

## Effect of Social Capital on welfare of Rural Households in South-western States, Nigeria

Authors: **Balogun**, Olubunmi. Lawrence and Suliamon. Adesina Yusuf

Address: Department of Agricultural Economics, University of Ibadan, Nigeria.

Correspondence E-mail: [blarrybunmi@yahoo.com](mailto:blarrybunmi@yahoo.com)

Telephone number: +23480238441788

**Abstract:** This study conducted an empirical investigation on the effects of social capital on welfare of rural households in the southwestern, Nigeria. Multistage sampling technique was employed. The data for the study were collected with the aid of structured questionnaires from three hundred and ninety nine households in Ekiti and Osun states. The data were analyzed using descriptive and regression techniques. The average age of the households head in the study areas was 41.3 years. Households belong to at least two associations and the most important one is religion association. Average household size is 5.0 members and has about 66.7 percent index of participation. However, the level of heterogeneity index is 54.7 percent while meeting attendance index of the households represents halves of the maximum recorded. Cash contribution index is surprisingly low with value of 16.8 percent while labour contribution index is 66.3 percent and with mean social capital value of 15.21. The result of regression show that location, marital status, household size, primary occupation cash contribution index and heterogeneity index of households significantly impacted welfare. The use of instrumental variable lead to an increase in the value of adjustment  $R^2$  from 0.2302 to 0.2564 compared with the use of the actual social capital index. Policy that enhances better strong social ties of poor households is recommended for poverty alleviation.

[**Balogun**, Olubunmi. Lawrence and Suliamon. Adesina Yusuf. **Effect of Social Capital on welfare of Rural Households in South-western States, Nigeria**. Journal of American Science 2011;7(3):506-514]. (ISSN: 1545-1003). <http://www.americanscience.org>.

**Keywords:** Social Capital, Households welfare, Instrumental variable, South west, Nigeria

### Introduction

Today, as other continents continue to register sustainable economic growth and development, Africa is not only lagging behind but is trapped in a vicious circle of borrowing and donor dependency syndrome which is one of the major causes of poverty and lack of development. Africa has perpetually failed to focus its development efforts on the optimum utilisation of the immense natural resources that many countries are endowed with to turn it into wealth to propel their economies and people towards a high level of economic and social development and as a consequence eliminate pervasive poverty. Records reveal that more than one billion people across the world today live in poverty with Nigeria harbouring over 60 million of this number, six percent of the total figure (Nwachukwu, 2006). As the most populous and one of the largest countries in sub-Saharan Africa, the issue of poverty in Nigeria is of concern not only in itself but also as a challenge for poverty reduction mandate in the entire African continent. Though, Nigeria is blessed with abundant physical and human resources, there had been progressively worsening welfare and poverty condition of its nationals (Okunmadewa, 2001). Statistics from the National Bureau of Statistics (NBS) indicate that the poverty situation in the country which has been increasing since 1960 (15.0 percent), 1980 (28.1 percent), 1985 (46 percent), 1992 (42.8 percent), and 1996 (65.5 percent)

respectively, dropped to 54.4 percent in 2004. At the 2006 International Day for the Eradication of Poverty (IDEP) event in Abuja, tagged 'Working Together out of poverty', Magnus Kpakol, National Coordinator of National Poverty Alleviation Programme (NAPEP) affirmed that poverty rate in Nigeria was as high as 54.4 percent identifying the North East region of the country as the poorest in the country, rating about 72.2 percent on the poverty ladder. It is followed closely by the North West zone with 71.2 percent; North Central, 67.0 percent, South-West 43.0 percent, South-South 35.1 percent, and South East 26.7 percent respectively. However, research findings and empirical evidence have shown that significant poverty reduction are possible and have indeed occurred in many developing countries where on the average majority of the population is considered to be poor.

