well known for elite capture and free riding (Malla, et al., 2003; Ostrom, 1990). This trend might not be applicable when extra efforts are made from time to time to keep the programmes intact in size and activities, and an appropriate self-sustaining mechanism is fully developed. However, as long as group sustainability continues to be an ignored dimension in Nepal, this trend continues to exist. Present efforts being made by many Nepalese agencies are not likely to be sufficient to avert this pattern.

Most successful groups may reach what Pretty (2003) calls the third stage of 'awareness interdependence', and acquire a worldview and value of groups that are irreversible; however, some groups that have crossed the 'graduation' level as in the three-stage process (Adhikari, 1999; Subedi, 1999; and RSDC, 1998a) failed to institutionalise themselves. They seemed to follow what FAO (1999) calls the over expansion phase leading to "management crisis and retrenchment phase" of their "S" model. This is also consistent with the views of Greiner (cited in Lewis, 2001:88) in his life cycle model that the crisis arises in transition from one stage to another, until the collaboration stage, threatening the very survival of the groups. Thus some groups even may be closed after they are consolidated as Avina (1999) notes on her life cycle model for NGOs.

8.3 Sustainability of groups: relating social capital and other aspects

In this section the major findings on social capital and the functioning and sustainability of groups are discussed.

8.3.1 Relating aspects of social capital with the functioning of groups

In terms of success or failure, four types of groups were found in the study villages. The first type of groups did not function properly even during the project period. The second type of groups functioned well during the project period but later failed to continue after the termination of the project. The third type of groups continued to function even after the termination of the projects but tend to go through shrinking process or function weakly. The fourth type of groups continued to function at a very high level and grow even after the termination of the project. These groups will be referred to in the discussion later.

This study has shown that as the level of social capital varies from village to village, so does the functioning of groups. In some villages, most groups survive and function at a higher degree, while in others most groups do not survive and those which survive tend to function at a lower level. This finding supports various research studies presented in Chapter One which show differential level of performance and success of communities (Bebbington et al., 2006; Bebbington et al., 2004; Pretty, 2003; World bank, 2003b; Krishna and Uphoff, 1999; Uphoff et al., 1998; Bunch and Lopez, 1995; Bagadion and Korten, 1991).

Section 5.6 of Chapter Five assessed the functioning of the community groups in relation to the various components of social capital in the study villages. The degree of their relationship is briefly presented in the table 8.1.

Table 8.1: Various features of village social organisation and groups functioning

| Village features | Internal or External | Relation with functioning of groups |
|-----------------------------------|----------------------|-------------------------------------|
| Norms of cooperation | ☞ | ++ |
| Norms of collective action | ☞ | ++ |
| Norms of reciprocity | ☞ | ++ |
| Bonding trust | ☞ | +++ |
| Cognitive social capital | ☞ | +++ |
| Rules keeping (and vice versa) | ☞➡ | +++ |
| Norms breach (collective action) | ☞➡ | -- |
| Internal village division | ☞ | -- |
| Political division in the village | ☞➡ | --- |

Note: ☞ indicates internal village feature, and ☞➡ indicates both internal and external feature.

+ denotes positive relation, – denotes negative relation; two of them mean moderate level, three of them mean strong relation, and four of them mean very high or nearly perfect relation.

Based on the analyses of the data in various chapters, the following three findings have emerged as the most important.

- Village level cognitive social capital is important, but so is the downside of social capital.
- Rules keeping is important, but so is rule breaking
- Role of agency is crucial in mediating the interplay between social capital and associated downsides.

These issues are discussed under social capital, sanctions and downside of social capital themes as follows.

8.3.1.1 Social capital

This study analysed existing social capital in the villages and the social capital induced through group process vis-à-vis group functioning. The analyses in the previous chapters have identified the following findings.

- Village level cognitive social capital has some relation with the survival and functioning of groups but agency facilitation and downside of social capital play an equally important role in this dynamic.
- Social capital can be induced but is difficult to sustain.
- Depletion of induced social capital has little effect in pre-existing village social capital.

a) Village cognitive social capital matters for group functioning:

The findings show that cognitive social capital (at bonding level) is highly associated with the functioning of groups. The cohesive villages (in terms of trustworthiness at bonding level and level of norms of reciprocity) had most groups surviving and functioning at a relatively better level. However, this is not the absolute rule because two other factors also intervene in the villages: first, some of the less cohesive villages may also have some groups surviving and better functioning due to the facilitation and mediation of agencies; and second, the perverse norms and networks that prevail at a broader level affect the functioning of groups in the villages even though village level cognitive social capital is high.

b) *Social capital can be induced*

It is found that social capital can be induced through group processes. Since the groups induced for community development emphasise very frequent and regular meetings with full attendance, participation and consensus-based decision making processes, cooperation at collective as well as individual level is more likely to happen. Chapter Seven (section 7.5) has shown that, for example, members felt closer with, and learned a lot from each other. They were given credit from the local savings or external fund without collateral, and had regular and full repayment. Moreover, among all elements in the villages of which trustworthiness was measured, trust in fellow members stood the highest.

c) *Induced social capital is difficult to sustain*

In some groups trustworthiness was not enough and groups were unsuccessful before projects were terminated. Although some groups went ahead with consolidation of social capital along with maturity as explained by Pretty (2003), in some others, the social capital accumulated got dissipated soon after the projects/agencies terminated. In the former types of groups, high village social capital backed up the newly induced social capital, whereas in the latter the newly formed social capital was destroyed by the presence of the downside of social capital in the village or elsewhere. For example, many groups where the level of trustworthiness was high, started to have problems when they were asked to join new cooperatives giving rise to many suspicions as the trust accumulated at the previous level was not enough to trust new changes in the structures. Various perverse norms and networks played a vital role in promoting distrust.

d) *Depletion of induced social capital has little effect on pre-existing village social capital*

The relationship between the existing social capital in the villages and induced social capital in the groups can be taken as a process of 'reforming' and 'deforming'. The village is a network of people with ties, direct interaction and cooperation with everyone to a varied extent at some point in time. The process of forming a group can be seen as an attempt to bring people closer and intensifying ties through interactions that involve trusting one another even more in the collective affairs. This process can be defined as the 'reforming' of pre-existing social capital. The pre-existing relationships in the villages serve as the foundation on which ties are reformed and interactions are intensified through group process. However, with the problem of sustainability of some

groups, it is possible that the newly reformed relationship at the collective level may collapse in time. This can be called the ‘deforming’ of induced social capital. Because of the permanent nature of existing intra-village relations, the deforming of collective ties is not likely to make a significant difference in pre-existing individual ties. The pre-existing networks continue to function at an individual level. So, the collapse of community groups may not appear a major issue in some villages. In some villages, dissolving old groups and forming new groups may continue without affecting much individual relations in the villages.

8.3.1.2 Sanctions

The analysis of the relationship between various aspects of village level social capital and the survival and level of functioning of groups shows that keeping rules is one highly related aspect. Villages where rules are kept are likely to have a high number of groups surviving and functioning at higher level. Conversely, villages where sanctions are a problem or rules are breached without any penalty are likely to have problems with the survival and functioning of groups. It is found that sanctions become problematic when rule breaking is associated with power. In fact, the downside of social capital goes with the tendency to break the rules and resultant impunity, making the management of collective affairs, including that of groups, messy. Effectiveness of leadership, rule keeping and transparency issues are intertwined and mutually reinforcing. When the leaders themselves tend to break groups’ rules for their own benefit, the level of transparency and perceived effectiveness of the leaders becomes very poor. In the study, some agencies, mainly government, themselves became the source of rule breaking; as a result, groups died even during the project period. In some groups, rule keeping arose as a problem only after the agency support ended. In these groups, the powerful position holders themselves played foul during the transition period, capturing resources and, thereby, leading the groups to freeze.

Whether due to political or military reasons, rule breaking with impunity is a serious problem in Nepal. Several studies show that elite capture of resources at community level in collective resource management (sections 8.2.2 and 8.3.4) is also common. Why rules are often broken by powerful people with impunity is explained by the downside of social capital presented in Chapters Two and Six. Due to the hierarchical social organisation and power-based vertical relations in the Nepalese society in

general, and Majhgaon VDC in particular, the upward enforcement of rules is complicated. Such a situation gives rise to elite capture of resources and impunity, threatening the survival of the groups. This finding is consistent with Putnam's (1993a: 174) observation that "More important, sanctions that support norms of reciprocity against the threat of opportunism are less likely to be imposed upwards and less likely to be acceded to, if imposed. Only a bold or foolhardy subordinate, lacking ties of solidarity with peers, would seek to punish a superior". This is very true in the case of many failed groups as well as community level collective action in the study field. Due to the vertical ties in social organisation, the members in groups, no matter how flatly they are organised, are afraid to impose sanctions on their powerful leaders. Only in cases where there are political groupings, can people, if they so desire, impose sanctions on the opposition no matter how senior they are.

8.3.1.3 Downsides of social capital

As explained above, power and inequalities in social relations feed the tendency of powerful people involved in the groups to break the rules without a sanction. As presented in Chapter Two and Six, some norms and networks of cooperation also have a negative impact on collective and organised efforts in the villages.

Social institutions, such as rent-seeking, patron-client relationships, *afno-manche*, (one's own person) *chakari* (sycophancy), "source-force", capturing of public resources for personal benefits and corruption are widely pervasive since they were legitimised mainly during the Rana regime through the reinforcement of hierarchisation, feudalism and fatalism (see section 3.3). Most of these institutions pervade all communities to varied degrees. They were found relatively highly prevailing in Majhgaon VDC compared to Dudhraksha VDC. Even though groups try to keep a distance from such institutions by adopting democratic and egalitarian principles, these institutions are likely to have a detrimental impact on the functioning of groups.

In addition to these general norms, there are some specific norms and networks in the study villages which might deter systems of collective management. Table 8.2 presents them in relation to their effects in the groups and collective actions by location. Some have direct effects while some others indirect. People may be prevented from organising in groups and carrying out collective actions or group cohesion may be damaged.

Table 8.2: Negative effects of some norms and networks on groups and collective action.

| Norms and networks | Where | Externalities |
|--|---|---|
| Paying and taking interest is a sin in Islam | Most of the failure groups in Majhgaon | Prevented some Muslims from participating in groups; and where organised, it became an overblown issue when agencies left making Muslims pull out from the group. |
| <i>Purdha</i> (Some Muslims and Brahmins women) | Majhgaon | Prevented women from participating in collective as well as group works. Where organised, poses a constant threat of disassociating. |
| Untouchability | Everywhere; in Bharatpur | Dalits excluded from participating in groups. Depriving them from using common resources like entering temples or fetching water from a communal taps. |
| Traditional money lending (High cost) or high cost <i>anaj</i> (food) lending | Prevalent in both VDCs and it is even at the higher rate (up to 120%) in Majhgaon | Practising savings and cheap rate lending (interest between 12-24%) groups have posed direct threat to the highly profitable money lending business. Thus, moneylenders would be better off destroying groups invisibly if not visibly. |
| Corruption of public resources | District public offices, and Majhgaon VDC | The misuse of common resources discourages people to volunteer with free labour in collective actions. Misappropriation of group resources leads to group failure. |
| Clandestine alliances between local leaders and government staff in infrastructure schemes | Mainly in Majhgaon | The misuse of common resources discourages people to volunteer with free labour. Misappropriation of group resources. |
| Illegal logging | Dudhrakshya VDC | Deforestation, public goods captured. Forest users' groups in Dudhrakshya disappeared in many villages as they could not withstand with organised network of illegal loggers. |
| Pseudo financial institutions | Majhgaon VDC | Distrust created due to the loss of the first ever group savings in the hand of pseudo financial institutions from India. People hesitate to come to groups facilitated by external agencies and were apprehensive to join cooperative during transition. |
| Unlicensed Bhattis (Unregulated pubs) | Everywhere | No direct impact but people take loan and spend on them erupting conflict at home and in the groups. |
| Danka-Dalne | Majhgaon VDC | Difficult to keep groups' savings safe due to the fear of looting. |
| Political alliance and divisions | Everywhere but high in Majhgaon VDC | Difficult to form inclusive groups; politically inflicted conflict in organisations. Political groups at border level attempt to capture positions or boycott if failed. |
| Culture of allowance | Everywhere | The past practices of agencies providing handouts: induced artificial participation, discouraged the culture of voluntary contribution, promoted elite capture, resulting in unsustainable group and collective practices. |
| Cross border smuggling | Majhgaon | Conflicts erupted due to the availability of cheap materials illegally, and project requirements to follow the rules. |
| Gambling (networks to play card games) | Everywhere. (Ex army association in Dudhraksha) | Misuse of group's loan, and conflict. Some organisation failed as members meet up to play card games and gambling. |

When the federation of groups in Majhgaon was converted into a cooperative, requiring groups to centralise their savings, in some post project groups, group members were reminded of what had happened when the pseudo financial institutions from India vanished with their savings, or Muslim members were reminded of their religious attitude to interest based transactions.

Chapter Six has shown that a village can benefit from a person to a position of power who may help bring more resources, due to their bridging and linking connections and wider network. Contrary to the popular belief that more powerful people at the locality could help bridge and link the local initiatives horizontally and vertically in order to draw resources for the local good, it is found that they may use their power to serve their self-interest, unleashing downside of social capital to the rest of the group. The powerful people can utilise their network in both ways: positive and negative.

The study has shown that with or without being a member of a group, some people at the linking and bridging positions have been the cause of problems than support. The powerful people in the village often try to build close relations with outside agencies and attempt to divert benefits in their favour. However, where the external agencies strictly pursue egalitarian process depriving the elites a privilege over resources, they may not support the programme, rather create various hurdles. When they feel that opposing the programmes directly sends a wrong message against them, they may pursue invisible means. At times they use their close networks in accessing resources or in creating difficulties.

The case of Chhotki Majhgaon can be taken as an example of this type. Leaders from the village have reached to various strategic positions in terms of access to and control over resources: both the VDC chairperson (*Pradhan*) and vice chairperson, an ex-member of the DDC, are from this village. As discussed in Chapter Six and Seven, there are allegations that: resources allocated to the village are often mismanaged; maintaining an alliance with DDC technicians and officials VDC resources are misappropriated; the key positions of the village groups are filled up by the relatives of the leaders; leaders never attend village meetings nor participate in collective actions. Similarly, leaders' family members are appointed in the paid jobs such as facilitators of a government programme or employee of VDC. This village has a worse record in

settling the water dues to the MLIP/WUA. In fact, members perceive that most of the groups in this village have suffered more than benefited from the powerful leaders in the village. In Buddhanagar village, many groups where the local leaders were involved failed. In this village, it is not the case that powerful people initially did not like organisations. However, it rather seemed difficult for the relatively rich and powerful people at the leadership to have to work voluntarily too much for too little gain. Eventually, these groups made little benefit from the powerful people, but suffered a lot at their hands.

The foregoing discussion shows that groups are vulnerable due to the prevalence of the downside of social capital in the villages and outside. This finding is consistent with Esman and Uphoff (1984) who found groups were vulnerable to the five pathologies: resistance, subordination, internal division, ineffectiveness and malpractices. Findings of the research also are consistent with Marcus and Acharya (2005) who found that local agents of state, older rural elites, emergent strongmen, and the small moneylenders and village merchants inevitably challenge participatory approaches as typically active, aggressive, flexible, self-conscious and well organised defenders of local customs and culture. Local elites are able to exert local or non-local ties to control or capture development schemes (Winter, 2003; Marcus and Acharya, 2005).

8.3.2 Roles of agency

Findings show that some agencies were part of the problem rather than the solution. However, in most cases the agencies' role has been important in inducing and promoting social capital in the groups. It is found that 'good' agency facilitation helps to induce social capital and improve the governance and management aspects of the groups, while 'bad' agency facilitation contributes to the downside of social capital. When both social capital and agency facilitation are adverse, they are likely to contribute little to inducement and sustainability of the groups. This finding supports Esman and (Uphoff, 1984) who mention that improper resource management externally results in the twin evils of corruption and dependency in the group (see section 2.3.4.5). Such disjuncture between discourse and practices of agencies produce what Lewis et al. (2003) describe as a fragmentation culture that leads to project failure.

In most cases, external agencies play the role of mediator and facilitator in heterogeneous communities, and help link group efforts to the outside world. It is found that during the facilitation of external agencies, powerful people may attempt to pull in resources by exerting their power position in the name of supporting the programmes. When there is a conflict among various categories of members, the agencies may mediate. However, this ends with the termination of the project and withdrawal of the agency, leading to the problems that arise during the transition period. This finding is consistent with Buckland (1998) who found in Bangladesh that the sharing of benefit of resources between the local elites and other people was likely to last as long as the agency's presence lasted.

Putnam (1993a) argues that social capital helps to resolve the problems of collective actions. He maintains that third party enforcement of contract is costly and impossible, and argues that the greater the level of trust, the greater the level of cooperation. A fundamental question arises where there is a low level of social capital or when the social capital is unsustainable, can we leave problems as they are? We certainly cannot. Cooperation has to be somehow sustained. In such a case, the role of a third party cannot be ruled out; we need to find a way that does not compound the problem itself and is less costly. However, in the case of induced community groups, agencies as the third party are already there.

In this study, the role of agencies/projects has appeared important in two ways: first, a good facilitation and support to help to build social capital and minimise downsides, and second, a good future arrangement to help to sustain the post project groups.

8.3.3 Governance and management

Issues related to the leadership selection, leadership effectiveness, transparency, rules keeping, decision making process and resources were analysed under the governance and management theme in Chapter Seven. The themes were analysed in order to identify how the level of governance and management of the groups during the project period relates to the level of governance and management of the groups afterwards. The study shows that even though resources are important factors for the sustainability of groups, the failure of the groups in the study is not associated with the lack of

resources as they had the necessary essential resources. One reason for the groups' failure presented by the respondents is the lack of benefits. Effective leadership, participatory meetings, high level of transparency and rules keeping are some requirements for a successful group. Respondents perceive the effectiveness of leadership in relation to transparency and good rule keeping. The findings show that some groups did not have good group governance and management during the project period due to the lack of efficient agency facilitation and high effects of downsides of social capital. However, in some groups, these aspects were at a very good level as long as the project/agency was there. But once the agency left, some groups started to have problems with repayment of loans; leaders started to hold on to the funds and other resources; meetings stopped; the accounts were not transparent, etc. This shows that like induced social capital, good group governance and management during the project period was not necessarily a sufficient condition to ensure that the groups held a similar position when left on their own. These findings are consistent with Marcus and Acharya (2005:9) who found that the failure of groups in Small Farmer Cooperative Limited in Chitwan was not explained simply by bad management, poor planning or some failure to properly implement participatory and local development.

8.3.4 Transition: the vulnerable period

In several places in this discussion, reference is made to the transition of groups from the agency/project care to an independent entity. Some agencies have given thought to post project institutional arrangements, others have not. Even for those who have made an arrangement, the transition period became the most problematic phase. Some respondents explain that groups "go sick" in this period. They get weak: attendance starts to decline, rule adherence starts to get out of order; overdue loans increase, etc. leading to a chaotic situation. This is the phase when the downside of social capital revives or manifests itself. Lacking a helping hand, many induced groups tend to fail. All five defunct groups promoted by RSDC included in this study were found to have undergone this process. When all groups from Majhgaon were being converted to a single cooperative organisation, the transition became confusing and many rumours started. Many groups joined the cooperative organisation, which has been running very well, and many members interviewed from the unsuccessful groups regretted not joining the cooperatives; however, the follow up interview with the agency shows that

their support during the transition period had not been as good as it had been during project implementation. They lacked time as their funding ended.