The effort to alleviate poverty traditionally has used and was based on natural capital, physical or produced capital, and human capital (Ismawan, 2000). Together they constitute the wealth of nations and form the basis of economic prosperity. The missing link three types of capital is social capital. Putnam, (1993) views it as a set of "horizontal associations" between people: social networks ("networks of civic engagement") and associated norms that have an effect on the productivity of the community. Two empirical presumptions underlie this concept are norms and networks are empirically associated, and these have

important economic consequences. The key feature of social capital is that it facilitates coordination and cooperation for the mutual benefit of the members of the association. The most encompassing view of social capital includes the social and political environment that enables norms to develop and shapes the social structure. There is growing evidence that social capital can have an impact on development outcomes – growth, equity, and poverty alleviation. Associations and institutions provide an informal framework to organize information sharing, coordination of activities, and collective decision-making. There is growing evidence that social capital is an element for sustainable development due to the role it plays in managing risks, shocks and opportunities. It is therefore holds strong position to confront poverty and vulnerability (Narayan, 1997), resolve disputes (Schafft and Brown, 2000) and share beneficial information (Isham, 1999; Rauch and Casella, 2001). crucial to understanding economic performance (North, 1990), reduces transaction costs (Ben-Porath, 1980; Pollack 1985), provides contract enforcement (Johnson et al., 2000), enables credit constrained households access to funds (Besley, 1993), fosters adoption of new production technologies (Narayan and Pritchett, 1997; Isham, 2002), and more importantly, provides avenues for risk sharing (Rosenzweig, 1988). In 1994, government and the civil society in Nigeria, with the support of the donor agencies devoted considerable resources at reducing poverty and the outcome of which led to the formulation of the draft national strategy for poverty alleviation code named “Community Action Programme for Poverty Alleviation” (CAPPA) in 1996 (Okunmadewa et al., 2005, Yusuf, 2008). However, efforts at poverty reduction have largely remained unfelt by the poor. While the emphasis in most of the interventions is on provision of physical infrastructure to support the poor and the acquisition of human capital, there has been little or no consideration for the institutional development of local level institutions or mechanism to ensure delivery of support (financial services) to the poor. The absence of such institutions and the weakness of existing ones largely disenfranchised the poor from participating in the decision making process of interventions and issues that affect their welfare (Okunmadewa et al., 2005 and Yusuf, 2008). Some recent studies do indicate that local institutional strengthening through the active participation of the poor in project design and implementation is a necessary factor in poverty reduction in Nigeria. This recognition probably explains the promotion of group formation as an important requirement for the poor to benefit from some of the public instituted poverty reduction programme. This study examines the effects of social

capital on welfare of rural households in the south western, Nigeria.

### Materials and Methods

The south-western part of Nigeria represents a geographical area covering between Latitude  $50^{\circ}$  and  $90^{\circ}$  N and has a land area of approximately 114,271 km<sup>2</sup> representing 12% of the country's land mass and comprises of six States Ekiti, Oyo, Osun, Ogun, Ondo and Lagos. The South west of Nigeria falls on Latitude  $6^{\circ}$  to the North and Latitude  $4^{\circ}$  to the South. It is marked by Longitude  $4^{\circ}$  to the West and  $6^{\circ}$  to the East. The total population is 15,456,789 and more than 96% of the population is Yorubas (NPC, 2006). This study was carried out in Ekiti and Osun states, southwest part of Nigeria. The states were chosen because they rank high among the poor states in south western part of Nigeria. They are both Community Poverty Reduction Programme (CPRP) states (Ekiti state being funded by the World Bank and Osun State by the African Development Bank). Ekiti and Osun were carved out of Ondo and Oyo states on 1<sup>st</sup> October 1996 and 27<sup>th</sup> of August, 1991 respectively. Ekiti State has 16 Local Government Areas (LGAs), while Osun has 30 LGAs. Ekiti and Osun states have population of about 2,384,212 and 3,423,536 and cover areas of 5,433.00 and 8,882.55sq km respectively (NPC.2006). Agriculture is a dominant economic activity and main source of employment in the states providing employment and income for more than 75.0 per cent of the population. The people are predominantly farmers, while women engage in food processing, trading and in addition, farming. The states have distinct wet and dry seasons, which characterize its humid tropical climate, with the dry season extending from November to March. Annual rainfall varies from about 500 mm in the northern belt to 1,100 mm in the forest belt.

### Sources of Data and sampling procedure:

Primary data were collected for the purpose of this study by use of structured questionnaires drawn microcredit household groups of States' National Poverty Alleviation Programme (NAPEP). The questions were based on both personal and household/dwelling characteristics, membership of associations, participation in the local level institution activities, productive activities and household consumption expenditure details in the last one-month prior to survey in these states.