The findings on the problems related to the downside of social capital in the management of collective and groups affairs are consistent with the findings of Marcus and Acharya (2005); Biggs et al (2004b); Smith (2004); Thomas et al. (2004); UNDP (2004); Lachapelle et al. (2004); Malla et al. (2003); Timsina (2003); Winter (2003); Ostrom (1990); and Esman and Uphoff (1984) as discussed in section 8.1.3. Similarly, the findings regarding phases and crisis in groups are consistent with FAO (1999) and Greiner (cited in Lewis, 2001:88) as discussed in section 8.1.3. This finding, however, does not contradict with Pretty (2003) in the case of most of successful groups which have had ratchet shift by gaining a world view and value of social capital (group) which is less likely to be reversible.

8.4 Synthesis of findings on sustainability of groups

The findings on the functioning of groups in relation to social capital and agency/project facilitation are summarised and presented in the figure 8.2. In a condition when groups are normally perceived to be useful to the beneficiaries, the level of cognitive social capital, mainly at the village level -- linking trust did not appear to have any positive relation in the functioning of the groups -- and downside of social capital on the one hand, and level of agency/project facilitation and future arrangements on the other determine the level of functioning of groups before and after the projects termination. There can be more than two categories- high and low- of each factor, and the conditions of groups also may be very many. It was also found that some agencies do have a good facilitation during the project period but have weak transition management process and future arrangement. But the four windows in the figure 8.2 fairly represent the groups' conditions in concise form as per the level of social capital and agency facilitation. The condition A in the figure 8.2 can be taken as the best and condition D as the worst. In each cell, number 1 refers to the level of functioning of groups during the project period and 2 refers to the prospects of sustainability after the project.

| | | Social capital <i>Village level cognitive social capital, rules keeping and overall downside of social capital</i> | |
|---|------------------------------|--|---|
| | | High village cognitive social capital, good rules keeping and low downsides of social capital | Low cognitive social capital, weak rules keeping and high downsides of social capital |
| Agency support and post-project arrangements | Good support and arrangement | A 1.Excellent functioning 2.High sustainability | B 1.Moderate or weak functioning 2.Moderate or low sustainability |
| | Weak support and arrangement | C 1. Moderate or weak functioning 2. Low or unsustainable | D 1. Weak or no functioning 2. Unsustainable |

Figure 8.2: Groups' functioning and sustainability by social capital and agency support.

The interplay between social capital and the downside of social capital and effects of agency mediation is summarized in the schematic diagram (Figure 8.3). This study has shown that both types of norms and networks exist simultaneously. The form that cooperation takes in the village can be of three types; between individuals (private good), at whole village level (common good) and at the group level (common or semi-common good). However, all types of social cooperation involve some degree of power and inequality, thus, generating some downside of social capital. Similarly, several norms and networks of cooperation in the study field have negative consequences for the wider society, thus adding to the downside of social capital. Coexisting at various levels and constantly interacting with each other, social capital and its downside shape the outcome of cooperation and collective action. In terms of sustaining cooperation, one of the most serious repercussions of this interplay is manifested in the tendency that the norms of cooperation, be it village norms of collective action or operational norms of self-help groups in the village, are violated at odd moments, especially by the people in positions of power. During the project period when external agencies facilitate (unless they generate downside themselves), the downside of social capital remains latent (in some rare cases it may be transformed positively). However, when the external agencies/projects mediating the parties and facilitating the collective and cooperative activities in the villages are terminated the downside of social capital tends to show itself. Whatever social capital was promoted for some significant time gets quickly and easily dissipated. This effect is very high in the induced groups.

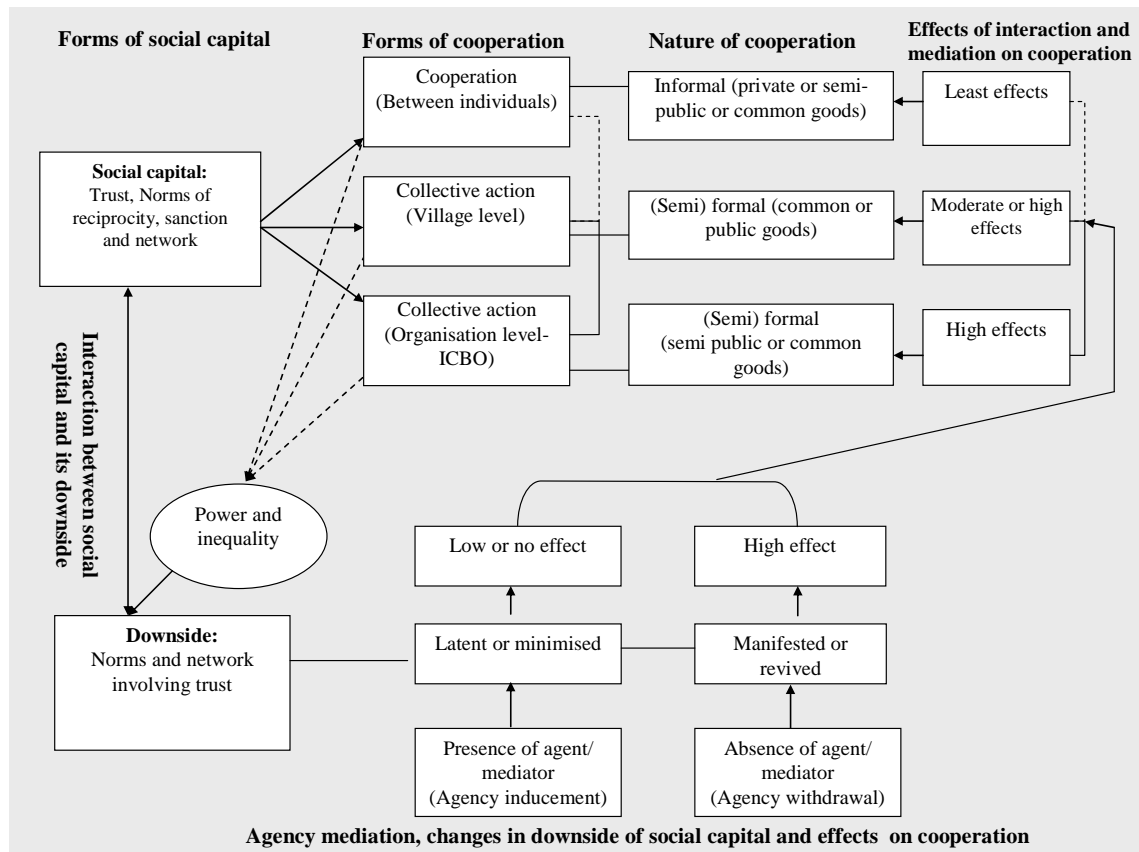


Figure 8.3 Interplay between social capital and its downside and effects on cooperation.
Note: ICBOs are the induced community-based organisations

8.5 Conclusion

This chapter has discussed the findings of the study related to the sustainability of groups and social capital. Sustainability of groups is an ignored dimension in the policy process, and groups have a shrinking tendency when they grow and are left on their own.

The discussion shows that the functioning and sustainability of groups is related to village social capital and the downside of social capital. The induced social capital is found to be fragile and easily dissipated when the downside of social capital takes a dominating position in an interaction between them especially during the transition period when the project/agency is terminated. The role of the agency is found to be important in inducing and sustaining groups (and social capital).

The study has shown that social capital can be a useful framework for the analysis of community-based organisations and governance of collective issues. However, in order for the framework to be useful, it should be able to embrace the issue of power, inequality and to address various aspects including the downside of social capital. Then the framework can address these complex issues which are very common in various forms of social life including community organisations. As shown by the study, power plays an important role in social relations which can generate favourable or unfavourable outcomes. It was found that people mobilise their network and thus access and control resources as per their location in the hierarchy of power. In this sense, bringing Bourdieu to the development policy debates has wider implications.

The next chapter will present the conclusion of the thesis.

Chapter Nine

Conclusion

9.1 Introduction

Chapter Eight has combined discussion of empirical research findings together with detailed reference to the appropriate literature presented earlier in Chapters One, Two and Five. This, the concluding chapter specifically revisits the assumptions, propositions and objectives of the research in order to assess to what extent they have been achieved (refer to sections 1.4 and 1.5). It makes a brief presentation of the knowledge contribution made by the research followed by the implications for policy, practice and future research.

9.2 Revisiting assumptions, propositions and objectives

This section assesses the achievements of the research objectives by integrating them with the findings. In order to do so, assumptions and propositions in relation to the findings are examined.

9.2.1 Revisiting research assumptions and propositions

The study had a set of four generic assumptions and two specific propositions. Though the study did not intend to test them, enough evidence has been generated in order to examine whether they are valid in this study. Each of them is evaluated below.

*9.2.1.1 Endowment of social capital and group performance vary from one village to another?
Since the endowment of social capital varies from one village to another, some villages have more successful groups than others.*

Evidence shows that some villages possess a high level of various aspects of social capital while others possess them at a very low level. Particularly, this difference was found between the villages of two VDCs. Most villages in Dudhrakshya have a relatively higher level of social capital than most villages of Majhgaon. On the other

hand, the opposite was the case regarding the level of downside of social capital. In terms of functioning of groups, the variation is even higher. Therefore, the findings support the assumption.

9.2.1.2 Social capital promoted in groups is useful to resolve problems of collective action?

Groups as a form of network generate trust and norms of reciprocity which, in turn, are useful to resolve the problems of collective actions.

The findings show that people trust group members more than other people or institutions in the villages. Members have also cooperated and learnt from each other. Due to group affiliation, the members have had contacts with external institutions. Activities such as savings collection, loan disbursement and repayment without collateral or insurance have been made possible through the group. Many groups have reached consensus-based decisions, identified collective problems and carried-out collective activities in the villages. The study showed that in many villages, where there have been no collective actions for many years, several collective activities have taken place recently due to group-led initiatives. Therefore, it can be argued that social capital is promoted through a group process. However, the study also showed that in some villages many such activities were not sustainable. Some groups bred new kinds of interlocking problems too. In such cases, the newly promoted social capital was not enough to resolve problems within the groups.

9.2.1.3 Inducement and sustainability of social capital through the group process?

Social capital can be induced and sustained through the group process.

The study shows that social capital can be induced through the group process. The process of uniting and organising people in a group generated numerous common as well as individual benefits. However, the findings also show that social capital induced through the group was not sustained in many cases. Therefore, it can be concluded that social capital can be induced; however, sustaining it is rather difficult.

9.2.1.4 Relations between social capital and the maturity of groups?

Social capital strengthens with the maturity of groups and it is less likely to reverse, i.e. the more mature the groups are, the more likely they are to be sustainable.

The findings showed that many initially successful groups continued to be successful. In these cases, when they got older, they appreciated the value of the group and, thus, of social capital. Some members of discontinued groups also appreciated their groups for the benefits they had. However, there are also cases where whatever social capital was generated during the project period started to unravel when projects terminated. It is still a question whether these groups were mature enough. The level of social capital induced in the group could not survive, as it had to interact with perverse forms of social capital in the local villages and elsewhere. In such environments, the delicate nature of the groups meant that they were prone to constant difficulties. Therefore, the findings only partially support the assumption.

9.2.1.5 The interaction between social capital and its downside affect sustainability of groups?

If other things remain the same, the sustainability of the groups could depend on the level of social capital in the villages on the one hand, and interactions between social capital and the downside of social capital on the other.

As discussed in Chapter Eight, the study showed that social capital and its downside coexist. In each village, both social capital and the downside of social capital were found coexisting in various forms and levels of manifestation. A good level of social capital with low level of downside resulted in better rule keeping and, thereby, in a high level of cooperation and collective actions. In such cases, most groups are likely to be sustainable. However, where the situation is the opposite, as the downside of social capital feeds tension in the groups and rule keeping become a problem in the management of collective action and the community groups. Therefore, the findings supported this proposition.

9.2.1.6 External mediation between social capital and its downside determines group sustainability

The external agencies can mediate between social capital and its downside; which may, in turn, determine the sustainability of the groups.

The study showed that interaction between social capital and its downside is dynamic and changes frequently as the situation changes. The mediation by the project (agency) played a prominent role in such interactions. At best, it promoted the cooperative and collective forces in the villages in relation to group management, which simultaneously

minimised the negative side. Good mediation (facilitation, support and future arrangements) helped generate social capital and determine the functioning of the groups. However, at worst, practices of some agencies promoted the downside of social capital, and groups ‘died’ while under the project’s care. In relatively better cases too, once project/agency support ended, the negative forces revived their position. That is why some groups managed very well during the project period, but failed when they were left on their own. In the absence of a good transition management and institutional arrangements, groups in such a context are prone to rule breaking from the hands of powerful people with impunity. Therefore, proper external facilitation and support helps to shape the outcome of interplay between social capital and its downside and, thereby, affect the continuity of groups. The findings support this proposition.

9.2.2 Revisiting research objectives

9.2.2.1 Group prevalence and sustainability

The first objective of the study was to *identify* the level of emergence and sustainability of community-based organisations in Nepal and specifically in the study area.

The study identified the level of emergence of various types of development groups at national as well as local level. The findings showed that various localised traditional CBOs have been in existence for a long time. However, only after 1990, has there been a massive increase in the number of various types of organisations including CBOs. The number of CBOs is still increasing. At national level, it is estimated that over 400,000 development groups have emerged nationwide and this emergence is mainly due to the congenial policy environment, the popularity of a groups-based approach and emphasis on inducement from external agencies. It is found that the induced groups have mobilised at least 46% of households in the country. If membership were not duplicated, the percentage of households covered would have been much higher (79%). At the local level, the similar trend of inducement and emergence of groups has been identified. The household level *total* groups’ density is 3.03.

In terms of sustainability of groups, the study found around four in ten groups to be functioning at a good level, and almost three in ten groups at or below “neither good nor bad” level. The rest are either dead or defunct. The findings show that groups tend

to function at a high level in the initial days when they have high motivation as well as good external support. However, the same groups, no matter how good they were, tend to function normally less well over a period of time and especially after the termination of projects' supports. This was also corroborated by the findings that the younger the groups the higher their level of functioning. Furthermore, the study shows a general trend that groups tend to shrink in many ways: membership, participation, number and diversity of activities and resources. Hence, broad-based groups, in terms of membership, tend to reduce to targeted types, and holistic groups, in terms of multi-sectoral and diversity of activities, tend to reduce to single sector, mainly savings and credit or purely sector-based group. Nevertheless, there are exceptions: very successful groups, and groups making additional efforts internally or externally. In terms of policies and practices, the study found that high emphasis is given on forming groups but the sustainability aspect is ignored.

9.2.2.2 Nature and extent of social capital in the study villages

The second objective of the study was to *explore* and *measure* different aspects of social capital (cognitive and structural) and its downside in the study area.

This objective was set in order to help reach the third objective, which is discussed in the next section. The study found dualistic features of social capital as social capital was found to coexist with the downside of social capital. The social capital was explored and measured according to various aspects: cognitive (trust, norms of reciprocity, sanction) and structural (groups and networks). On trust, trustworthiness was found to vary according to whom (individual groups and institutions) to trust and for what purposes. The level of bonding trust is found to be the highest and level of linking trust the lowest. Most government institutions were found to be badly governed; hence low trust in them. On norms of reciprocity, villages are still found to be highly dependent on various practices of mutual exchange of labour, kind and cash, and other services of daily needs. Overall, the system of proving *Janashram* and carrying out collective actions has not changed much as compared to before 1990. However, in villages where the corruption of public resources is high, there is low *Janashram*. Sanctions, in some villages are implemented by collective rules very well. However, in many others there are problems: lack of respect, lack of criticism on violation, and impunity. These problems arose when powerful members violated rules. On network,

the sizes of networks are found to vary according to the purpose of support required. In emergency and calamities, the network of help is found to be universal whereas in sharing private family affairs it is mainly restricted to close knit circles. The network of monetary support is relatively small, but it is expanding with the group lending system. Modern community groups are new phenomena in the spectrum of networks. However, several traditional CBOs also are found to exist as norms, practice and behaviours (institutions) facilitating cooperation. The findings show that all above aspects of social capital vary greatly by village. Most of the villages of Dudhraksha VDC were found to be higher in all of them than those in Majhgaon.

On the flip side, the villages and their wider environment appeared also to manifest the downsides of social capital. The relatively powerful people were found to be in a position to influence the cooperation and collective action in the villages as well as at the wider level. Relatively more educated, holders of power positions in party organisations or local governments, wealthy and in some cases high caste people have relatively wider networks and more bridging and linking social capital. In addition, various exploitative norms and networks were found to prevail both in the study villages and at the wider level. Practices related to governance of collective affairs at wider levels include political patronage and divisions; *afno manche* (including favouritism, nepotism, sycophancy); corruption; rent seeking; free riding; elite capturing of public resources; impunity; social hierarchy based on caste and class. Similarly, other local norms and networks include money lending, illegal logging, cross-border smuggling, gambling, alcoholism, systems of veiling on women, religious codes forbidding interest based savings and credits, etc. The power based inequalities, and norms and networks together have produced negative implications for the cooperation and collective actions in the villages. These types of downside of social capital prevailed relatively to a higher extent in Majhgaon than in Dudhraksha.

Thanks to the democratic changes and growing political awareness, many exploitative relations are found to have decreased very rapidly. Most other types of mutual exchange systems are in gradual decline, except the tradition of borrowing and lending money (*sar spat*) and sharecropping (*adhiya-kheti*) which have increased.

9.2.2.3 *Relationship between social capital and functioning of groups*

The third objective of the study was to *examine* the relationship of different aspects of social capital including its downside with the functioning of the community based organisations.

This is the core question of this research. The previous discussions of assumptions and propositions have covered most aspects of this question. Most aspects of social capital have positive association with the functioning of the groups. Bonding trust is highly related but bridging and linking trusts are related to a lesser extent. The norms of cooperation, collective action and overall norms of reciprocity are moderately correlated. Overall, cognitive social capital is highly correlated. The study did not attempt to determine any casual relations quantitatively; however, the high correlation of rules keeping with functioning of the groups and *vice versa* has been corroborated with qualitative evidence. Negative aspects like village norms breaching and political divisions are highly negatively associated.

The villages where social capital is high also have a higher number of groups functioning and at a better level and vice versa. Moreover, the findings show that social capital is promoted through group process and it is crucial for the sustainability of groups. However, the failure of some groups initially with high social capital shows that induced social capital is difficult to sustain. In order to sustain it, it is necessary to back it up with high village social capital and or good agency facilitation combined with arrangement of strong post project group self-sustaining mechanisms. If induced social capital interacts with a high downside of social capital in the villages or elsewhere, it is likely to fail.

It is found that groups get into problems when they enter transition and when supporting agencies/projects are absent. In this period, the downside of social capital in the villages and elsewhere revives and unleashes detrimental implications for the survival of the groups. Social capital (in the community and in the group) constantly interacts with the downside of social capital. The role of external agent is important in mediation to provide a positive outcome and the sustainability of groups.

In addition, on the analysis of whether governance and management aspects of groups are crucial for their sustainability, the findings show that these issues are important. There is relationship between transparency, rules keeping, and leadership effectiveness. However, these are not sufficient conditions, as is the case of induced social capital in some of the unsuccessful groups, for groups' sustainability. Lack of resources was not a reason for failure in many groups. Therefore, the governance and management aspect too is largely dependent on the interplay between various aspects of social capital.

9.3 Knowledge contributions

This study presents an original contribution to knowledge in the Nepalese context. It has opened up several new avenues for the study of social capital and community organisations at the local level. It has also generated general findings that have contributed to our understanding of social capital and its contribution to the sustainability of groups.

One new aspect of this study is the comprehensive analysis of context, nature and trend of social capital in Nepal. Studies so far in Nepal have taken social capital for granted, and thus are less analytical. Most of them have applied a structural or institutional view of social capital. However, this study has applied an analytical process to examine both cognitive as well as structural views of social capital. It has explored the trust, local norms, and networks along with their recent trend. These insights provide new understanding of social capital in the local context in its own right. Regarding the level of emergence and sustainability of community groups, this study has identified baseline information. Furthermore, the study has also developed a methodology, which can be used as a guideline to the study of social capital in the local context in relation to the sustainability of community organisations. These tools can be expanded or adapted for the study of other development related issues in the local communities. In addition, presenting some methodological lessons from the field study, it has contributed with some contextual measures useful to enhance the quality of research under a conflict situation.

On the functioning of groups, this study has presented a distinct set of reasons associated with features of social organisations. Earlier studies have indicated the

governance and management related factors which explain the success and failure of community groups. This study has shown that social capital in the community is a crucial factor for the sustainability of community organisations. Many researchers have seen social capital as the important factor in sustaining collective activities. However, they have downplayed the negative side or downside of social capital. This study has empirically established that social capital and the downside of social capital coexist and there is constant interplay between them. It showed that without understanding both aspects simultaneously, attempts to sustain community organisations or any other collective actions are less likely to be successful. More specifically, this study has identified that the most problematic area of group management is rule keeping and there is direct relationship between rule keeping in general collective actions and rules keeping in the groups. Villages where rules are broken by powerful people and with impunity also are likely to have similar problems in the groups. Rule keeping becomes problematic due to the downside of social capital in the community.

Several studies have shown that elite capture is a problem in managing collective resources, development projects and local governments. However, they have not fully explained when, why and how it happens, as they have not analysed the constant tension between the social capital and downside of social capital. This study has shown this to be a product of the downside of social capital. In the case of externally induced groups, some agencies promote the downside of social capital during the project period opening avenues for rules breaking and elite capture. For some agencies, elite capture comes to be an unintended outcome as they fail to safeguard the group's social capital by not preparing well for the transition and by not making future arrangement for self-sustaining institutions. Therefore, this study has brought three issues together in a dynamic interplay: social capital, downside of social capital and agency. The study argues that the role of an agency is not only useful in most cases but also viable in the context of induced groups in Nepal.

9.4 Implication for policy, practice and future research

This study has made important contribution to our understanding of sustainability of CBOs in relations to social capital, particularly in the context of Nepal. This contribution has several implications for policy, practices and future researches. In this

section, some of the important implications have been presented. The implication of the study is divided into two parts: first, implications for policy and practice and, second, implication for future research.

9.4.1 Implication for policy and practice

9.4.1.1 Implications for policy

The research has implications for government policy. By identifying the poor governance of local public institutions as well as the low level of perceived trust of local people in them, the study has appraised the performance of government institutions. These finding may provide an insight to help formulate and implement policies to provide better services and utilise resources for the benefit of people.

The government agencies need to develop ways to improve their level of trustworthiness, which on average is low at the moment, in order for them to be perceived as useful by the local people. Improving the present perception which sees them at times as corrupt, unfair, an ally of local elites, and bossy and self-serving bureaucrats may require not only the reformulation of packages of services offered to local people, but also the way the agencies are managed and directed. Given the present level of performance and the resultant level of trustworthiness, the government agencies need an overhaul. These institutions can help transform themselves and their image by being more transparent, fair and accountable to the people through involving people as much as possible in the design and delivery of the services- one way in itself of promoting linking social capital.

The study has identified policy problems related to community groups in Nepal. It has shown that the government polices provide greater attention and incentives on forming groups without any balanced provisions on sustaining them. Therefore, with these findings, government can and make informed polices which help enhance the sustainability of community groups and social capital. Among others, policy improvement should consider simplifying the registration mechanisms by tailoring needs and structures of groups.

Furthermore, the study has identified the lack of any data set regarding groups as well as social capital measures in the country. Future large-scale surveys like the census, living standard survey and agriculture survey can integrate a component on groups and social capital. Such data can be analysed in relation to various other variables for nationally generalisable findings.

9.4.1.2 Implications for agencies

The findings of the study have implications for agencies. It suggests that agencies need to be fully aware that their actions can both hinder or facilitate the promotion and sustainability of social capital. This study has shown that the role of agency is vital in inducing, promoting and sustaining social capital which eventually facilitates the achievement of the desired goals. As the way in which the agencies induce and promote groups has a bearing on promoting social capital as well as on the sustainability of groups, the findings of the study have implications for the practices and methodologies of agencies. The following are some specific areas for the consideration of agencies in order to help improve their practices in respect to inducement, facilitation and supports.

- Improving their own system of governance, especially in the design and delivery of supports by being more transparent and by making their activities useful to the communities, through a high level of people's participation. As long as they lack transparency and fairness in their activities, agencies will fail to generate trust of and commitment from the local people on the one hand, and will open space for the powerful people to capture the project's benefits on the other. Groups promoted by such projects/agencies are highly likely to be unsustainable as they add to the downside of social capital.
- Developing self-correcting mechanisms to help groups to tackle the problems of elite capture, which has been the case, visibly or invisibly, in the group process mostly in the failure groups. Such self-correcting mechanisms may again entail: a system of fair and transparent activities; downward accountability structures; provision of simple and well informed rules; a consensual decision making process; the promotion of an anti-impunity culture; regular auditing and

periodical leadership changes from the beginning of the group inducement process.

- Discouraging initial economic incentives while inducing the formation of groups that aim at generating artificial participation: these incentives erode trust in the programme; give an impression that the programme may not be genuine nor will be lasting and, thus, encourage elite capture- again failing to benefit the poor while generating distrust in the system.
- Agencies and groups need to emphasise a sustainability policy from the outset as present practice in general seems to favour the formation of groups without any balanced policies for sustaining them. Agencies may need to think whether existing groups could be promoted in order to deliver the services that they are intending to deliver. Qualitative promotion of social capital is better than quantitative (as the later may not necessarily promote social capital nor sustain even if promoted). Similarly, agencies should include an exit policy in their project and develop mechanisms to help groups to work in a self-sustaining way after the project is terminated. The study has shown that some government and semi government agencies that do not have continuity of support to the group nor have any exit policy should seriously consider about having a sustainability policy in place as an integral part of their programme. Similarly, the agencies that have an exit policy and future arrangement for self-sustaining groups should consider revising their strategies by giving further attention to mitigating the effects of downside of social capital during the transition phase. Furthermore, federating groups seems to be a good way of consolidating local capacity to facilitate group activities during the project and after the project supports end. It helps groups to build bridging and linking social capital. However, good governing measures are needed for the federation, as higher level institutions may also be a source of the downside of social capital.
- Emphasising the promotion of good group's governance during the project: there is a direct and mutually reinforcing relationship between good group governance and enhanced social capital, which together strengthen the prospects of group

sustainability. As mentioned above, problems may arise as the powerful or high status people may ignore the rules and get away without any sanction. The group governing process should take this factor into account and be aware and prevent such incidents through enhanced accountability and anti-impunity policies.

- Agencies and groups are to be aware that managing a group is a dynamic process and good group's governance during the project some times may not necessarily suffice to ensure that it will continue after conditions have changed (i.e. withdrawal of projects). Building trust is a slow process and it is tested and retested at various points in time: the transition of groups from agency support to members' independent management is a critical point. Agencies and groups need to develop special arrangements in order to ensure a smooth transition and resilience.
- Agencies should not adopt a "one fits all" approach to group inducement, facilitation and support mechanisms as needs and prevailing social features vary from one community to another. Exploration and assessment of the existing situation will help devise strategies to capitalise the facilitating opportunities and minimise or normalise the constraining factors. Before starting projects, establishing good baseline information of community, particularly on social capital in the community seems to be a useful activity. The baseline study should entail both quantitative as well as qualitative approach and be able to gather information on both social capital and its downside. The possible downside must be identified so that appropriate strategies can be adopted in minimising their effects. The method operationalised and applied in this study might be suitable for generating such information. However, adaptation to the particular context is advised.

9.4.1.3 Implications for groups and members

The study has implications for groups and members as it has identified the changing facets and dynamics of the group development in the local context. It has shown that constant awareness as well as effective rules keeping measures are necessary. It is important that members and officials of groups are aware of groups' vulnerabilities at

various stages. In Nepal's local contexts, groups are to be prepared to deal with the possibilities of rules breaking without sanction particularly by powerful people of the groups. They also have to be equally vigilant if there is any visible or invisible threat to the group from within or outside the group. Such awareness during the post-project transition is very crucial.

9.4.2 Scope for future research

This research has a number of implications for future study.

Methodologically, the study of social capital should entail a multi-aspect approach as used in this study. As the study of social capital is contextual, future studies on the subject should also concentrate on exploring local realities before entering into in-depth analysis of the phenomena under study. Because sociality cuts both ways, study of social capital should give equal attention to the downside of social capital. They should consider that power and inequalities are ingrained in social relations and some kinds of norms and networks with intended or unintended negative externalities may be found in all societies.

Future studies of social capital vis-à-vis sustainability of groups in Nepal could be conducted with wider coverage across the regions. The present study covered rural *Terai*. Future studies might cover at least some villages from the hill and mountain ecological regions. Such studies should include a sufficient number of post project groups. The high coverage in terms of number of villages provides further room to use sophisticated quantitative tools in complementarity with qualitative ones. This wider study may now be possible post- conflict.

In the future studies, larger data sets could be used in order to further see how various types of induced groups differ from each other in terms of their sustainability.

Past studies have shown elite capture has been a major problem. This study too has confirmed this fact showing its connotation with the downside of social capital. Further studies are needed to understand how does elite capture occur and what is its nature in different realms: in sectors, projects and in local government. Also such studies may

capture the roles of the benevolent social leaders as opposed to domineering and exploiting elites in the success of collective actions and community groups. Additional knowledge on the nature and trend of elite capture may help formulate appropriate policy measures.

Building on the present study, and to serve the need of the present transitional phase of Nepal's governance system, further studies may be carried out on the system of local self-governance in order to identify ways of integrating various systems of cooperation and collective actions at the grassroots with the local self-governance policies. Such a study could contribute to the design and implementation of appropriate collaborative local development policies which are needed for a more synergic outcome which is lacking at present.

It is to be hoped that the changing political climate in Nepal may help to make practical the implementation of some of these suggestions in order that investment in groups of individuals in the development process may be more sustainable than it is at present.

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Annex 1: List of literature related to social capital in Nepal*

| Topics | Author | Year | Types of work |
|--|---|------|---|
| Social Institutions and Social capital | | 1998 | Nepal Human Development Report |
| Social Institutions, Local Governance, and Social Capital Foundations of Sustainable Development and Poverty Reduction | Dr. Zahir Sadeeqe | 1999 | News letter: Issues in mountain and development |
| Social Network Analysis, Social capital and their Policy Implications | Marion Gibbon and Durga Pokharel | 1999 | PLA Notes |
| Subsistence Economy and Institutions for Mobilizing Social Capital | Bhuwan Bahadur Bajracharya | 2000 | Workshop paper |
| Microfinance as Social Capital? Comparative Perspectives from Nepal and Vietnam | Katharine N. Rankin | 2001 | Journal article |
| Eroding Social Capital through Incompatible Legal and Institutional Regimes: Experiences from Irrigation Systems in Nepal | Prachanda Pradhan | 2002 | Workshop paper (news letter) |
| Social Capital: Basis of Development | Mukti Rijal | 2003 | Short essay on news paper |
| Women's Organisations, Maternal Knowledge, and Social Capital to Reduce Prevalence of Stunted Children – Evidence From Rural Nepal | Per A. Eklund, Fabrizio Felloni and Katsushi Imai | 2003 | Discussion paper series |
| Social Capital: Concept and Relevance | Ram Babu Nepal | 2004 | Short essay on news paper |
| Household Human and Social Capital And School Enrolment in Chitwan, Nepal | Purandhar Dhital | 2004 | Dissertation |
| Enhancing social capital in Nepal | Surendra R. Devkota | 2006 | Short essay on online news portal |
| Other relevant | | | |
| Small Farmers' Group Networks: A Case Study of Small Farmers Cooperatives Limited in Nepal | Kailash Pyakuryal | 1998 | Case studies |
| Civil Society in Nepal: Opening the Ground for Questions. Centre for Governance and Development. | D. R. Dahal | 2001 | Book |
| Investigating the Impact of Social Networks on Household Forest Conservation Effort in Rural Nepal | Mani Nepal, Alok K. Bohara, Robert and P. Berrens | 2005 | Working Paper Series |

* This is not an exhaustive list.

Annex 2A: Agency survey: coverage of districts and households by CMAs in Nepal

| Types of CMP | District covered | Household covered | Types of CMP | District covered | Household covered |
|--|------------------|-------------------|---|------------------|-------------------|
| GBR* | 40 | 223969 | Nari Utthan Kendra-Banke | 3 | 1,300 |
| Sub total | 40 | 223969 | Prerana-Kathmandu | 1 | 1,056 |
| Semi/ government initiated | | | TMUK- Bardiya | 1 | 2,850 |
| SFDP/SFCL* | 75 | 221000 | GSBK - Sarlahi | 4 | 2,000 |
| WDP (PCRW)* | 75 | 114000 | YGBK- Makawanpur | 2 | 3,510 |
| WEP* | 28 | 136000 | COSAN- Kathmandu | 3 | 1,200 |
| BPAP- Kathmandu | 75 | 61,740 | ENRUDEC- Banke | 3 | 4,500 |
| National Development volunteer service* | 10 | 3000 | GNUS - Sarlahi | 1 | 3,802 |
| Sub total | 263 | 535740 | Sahakarmi- Banke | 2 | 3,166 |
| HMG / UNDP and other donor collaborated | | | KSSC- Kapilbastu | 2 | 5,557 |
| UNDP Supported programme* | 137 | 718624 | ECARDSN- Kathmandu | 20 | 5,782 |
| WTPAP* | 8 | 25413 | CSD- Kathmandu | 16 | 47,855 |
| Sub total | 145 | 744037 | IIDS- Kathmandu | 12 | 11,570 |
| INGOs | | | NEWAHN- Kathmandu | 48 | 3,985 |
| SNV* | 8 | 14633 | CCODER- Kathmandu | 6 | 21,915 |
| ITDG* | 1 | 198 | RSDC-Kathmandu | 11 | 33,888 |
| Action Aid Nepal* | 14 | 68948 | BASE- Dang | 7 | 36,247 |
| NARMSAP* | 38 | 735017 | DCRDC-Baglung | 4 | 7,000 |
| EFA/USA* | 6 | 132672 | CEAPRED- Kathmandu | 33 | 65,000 |
| GTZ* | 5 | 62677 | DEPROSC- Kathmandu | 30 | 38,358 |
| LFP* | 7 | 201655 | DEVECT Nepal | 1 | 500 |
| NACRMP (CFD)* | 2 | 75595 | Search Nepal | 10 | 600 |
| NSCFP* | 3 | 57837 | PACT, Nepal | 21 | 125000 |
| Plan international* | 8 | 52000 | SAPPROS | 60 | 13836 |
| Sub total | 92 | 1401232 | Sub total | 301 | 440477 |
| NGOs | | | Grand total | 841 | 3345455 |
| Self-initiated organisations in Terai | 3 | 97518 | CMA per district | 11.21 | |
| PBW -Kathmandu | 1 | 425 | Coverage including duplication | | 79% |
| GSS- Bardiya | 1 | 800 | Coverage including duplication (40.5%)* | | 47% |
| RKSS-Bardiya | 1 | 636 | Source: Survey (2004) | | |
| Chetana - Sarlahi | 1 | 764 | * Source (Sah, 2003). For DLGSP, RUPP, BAPP and | | |
| ISARD-Kathmandu | 1 | 850 | Nirdhan new data has been updated | | |
| | | | Note: CMAs working for sectoral activities are also included. | | |
| | | | Note: In few cases the household might have been repeated. | | |