Multistage sampling technique was employed for this study. Ekiti and Osun states were randomly selected among the states in the South western geopolitical zone. The second stage involves the random selection of two Local Government Areas from each of the three senatorial areas of the two states. This was necessary for equal representation of the

households of the micro credit groups. The third stage involves the random selection of microcredit groups in each of the selected local government areas depending on the number in each LGA. Hence, the expected number of microcredit groups to choose is function of

$$X_i = n/N*30 \dots\dots\dots (1)$$

Where  $i$  = number of micro credit groups to be sampled

$n$  = number of micro credit group in the particular local Government Area

$N$  = total number of micro credit in all the local government Areas

Hence, the last stage of sampling involved the random selection of households in each of selected micro credit groups based on proportionate to size and the interview was carried on them. In all, a total of four hundred and fifty (465) households head were interviewed. Out of the total of Four hundred and fifty questionnaire distributed, only three hundred and ninety nine that were retrieved have meaningful information for analysis.

#### Analytical Technique:

The analytical framework earlier applied by Narayan and Prichett (1997) and Grootaert (1999) and was used by Okunmadewa et al, (2005), Okunmadewa et al, (2007) and Yusuf, (2008) was used to analyze social capital and its influence on welfare of rural micro credit household. The conventional model of household economic behaviour under constrained utility maximization was used to relate the level of household expenditure (as money – metric indicator of welfare) directly to the exogenous asset endowments of the household and variables describing the social and economic environment in which the household makes decision. The micro credit household welfare is hypothesized to be influence by the independent variables as represented in the equation below:

$$\ln\beta_i = \mu_i + SC_i + HC_i + OC_i + X_i + Z_i + \epsilon_i \dots\dots\dots(2)$$

Where  $\beta_i$  = Household expenditure per capita of micro credit household  $i$

$SC_i$  = Household endowment of social capital

$HC_i$  = Household endowment of Human Capital

$OC_i$  = Household endowment of other assets

$X_i$  = a vector of household characteristics

$Z_i$  = a vector of village characteristics

$\epsilon_i$  = error term

#### Social capital Variable:

- $S_1$  = Heterogeneity index of associations (%)
- $S_2$  = Meeting attendance index of households to associations (%)
- $S_3$  = Decision making Index (%)
- $S_4$  = Membership density of households in association (%)
- $S_5$  = Cash contribution index of households to associations (%)
- $S_5$  = Labour contribution index of households to associations (%)

#### Human Capital:

- $HC_1$  = Years of formal educational of household head (years)
- $OC_1$  = Household asset endowment (total assets value of household) (Naira)

#### Household Characteristics:

- $H_1$  = Age of household head (Year)
- $H_2$  = Age squared of household head to capture life cycle of household welfare (Year)
- $H_3$  = Gender of household head (D=1 for male, otherwise D=0)
- $H_4$  = Household size (Continuous)
- $H_5$  = Marital status (D=1 if Married, 0=Otherwise)
- $H_6$  = Primary occupation (D=1 if Farming, 0= otherwise)

#### Regional Characteristic:

- $Z_1$  = Locality (D= 1 if rural, 0=Otherwise)

The key feature of the model is the assumption that social capital is truly “capital” i.e. a stock, which generates a measurable return (flow of

the number of micro credit groups available in a particular local government area (probability proportionate to size). The proportionality factor used in the selection of micro credit groups is stated as:

income) to the household. Social capital has many “capital features: it requires resources (especially time) to be produced and it is subject to accumulation and

destruction. The effect of destruction of social capital is evident in the work of Rose (1995) on Russia and former Yugoslavia. Much social capital is built during interactions, which occur for social, religious, or cultural reasons. The key assumption is that the network built through these interactions has measurable benefits to the participating individuals, and lead, directly or indirectly, to a higher level of well-being. There is an impact assumption that social capital is embodied in the members of the household. This conforms to the position advocated by Portes (1998), which highlights that, although the source of social capital is the relationship among a group of individuals, the capital itself is an individual asset.

#### Variable Definitions:

The effectiveness with which social capital, in the form of local associations, can fulfill its role in disseminating information, reducing opportunistic behaviour, and facilitating collective decision making depends on many aspects of the association, reflecting its structure, its membership and its functioning. For this study we focus on six of the indices adopted by Grootaert and Narayan, (2000), Okunmadewa et al, (2005), Okunmadewa et al (2007) and Yusuf, (2008). The social capital (SC) variables that were used in the regression analysis include: density of membership, heterogeneity index, labour contribution, cash contribution, meeting attendance index and decision making index. The measurement of each is as described below.