Annex 2B: Agency survey-coverage of districts and households by responding CMAs only

| Name of the Organisation | Date established | Types of organisation | Level of Organisation based on size of operation | Organisation's membership (No.) | | | | | Paid staff (No.) | | | | | Working forming new groups or with existing or both | Relation with VDCs and DDGs: Tied or loosely coordinated or both | Types of activities and beneficiaries | | Coverage and mobilisation | | | | | | | | | |
|------------------------------|------------------|-----------------------|--|---------------------------------|---------------|-----------------|-------------|---------------|------------------|---------------------|-----------------------|-------------------|---------------------|---|--|--|--|---------------------------|--------------------|---------------------|-----------------------------------|---|--------------------------------------|-----------------------------|-------------------------------------|---------------------------|--|
| | | | | Total | General- Male | General- Female | Board- Male | Board- Female | Total | Central level- Male | Central level- Female | Field level- Male | Field level- Female | | | Activities: Singular or Multiple or both | Beneficiaries: Targeted or Board-based or both | Total Districts Worked | Total VDCs Covered | Total groups formed | Total household members in groups | Total savings collected by the groups (Rs.) | Average coverage of HHs in a VDC (%) | Range of members in a group | Projects phased out districts (No.) | Project running districts | |
| RKSS-Bardiya | 1996 | NGO | Local | 416 | 257 | 159 | 8 | 3 | 24 | 5 | 1 | 15 | 3 | Both | Loosely | Multiple | Both | 1 | 18 | 33 | 636 | - | - | 10-25 | 1 | - | |
| TMUK- Bardiya | 1991 | NGO | Local | 175 | 0 | 175 | 0 | 9 | 18 | 2 | 3 | 7 | 6 | Forming | Loosely | Multiple | Targeted | 1 | 21 | 95 | 2,850 | 120,550 | - | 25-30 | 1 | 1 | |
| GSS- Bardiya | 1993 | NGO | Local | 115 | 53 | 62 | 6 | 7 | 6 | 2 | 1 | 2 | 1 | Forming | Loosely | Multiple | Targeted | 1 | 9 | 28 | 800 | 300,000 | 10 | 20-30 | 1 | 1 | |
| Chetana - Sarlahi | 1999 | NGO | Local | 25 | 13 | 12 | 4 | 5 | 11 | 1 | 0 | 2 | 8 | Forming | Loosely | Both | Targeted | 1 | 2 | 42 | 764 | 690,435 | 20 | 15-30 | 0 | 1 | |
| GNUS - Sarlahi | 1993 | NGO | Local | 60 | 9 | 51 | 2 | 11 | 5 | 2 | 3 | 22 | 22 | Forming | Loosely | Multiple | Broad-based | 1 | 7 | 190 | 3,802 | 1,721,882 | 60 | 15-35 | 1 | 1 | |
| SBS Makwanpur | 1996 | NGO | Local | 21 | 14 | 7 | 6 | 3 | 23 | 2 | 0 | 1 | 20 | Forming | missing | Multiple | Targeted | 1 | 5 | 13 | - | 70,000 | 40 | 7-9 | 1 | 1 | |
| PBW -Kathmandu | 1994 | NGO | Local | 100 | 0 | 100 | 0 | 11 | 2 | 1 | 1 | 0 | 0 | - | Loosely | Both | Targeted | 1 | 2 | 17 | 425 | 53,500 | - | 25-30 | 1 | 1 | |
| ISARD-Kathmandu | 1991 | NGO | Local | 30 | 20 | 10 | 5 | 2 | 3 | 0 | 0 | 2 | 1 | Both | Loosely | Multiple | Both | 1 | 12 | 50 | 850 | 556,691 | 10-40 | 9-42 | - | 1 | |
| Sahakarmi- Banke | 1998 | NGO | Regional | 44 | 27 | 17 | 8 | 1 | 33 | 6 | 1 | 15 | 11 | Both | Loosely | Multiple | Targeted | 2 | 26 | 229 | 3,166 | 1,549,324 | 40 | 15-30 | 2 | 2 | |
| ENRUDEC- Banke | 1998 | NGO | Regional | 38 | 18 | 20 | 5 | 4 | 20 | 6 | 5 | 7 | 2 | Existing | Loosely | Multiple | Broad-based | 3 | 28 | 150 | 4,500 | 285,000 | 60 | 25-30 | 2 | 2 | |
| Nari Utthan Kendra- Banke | 1997 | NGO | Regional | - | - | - | - | - | 0 | 0 | 0 | 0 | 0 | Forming | Loosely | Multiple | Both | 3 | 7 | 59 | 1,300 | 535,000 | 15 | 15-25 | 2 | 2 | |
| KSSC- Kapilbastu | 1980 | NGO | Regional | 54 | 34 | 20 | 6 | 3 | 24 | 4 | 0 | 15 | 5 | Forming | Both | Multiple | Broad-based | 2 | 38 | 260 | 5,557 | 3,220,915 | 40 | 15-30 | 2 | 2 | |
| DCRDC-Baglung | 1995 | NGO | Regional | 118 | 70 | 48 | 7 | 2 | 27 | 6 | 4 | 10 | 7 | Both | Loosely | Multiple | Targeted | 4 | 60 | 1500 | 7,000 | - | - | 5-25 | 4 | 4 | |
| CEAPRED- Kathmandu | 1991 | NGO | National | 34 | 29 | 5 | 5 | 2 | 226 | 22 | 4 | 150 | 50 | Both | Loosely | Both | Targeted | 33 | 307 | 2200 | 65,000 | 25,800,000 | - | - | 23 | 18 | |
| ECARDSN- Katmandu | 1991 | NGO | National | 19 | 19 | 0 | 9 | 0 | 110 | 4 | 2 | 72 | 32 | Both | Both | Multiple | Broad-based | 20 | 500 | 290 | 5,782 | - | 10-50 | - | 35 | 10 | |
| NEWAHN- Katmandu | 1992 | NGO | National | 12 | 7 | 5 | 5 | 2 | 250 | 17 | 5 | 172 | 56 | Forming | Loosely | Multiple | Targeted | 48 | 229 | 673 | 3,985 | - | 24 | 9-15 | 17 | 31 | |
| INSAN- Katmandu | 1995 | NGO | National | 22 | 10 | 3 | 8 | 1 | 13 | 4 | 0 | 6 | 3 | Both | Loosely | Multiple | Both | 48 | 245 | 362 | - | - | 80 | 9-42 | 7 | 1 | |
| IIDS- Kathmandu | 1991 | NGO | National | 10 | 0 | 0 | 7 | 3 | 49 | 26 | 9 | 10 | 4 | Forming | Loosely | Multiple | Targeted | 12 | 92 | 561 | 11,570 | 14,702,918 | 22 | 15-25 | 7 | 5 | |
| GSBK - Sarlahi | 1994 | NGO | National | 41 | 20 | 21 | 3 | 4 | 36 | 5 | 4 | 13 | 14 | Forming | Loosely | Singular | Broad-based | 4 | 10 | 100 | 2,000 | 500,800 | 50 | 10-25 | - | 2 | |
| RSDC-Kathmandu | 1991 | NGO | National | 20 | 16 | 4 | 6 | 1 | 161 | 11 | 2 | 120 | 28 | Forming | Loosely | Multiple | Targeted | 11 | 170 | 1247 | 33,888 | 22,483,157 | 20-70 | 12-50 | 4 | 9 | |
| Prerana-Kathmandu | 1998 | NGO | National | 16 | 14 | 2 | 8 | 1 | 23 | 0 | 1 | 7 | 15 | Both | Loosely | Singular | Targeted | 1 | 7 | 78 | 1,056 | 600,000 | 75 | 8-20 | 0 | 1 | |
| JUP Nepal- Kathmandu | 1994 | NGO | National | 261 | 205 | 56 | 6 | 1 | 14 | 6 | 2 | 4 | 2 | Both | Loosely | Multiple | Broad-based | 10 | 41 | 221 | 1,150 | - | 20 | - | 2 | 8 | |
| COSAN- Katmandu | 1991 | NGO | National | 28 | 21 | 7 | 5 | 2 | 34 | 2 | 1 | 21 | 10 | Existing | missing | Singular | Targeted | 3 | 26 | 120 | 1,200 | - | 80 | 12-18 | 0 | 2 | |
| CSD- Kathmandu | 1991 | NGO | National | 11 | 9 | 2 | 7 | 2 | 56 | 12 | 2 | 40 | 2 | Forming | Loosely | Multiple | Targeted | 16 | 348 | 384 | 47,855 | 180,064,767 | - | 20-95 | 11 | 5 | |
| YGBK- Makawanpur | 1999 | NGO | National | 42 | 25 | 17 | 5 | 4 | 18 | 1 | 3 | 4 | 10 | Forming | Loosely | Both | Both | 2 | 35 | 117 | 3,510 | 1,398,000 | 30 | 25-35 | 2 | 2 | |
| BASE- Dang | 1991 | NGO | National | 27000 | 17550 | 9450 | 11 | 2 | 167 | 24 | 10 | 74 | 59 | Forming | Loosely | Multiple | Targeted | 7 | 139 | 1428 | 36,247 | 20,483,670 | - | 25 | 6 | 7 | |
| CCODER- Kathmandu | 1991 | NGO | National | - | - | - | - | - | 114 | 11 | 4 | 78 | 21 | Forming | Loosely | Multiple | Broad-based | 6 | 65 | 775 | 21,915 | 28,000,000 | 75 | 25-50 | 0 | 6 | |
| DEPROSC- Kathmandu | 1993 | NGO | National | 15 | 13 | 2 | 6 | 1 | 253 | 10 | 3 | 208 | 32 | Both | Loosely | Multiple | Targeted | 30 | 200 | 5000 | 38,358 | 30,257,364 | 40-70 | 5-150 | 15 | 18 | |
| VDRC- Nawalparasi | 1988 | NGO | National | 103 | 78 | 25 | 10 | 3 | 72 | 16 | 4 | 41 | 11 | Both | Loosely | Multiple | Broad-based | 11 | 102 | 936 | - | 33,800,000 | - | 25 | 5 | 6 | |
| RUPP- Kathmandu | 1997 | Semi GO | National | 0 | 0 | 0 | 0 | 0 | 13 | 8 | 2 | 3 | 0 | Forming | Directly tied | Multiple | Broad-based | 11 | 45 | 2709 | 107,049 | 77,246,999 | 100 | 44 | 12 | 11 | |
| DLGSP- Kathmandu | 2004 | Semi-GO | National | - | - | - | - | - | 66 | 11 | 4 | 48 | 3 | - | Directly tied | Multiple | Broad-based | 60 | 662 | 19187 | 472,992 | 280,000,000 | 70 | 25-35 | 0 | 60 | |
| BPAP- Kathmandu | 1998 | GO | National | - | - | - | - | - | 629 | 7 | 1 | 362 | 259 | Forming | missing | Multiple | Targeted | 75 | 410 | 4711 | 61,740 | 14,489,428 | 45 | 9-15 | 0 | 75 | |
| NCFN N- Katmandu | 1993 | Co-ops | National | 18 | 0 | 0 | 17 | 1 | 36 | 10 | 4 | 22 | 0 | Existing | Loosely | Both | Targeted | 52 | - | - | - | - | - | 25-40 | - | 10 | |
| Nirdhan U. Bank-Bhairahawa. | 1991 | Bank | National | 1946 | 9 | 1937 | 9 | 0 | 231 | 28 | 1 | 190 | 12 | Forming | Independent | Multiple | Targeted | 10 | 262 | 8134 | 40,715 | 72,605,470 | 20-30 | 5 | - | 10 | |
| SBCK- Kathmandu | 1996 | Company | National | 7 | 0 | 0 | 6 | 1 | 3 | 2 | 1 | 0 | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| WWF Nepal- Kathmandu | 1993 | INGO | National | - | - | - | - | - | 28 | 13 | 6 | 9 | 0 | Both | Loosely | Both | Broad-based | 18 | 36 | - | - | - | - | - | 0 | 18 | |
| MS Nepal- Kathmandu | 1986 | INGO | National | - | - | - | - | - | 36 | 14 | 7 | 6 | 9 | - | - | - | - | - | - | - | - | - | - | - | - | 11 | |
| United Mission to Nepal | 1954 | INGO | National | - | - | - | - | - | 120 | - | - | - | - | Both | Loosely | Multiple | Targeted | - | - | - | - | - | - | - | 30 | 3 | |
| Plan International Nepal-Ktm | 1974 | INGO | National | 16 | - | - | - | - | 336 | 267 | 69 | 0 | 0 | Both | Loosely | Multiple | Broad-based | 28 | 131 | - | - | - | - | - | - | 6 | |
| Total | | | | 30817 | 18540 | 12217 | 190 | 92 | 3290 | 568 | 170 | 1758 | 718 | | | | | 538 | 4297 | 51899 | 987662 | 11,535,870 | 956 | 99 | 194 | 355 | |

Annex 3: List of agencies visited during exploratory fieldwork

A. District Level

| Name agency | Specific programme or section visited |
|---------------------------------|--|
| District Development Committee: | <ul style="list-style-type: none"> • Local Trust Fund (PDDP related) • Western Terai Poverty Alleviation Fund • Bisheshower Among Poor Programme • Planning Section. |
| District Administration: | <ul style="list-style-type: none"> • NGO Section (registration and renewal) |
| District Agriculture Office: | <ul style="list-style-type: none"> • Agriculture Extension Section |
| District Forest Office: | <ul style="list-style-type: none"> • Community Forestry Section |
| Women Development Office: | <ul style="list-style-type: none"> • Women Development Programme • <i>Jagriti</i> Women Programme |
| District Irrigation Office: | <ul style="list-style-type: none"> • Water Users Association Section. |
| District Cooperative Office | <ul style="list-style-type: none"> • Cooperatives |

B. VDC level institutions or representatives visited and consulted

| Dudhrakshya VDC | Majhgaon: |
|---|--------------------------------------|
| VDC Office/Officials | VDC Office/Officials |
| Ex-people's Representatives | Ex-people's Representatives |
| Health Post | Health Post |
| Schools | Schools |
| Janasewa Cooperative | Agriculture Service Centre |
| Small Farmers Cooperative Limited (SFCL) | Livestock Service Centre |
| PDDP Social Mobiliser | Nirdhan Office |
| Inguriya Irrigation WUA | Mahila Jagrti Worker |
| Representatives of local NGOs. | Bisheshower Among the Poor Programme |
| Representatives of other local cooperatives | Ilaka Administration |
| Representatives of other various agencies | MLIP WUA |
| | Navadurga Cooperative |

Annex 4: Population and household sample by various socio-economic variables

| Characteristics | Category | Population | | Sample | | Representation |
|--|---------------------------|------------|---------|----------|---------|----------------|
| | | HH (no.) | Percent | HH (no.) | Percent | |
| Space: VDC | Dudhrakshya | 642 | 67 | 60 | 65 | 9.35 |
| | Majhgaon | 314 | 33 | 34 | 35 | 10.83 |
| | Total | 956 | 100 | 94 | 100 | 9.83 |
| Villages | 1Bharatpur | 40 | 4 | 5 | 4.7 | 12.50 |
| | 1Andhikhola | 81 | 8 | 7 | 8.2 | 8.64 |
| | 2Ramapur | 100 | 10 | 9 | 10.6 | 9.00 |
| | 3Budhhanagar | 76 | 8 | 7 | 8.2 | 9.21 |
| | 5Ramapur | 50 | 5 | 5 | 5.9 | 10.00 |
| | 6Balapur | 109 | 11 | 9 | 8.2 | 8.26 |
| | 7Gobraiya | 35 | 4 | 5 | 3.5 | 14.29 |
| | 8Bhachha | 151 | 16 | 13 | 15.3 | 8.61 |
| | 1Itahaya | 20 | 2 | 5 | 3.5 | 25.00 |
| | 2-Majhgaon | 90 | 9 | 8 | 9.4 | 8.89 |
| | 3Chhotki Majhgaon | 64 | 7 | 6 | 7.1 | 9.38 |
| | 5Teliyangadh | 26 | 3 | 5 | 3.5 | 19.23 |
| | 6Nauwadiha | 57 | 6 | 5 | 5.9 | 8.77 |
| | 7Dewanboxapur | 57 | 6 | 5 | 5.9 | 8.77 |
| | Total | 956 | 100 | 94 | 100 | 9.83 |
| Origin | Pahadiya | 491 | 51.36 | 47 | 55.29 | 9.75 |
| | Terai | 465 | 48.64 | 47 | 55.29 | 9.92 |
| | Total | 956 | 100 | 94 | 110.59 | 9.83 |
| Caste/ ethnicity: three group | High | 382 | 21.97 | 35 | 20 | 9.2 |
| | Medium: Janajati | 356 | 24.90 | 37 | 25.88 | 9.7 |
| | Bottom: Dalit or Musalman | 218 | 45.50 | 22 | 45.88 | 11.3 |
| | Total | 956 | 100 | 94 | 100 | 9.8 |
| Caste/ ethnicity | Tagadhari-Pahad | 369 | 38.60 | 33 | 36.47 | 9.12 |
| | Janajati Pahad | 45 | 4.71 | 6 | 7.06 | 13.04 |
| | Dalit-Pahad | 77 | 8.05 | 8 | 8.24 | 10.81 |
| | Janajati Terai | 311 | 32.53 | 31 | 31.76 | 9.28 |
| | Dalit-Terai | 85 | 8.89 | 7 | 7.06 | 11.48 |
| | Musalman | 56 | 5.86 | 7 | 8.24 | 11.86 |
| | Tagadhari-Terai | 13 | 1.36 | 2 | 1.18 | 10.00 |
| | Total | 956 | 100.00 | 94 | 100 | 9.83 |
| Wealth category: two | Poor | 452.0 | 46.862 | 46.0 | 48.94 | 10.18 |
| | Non-poor | 504.0 | 53.138 | 48.0 | 51.06 | 9.52 |
| | Total | 956 | 100 | 94 | 100.00 | 9.83 |
| Wealth category | Very poor | 210 | 21.97 | 21 | 22.34 | 10.0 |
| | Poor | 242 | 25.31 | 25 | 26.60 | 10.5 |
| | Medium | 427 | 44.67 | 37 | 39.36 | 8.5 |
| | Rich | 77 | 8.05 | 11 | 11.70 | 15.1 |
| | Total | 956 | 100 | 94 | 100.00 | 9.8 |
| Category of respondent's education | Illiterate | | | 29.00 | 30.85 | |
| | Just literate | | | 34.00 | 36.17 | |
| | Above literate | | | 31.00 | 32.98 | |
| | Total | | | 94.00 | 100.00 | |
| Category of overall family education index | Upper quartile | | | 24.00 | 25.53 | |
| | Second quartile | | | 23.00 | 24.47 | |
| | Third quartile | | | 24.00 | 25.53 | |
| | Bottom quartile | | | 23.00 | 24.47 | |
| | Total | | | 94.00 | 100.00 | |

Annex 5: T-test results on trust related items and other variables

| Trust to | Origin | N | Mean | Std. Deviation | T | Sig. | ETA | Effect size | | |
|--|-----------------------|----------------|--------|----------------|--------|---------|-----------|-------------|-------|-------------|
| Trust in own kin and relatives | Pahadiya | 47 | 3.957 | 0.908 | 1.968 | 0.05 | 0.041 | Small | | |
| | Madhesi | 46 | 3.500 | 1.295 | | | | | | |
| Own caste/religion | Pahadiya | 47 | 3.702 | 0.778 | 3.385 | 0.00 | 0.112 | Medium | | |
| | Madhesi | 46 | 3.022 | 1.125 | | | | | | |
| From similar political group | Pahadiya | 47 | 3.660 | 0.815 | 2.117 | 0.04 | 0.047 | Small | | |
| | Madhesi | 46 | 3.239 | 1.079 | | | | | | |
| Local government representatives | Pahadiya | 47 | 3.894 | 0.840 | 3.339 | 0.00 | 0.109 | Medium | | |
| | Madhesi | 46 | 3.217 | 1.094 | | | | | | |
| Bonding | Pahadiya | 47 | 73.723 | 11.125 | 3.026 | 0.003 | 0.09 | Medium | | |
| | Madhesi | 47 | 64.489 | 17.717 | | | | | | |
| | Pahadiya | 47 | 58.957 | 11.153 | 2.054 | 0.082 | 0.04 | Medium | | |
| Bridging | Madhesi | 46 | 54.844 | 11.099 | | | | | | |
| | Religion | | | | | | | | | |
| People from similar political group | Non-Muslim | 86 | 3.523 | 0.942 | 2.564 | 0.012 | 0.07 | Medium | | |
| | Muslim | 7 | 2.571 | 0.976 | | | | | | |
| Most of the people of the village | Non-Muslim | 86 | 3.128 | 0.918 | 3.109 | 0.012 | 0.10 | Medium | | |
| | Muslim | 7 | 2.429 | 0.535 | | | | | | |
| Familiar people from neighbouring village | Non-Muslim | 86 | 3.163 | 0.968 | 2.600 | 0.027 | 0.07 | Medium | | |
| | Muslim | 7 | 2.571 | 0.535 | | | | | | |
| Local government representatives | Non-Muslim | 86 | 3.651 | 0.991 | 3.177 | 0.002 | 0.10 | Medium | | |
| | Muslim | 7 | 2.429 | 0.787 | | | | | | |
| Government's offices at the district. | Non-Muslim | 86 | 2.360 | 0.867 | 2.365 | 0.020 | 0.06 | Medium | | |
| | Muslim | 7 | 1.571 | 0.535 | | | | | | |
| Income category | | | | | | | | | | |
| Local traders | Poor | 43 | 2.535 | 1.141 | -3.409 | 0.001 | 0.11 | Medium | | |
| | Non-poor | 50 | 3.320 | 1.077 | | | | | | |
| Elected ever in local government (from family) | | | | | | | | | | |
| Unfamiliar people from neighbouring village | Yes | 27 | 2.185 | 0.879 | 2.632 | 0.010 | 0.07 | Medium | | |
| | No | 66 | 1.697 | 0.784 | | | | | | |
| Different NGO representatives | Yes | 27 | 3.852 | 0.864 | 2.312 | 0.024 | 0.06 | Medium | | |
| | No | 62 | 3.355 | 1.073 | | | | | | |
| Political party of one's own affiliation | Yes | 27 | 3.778 | 0.974 | 2.391 | 0.020 | 0.06 | Medium | | |
| | No | 66 | 3.197 | 1.255 | | | | | | |
| Party position holding (from family) | | | | | | | | | | |
| People of from other caste/religio | Supporter | 66 | 2.92 | 0.982 | -2.387 | 0.019 | | | | |
| | Organised member | 26 | 3.46 | 0.948 | | | | | | |
| From dissimilar economic status | Supporter | 66 | 3.08 | 1.071 | -2.840 | 0.06 | | | | |
| | Organised member | 26 | 3.62 | 0.697 | | | | | | |
| Affiliated political party | Supporter | 66 | 3.20 | 1.231 | -2.225 | 0.029 | | | | |
| | Organised member | 26 | 3.81 | 1.059 | | | | | | |
| Bridging | Supporter | 66 | 2.7663 | 0.566 | -2.162 | 0.033 | | | | |
| | Organised member | 26 | 3.0440 | 0.527 | | | | | | |
| Trust to | Independent variables | | N | Mean | Sig. | P value | Tukey HSD | | Eta | Effect size |
| | | | | | | | F | Sig | | |
| People from similar economic status | Just literate | Illiterate | 28 | 3.250 | 1.175 | 0.019 | 5.436 | 0.006 | 5.436 | Moderate |
| | | Above literate | 31 | 3.258 | 1.094 | 0.014 | | | | |
| Local government representatives | Above literate | Illiterate | 28 | 3.536 | 0.962 | 0.086 | | | | |
| | | Just literate | 34 | 3.559 | 1.133 | 0.010 | 4.750 | 0.011 | 4.750 | Moderate |
| Bridging | Above literate | Illiterate | 29 | 53.862 | 16.442 | 0.074 | | | | |
| | | Just literate | 34 | 54.206 | 10.516 | 0.078 | 3.224 | 0.044 | 3.224 | Moderate |

Annex 6: Village wise scores of various aspects of social capital

Annex 6A: Itemised trust scores by villages and VDCs.

| | Own kin and relatives | Own caste/religion | Similar economic status | Similar political group | One's own group members (shg) | Other caste/religion | Dissimilar economic status | Dissimilar political group | Most of the village | Local traders | Familiar neighbouring village | Unfamiliar neighbouring village | Different NGO representatives | Local government representatives | Government's employees at local level | Government's offices at the district. | Police, administration and court | Political party of one's own affiliation | Member of parliament | Centre government | Nepalese in general | Overall of each respondents | Bonding | Bridging | Linking |
|-------------------|-----------------------|--------------------|-------------------------|-------------------------|-------------------------------|----------------------|----------------------------|----------------------------|---------------------|---------------|-------------------------------|---------------------------------|-------------------------------|----------------------------------|---------------------------------------|---------------------------------------|----------------------------------|--|----------------------|-------------------|---------------------|-----------------------------|---------|----------|---------|
| 1Bharatpur | 88 | 68 | 60 | 68 | 72 | 56 | 64 | 60 | 60 | 60 | 56 | 44 | 72 | 72 | 60 | 40 | 44 | 68 | 40 | 32 | 44 | 59 | 71 | 57 | 54 |
| 1Andhikhola | 77 | 80 | 63 | 77 | 89 | 63 | 71 | 63 | 66 | 49 | 63 | 29 | 51 | 89 | 69 | 43 | 43 | 57 | 43 | 29 | 49 | 61 | 77 | 58 | 53 |
| 2Ramapur | 84 | 80 | 76 | 80 | 82 | 78 | 69 | 76 | 71 | 71 | 76 | 44 | 80 | 76 | 58 | 44 | 33 | 71 | 51 | 44 | 69 | 67 | 80 | 69 | 57 |
| 3Budhhanagar | 63 | 66 | 49 | 63 | 77 | 60 | 66 | 54 | 60 | 60 | 60 | 40 | 66 | 83 | 66 | 54 | 34 | 66 | 31 | 40 | 60 | 58 | 63 | 57 | 55 |
| 5Ramapur | 76 | 56 | 48 | 68 | 85 | 56 | 52 | 36 | 60 | 56 | 56 | 28 | 52 | 80 | 44 | 52 | 40 | 56 | 48 | 56 | 44 | 55 | 65 | 49 | 54 |
| 6Balapur | 85 | 75 | 68 | 73 | 74 | 70 | 70 | 38 | 70 | 65 | 73 | 45 | 70 | 78 | 53 | 45 | 30 | 68 | 40 | 33 | 63 | 62 | 77 | 61 | 51 |
| 7Gobraiya | 76 | 72 | 48 | 68 | 84 | 52 | 60 | 60 | 48 | 56 | 44 | 24 | 60 | 72 | 60 | 56 | 48 | 76 | 48 | 52 | 60 | 58 | 70 | 49 | 59 |
| 8Bhadsa | 68 | 66 | 68 | 72 | 80 | 46 | 65 | 57 | 58 | 65 | 63 | 42 | 74 | 75 | 63 | 43 | 31 | 72 | 45 | 46 | 74 | 60 | 70 | 56 | 56 |
| 1Itahaya | 60 | 64 | 64 | 76 | 80 | 68 | 68 | 36 | 68 | 48 | 56 | 24 | 64 | 56 | 48 | 36 | 36 | 56 | 48 | 52 | 56 | 55 | 68 | 53 | 50 |
| 2-Majhgaon | 75 | 65 | 43 | 75 | 91 | 65 | 68 | 50 | 63 | 48 | 70 | 33 | 80 | 73 | 63 | 58 | 53 | 88 | 50 | 70 | 80 | 64 | 69 | 56 | 66 |
| 3Chhotki Majhgaon | 70 | 50 | 40 | 63 | 70 | 50 | 57 | 33 | 47 | 47 | 50 | 30 | 67 | 53 | 43 | 33 | 27 | 63 | 50 | 30 | 57 | 48 | 58 | 45 | 46 |
| 5Teliyangadh | 80 | 56 | 60 | 60 | 70 | 64 | 60 | 48 | 60 | 60 | 56 | 32 | 84 | 64 | 56 | 48 | 44 | 56 | 52 | 48 | 64 | 58 | 66 | 54 | 57 |
| 6Nauwadiha | 64 | 56 | 68 | 48 | 80 | 64 | 64 | 48 | 60 | 72 | 64 | 48 | 84 | 44 | 68 | 44 | 48 | 64 | 36 | 44 | 52 | 58 | 61 | 60 | 54 |
| 7Dewanboxapur | 80 | 76 | 64 | 56 | 85 | 76 | 60 | 60 | 64 | 64 | 68 | 40 | 70 | 60 | 68 | 48 | 48 | 64 | 48 | 32 | 40 | 62 | 71 | 62 | 54 |
| Dudhraksha | 76 | 71 | 62 | 72 | 80 | 60 | 65 | 56 | 62 | 61 | 63 | 38 | 67 | 78 | 60 | 46 | 36 | 67 | 43 | 41 | 61 | 58 | 72 | 58 | 55 |
| Majhgaon | 72 | 61 | 55 | 64 | 81 | 64 | 63 | 46 | 60 | 55 | 61 | 34 | 75 | 59 | 58 | 45 | 43 | 67 | 48 | 48 | 60 | 55 | 67 | 55 | 55 |
| Overall | 75 | 67 | 59 | 69 | 81 | 62 | 65 | 52 | 62 | 59 | 62 | 37 | 70 | 71 | 59 | 46 | 39 | 67 | 45 | 44 | 60 | 59 | 70 | 57 | 55 |

Annex 6B: Tradition of *janashram* and change by villages

| S.N | Villages | Past trend to conserve | People ready to participate | <i>Janashram</i> score (aggregate) | Change <i>janashram</i> score (%) |
|-----|-------------------|------------------------|-----------------------------|------------------------------------|-----------------------------------|
| 1 | 1Bharatpur | 94 | 95 | 74 | 0 |
| 2 | 1Andhikhola | 83 | 96 | 79 | 12 |
| 3 | 2Ramapur | 78 | 78 | 58 | 4 |
| 4 | 3Budhhanagar | 86 | 68 | 52 | 21 |
| 5 | 5Ramapur | 85 | 85 | 75 | 10 |
| 6 | 6Balapur | 92 | 100 | 82 | 48 |
| 7 | 7Gobraiya | 75 | 75 | 58 | 8 |
| 8 | 8Bhachha | 57 | 75 | 56 | -12 |
| 9 | 1Itahaya | 60 | 80 | 51 | -27 |
| 10 | 2-Majhgaon | 78 | 50 | 50 | 5 |
| 11 | 3Chhotki Majhgaon | 48 | 79 | 52 | -67 |
| 12 | 5Teliyangadh | 65 | 80 | 63 | 0 |
| 13 | 6Nauwadiha | 56 | 60 | 63 | -28 |
| 14 | 7Dewanboxapur | 60 | 80 | 63 | 0 |
| 15 | Dudhraksha | 78 | 78 | 65 | 10 |
| 16 | Majhgaon | 59 | 71 | 56 | -14 |
| 17 | Overall | 71 | 76 | 62 | 2 |

Annex 6C: Network size and cognitive social capital in the village by villages

| | Network size in the village by villages | | | Cognitive Aspects of Social Capital | | | | |
|-------------------|---|-------------------------|---------------------------------------|-------------------------------------|-------------------------|--------------------------|--------------------------|--|
| | Calamity support score | Number of people helped | Number of people to ask money in need | Overall norms of reciprocity | Overall trustworthiness | Cognitive social capital | Overall of rules keeping | |
| 1Bharatpur | 0.70 | 56.00 | 93 | 62.0 | 59.20 | 60.6 | 92 | |
| 1Andhikhola | 0.89 | 57.14 | 90 | 63.5 | 60.57 | 62.0 | 66 | |
| 2Ramapur | 0.81 | 80.00 | 100 | 45.0 | 67.22 | 56.1 | 71 | |
| 3Budhhanagar | 0.79 | 82.86 | 90 | 50.5 | 57.86 | 54.2 | 66 | |
| 5Ramapur | 0.80 | 68.00 | 87 | 62.5 | 54.86 | 58.7 | 72 | |
| 6Balapur | 0.67 | 42.22 | 74 | 68.0 | 62.07 | 65.0 | 77 | |
| 7Gobraiya | 0.80 | 48.00 | 87 | 54.5 | 58.20 | 56.4 | 76 | |
| 8Bhachha | 0.81 | 55.38 | 69 | 49.0 | 59.75 | 54.4 | 55 | |
| 1Itahaya | 0.80 | 56.00 | 67 | 52.0 | 54.91 | 53.5 | 64 | |
| 2-Majhgaon | 0.81 | 52.50 | 88 | 47.5 | 64.03 | 55.8 | 65 | |
| 3Chhotki Majhgaon | 0.67 | 66.67 | 72 | 39.5 | 48.30 | 43.9 | 40 | |
| 5Teliyangadh | 0.60 | 48.00 | 73 | 51.0 | 58.02 | 54.5 | 48 | |
| 6Nauwadiha | 0.55 | 72.00 | 73 | 49.0 | 57.60 | 53.3 | 52 | |
| 7Dewanboxapur | 0.50 | 60.00 | 87 | 48.0 | 61.64 | 54.8 | 64 | |
| Dudhraksha VDC | 0.78 | 61.00 | 84 | 55.5 | 60.49 | 58.0 | 70 | |
| Majhgaon VDC | 0.67 | 58.82 | 77 | 48.0 | 57.73 | 52.9 | 56 | |
| Total | 0.74 | 60.21 | 82 | 53.0 | 59.48 | 56.2 | 65 | |

Annex 6D: List of village collective works performed in last 12 months

| S.N | 1Bharatpur: Collective activities ⁱⁱⁱ | Yes | No | Days | Remarks |
|-----|--|-----|----|------------|--------------------------|
| 1 | Gravelling Bhatachaur road (VDC scheme) (4) | 1 | | 4 days | |
| 2 | Inguriya irrigation dam construction (2) | 1 | | 20/22 days | As per land holding |
| 3 | Canal clearing (local) (2) | 1 | | 1 day | |
| 4 | Inguriya school (<i>janashram</i>) (1) | 1 | | 1 day | |
| 5 | Bhatachaur school sisau cutting (1) | 1 | | 1 day | |
| 6 | Temple construction (1) | | | | |
| | No of participating respondents | 5 | 0 | | |
| | 1Andhikhola | | | | |
| 1 | Road (gravelling) (5) | 1 | | | |
| 2 | Inguriya school (2) | 1 | | | |
| 3 | Inguriya irrigation canal construction (3) | 1 | | | |
| 4 | Drinking water system (1) | 1 | | | |
| 5 | Temple construction (2) | 1 | | | |
| | No of participating respondents | 6 | 1 | | |
| | 2Ramapur | | 4 | | |
| 1 | Road gravelling/road fill (2) | 1 | | | |
| 2 | Tole sanitation (2) | 1 | | | |
| 3 | Irrigation (1) | 1 | | | |
| 4 | Rampur campus construction donation (1) | 1 | | | |
| 5 | Chautaro nirman (1) | 1 | | | |
| | No of participating respondents | 5 | 4 | | |
| | 3Budhhanagar | | | | Cash collected |
| 1 | Underground irrigation lining (2 yrs before) (3) | 1 | | 5 day | Selling trees, no labour |
| 2 | Tole electrification (club's initiatives) (3) | 1 | | | Selling trees, no labour |
| 3 | Road repairs (club's initiative) (4) | 1 | | | (in the past 15 day??) |
| 4 | Culvert (1) | 1 | | | |
| | No of participating respondents | 6 | 1 | | |
| | 5Ramapur | 1 | | | |
| 1 | Irrigation canal lining (4) | 1 | | 2 days | |
| 2 | Road filling (3) | 1 | | 3-7 days | |
| 3 | Tube well-motor irrigation (1) | 1 | | 10 days | |
| 4 | Temple construction (1) | 1 | | | |
| 5 | Rampur campus construction donation (1) | 1 | | | |
| 6 | Inguriya irrigation dam construction (1) | 1 | | | Last year 30 days |
| | No of participating respondents | 5 | | | |
| | 6Balapur | 1 | | | |
| 1 | Road filling/maintenance (8) | 1 | | | |
| 2 | Drinking water system (7) | 1 | | 50-60 days | |
| 3 | Electric poles installation (5) | 1 | | | |
| 4 | Culvert (2) | 1 | | | |
| 5 | Football ground levelling (1) | 1 | | | |
| 6 | School building (1) | 1 | | | |
| | | 9 | | | |
| | 7Gobraiya | | | | |
| 1 | Village road repair (small trail) (5) | 1 | | 3 days | |
| 2 | Main road (out of village) (1) | 1 | | 4 days | |
| 3 | School building/construction-repair (3) | 1 | | | |

ⁱⁱⁱ Numbers in the parentheses are the frequency of responses

| | | | | | |
|-------------------|---|---|----|---------|---|
| 4 | Temple construction/repair (2) | 1 | | | |
| | No of participating respondents | 5 | | | |
| 8Bhachha | | | | | |
| 1 | Irrigation canal cleaning (1) | 1 | | | For last 30 years, no Bighhauti like works. Do not listen now days. Days changed. |
| 2 | Road repair (1) | 1 | | | |
| 3 | Inguriya irrigation Dam construction (1) | 1 | | | |
| 4 | Culvert repair (1) | 1 | | | No, for last year nothing. They used to be few years ago |
| 5 | Rampur campus (donation) (1) | 1 | | | |
| | No of participating respondents | 2 | 11 | | |
| 1Itahaya | | | 1 | | |
| 1 | Kalimai prayer (once a month by group) (3) | 1 | 1 | | Gambling also |
| 2 | Road repair (3) | 1 | 1 | | Group initiatives |
| | No of participating respondents | 4 | 1 | | |
| 2-Majhgaon | | | | | |
| 1 | Canal cleaning (half day) (5) | 1 | | 1/2 day | This year only |
| 2 | Road repair/cleaning (3) | 1 | | 1 day | Never has happened anything locally except the HMG irrigation project. |
| | | | | | |
| 3 | Community collective prayers (3) | 1 | | | |
| 4 | Neighbourhood sanitation (street drama) (1 day) | 1 | | | Group only |
| | No of participating respondents | 6 | 2 | | |
| 3Chhotki Majhgaon | | | | | |
| 1 | Road filling (VDC Scheme) (6) | 1 | | 3 days | First time participation last year |
| 2 | Canal cleaning (3) | 1 | | 1/2 day | Only because of long draught this year |
| | No of participating respondents | 6 | | | |
| 5Teliyangadh | | | 2 | | |
| 1 | Road repair (3) | 1 | | 1 day | |
| 2 | Canal repair (3) | 1 | | 1/2 day | |
| | No of participating respondents | 3 | 2 | | |
| 6Nauwadiha | | | 3 | | |
| 1 | Road repair (1) | 1 | | | Canal repair last year |
| 2 | No of participating respondents | 1 | 4 | | |
| 7Dewanboxapur | | | | | |
| 1 | Road repair (3) | 1 | | | |
| 2 | Prayers (3) | 1 | | | |
| | No of participating respondents | 4 | 1 | | |

Annex 6E: List of opportunities and deprivations due to *afno manche* relationship