(1) Density of membership. The number of memberships of each household in existing associations measures this. Household members were asked which associations they were members of.

(2) Heterogeneity index. The questionnaire identifies the three most important associations for each household. For those associations, a number of supplementary questions were asked including about the internal homogeneity of the group. This was rated according to eight criteria: neighbourhood, kin group, occupation, economic status, religion, gender, age, and level of education. On that basis, we constructed a score ranging from 0 to 8 for each of the three associations (a value of one on each criterion indicated that members of the association were “mostly from different” kin groups, economic status, etc.). The score of the three associations was averaged for each household and the resulting index was re-scaled from 0 to 100 (whereby 100 correspond to the highest possible value of the index).

(3) Decision making index. It has been argued that associations which follow a democratic pattern of decision making are more effective than others. The questionnaire asked association members to evaluate subjectively whether they were “very active”

“somewhat active” or “not very active” in the group’s decision making. This response was scaled from 2 to 0 respectively, and averaged across the three most important groups in each household. The resulting index was re-scaled from 0 to 100.

(4) Cash contribution: This was obtained by the summation of the total cash contributed to the various associations which the household belong. The actual cash contribution for each household is rescaled by dividing this amount by the maximum fee amount in the data and multiplying the resultant fraction by 100.

(5) Labour Contribution score: This is the number of days that individual members belonging to institution claimed to have worked for their institutions. This represents total numbers of days worked by household members. This is also rescaled to 100 using the same method of cash contribution.

(6) Meeting Attendance: This is obtained by summing up of attendance of the household members at meeting and relating it to the number of scheduled meetings of the associations. The value is multiplied by 100.

Aggregate social capital index: This is obtained by the multiplication of density of membership, heterogeneity index and decision making index otherwise

The Human Capital (HC) is highest level of education attained by the micro credit household head.

Household Asset (OC) defines as a proportion of total listed asset that the household is endowed with. It is captured by finding the natural logarithm of the percentage asset endowment.

#### Result and Discussions

Among the most important demographic variables and social capital considered are: the respondent location, age, gender, marital status, occupation, asset endowment household size, membership of association and SC (Density of membership, Meeting attendance, heterogeneity index, Labour contribution score, Cash contribution score, Decision making index) The descriptive analysis of socioeconomic and demographic characteristics of respondents is given in Table 1. The average age of the households head in the study areas was 41.3 years. This indicates that a higher proportion of sampled household heads in the South West Nigeria area are in their active and productive years. Household size in the area of study is about 5 persons per household. Majority of households were married. The results of respondent’s educational status reveal that majority of the respondent household heads have no formal education.

**Table 1: Socio economic characteristic of households**

Variable	Respondent Household		
<b>Age</b>	Frequency	%	
< than 30	70	17.5	
30 – 40	159	39.8	
41 – 50	93	23.3	
> than 50	77	19.3	
Total	399	100.0	Mean=41.3, SD=10.2
<b>Household Size</b>			
1 – 3	74	18.5	
4 – 8	293	73.5	
> than 8	32	8.0	Mean=5.1, SD=0.9
Total	399	100.0	

Field Survey 2007

The table 2 shows the activities of the households in the Local Level Institutions (LLIs). Six dimensions of social capital were examined. These are: membership density of the household in local level institution, cash contribution, heterogeneity index, labour contribution and decision making index. The result shows that household belong to at least two associations and has about 66.7 percent index of participation at decision making. However, the level of heterogeneity is 54.7 percent while average household attend half of total meetings. Cash contribution index is surprisingly low with value of 16.8 percent while labour contribution index of 66.3 percent. The result also shows the mean social capital value of 15.21.

**Table 2 Socioeconomic Characteristic and Dimensions of Social capital**

Social Capital	Mean	Minimum	Maximum	Standard Deviation
Density of Membership	52.3	25.0	100.0	10.7
Decision Making Index	66.7	20.0	70.5	0.1
Heterogeneity Index	54.7	20.0	80.0	15.5
Meeting Attendance Index	49.8	0	100.0	32.0
Cash Contribution Index	16.8	20.0	100.0	10.0
Labour Contribution Index	66.3	25.0	100.0	30.5
Social capital score	15.2	2.9	42.8	30.6

Table 8 below shows the effect of human capital, multiplicative and additives social capital indices on household welfare proxied by per capita expenditure. The use of both multiplicative and social capital and additive social capital indices is premised on the fact that conceptual and theoretical underpinning of social capital is not as develop to proffer justification for the use of one method instead of the other. Narayan and Prichett (1997), Okunmadewa (2005) and Yusuf (2008) used both approaches and conclude that additive and interactive variables are valid approaches for introducing social capital in household behavioral model.

Column one of the result in the table 3 below indicates that the basic reduced form model of the household welfare excluding an social capital variables explain 22.4 percent of variance in the household welfare (human capital and demographic factors)

The result indicates that farming as an enterprise reduces welfare of the household. Households with large family size have their welfare reduces for instance; the result indicates that an additional member to household will decrease their welfare by 6.8 percent. Married households, all things being the same have their welfare improved by 6.2 percent. The significant coefficient of the location variable indicates that there remain important location specific determinants of household welfare which were not captured by the model.

Column two shows the result of introduction of a multiplicative social capital variable. This variable led to the slight improvement in the value of explanatory power of the model to 23.02 or 0.7 percent point. At a mean social capital index 15.2 percent, the coefficient of the variables shows that a one unit increase in social capital would increase household per capita expenditure by 0.05 percent.

Column three introduces the six social capital dimensions separately. This leads to a slight increase in the models ability to explain the variance of welfare relative to the apex approach. This reveals the importance of the various dimensions of the social capital specified in the model. The result shows that household increase cash contribution score is associated with a 0.34% higher level of household welfare. Higher heterogeneity index of the

household indicates increased welfare. The significance of the heterogeneity index and cash contribution index are positively affect welfare of households.

Heterogeneity enhances flow of information (credit information) as people of different background come together in group. Hence, a unit increase in both cash contribution and heterogeneity index would induce a very low 0.34 and 0.37 respectively but significant improvement in per capital expenditure.

In the column four, cash contribution was removed from the social capital dimensions because of it endogenous nature. Heterogeneity index indicates highly significance value at 10% level. The explanatory power of the model declined and hence the coefficient of heterogeneity index slightly decreases.

**Table 3: Results of social capital on welfare**

Variable	Basic Model	Social Capital Multiplicative	Social Capital Additives	Social Capital Additives <sup>a</sup>
	Coefficient (t-statistic)	Coefficient (t-statistic)	Coefficient (t-statistic)	Coefficient (t-statistic)
Constant	3.89810 (19.54)***	3.84991 (19.25)***	3.674408 (11.33)***	3.769256 (11.31)***
Age	0.00020 (0.02)	0.0003747 (0.04)	-0.000078 (-0.01)	-0.0016771 (-0.20)
AgeSquared	-9.35E-06 (-0.10)	-1.24E-05 (-0.14)	-2.27E-06 (0.05)	0.0000164 (0.19)
Location	0.06258 (2.03)*	0.0652072 (2.13)*	0.0311938 (1.05)	0.0482076 (1.58)
Gender	-0.02288 (-0.74)	-0.2057744 (-0.69)	-0.0170431 (-0.60)	-0.0142869 (-0.49)
Marital status	0.06272 (1.86)*	0.0569381 (1.69)*	-0.0448358 (1.26)	0.049571 (1.50)
Household size	-0.068967 (-10.26)***	-0.0696629 (-10.39)***	-0.0649601 (-10.17)***	-0.0671322 (-10.18)***
Primary occupation	-0.109708 (-3.24)***	-0.1104499 (-3.28)***	-0.1065245 (-3.31)***	-0.12017152 (-3.64)***
Asset value	0.0567271 (0.88)	0.0571847 (0.89)	-0.0102973 (-0.20)	0.0258948 (0.41)
Social capital		0.0005536 (2.06)*		
Density of membership			-0.00554499 (-0.38)	-0.0045207 (-0.33)
Cash contribution			0.0034236 (4.79)***	
Labour contribution index			0.0041925 (0.40)	0.0061887 (0.53)
Decision index			-0.393529 (-0.21)	-0.7422624 (-0.39)
Heterogeneity			0.0037774 (4.09)***	0.0047467 (5.11)***
Meeting attendance index			-0.000131 (-0.31)	-0.001591 (-0.39)
F-Statistic	15.33	14.23	13.71	12.21
R Adjusted	0.2336	0.2302	0.3087	0.2680
Observations	399	399	399	399

a. Cash contribution score was removed because of its dependence on income and by extension the per capita expenditure

Social capital and household welfare: Two-Way Causality?