A. Important position holders from the village and flow of benefit at collective level

| Village | Opportunity | |
|--|--|---|
| | From others | From elected persons |
| 1Bharatpur | | |
| Only small businessman | Had asked once | |
| Manpower supplier in Kathmandu | Minimum | Local level |
| Gaire Motor, Palpa | | |
| Journalist at district level newspaper | | |
| 1Andhikhola | | |
| Coops employee, teachers | No | Yes to some extent |
| 2Ramapur | | |
| Dinesh Gangol, Doctor, Ktm. | No | Bridge Inguriya |
| Officer 1 | | Colony-Lumbini motor way |
| Hotel owner in Kathmandu | | |
| Police SI | | |
| Journalist (Editor) | | |
| 3Budhhanagar | | |
| CPN UML district secretary | Electricity due to | Parroha Bridge |
| Campus chairperson | a local doctor | |
| 5Ramapur | | |
| GO and NGO worker | PDDP programme | Colony-Lumbini motor way, Electricity |
| 6Balapur | | |
| HMG officer: Chaudhari | Fishpond at his home | Bridge con. in 10 lakh (PDDP support) |
| Napi peon | Help in works at Napi | Drinking water, Bridge construction |
| Vegetable trader in Kathmandu | | |
| 7Gobraiya | | |
| Arab employee | One took another | No |
| Retailers | Small business | |
| 8Bhachha | | |
| Teachers 4 | No | No |
| Businessman (Butwal) | | |
| 1Itahaya | | |
| Coops chair and secretary | One went to plastic | No |
| Health post | factory and taken | |
| School teacher | other two | |
| 2-Majhgaon | | |
| Bank Manager | Gave land for | |
| Teacher-4, HMG 1, Bank 2 , Post office 1 | sharecropping. | Electricity |
| Tiara Bahuns | Helped a person with job | |
| 3Chhotki Majhgaon | | |
| Ex-DDC member | Jeep has come to help when emergencies | Chair's sister-in-law got job at Mahila Jagriti |
| VDC Chairperson | Road from VDC | |
| VDC Vice-Chairperson | Yes took 7/8 more | |
| Saudi Arab | | |
| 5Teliyangadh | | |
| Agri-scientist (masters son) | Irrigation in time, pump operators | Electricity |
| WUA chair | | Tajammul's son got a job |
| 6Nauwadiha | | |

| | | |
|--|----|---|
| Agriculture development 1, poultry farm 1, electricity 2 | No | Electricity |
| Poultry, 4 Qatar, Galla 1, Village livestock tech. 1, Malaysia 4, Meter Reader 1 | | |
| 7Dewanboxapur | | Electricity changed to 4 face from 3 face |
| Engineer Amaranth Butwal | No | Sickness help (leg broken) |
| Malaysia and Arab 8-10 | | |

Annex 6F: List of gains or loss due to *afno manchhe* relationships at personal level

Gains made at individual level

| Types of opportunities of gains made | Response | Yes | No | Total |
|--|----------|-------|-------|-------|
| Migrated | Count | 50.00 | 40.00 | 90 |
| | % | 55.56 | 44.44 | 100 |
| Improved harvest and earned good income as informed on improved crop or seed | Count | 53.00 | 39.00 | 92 |
| | % | 57.61 | 42.39 | 100 |
| New information saved immanent the risk on livestock or crops | Count | 45.00 | 46.00 | 91 |
| | % | 49.45 | 50.55 | 100 |
| At difficult times, free works or donations helped cope the situation | Count | 31.00 | 62.00 | 93 |
| | % | 33.33 | 66.67 | 100 |
| Had good surplus in the procurement of animals or things | Count | 35.00 | 57.00 | 92 |
| | % | 38.04 | 61.96 | 100 |
| Family members made unexpected achievements due to information on scholarship or other educational opportunities | Count | 12.00 | 80.00 | 92 |
| | % | 13.04 | 86.96 | 100 |
| A member of a family got a (good) job | Count | 22.00 | 70.00 | 92 |
| | % | 23.91 | 76.09 | 100 |
| A member of family has gone abroad for a job or study | Count | 19.00 | 74.00 | 93 |
| | % | 20.43 | 79.57 | 100 |
| Borrowed money that helped prevent potential big imminent loss | Count | 16.00 | 75.00 | 91 |
| | % | 17.58 | 82.42 | 100 |
| Trusted with seed money which has grown to a very to good proportions | Count | 31.00 | 60.00 | 91 |
| | % | 34.07 | 65.93 | 100 |
| Got training and loan from the groups that lead to good progress | Count | 59.00 | 27.00 | 86 |
| | % | 68.60 | 31.40 | 100 |
| Life has been easier as a result of increased awareness through group participation | Count | 64.00 | 22.00 | 86 |
| | % | 74.42 | 25.58 | 100 |
| Opportunities are increasing as a result of increased networks through groups | Count | 61.00 | 23.00 | 84 |
| | % | 72.62 | 27.38 | 100 |
| Have been nominated to some positions of public interest | Count | 34.00 | 56.00 | 90 |
| | % | 37.78 | 62.22 | 100 |
| Won elections | Count | 20.00 | 71.00 | 91 |
| | % | 21.98 | 78.02 | 100 |

Losses incurred

| Types of loss or deprivations | | Yes | No | Total |
|---|-------|-------|-------|--------|
| Likely to be awarded job was denied | Count | 17 | 75 | 92.00 |
| | % | 18.48 | 81.52 | 100.00 |
| Borne huge economic loss | Count | 16 | 74 | 90.00 |
| | % | 17.78 | 82.22 | 100.00 |
| Somebody disturbed or prevented something good from happening | Count | 15 | 76 | 91.00 |
| | % | 16.48 | 83.52 | 100.00 |
| Lost very good opportunity | Count | 11 | 79 | 90.00 |
| | % | 12.22 | 87.78 | 100.00 |
| Foiled marriage arrangements | Count | 9 | 81 | 90.00 |
| | % | 10.00 | 90.00 | 100.00 |
| Forced to leave place of residence | Count | 5 | 82 | 87.00 |
| | % | 5.75 | 94.25 | 100.00 |
| Unfortunate incident caused | Count | 4 | 85 | 89.00 |
| | % | 4.49 | 95.51 | 100.00 |
| Any other losses incurred | Count | 2 | 70 | 72.00 |

Annex 7: Summarised scores of divisions related problems by villages

| | Villages | Divisions in the villages | Political division |
|----|-------------------|---------------------------|--------------------|
| 1 | 1Bharatpur | 31 | 0 |
| 2 | 1Andhikhola | 14 | 14 |
| 3 | 2Ramapur | 31 | 11 |
| 4 | 3Budhhanagar | 25 | 21 |
| 5 | 5Ramapur | 25 | 5 |
| 6 | 6Balapur | 19 | 9 |
| 7 | 7Gobraiya | 20 | 6 |
| 8 | 8Bhachha | 27 | 11 |
| 9 | 1Itahaya | 40 | 40 |
| 10 | 2-Majhgaon | 50 | 47 |
| 11 | 3Chhotki Majhgaon | 69 | 79 |
| 12 | 5Teliyangadh | 35 | 30 |
| 13 | 6Nauwadiha | 44 | 35 |
| 14 | 7Dewanboxapur | 45 | 63 |
| 15 | Dudhrakshya | 32 | 11 |
| 16 | Majhgaon | 24 | 49 |
| 17 | Overall | 47 | 25 |

Annex 8: Types of agencies operating at the study villages

| Category | Agencies | No. of groups promoted |
|--|---|------------------------|
| Government agencies (22% of groups) | District Agriculture Development Department | 6 |
| | Bisheshower Among the Poor Programme | 5 |
| | Department of Irrigation | 4 |
| | Women Development Office | 2 |
| | District Forest Office | 2 |
| | District Animal-Health Office | 2 |
| | Cooperative Department | 1 |
| | District Education Office | 1 |
| | District Public Health Office | 1 |
| Semi-governmental agencies (20% of groups) | Participatory District Development | 15 |
| | Small Farmers Cooperatives Limited (Small Farmers Development Programme) | 5 |
| | Drinking Water and Sanitation Programme (Finnida) | 4 |
| | On-farm Programme in Collaboration with District Agriculture Development Office | 1 |
| | Nalkup (Underground Irrigation Project) | 1 |
| NGOs (28%) | Rural Self Reliance Development Centre | 19 |
| | Nirdhan Utthan Bank | 4 |
| | Dalit Utthan | 2 |
| | Women Empowerment Programme | 2 |
| | IDE | 1 |
| | WIN | 2 |
| | Magar Sangh | 2 |
| | LIBIRD | 1 |
| | SAM | 1 |
| Self-created (15%) | Mothers Groups | 20 |
| | Cooperatives | |
| | Youth Clubs | |
| | Other Neighbourhood Development Groups | |
| Others (15%) | Political Groups | 20 |
| | | |

Annex 9. Instruments for data collection in the field

Annex 9A: Household population census form

[illegible]

Annex 9B: Information letter for household interview



The University of Reading

International and Rural Development Department
University of Reading
United Kingdom

Krishna Prasad Adhikari

Researcher (PhD Student)

Contact Address:

P.O.Box 9266, Kathmandu, Nepal

Telephone: 01 4438596

Email: k.p.adhikari@reading.ac.uk

Date:

Subject: Information and request for interview

To.....

Dear Sir/Madam,

I am a research student at the International and Rural Development Department, The University of Reading, United Kingdom. I am conducting a field work for a study on social capital and local organisations. I have focused my study at Dudhrakshya and Majhgaon village development committees of Rupandehi district, Nepal.

For the purpose of the study, your village has been randomly selected. Similarly, ... persons have been selected randomly for in depth household interviews from this village, and you are one of them. You are requested to participate in an interview, which is expected to last 2-3 hours depending on the volume of information. Since the questionnaire includes various family as well as social issues, the presence of other influential members of your family would be more appropriate for the purpose of the study. Similarly, to answer the specific group related question, presence of concerned members of the family would be desirable.

The aim of the study is only to explore and measure the status of social capital in the villages and examine its relationship with the functioning of community groups. I would like to assure you that the information solicited from you will be used only for this purpose. The information will neither be shown nor given to any other unrelated persons. Your or your family's name will be removed from the main interview sheet after the interview. While preparing a report, your name or identity will not be stated. The data will not be submitted to any officials, nor will they be used for formulating any project or programmes. The realistic and authentic information you provide the realistic and authentic the learning will be. Therefore, I expect for your full cooperation.

I would like to thank you in advance for your kind assistance.

Sincerely,

Krishna Prasad Adhikari

TRANSLATED FROM
NEPALI AND
BHOJPURI

Annex 9C: Some important information to the field research assistants (Translation from Nepali)

This piece of information aims to remind the field research assistants to some important points to be followed while conducting interviews. Since this is not a full set of guideline, they are expected to ask the principal researcher for clarity of any confusion.

1. **Informed consent:** The prospective interviewee has a right to be fully informed about the interview before consenting or rejecting to participate. Therefore, before starting the interview, every interviewee must be explained the reason of taking the interview. This should include, but not limited to, objectives of the study, importance and use of the information provided, confidentiality in handling and any effect that might make to the interviewees in the future. (Please also see in the beginning of the main questionnaire). Interview should begin only after the participant is informed and consented. After completion, the interviewee should be given a chance to know what has been noted on the paper.
2. **Clarifying purposes:** When somebody from outside comes with some forms for information, the rural respondents sometimes may believe that a new development project is most likely to be launched soon. In such cases, the responses tend to be unrealistic as they are customised it in order to demonstrate respondents eligibility to the new programmes normally, in theory, meant for poor. Therefore, it is very important that the respondents understand that the interview will not bring any support or project. This clarity also helps to solicit as realistic information as possible.
3. **Environment of interview:** The place and surroundings of the interview can have great influence on the way the respondents respond. Given the nature of very sensitive nature of the questions related to close circles or sensitive issues (such as kin, neighbour, caste, politics, good and bad governance practices, trust and mistrusts), the interview should be taken in the interviewee's residence. The interviewee should be explained about this in the beginning of the interview. If for any reason any visitor or neighbour came during interview, either the person should be requested to go away or the interview should be paused/stopped for until the visitor leaves. Since the questionnaire is related to the household, the interviewee should be normally the head of the household. However, in order to get as much and accurate information as possible, it is important to include spouse or leading member of the family. The location of the interview should be as much peaceful and lonely as possible.
4. **Motivation:** Since the interview takes 2-3 hours depending upon the information the interviewee has to give, the interviewee should be informed of it in advance while booking time for the interview. During the interview period short pauses may help to freshen. The interviewer should propose if the interviewee would like to drink water, to go to toilet, etc. The interview should be motivating to keep the respondent engaged. However, in no way the motivation should influence the opinions of the interviewee. The questionnaire is designed in such a way that it switches from one issue to another related to a range of real life situation, which, as shown by the pilot test, helps generate interest.

5. **Trust building:** It is very important that the interviewee is genuinely convinced that the information he/she gives is important in reaching research objectives and would be used only for right purpose. If the respondent is feeling insecure from the interviewer, the response is most likely to be made up than real. For example, the interviewee from the 'socially untouchable' caste is likely to give fabricated information if s/he feels that the interviewer fails to shows equal footing, i.e. by hesitating to take water or tea offered by them. Thus, there should be clear understanding and trust between the interviewee and interviewer. Rather than taking made up information, it is better to stop the interview.
6. **Confidentiality:** It is an ethic/code of conduct of the researchers to respect the confidentiality of the information. Even if the information provided by the interviewee adversely affects the interviewer, the information must not be used even to avert the personal effects. In no conditions, the information is shown or told to anybody (including family members, close friends) who is not directly concerned in the research process.
7. **The information is not only number:** Any things the interviewee tells, acts, or demonstrates are useful information. The information should be recorded as much in the same way as the interviewee has provided with. Translating the hard information to interviewers' own style could risk losing the original meaning of the data. Therefore, the golden opportunity should be seized as much as possible.
8. **Colouring by opinion:** The interviewer should be cautious whether the interviewee is being influenced by the interviewer's opinions and by the way questions are put or explained. This should be minimised as much as possible.
9. **Unexpressed information:** After the completion of the interview, the interviewers are expected to make a full note of the environment in which the interview has taken place. This should include, but not limit to, interview setting, interview start and finish time, major incidences during the interview, etc. If there are any other information, told or untold, should be noted.

Krishna Prasad Adhikari
March, 2004.
Kathmandu

Annex 9D: Household Study Form 1: Personal/family information (all respondents from a village)

| S.N | Name of interviewee | Sex F/M | Ward/T ole | Age | Status in the family (relations as well) ¹ | Family size | Caste/e thnicity | Religi on ² | Occu pation ³ | Level of educatio n ⁴ | Level of education with number (for all) ⁵ | Overall family economic status ⁶ | Total annual income and property ⁷ | If migrated, district from and year | Affiliation in local gouvernement ⁸ | Position in Political party ⁹ |
|-----|---------------------|------------|---------------|-----|--|----------------|---------------------|---------------------------|--------------------------------|--|--|--|--|---|---|---|
| | | | | | | | | | | | | | | | | |
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Guideline to fill Household Study Form 1

1. Head of the household or others (with relations)

Head 1, Others 2,
Relation: Head or spouse 3, Son or in-law 4, Others 5.

Please use / to separate respondent and relation, e.g. 2/3

2. **Religion**
Hindu 1 Buddha 2, Muslim 3, Others 4
3. **Occupation**
Agriculture 1 Trade 2, Civil service 3, Others 4, Foreign 5
(Main 1 Second 2 Please write the number for the occupation first and after "=" give numbers people in this occupation
4. **Level of education**
Illiterate 1, Just literate 2, Up to lower secondary 3, SLC pass 4, IA Pass 5, BA or Above 6.
5. **Level of education and number in each level including respondent)**
Illiterate 1, Just literate 2, Up to lower secondary 3, SLC pass 4, IA Pass 5, BA or Above 6.
Please write the educational level first and after "=" give number of people in this level, e.g. 3=2
6. **Overall economic status of the family**
If compared with all in the village in relative terms
Very week 1 Medium poor 2, Medium 3, Medium high 4, High 5
7. **Total annual income and property details**
Half of the household expenses are met with total annual income 1 Sufficient for a year 2 Surplus up to Rs 10,000- 3
Surplus between Rs. 10,000 and 50,000, - 4 , Over this 5
Overall property less than Rs. 100,000- 6 Up to Rs. 500,000- 7, Up to Rs. 1 million- 8, Up to 2 million 9, Up to 5 million 10
Over 5 Million 11 (Please separate annual income with property by " =")
8. **Participation in local government**
Former VDC vice/Chairperson or member 1 Former ward committee member 2 Others 3.
- 9 **Position in political parties**
Organised member or above 1 Supporter/voter 2 None 3

Annex 9E: Household Study Form 2: Family information: Affiliation to different groups

Tole:Respondent No:.....

| S.N | Types of group | Name and address of the group | Who is from the family | Formal or informal | Main aim of the formation (sector) | Who helped to form | Year formed | Positions held so far | Personal achievements from the group | How effective was it when there was direct support agency? | What is the present situation? | Number of total members now | Level of participation in the meeting | Reasons behind other villagers not being member |
|-----|----------------|-------------------------------|------------------------|--------------------|------------------------------------|--------------------|-------------|-----------------------|--------------------------------------|--|--------------------------------|-----------------------------|---------------------------------------|---|
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
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Guideline to fill group affiliation forms (household study form 2)

- This form should be filled up along with other household interview forms.
- This form is filled to record information about all groups formal and informal groups participated by the households so far.
- The already collected village level information can be helpful while filling the form.
- Many information like who helped to form the group, what are the objectives of the group, etc can be used from the already collected information

Please follow the following instructions while filling about the following topics.

1. Who is from the family?

Please state the relation of the person who has group membership in a group to the head of the family.

2. Formal or informal

Based on the information the interviewer can fill this information without asking about it. The formal organisations can be those formally registered or unregistered but having systematically elected official positions and division of responsibility. Informal organisations are those, which lack formal organisational structures and normally conducted in a customary way.

Main objective of formation: Mention the sector like agriculture, livestock, savings, income generation, holistic etc.

Who stimulated/ induced for formation? Mention the name of the support organisation, agency.

3. Positions held so far

| | |
|--|---|
| General/ordinary member | 1 |
| Member of the executive board | 2 |
| Office bearing positions like vice-chairperson, secretary, treasurer, etc. | 3 |
| Chairperson | 4 |
| Period of positions held | |
| Up to 2 years | 5 |
| Up to 5 years (over 2 year) | 6 |
| Over 5 years | 7 |

4. Achievement from the group

| | |
|--|---|
| Loan received | 1 |
| Received some small trainings | 2 |
| Received training on skill enhancement leading to employment | 3 |
| Received other benefits | 4 |
| Personally (rating achievements) | |
| No particular achievement | 5 |
| Made nominal achievements | 6 |
| Made good achievements | 7 |
| Made very good achievement | 8 |

5. **How was the effectiveness of the group like during the period of agency support?**
- | | |
|-----------------------------------|---|
| Very effective | 1 |
| Effective | 2 |
| Neither effective nor ineffective | 3 |
| Ineffective | 4 |
| Very ineffective | 5 |
6. **How is the group's condition at present?**
- | | |
|-----------------------------|---|
| Very active | 1 |
| Active | 2 |
| Neither active nor inactive | 3 |
| Inactive | 4 |
| Dead | 5 |
- Number of members in the group now:** Only if the group in question is active now.
7. **Level of participation in the meeting** (if any meeting takes place),
- | | |
|---|---|
| No meeting attendance in last 12 months as they were not organised | 1 |
| Nearly one-fourth of the members attend but most of them do not participate in decision making process. | 2 |
| Almost half of the members attend but most of them do not Participate in decision-making process. | 3 |
| Most of the members attend but only some involve actively in decision-making process. | 4 |
| Almost all members attend and actively involve in decision-making process. | 5 |
8. **What is the reason behind some people from the village not being member of the group?**
- | | |
|---|---|
| Differences in kinship, ethnic/caste, sex, religious or class | 1 |
| Only a few capturing benefits | 2 |
| Political (party) differences | 3 |
| No utility in participating in the group | 4 |
| No particular reason | 5 |
| Others (please specify) | 6 |

The objective of this questionnaire is to explore and measure various aspects of social capital in the community. Therefore, your response to the questions below will be used only for this purpose. The information will not be disclosed to anyone or used otherwise. Information will be confidential. Your name will not be written on the filled questionnaire. There will not be any mention of name or sign for personal identification in the report unless you have consented.