In order to test empirically whether social capital is truly consumption good like human capital and it is also an input in households production function (Grootaert 1999). The instrument chosen is a multiplicative index of the

members of the three most important local level institutions that household belongs to whether they are of the same religion culture or trust using the aggregate social capital by instrument variable index of religion. Index of religion is independent on income of individual. This provides the basis for determining the direction of causality between social capital and welfare. This informs the use of religion in this study. The table 4 below presents the result of instrumental variable. The use of instrumental variable lead to an increase in the value of adjustment  $R^2$  from 0.2302 to 0.2564 compared with the use of the actual social capital index in addition the instrument variable method leads to the higher coefficient (0.003936) for the social capital index than in the OLS method where it was (0.000554). The higher social capital index is an evidence of improvement and this confirms the exogeneity of social capital. Hence, this result is in agreement with Narayan and Pichett (1997) and Yusuf (2008). The result shows that one percent increase in the level of instrumented social capital leads to 0.39 increase in household expenditure. The increase recorded represents 0.034 percent point higher than the value for the OLS estimation

**Table 4: Social capital and household welfare: Two-Way Causality?**

Variable	With Multiplicative Social Capital	Instrumental Variable
	Coefficient	Coefficient
Constant	3.84991 (19.25)***	3.865053 (1966)***
Age	0.0003747 (0.04)	-0.0021563 (-0.26)
AgeSquared	-1.24E-05 (-0.14)	0.0000116 (0.13)
Location	0.0652072 (2.13)*	0.0769791 (2.54)*
Gender	-0.2057744 (-0.69)	-0.0245983 (-0.84)
Marital status	0.0569381 (1.69)*	0.0580471 ((1.75)*
Household size	-0.0696629 (-10.39)***	-0.0697274 (-10.58)***
Primary occupation	-0.1104499 (-3.28)***	-0.1160796 (-3.50)***
Asset Value	0.0571847 (0.890)	0.0473046 (0.75)
Social capital	0.0005536 (2.06)*	0.0039360 (2.40)*
F-Statistic	14.23	14.72
R-Adjusted	0.2302	0.2568
Observation	399	399

#### Conclusion of the study:

Based on the empirical evidence emanating from both descriptive and inferential statistics employed for this study, the following conclusions can be drawn on the findings: Six dimensions of social capital were examined. These are: the percentage of members of the household belonging to local level institution, cash contribution index, heterogeneity index, labour contribution index and decision making index. Household belong to at least two associations. The most important association in the area is religion association followed by cooperative and community based association respectively. Average household size is about 5.0 members and has about 66.7 percent index of participation in decision making. However, the level of heterogeneity index is 54.7 percent while meeting attendance index of the households represents halves of the maximum recorded. Cash contribution index is surprisingly low with value of 16.8 percent while labour contribution index is 66.3 percent. The result shows the mean social capital value of 15.2. Households that put more into LLIs decrease their probability of being poor. The result indicates that farming as an enterprise reduces welfare of the household. The result shows that

household increase cash contribution score is associated with a 0.34% higher level of household welfare

The use of instrumental variable lead to an increase in the value of adjustment  $R^2$  from 0.2302 to 0.2564 compared with the use of the actual social capital index. Based on the findings of this study, policy for the poverty alleviation effort should be focused toward empowerment and support of poor social capital needs.

#### References

1. Australian Bureau of Statistics. Discussion Paper. Measuring Social Capital; Current Collection and Future Directions, 2000
2. Akanji, O.O. "Incidence of Poverty and Economic Growth in Nigeria" *Statistique, Development et Droits de l'Homme* Moutreux, 4. – 8. 9. 2000.
3. [www.portalstat.admin.ch/iaos2000/akanji\\_final\\_paper.doc](http://www.portalstat.admin.ch/iaos2000/akanji_final_paper.doc) (accessed 15/06/2008)
4. Braverman, A. and M. Huppi. "Stärkung Der Ländlichen Kreditvergabe in Entwicklungslandern". Finanzierung Und Entwicklung, März.1991
5. Bredow, L. Behind the Informal Economy: The Dark Side of Competition in Microfinance *International Labour Organisation: Geneva, 2002*

6. Brock, W.A. and S.N.Durlauf. "Growth Economics and Reality", National Bureau of Economic Research Working Paper Series, No. 8041, 2000; 1-48
7. Coate, S and M. Ravallion "Reciprocity without Commitment: Characterization and Performance of Informal Insurance Arrangements", Journal of Development Economics, 1993; 40: 1-24.
8. Coleman, J. Foundations of Social Theory. Harvard University Press, Cambridge, 1990
9. Diagne, A. and M. Zeller. Access to Credit and its Impact on Welfare in Malawi *Research Report* 116. Washington, D.C.: International Food Policy Research Institute. 2001
10. Durlauf, S. and M. Fafchamps, "SC," NBER Working Papers 10485, National Bureau of Economic Research, Inc, 2004
11. Gallardo, Joselito, Korotomumou Outtara, Bikki Randhawa, and William Steel. "Comparative Review of Microfinance Regulatory Framework Issues in Benin, Ghana, and Tanzania," Africa Region Financial Sector Group, Financial Sector Operation and Policy Department, The World Bank, 2003
12. Ghatak, M. and T. Guinnane. "The Economics of Lending with Joint Liability: Theory and Practice." *Journal of Development Economics*, 1999; 60: 195–228.
13. Gibbons, D; B. Jr. Quiñones; J. Remenyi, and H. D. Seibel. Microfinance for and by the Poor: Lessons from experience. In *Microfinance and poverty alleviation – Case Studies from Asia and the Pacific*. Remenyi, J. et al. (ed.): 253-269. London, UK: Pinter, 2000.
14. Gottschalk, P. and T.M. Smeeding. Cross-National Comparisons of Earnings and Income Inequality, *Journal of Economic Literature*, 1997; 35, 633-687
15. Grootaert, C. Social Capital, Household Welfare and Poverty in Indonesia. Local Level Institutions Study, Working Paper, 1999; No. 6, Social Development
16. Isham, J. "The Effect of SC on Fertilizer Adoption: Evidence from Rural Tanzania," *Journal of African Economics*, 2002; 11, 1, 39-60.
17. Isham, J; D. Narayan, and L. Pritchett. "Does Participation Improve Performance? Establishing Causality with Subjective Data", *World Bank Economic Review*, 1995; 11(2): 175-200.
18. Ismawan, B. "Micro-Finance, Poverty, and Social Capital" Paper No: 15 Presented At The Asian Regional Conference jointly organized by INASIA and CDF on "The Potential and Limitations of Economic Initiatives in Grassroots Development – Current Issues and Asian Experiences" from 27th - 30th November, 2000 at the BRAC Centre Development Management (BCDM), Rajendrapur, Bangladesh.
19. Knack, S. "Social Capital, Growth and Poverty: A Survey and Extensions" Social Capital Initiative Working Paper, Social Development Department. Washington, D.C. World Bank, 1999
20. Karlan, D. "Social Capital and Group Banking." Princeton University. Photocopy.2003
21. Krishna, A. and N. Uphoff. Mapping and Measuring Social Capital: A Conceptual and Empirical Study of Collective Action for Conserving and Developing Watersheds in Rajasthan, India. *Social Capital Initiative Working Paper*, 1999; No. 13. The World Bank, Washington, D.C.
22. Kugler, M and R. Oppes. "Collateral and Risks Sharing in Group Lending: Evidence from an Urban Micro credit Program" Discussion Paper in Economics and Econometrics, 2004; No 0504, Economics Division School of Social Sciences, University of Southampton UK
23. Lazear, E.P. "Personnel Economics: Past Lessons and Future Directions." NBER Working Paper, 1999; No. 6957
24. Narayan, D. and L. Pritchett. "Cents and Sociability: Household Income and SC in Rural Tanzania," *Economic Development and Cultural Change*, 1999; 47, 4, 871-897
25. North, D. Institutions, Institutional Change, and Economic Performance. Cambridge University Press, New York, 1990
26. Nwachukwu, O. 'Poverty eradication, what hope for Nigeria?.' Business DAY Media Ltd, 2006.
27. Okunmadewa, F.Y. Poverty and Agricultural Sector in Nigeria Federal Office of Statistics, Abuja. Nigeria.1999
28. Okunmadewa, F.Y. Poverty Reduction and the Nigeria Agricultural Sector Published by  
i. Elshaddai Global Ventures Ltd Mokola Ibadan Nigeria, 2002
29. Okunmadewa, F .Y "Poverty Reduction in Nigeria: A Four-Point Demand". An Annual Lecture of the House, University of Ibadan. Ibadan.2001
30. Okunmadewa, F .Y; S. A Yusuf and B. T Omonona (2005) "Social Capital and Poverty in Nigeria, Draft Final Report Submitted to African Economic Research Consortium (AERC) Kenya, 2005
31. Okunmadewa, F .Y; S. A Yusuf and B. T Omonona, "Effects of Social Capital on Rural Poverty in Nigeria, *Pakistan Journal of Social Sciences*, 2007; 4 (3) : 331-339
32. Okunmadewa, F. Y; O. Olaniyan; S. A Yusuf; A.S Bankole; O.A Oyeranti; B. T Omonona; T.T Awoyemi and K. Kolawole. " Human Capital, Institutions and Poverty in Rural Nigeria, Research Report Submitted to African Economic Research