Part One

Groups and Networks

- 1.1 Do the members of your family take part in more, the same or fewer number of groups compared to before the establishment of multiparty system in Nepal in 1990?
 1. More
 2. The same
 3. Less
- 1.2 Which of the above mentioned organisations (mentioned in the HH form 2) that your family members have participated are more important and which are less important? Please mention two of each.
 1. More important
 2. Less important
- 1.3 Which of the above mentioned groups (mentioned in the HH form 2) do you think are very successful, moderately successful and the unsuccessful?
 1. Successful
 2. Moderately successful
 2. Unsuccessful
- 1.4 Why are they successful, moderately successful or unsuccessful? Can you explain the reasons?

- 1.5 How did you or member of your family get affiliated to the above groups?

| SN | Reasons | Group 1 | Group 2 | Group 3 | Group 4 |
|----|--------------------------------|---------|---------|---------|---------|
| 1 | By birth | | | | |
| 2 | Compulsory rule of the village | | | | |
| 3 | Voluntary | | | | |
| 4 | Others | | | | |

1.6 What is the source of inspiration (stimulus) to join the groups?

| SN | I joined the group with an expectation of: | Group 1 | Group 2 | Group 3 | Group 4 |
|----|--|---------|---------|---------|---------|
| 1 | participating free of cost in training and workshop | | | | |
| 2 | getting free things like seeds, fertilisers as well as cash allowances | | | | |
| 3 | getting opportunity to do community works | | | | |
| 4 | avoiding being isolated in the community | | | | |
| 5 | gaining livelihood supports and improved services | | | | |
| 6 | getting supports in emergencies | | | | |
| 7 | gaining personal self-esteem, reputation, and respect | | | | |
| 8 | Others (Specify) | | | | |

1.7 Are the members in these groups? (Please fill the number in the corresponding boxes)*

1. Yes
2. No

| SN | Particulars | Group 1 | Group 2 | Group 3 | Group 4 |
|----|--------------------------------------|---------|---------|---------|---------|
| 1 | from the same neighbourhood | | | | |
| 2 | from the same kinship | | | | |
| 3 | from the same caste/ethnic group | | | | |
| 4 | from the same origin (Hill or Terai) | | | | |
| 5 | from the same sex-group | | | | |
| 6 | normally from the same age group | | | | |
| 7 | from the same political group | | | | |
| 8 | from the same occupation | | | | |
| 9 | from the educated class | | | | |
| 10 | from the same income group | | | | |

Please give description, if any:

1.8 Have the following increased, remained same or decreased over the period of time? (Please compare them with their status at end of first year for the groups less than 2 years old, and for older with their status at the end of year two)

1. Increased
2. Decreased
3. No change
4. Do not know

1. Membership
2. Overall participation
3. No. of activities
4. Resources

| Group 1 | Group 2 | Group 3 | Group 4 |
|---------|---------|---------|---------|
| | | | |
| | | | |
| | | | |
| | | | |

Please explain:

1.9 How is the decision making process in the groups like? *(Please fill appropriate number in the box)*

- 1 Decisions are imposed from outside the group
- 2 The chairperson makes decisions and informs the rest of the groups about it
- 3 The chairperson consults for opinions with all members but makes decision him/herself.
- 4 Decision is made though full discussion among the group members
- 5 Others
- 6 Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

Please explain your answer

.....

.....

.....

.....

1.10 What is the decision-making process in the meetings?

- 1 Unanimous
- 2 Majority
- 3 Was unanimous/majority during project but arbitrary later
- 3 No meeting/haphazardly imposing
- 4 Others (explain)
- 5 Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

1.11 Please mention your own experiences about the nature of discussions and decision making process in the meeting (group-wise).

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1.12 How is the leadership chosen in the group?

1. Some persons or organisations make nomination and selection themselves
- 2 Discussion takes place in the group meeting but the design is already made outside the group
- 3 By making discussions in the group and with election/selection.
- 4 Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

1.13 To what extent attention is given to the followings while selecting the leadership in the group?

- 1 Very much
- 2 Neither more nor less (average)
- 3 No attention at all.
- 4 Do not know

- 1 A person from one's party
- 2 A relative or kin
- 3 A same sex member
- 4 Others, please specify

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |
| | | | |
| | | | |
| | | | |

1.14 How much transparent are the activities of the groups?

1.15 How effectively are the persons in the leadership positions in the groups performing their roles and responsibilities? *Please explain* answer group-wise.

1.16 Are there written or unwritten rules/regulations for the operation of the group?

- 1 Yes
- 2 No
- 3 No idea

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

Please elaborate:

1.17 To what extent do you think the rules/regulations are being respected?

- 1 Very much
- 2 Neither much nor little
- 3 Very little/not at all
4. Yes during project but not now
5. Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

1.18 If the rules are breached, especially who does breach them?

- 1 All
- 2 Leaders
- 3 Members
4. Poor members only
5. Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

1.19 Is there any measure in place to punish to those violating the rules?

- 1 Yes
- 2 No
- 3 No idea
- 4 Yes during project only

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

1.20 If there have been any instances of such violations and punishments, please mention about them.

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1.21 What is the major source of income to run the groups?*

1. Membership fee
2. Internal resources
3. Support received from external agencies
4. Do not incur any operation costs
5. Do not know
6. Others
7. Both 1 and 2

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

1.22 Where are the most essential skill and knowledge obtained from in order to run the groups?

1. Mainly from members
2. Mainly from within the village
3. Mainly from outside local community (agency)
4. Not obtained at all
5. Do not know
6. Mainly 1, 2 and 3

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

Extended relations of the groups at the horizontal levels

1.23 Has there ever been any interaction between groups in the village? *

1. Never
2. Yes, sometimes
3. Yes, usually
4. Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

1.24 Has there ever been any interaction with any groups from outside the village? *

1. Never
2. Yes, sometimes
3. Yes, usually
4. Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

1.25 Is there any federation or upper tier of the groups? *

1. Yes
2. No
3. Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

- 1.26 Please give any additional information or example regarding the relationships with other groups (*also mention any additional information received for above 4 questions*).

Extended relations of the groups at the vertical levels

- 1.27 How is the relationship between the group and Ward (VDC representatives)?*

1. Bad
2. No relation at all
3. Good
4. Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

- 1.28 How is the relationship between the groups with the VDC? *

1. Bad
2. No relation at all
3. Good
4. Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

- 1.29 Please explain with example or with more information regarding your answer to question 1.28. *

- 1.30 Does the group have relations with any outside agencies or organisations? *

1. Yes 2. No

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

- 1.31 Please explain with examples or further information about your response to question 1.30 *

- 1.32 Who is helping to link the group to outside world and access new resources (if any)? *Please write more than one alternatives.*

1. Group leaders
2. VDC representatives
3. The workers of the support agency
4. Various organisations located in the district
5. Political parties
6. Others
7. No linkage
8. Do not know

| Group1 | Group2 | Group3 | Group4 |
|--------|--------|--------|--------|
| | | | |

Utility and sustainability of the groups

1.33 When you joined the group, did you think that you would want to run the group for a long-time?

1. No, only for a short time
2. yes, but only for some years
3. Yes, expanding and running for indefinite period.

| | | | | |
|--------|--------|--------|--|--------|
| Group1 | Group2 | Group3 | | Group4 |
| | | | | |

1.34 What do you think now?

1. It should not be run as it is useless more
2. It was useful for some time, but no more
3. It should perpetuate

| | | | | |
|--------|--------|--------|--|--------|
| Group1 | Group2 | Group3 | | Group4 |
| | | | | |

1.35 Please give further information (if any).

1.36 What personal gains have you made by joining the groups?

1.37 What are the reasons for the group being unable to function (*If it is not in functioning*)**

1. Group was formed with expectations of gaining resources from outside, now there is no longer any support available.
2. It has been a useless effort.
3. There was a lack of transparency, and only leaders (a few) benefited from it.
4. Lack of skills to run the group.
5. Lack of mutual trust and honesty
6. Some people (i.e. money lenders) secretly worked to dismantle the group by perceiving that group dynamics was endangering their very own interest.
7. Political differences.
8. Others (please specify).

Please describe your answer

1.38 In your opinion, what are the conditions to make the groups sustainable?

1.39 To what extent do you agree or disagree to the following statements? Please indicate 1 to 6 in the columns of 'Group 1' and 'Group 2'

| | | | |
|---|------------------------------|--------|--------|
| | 1 Fully agree | | |
| | 2 Agree to some extent | | |
| | 3 Neither agree nor disagree | | |
| | 4 Disagree to some extent | | |
| | 5 Fully disagree | | |
| | 6 Do not know | | |
| | | Group1 | Group2 |
| 1. The elite of the village are not whole heartedly happy with the group | | | |
| 2. There has been a lot of learning from each other as a result of group participation | | | |
| 3. Unity has been strengthened as a result of group activities | | | |
| 4. The members of the group are perceived to be closer as a result of group works | | | |
| 5. The mutual trust has increased among members as a result of group affiliation | | | |
| 6. Help and support is received in emergencies as a result of group participation | | | |
| 7. Mutual cooperation between members has increased as a result of group affiliation | | | |
| 8. The distance between different groups in terms of sex, caste, income status, etc. has narrowed down as a result of group participation | | | |
| 9. The cooperation has increased with neighbouring villages as a result of group activities | | | |
| 10. Introduction and contacts has increased with different institutions as a result of group activities | | | |

Agency/Project (Support Organisations) (for both groups)

1.40 To what extent do you think the support organisation (agency) has given attention to the following points while implementing their programmes? Please indicate 1 to 6 in the columns of 'Group 1' and 'Group 2'.

| | | | |
|---|--------------------------------------|--------|--------|
| | 1 Gave full attention | | |
| | 2 Gave some attention | | |
| | 3 Neither gave attention nor ignored | | |
| | 4 Ignored to some extent | | |
| | 5 Fully Ignored | | |
| | 6 Do not know | Group1 | Group2 |
| To establish trustworthy relationship between the agency/project and the local people | | | |
| Doing wilful hard works for the development in the village | | | |
| To establish the trustworthy situation between the agency workers and | | | |

| | | |
|---|--|--|
| the local people | | |
| To generate relation of trust within the village | | |
| To establish equitable, just and poor-first group activities | | |
| To initiate collective actions even without economic (monetary) inputs through people's mobilisation. | | |
| To ensure the work done is strong and of good quality in order to increase sustainability | | |

1.41 During their facilitation to the groups, how useful were the activities carried by the agency?

1.42 How much transparent were their activities?

1.43 To what extent the workers of the agency were approachable and helpful? Please explain.

1.44 In general, the need and role of external agencies are often debated or questioned for their usefulness. To be critical in this issue, to what extent do you believe the usefulness of the role of external agencies to the community development in our context?

| | |
|----------------------------------|--|
| 1. Not useful at all | |
| 2. Useful to a small extent | |
| 3. Moderately useful | |
| 4. Useful to a great extent | |
| 5. Useful to a very great extent | |
| 6. Do not know | |

1.45 In general, to give critical opinion on the basis the role played in the local/community development so far by the following organisations, how do you rate their usefulness?

| | | |
|----|---|----------------------------------|
| | | 1. Not useful at all |
| | | 2. Useful to a small extent |
| | | 3. Moderately useful |
| | | 4. Useful to a great extent |
| | | 5. Useful to a very great extent |
| A. | Community groups formed through external motivation | |
| B | Indigenous community organisations | |
| C | Local government organisations (VDC, DDC, municipalities) | |
| D | Centre government's local units | |

Please explain your answer

Village networks (Based on mutual cooperation)

1.46 How many people are there in the village willing to help to whom you can turn to with confidence if small amount of money is urgently needed (*ask if ever has happened*) for household expenses?

- 1 None
- 2 One or two
- 3 Three or four
- 4 Five or over

1.47 Who do you mostly borrow money from in household emergencies?

- 1 None (N/A)
- 2 Immediate kin
- 3 Close relatives
- 4 Local money lenders
- 5 Neighbours
- 6 Others
- 7 Bank or financial institutions
- 8 Community groups

Please describe:

1.48 If you need to consult some private family matters, whom do you consult about them beyond your own family?

- 1 Nobody
- 2 Immediate kin
- 3 Close relatives
- 4 Neighbours
- 5 Closely trusted (as per nature of the issue)
- 6 Anybody from the village

1.49 Roughly how many people did turn onto you in last 12 months for some (any) help? And, how did you help?

1.50 If there has been fire at somebody's house (*ask if such has ever happened in the village*) and properties reduced to ash, how and who does help on it? (Please tick on each relevant box and twice on the main one).

- 1 There is no particular help from any body
- 2 The immediate kin and relatives manage for emergency accommodation and foods
- 3 Everybody in the village provide some help with cash, kind and or labour for accommodation or food
- 4 Plus: Most of the people in the village provide free labour, cash and kind like timbers, etc. in order to rebuild the house.
- 5 Apart from this (point 4), the group participated by the victim provide more collective support.

| |
|--|
| |
| |
| |
| |
| |
| |

- 6 And, the VDC and other organisations provide assistance by themselves and or help get more from other places
- 7 Do not know

| |
|--|
| |
| |

1.51 In the above case, do any of the followings also occur? *(Please tick on the relevant points and twice on the important one)*

| | | |
|---|---|--|
| 1 | If it is in elite's house, everybody in the village goes and provides help. But if it is in the poor or disadvantaged person's house, very few of them do so. | |
| 2 | There are local money lenders who try to seize the opportunity to push loan at a very high rate. | |
| 3 | If it is in the person's belonging to one's own caste, party or religion help is provided otherwise not. | |
| 4 | Generous activities like discounting on loan or interest, extension of term, collective insurance, and writing off loan, etc., take place. | |

1.52 Have there been any incidents like this in your village? If yes, can you give examples?

Afno Machhe: Opportunities and loss due to (or lack of) the connectivity

1.53 Have there ever been any of these gains to you because of the network of relationship based on family, neighbourhood, party membership, group affiliations or some sorts of introductions in course of life? *(Please tick to the relevant box)*

| | |
|--|--|
| Migrated | |
| Improved harvest and earned good income as informed on improved crop or seed | |
| New information saved from imminent risk on livestock or crops | |
| At difficult times, free works or donations helped cope with the situation | |
| Had good surplus in the procurement of animals or things | |
| Family members made unexpected achievements due to information on scholarship or other educational opportunities | |
| A member of a family got a (good) job | |
| A member of family went abroad for a job or study | |
| Borrowed money that helped prevent potential big imminent loss. | |
| Trusted with seed money which has grown to a very to good proportions. | |
| Got training and loan from the groups that led to good progress | |
| Life has been easier as a result of increased awareness through group participation | |
| Opportunities are increasing as a result of increased networks through groups | |
| Have been nominated to some positions of public interest | |
| Won elections | |

- 1.54 Can you please mention with examples about the answer on the above question?
- 1.55 Is anybody from your family on foreign employment or in-country employment?
If yes who helped them on getting there? *
- 1.56 Have you migrated to this place? If yes, for how long now? (If no go to 1.61)
- 1.57 If yes, why have you migrated?
- 1.58 Who did inspire you to migrate here and how? Please mention your relationship as well.
- 1.59 How did you find cooperation and neighbourhood support system in this place as compared to your old place?
- 1.60 Due to the apparent lack of relationship or networks or having dissimilar caste, party, economic status, etc. people or institutions did not cooperate with you which resulted in a loss of opportunity or wealth? (please tick)

| | |
|---|--|
| Lost a very good opportunity | |
| Borne a huge economic loss | |
| Somebody disturbed and prevented something from happening | |
| Did not get a deserved job | |
| Disturbed the marriage arrangement | |
| Unfortunate accident happened | |
| Had to leave place of residence | |
| Others | |

- 1.61 Please explain with examples on the answer to the pervious question.

Networks with negative effects

- 1.62 To what extent the following are in practice in this village as well as in this VDC?
- 1 To a very great extent
 - 2 To a great extent
 - 3 To a moderate extent
 - 4 To a small extent
 - 5 No at all
 - 6 I do not know

| | This village | VDC |
|--|--------------|-----|
| 1 Gambling (playing cards, dice throws) | | |
| 2 Dacoit or smuggler's networks | | |
| 3 Land brokers' (<i>bhu-mafia</i>) network | | |
| 4 Network of black business /cartel | | |
| 5 Gang of illegal loggers | | |
| 6 Running unacceptable businesses and spoiling villagers | | |

External Linkages

1.63 How is the relations between this village and other neighbouring villages?*

1.64 Are there any common properties that this village and other villages share or utilise jointly?*

1.65 Has anybody from this village ever been elected in Ward chairperson or above position?*

1.66 What is the view of VDC towards this village?*

Part two

Trust and norms of reciprocity

2. Trust

In every society some people trust each other, but perhaps not everybody trusts to everybody. In this section I am going to ask about the trustworthiness in different people and institutions.

2.1 Suppose some person from this village had to go away for a while, along with their family. In whose charge would this person leave their fields? (Can only close relatives be trusted, or a larger group of villagers?)

2.2 Normally to what extent the following persons and institutions can be trusted in mutual transactions and trusted that they perform their institutional as well as personal responsibilities with due honesty and fairness?

| |
|---|
| 1. Can be trusted to a very small extent |
| 2. Can be trusted to a some extent |
| 3. Can be trusted to a neither small nor great extent |
| 4. Can be trusted to a great extent |
| 5. Can be trusted to very great extent |
| 6. Do not know |

| | | | |
|---------------------------------------|---|--|--|
| Local networks and Horizontal Bridges | Close kin and relatives | | |
| | People of the village who are not from the same caste group | | |
| | People of the village who are from the same caste group | | |
| | People of the village with different income group | | |
| | People of the village from same economic status | | |
| | People of the village with different political group | | |
| | People of the village with the same political group | | |
| | Most of the people of the village | | |
| | Members of the groups of your affiliation | | |
| | Local traders | | |
| | People from neighbouring villages to whom you know | | |
| | People from neighbouring villages to whom you do not know | | |
| | | | |
| Linkages (vertical) | Representatives from different non-governmental organisations working in the villages | | |
| | Local government officials (elected) | | |
| | Local staff of centre government agencies | | |
| | Government office at the district headquarters | | |
| | Police, local administration and court | | |
| | Political party of ones own affiliation | | |
| | Member of parliament | | |
| | Centre government | | |
| | Nepalese in general | | |

2.3 Has anybody ever betrayed you by breaking the relation of trust?

2.4 Please explain the instances

3 Norms of reciprocity (cooperation and collective action)

3.1 Suppose if the exchanges and cooperation between neighbours has been impossible, how much difficult would you feel to live in this place?

- 1 Makes no difference
- 2 Little difficult
- 3 Difficult
- 4 Very difficult
- 5 Would not be able to live
- 6 Do not know/ Cannot say

3.2 As a point of time, to what extent the following practices of cooperation and reciprocity prevailed before and after the restoration of the democracy (1990) in your village

- 1 To a very great extent
- 2 To a great extent
- 3 Neither great extent nor small extent
- 4 To a small extent
- 5 Not at all
- 6 I do not know

| | Then | Now |
|---------------------------------|------|-----|
| 1 <i>Aicho paicho</i> (kinds) | | |
| 2 <i>Parma</i> | | |
| 3 <i>Anaj jinsi uthaune</i> | | |
| 4 <i>Biyu sata-sat</i> | | |
| 5 <i>Anaj-loan</i> | | |
| 6 <i>Sar-sapat</i> (money) | | |
| 7 <i>Adhiya</i> (<i>Khet</i>) | | |
| 8 <i>Adhiya</i> (cattle) | | |
| 9 <i>Hali, Harawa, Charawa</i> | | |
| 10 <i>Bali</i> (<i>Kami</i>) | | |
| 11 <i>Bali</i> (<i>Darji</i>) | | |
| 12 <i>Katuwal</i> | | |
| 13 Others | | |

3.3 If there has been changes in the abovementioned customs what are the underlying reasons? (Please tick in the appropriate boxes)

| | |
|---|--|
| 1 Improved income status, that people can buy things or do different things | |
| 2 Improved accessibility to the market | |
| 3 Difficulty to sustain livelihood with the existing forms of works/relations | |
| 4 There is very little returns but high input involved in cooperation | |
| 5 There is tremendous exploitation/ oppression associated in the cooperation | |
| 6 It is easier to get job in the towns/ abroad | |
| 7 Improved awareness in people of unfair relations of cooperation | |
| 8 People are getting too selfish | |
| 9 Others (Please specify) | |

4. Collective and community works, and participation

4.1 Have you and other members of the village worked together in last 12 months for the benefit of the community?

1 Yes 2 No ☐

4.2 If yes, please give three of such works and mention with No. of days worked if *sharmadan* was given?

| | No of days |
|----|------------|
| 1. | |
| 2. | |
| 3 | |

4.3 Is there any practice to criticise or penalise those who do not participate in community works?

4.4 To what extent the following have happened in the village?

- | |
|-----------------------------------|
| 1. No at all |
| 2. Yes to a small extent |
| 3. Neither small nor great extent |
| 4. Yes to a some extent |
| 5 Yes to a great extent |
| 6. Do not know |

| | | |
|---|--|--|
| 1 | People's participation in community affairs | |
| 2 | Preserving community assets | |
| 3 | Donating labour and donation for community works | |

4.5 How many people would be ready to contribute (cash/labour) if called for contribution (labour, cash, kind) for a road repair in the village?

1. None
2. A quarter
3. Nearly half
4. Three quarter
5. Everyone

4.6 The following also happens in such works.

- 1 When there comes giving contributions, the leaders (well to dos) do not participate, but when it comes gaining they are there to capture.
- 2 If there is big funding from outside, things are done without giving full information to common people.
- 3 Natural resources like (timbers, logs, firewood) are being trafficking.

| |
|--|
| |
| |
| |

4.7 In compared to the past (before democratic change in 1990), what types of changes have occurred in the following matters in this village?

- 1 Has increased very much
- 2 Has increased
- 3 No change
- 4 Has decreased
- 5 Has decreased very much
- 6 I do not know

| | | |
|---|---|--|
| 1 | Customs of getting united and taking collective initiatives | |
| 2 | Attitude/ trend of donating labour and cash for community works | |
| 3 | Taking care of (preserving) public/common properties | |

Some negative aspects of social relations

- 4.8 If you have to describe about your village, to what extent do you think the following matters occur or do not occur?

| | | |
|---|---|-----------------------------------|
| | | 1. No at all |
| | | 2. Yes to a small extent |
| | | 3. Neither small nor great extent |
| | | 4. Yes to a some extent |
| | | 5 Yes to a great extent |
| | | 6. Do not know |
| 1 | Encroachment, misuse and misappropriation of community assets | |
| 2 | Selflessness of the well to dos and elites towards community cause | |
| 3 | High interest money lending | |
| 4 | Cheating, frauds and forgery | |
| 5 | Betrayal | |
| 6 | Domineering and oppressing others | |
| 7 | Bribing civil servants | |
| 8 | Misappropriating any aid and programme coming from the government or other sources by having connivance with the agency | |
| 9 | Barring some community members from entering public places like temples and to utilise common resources | |

5. Community resources

- 5.1 Please give details to the best of your knowledge about the community resources/assets generated as a result of collective efforts.*

| |
|---|
| Savings collected (Rs.): |
| Savings from community forestry: |
| Savings from <i>deusi</i> , and similar programmes: |
| Access increased in public services: |
| More convenience in dealing at government offices: |
| Skills increased in the needy areas: |
| School buildings constructed established: |
| Schools constructed: |
| Neighbourhood sanitation: |
| Irrigation: |
| Health: |
| Community forestry: |

6. Extending relationships: Linkages

- 6.1 Has this village ever taken part in the VDC level collective community works? If yes, on what? *
- 6.2 Has anybody from this village gained any good position in any institution or in business in Nepal or elsewhere?*

- 6.3 If yes, has any new opportunity come to this village or has anybody from this village got any help in terms of employment or any other means? Please explain*
- 6.4 Has any development projects or any other external resources been implemented to this village?
- 6.5 Has any noticeable opportunity come to this village in any form due to the help of Member of Parliament or other elected representatives?
- 6.6 Has there been market expansion of agricultural produces like vegetables, fruits, diary, etc., as a result of relations with external business groups? Please explain. *

Part four

7 Governance and management

- 7.1 In last 12 years, how many gatherings or general meeting have taken place on the subjects related to whole village? Please also give information in how many of them you were invited and participated?

1. Yes 2. No

| Meeting held | Invited | Participated |
|--------------|---------|--------------|
| | | |

- 7.2 What were the main agendas of these meetings? (*Please tick*)

| | | |
|---|--|--|
| 1 | Internal neighbourhood conflicts settlement | |
| 2 | Organising festivals/ cultural celebrations | |
| 3 | Providing labours and donations to repair village trails and neighbourhood cleaning. | |
| 4 | Protecting community assents like forests | |
| 5 | Demanding development schemes | |
| 6 | Forming a new group or implementing new project | |
| 7 | Others (Please specify) | |

- 7.3 What is the decision making procedure in the village level meeting/gatherings?

1. Unanimously
 2. Majority
 3. Unsystematic and imposed
 4. Others.....

- 7.4 Please give your experiences of the environment of the meeting, meeting procedures and nature of discussion of the meeting.

.....

7.5 Are detailed information on the progress and account of any community activities or schemes presented? (Please explain with example)

7.6 Do people seek for financial as well as other information regarding the community activities and development schemes? (Please explain with examples)

7.7 In your opinion how effectively are the people leading the village (ward members, etc.) working? Please explain.

7.8 Are there any provisions to take action against those who breaks the rules?

1 Yes 2 No

7.9 To what extent the rules for community works are breached at the first place?

1. No at all
2. To a small extent
3. Neither small nor great extent
4. To a some extent
- 5 To a great extent
6. Do not know

7.10 To what extent the rules for community works are kept (considering the extents on fulfilling the rule and penalising the breaching)?

1. No at all
2. To a small extent
3. Neither small nor great extent
4. To a some extent
- 5 To a great extent
6. Do not know

7.11 Who does in particular disregard (if any) these rules?

1 Anybody 2 Leaders 3 Well-to-do 4 Poor and disadvantaged

7.12 Please mention if there are any instances of breech of community rules and actions taken against them.

.....

.....

.....

.....

.....

7.13 Have you ever kept any interest on how the activities of VDC office are taking place? Explain.

7.14 Do you think the VDC representatives embezzle resources of the VDC? If yes give example.

7.15 In last 12 months have you or a member of your family been to the following offices? Please give information.

| Offices | Times | Purpose of visit | Met the concerned official? | Spent extra money for work? | Satisfied with the works |
|---------------------|-------|------------------|-----------------------------|-----------------------------|--------------------------|
| VDC office | | | | | |
| Schools | | | | | |
| Health post | | | | | |
| Agriculture centre | | | | | |
| Livestock office | | | | | |
| Police station | | | | | |
| Party office | | | | | |
| CDO and DDC office | | | | | |
| Courts | | | | | |
| Land revenue office | | | | | |
| Others | | | | | |

7.16 Have you or any member of your family ever had to bribe anybody? If yes please. explain more.

7.17 Are there any differences based on kinship, caste, ethnicity, political faith, origin, economic status, etc. in the village? (If not please go to question 7.29)

- 1 Yes, too many
- 2 Yes, many
- 3 Neither many nor little
- 4 Yes, but not many
- 5 Not at all

7.18 If there are persisting problems based on these differences, please mention two differences.

7.19 How is the situation of division or difference in the village based on political differences?

1. No
2. Some
3. Very much

- 7.20 Extent of division in personal and community relations due to political division
1. Not at all 2. To a little extent 3. Neither little nor a great extent
4. To a great extent 5. To a very great extent

- 7.21 Are there any instances that community activities could not be carried out or managed due to the political difference among villagers (if any)?

Part 5

8. Others

- 8.1 In general, as a resident of the village, how much happy do you perceive yourself?

1. Very happy
2. Happy
3. Neither happy nor unhappy
4. Unhappy
5. Very unhappy

- 8.2 Have you and all members of your family voted in parliamentary and local elections after the restoration of multiparty democracy in the country? If not at any times please mention how many times did not vote?

- 8.3 Which party was elected in the local elections from this village?*

- 8.4 If you need to go out of house for a little while, do you lock your door or leave without?

- 8.5 If any of the family members has to live in the house alone for overnight, do you feel safe?

- 8.6 Has there ever been any discrimination to you or you were deprived of benefits in sharing/distributing collective facilities?

- 8.7 Have you ever lent or borrowed any loan?

- 8.8 Have you ever had to take unfairly low pay for much work ?

8.9 In compared to the past (before democratic change in 1990), what types of changes have occurred in the following matters in this village?

- 1 Has increased very much
- 2 Has increased
- 3 No change
- 4 Has decreased
- 5 Has decreased very much
- 6 I do not know

| | | |
|----|---|--|
| 1 | Respecting each other | |
| 2 | Attitude to aid with kindness and empathy | |
| 3 | Dominating and exploiting each other. | |
| 4 | Relationships (equality in respect) between rich and poor | |
| 5 | Respecting each other among different caste groups | |
| 6 | Dowry | |
| 7 | Trust in monetary transaction | |
| 8 | Trust in each other | |
| 9 | Level of facilities like drinking water, road, radio, telephone etc. in the village | |
| 10 | Way of behaving to villagers by civil servants | |
| 11 | Overall situation of the women | |
| 12 | Promotion of the down-trodden caste/ ethnic people | |
| 13 | Others | |

8.10 How long does it take to walk to the nearest post office? *

1. Up to 15 minutes
2. 16-30 minutes
3. 31-60 minutes
4. Over an hour

8.11 In last one month, how many times did you and your family read newspapers

| Your | Other members |
|------|---------------|
| | |

8.12 How often do you and your family listen to radio ?

- 1 Everyday
- 2 More than once a week
- 3 Once a week
- 4 Never

| You | Other members |
|-----|---------------|
| | |

8.13 How often do you and your family watch television?

- 5 Everyday
- 6 More than once a week
- 7 Once a week
- 8 Never

| You | Other members |
|-----|---------------|
| | |

8.14 How long does it take to walk to nearest phone service?

1. Have at home
2. Up to 15 minutes
3. 16-30 minutes
4. 31-60 minutes
5. Over an hour

| |
|--|
| |
|--|

8.15 Is there a community messenger (*Katuwal*) in this village?

8.16 In last one-month period how many times you and your family members made and received calls?

| | You | Others |
|----------|-----|--------|
| Called | | |
| Received | | |

8.17 How do you find out the important information about agriculture, livestock, family planning, welfare, etc.?

- 1 Relatives, neighbour or friends
- 2 Community notice board
- 3 Local mart, tea shop
- 4 Community or local news papers
- 5 National news paper
- 6 Radio
- 7 Television
- 8 Local group
- 9 Work colleagues, companions
- 10 Political party or cadres
- 11 Community leaders
- 12 Government employee
- 13 Non-governmental workers
- 14 Others (please specify)

| |
|-----------------------------|
| Five in order of preference |
| |
| |
| |
| |
| |

8.18 How far is the motor way in KM. from your home?*

8.19 How many times did you visit the nearest town (Butwal or Bhairahawa)?

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EDUCATION

- 2007 PhD from the International Development and Rural Development Department, University of Reading, UK, with thesis entitled 'Exploring the Dynamics of Social Capital in the Sustainability of Induced Community Based Organisations (CBOs) in Nepal'.
- 2001 International Master of Science in Social Work (IMSW) (passed with distinction) from, Goteborg University, Sweden.
- 1994 Master's degree in Management (Business Administration), Tribhuvan University, Nepal.

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- 2013- to date **Research Fellow** at the Institute of Social and Cultural Anthropology (ISCA), and the **Co-Investigator** on the ESRC funded research project (2013-2017), 'Caste, Class, and Culture: Changing Bahun and Dalit Identities in Nepal'.
- 2011- 2013 **Post-Doctoral Researcher**, Institute of Social and Cultural Anthropology, Oxford University on John Fell Project on Mobility, Cultural Capital, and Hidden Ethnicity: The Case of Rural Brahmans (Bahuns) in Nepal.
- 2010-2011 **Executive Director** of Centre for Nepal Studies UK (CNSUK). [Team member and later leader of a large-scale survey project of 'Census of Nepalis in the UK' 2008-2010].
- 2009-2011 **Researcher and Project Team Member** for the [AHRC/ESRC funded] partnership projects with Institute of Social and Cultural Anthropology, Oxford University on Vernacular Religion: Varieties of Religiosity in the Nepali Diaspora'
- 2007-2009 **Sr. Researcher** and Member of CNSUK and worked on a seminal large scale research on the 'Census of Nepalese in the UK'.
- 2007 & 2010 **Research Consultant** (UK-Based) for a project to review literature on land-forest tenure and impact on livelihood, income, forest condition and equity (LIFE) in Asia, *Centre for International Forestry Research (CGAIR Group), Bogor, Indonesia.*
- 2004 **Professional Advisor**, *Rural Self-reliance Development Centre (RSDC), Kathmandu, Nepal for a DFID-UK supported project on Enabling the State Programme.*

- 1998-2000 **Programme Coordinator** (Project Manager), *RSDC, Kathmandu, Nepal* for a United Nations supported project on social mobilisation and poverty alleviation.
- 1995-1997 **Rural Self-reliant Development Promoter and Team Leader** (Institutional and Management Transformation Team), *RSDC, Kathmandu, Nepal*
- 1994-1995 **Tutor/lecturer** of Organisation, Management and Accounting, BHA Higher Secondary School (10+2), Palpa, Nepal
- 1988-1993 **Local Multiple Development Worker/Secretary of VDC**, Office of the District Development Committee Tanahun and Palpa, Government of Nepal.

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Caste, class and culture; ethnic relations and identity politics; education, employment, and social mobility; migration and diaspora communities; poverty and exclusion; social capital and community-based institutions; international and rural development; collective action and the governance of natural resource management.

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- 2006 **Adhikari, K. P.** (2006). A Research Note on Status and Challenges of Institutionalization of Community Mobilization for Development in Nepal: Mobilizing Agency's Perspectives. *Swabalamban for Liberation from Deprivation*. March: 69-72. [Nepali]
- 2006 **Adhikari, K. P.** (16 Apr. 2016). Election as the Part of Regressive Roadmap. *Nepalnews.com* (Guest Column).
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- 2005 **Adhikari, K. P.** (12 Oct. 2016) Empty Rhetoric of Good Governance. *Nepalipost.com*
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- 1996 **Adhikari, K.P.** (1995, 23 June). Serachaurka Krishakko Mehant Herna Belyatka Mantri Aaye. [British Minister Came to See the Hard Work of Farmers of Serachaur]. *Deurali Weekly Rural Newspaper* 2(11)

LATEST CONFERENCE ORGANISATION AND PRESENTATION (2016)

Organisation:

- 2016 BNAC's 14th Nepal Study Days, 14-15 April 2016. Liverpool John Moore University, Liverpool UK.
- 2016 BNAC Bicentenary Workshop and Public Lecture on Britain-Nepal Relations, 23 March, 2016. SOAS, London.
- 2016 The Annual Kathmandu Conference on Nepal and the Himalaya 2016. 27-29 July 2016, Kathmandu. Social Science Baha, Kathmandu

Presentation:

- 2016 (With Gellner D.N.) *The NRN Movement and the Question of Citizenship*. Symposium Nepal on the Move: Conflict, Migration and Stability, Kathmandu 16-17 March 2016.
- 2016 *The First Nepali in England: Motilal Singh and PM Jang Bahadur Rana*. BNAC Bicentenary Workshop on Britain-Nepal Relations, SOAS London, 23 March 2016
- 2016 (With Gellner D.N.). *Taking Bourdieu to Nepal: Adapting Distinction to a South Asian Context*. BNAC's 14th Nepal Study Days, Liverpool John Moore University, Liverpool UK, 14-15 April 2016.

- 2016 (With Laksamba, C.K., Dhakal, L.P.). Which direction are we going? Social Mobility of Nepali Community in the UK: A Case Study of Fairfax Road Farnborough, UK. BNAC's 14th Nepal Study Days, Liverpool John Moore University, Liverpool UK, 14-15 April 2016.
- 2016 (With Gellner D.N.). *Taking Bourdieu to Nepal: Adapting Distinction to a South Asian Context*. British Sociological Association, Bourdieu Study Group Annual Conference 2016, University of Bristol, UK, 4-6 July 2016.
- 2016 (Forthcoming). (With Gellner D.N.). *From Zamindars and Dacoits to Co-ops and Democratization: Marchawar since the 1970s*. Dynamic Borderlands: Livelihoods, Communities and Flows 5th Conference of the Asian Borderlands Research Network Social Science Baha Kathmandu, Nepal 12-14 December, 2016

AFFILIATIONS (2016)

General Secretary, Britain Nepal Academic Council (2014-2018).

Sr. Researcher and Founder Member, Centre for Nepal Studies UK

Member, Rural Self-reliance Development Centre (RSDC), Kathmandu, Nepal.

Campaigner and mobiliser: Community waste management and environmental cleanliness (the campaign that led to the declaration of the 'first environment friendly ward' in Nepal.)

COORDINATION OF SCHOLARSHIPS (2016)

CNSUK's Motilal Singh Master's Dissertation Scholarship 2016.

SUPERVISION (2016)

PhD: Bhola Nath Adhikari, on Cultural Practices of Natural Resource Management: A Case Study of Buddhist Community in Hills Region. Lumbini Buddhist University, Nepal

Masters: Co-supervising Ms Shruti Shrestha (recipient of Motilal Scholarship) at the Faculty of Humanities and Social Sciences, Master's Program is Social Work, Tribhuvan University, Kathmandu, Nepal.

Research Supervision: Arjun Bishwakarma and other 45 short-term local enumerators and data-inputters for *Caste, Class and Culture* Research Project (University of Oxford).