- Consortium (AERC) Kenya for the second Phase of Collaborative Poverty Research Project, 2005
33. Okurut, N; A.Schoombee and S. van der Berg. Credit Demand and Credit Rationing in the Informal Financial Sector in Uganda Paper to the DPRU/Tips /Cornell conference on African Development and Poverty Reduction: The Macro-Micro Linkage Forum Paper 13-15 October 2004 Lord Charles Hotel Somerset West South African
  34. Olomola, A.S. Social Capital, Microfinance Group Performance and Poverty Implications in Nigeria
  35. <http://www.csae.ox.ac.uk/conferences/2002-UPaGiSSA/papers/Olomola-csae2002.pdf>. (Accessed on 20/10/09)
  36. Paldam, M. Social Capital: One or Many? - Definition and Measurement. *Journal of Economic Surveys* – Special Issue on Political Economy, 2000.
  37. Pollak, R. “A Transaction Costs Approach to Families and Households,” *Journal of Economic Literature*, December 1985
  38. Portes, A “Social Capital: Its Origins and Applications in Contemporary Sociology”, *Annual Review of Sociology*, 1998; 24: 1-24.
  39. Putnam R. Bowling Alone: The America’s Declining Social Capital. *Journal of Democracy*, 1993; 6(1): 65-78
  40. Rafael Gomez and Eric Santor. Do Peer Group Members Outperform Individual Borrowers? A Test of Peer Group Lending Using Canadian Micro-Credit Data Bank of Canada Working Paper 2003-33 October
  41. Rauch, J. and A. Casella, “Overcoming Informational Barriers to International Resource Allocation: Prices and Ties,” *Economic Journal*, 2003; 113, 21-42.
  42. Ravallion, M. Growth, Inequality and Poverty: Looking Beyond Averages, *World Development*, 2001; 29-11, 1803-1815
  43. Rose, R. What Does Social Capital Add to Individual Welfare, Social Capital Working Paper Series, Social Development Department. World Bank, 1999
  44. Rosenzweig, M. R. “Risk, Implicit Contracts and the Family in Rural Areas of Low Income Countries,” *Economic Journal*, 1988; 89, Pp. 1148-1170.
  45. Rutherford, S. *The Poor and their Money*. New Delhi, India: Oxford University Press. 2000
  46. Schafft, K and D. Brown “Social Capital and Grassroots Development: The Case of Roma Self-Governance in Hungary”, *Social Problems* (Forthcoming) 2000.
  47. Sanchez-Schwarz, S. “Assortive Matching of Borrowers and Lenders: Evidence from Rural Mexico,” Unpublished Ph.D. Dissertation, Columbus, Ohio: The Ohio State University, 1996
  48. Schmidt, R.H. and C. Zeitingner. *Critical Issues in Small and Microbusiness*, 1994
  49. Scull, S. Social Capital. A Briefing Paper for Module Development. West Morton Public Health Unit Queensland Health, 2001
  50. Spellerberg, A. Framework for the Measurement of Social Capital in New Zealand. Social Capital Programme Team, Statistics New Zealand, 2001
  51. World Bank. Nigeria: Poverty in the Midst of Plenty; the Challenge of Growth with Inclusion, World Bank, Washington D.C.1996
  52. World Bank. World Development Report 2000/2001 Draft copy Washington D.C. 2000
  53. Yusuf, S.A. Social Capital and Households Welfare in Kwara State, Nigeria, *Journal of Human Ecology*, 2008; Volume 23, Number 3, 219-229
  54. Wydick, B. “Can Social Cohesion be Harnessed to Repair Market Failures? Evidence from Group Lending in Guatemala.” *Economic Journal*, 1999a; 109: 463–75.

12/23/2010