

## **Building Social Capital for Poverty Reduction in Rural Areas of Marvdasht, Iran**

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**Abstract:** Does social capital generate positive influences on poverty reduction? This question has important theoretical and policy implications for the contemporary world, especially for the developing countries. This study assesses social capital in poverty reduction in rural areas of Marvdasht, Iran. Data were collected using survey questionnaire. Results indicate that although there is strong communication and social cohesion for poverty reduction, but communities still face challenges and constraints which hinder their contributions in poverty reduction.

[Fatemeh Allahdadi, **Building Social Capital for Poverty Reduction in Rural Areas of Marvdasht, Iran**, Journal of American Science 2011; 7(6):532-535]. (ISSN: 1545-1003). <http://www.americanscience.org>.

**Keywords:** social capital, poverty reduction, rural development

### **1. Introduction**

Social capital” is a concept that tries to capture the essence of community life. The concept is based on the idea that communities work well or poorly based on the ways in which people interact. It emphasizes the social dimension of life and how it is lived in specific places (Mignone, 2003). The concept of social capital is generally associated with social participation and with networks of co-operation and solidarity (Aref, Ma’rof, & Sarjit, 2010). But other, more abstract, concepts are also associated with social capital, such as social cohesion, trust, reciprocity, and institutional effectiveness. Regardless of the context, this concept has been used productively in many areas of research. Woolcock (2001) had counted at least seven fields that had employed the concept of social capital: families and youth, schools and education, community life, work and organizations, democracy and governance, problems related to collective action, and economic development. Today, physical and mental health, immigration, and public protection could be added to that list (Franke, 2005). Hence, this paper attempted to outline the concept and level, of social capital and its limitation towards poverty reduction.

### **2. Literature Review**

Poverty being a rural phenomenon where the majority of the people live in most

developing countries, the mechanisms to be used should target the recipients (Aref A, 2011). Poverty has been defined as the “denial of opportunities and choices most basic to human development to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem and respect from others” (Hirschowitz et al.,2000, p. 54). Poverty can be reduced through building social capital. However, there is scant literature on social capital for poverty reduction. Empirical works on social capital, most of which are based on the experiences of Western societies, indicate that communities endowed with a diverse of social capital will achieve superior outcomes in multiple spheres such as, tourism development and community development while, communities with a low level of social capital tend to have a poor performance in these spheres. Overall, poverty can be reducing by investing in social capital. This research is guided mainly by the theoretical framework of social capital theory, and also, by empirical studies from previous work. This research contributes to providing a basis for measuring the social capital influences community's participation in poverty reduction.

To date many researchers agree that the forces of social capital influence important political and economic phenomena (Aref, 2011; Aref, 2010; Putnam, 1993; Putnam, 2000; Strzelecka & Wicks, 2010). Perceiving social

capital holistically as a resource for individuals, communities and regions, exposes complex community processes. This is because networks of relationships often have the potential to accelerate democratizing processes and local democratic cultures within their members (Strzelecka & Wicks, 2010).

How communities can offer a viable solution for poverty reduction. The researcher's answer to this question is building social capital. This answer is supported by the literature and research evidence from some filed such as families and youth, education, community life, work and organizations, democracy and governance, problems related to collective action, economic development, physical and mental health, immigration, and public protection (Aref, 2009; Franke, 2005).

### **2.1. Domains of Social Capital**

Some experts have identified the dimensions of social capital. The common dimension of it usually is seen from the point of view of sources, scope of activity and degree of implementation. Dimension from sources of social capital including (1) civic social capital and (2) governmental (institutional social capital). From scope or area of activity, social capital can be divided into (1) bonding social capital, (2) bridging social capital and (3) linking social capital. While using the degree of implementation in society, it encompasses (1) structural social capital and (2) cognitive social capital. Social capital can be divided into levels: individual level and group level. At the level of individual social capital, we can explore interpersonal relationships, that is, ties between individuals, or social participation, the ties between individuals and groups or organizations. At the level of collective social capital, we can explore the associative dynamic by focusing on the intra organizational ties as well as ties that exist among groups and organizations, within a community and beyond a community (Franke, 2005). Based on previous study the below domains of have been chosen and measured for this case study.

#### ***Networks***

Understanding the groups and networks that enable people to access resources and collaborate to achieve shared goals is an important part of the concept of social capital. Informal networks are manifested in spontaneous, informal, and unregulated

exchanges of information and resources within communities, as well as efforts at cooperation, coordination, and mutual assistance that help maximize the utilization of available resources. Informal networks can be connected through horizontal and vertical relationships and are shaped by a variety of environmental factors, including the market, kinship, and friendship (Dudwick, Kuehnast, Jones, & Woolcock, 2006).

#### ***Trust:***

This dimension of social capital refers to the extent to which rural people feel they can rely on relatives, neighbors, colleagues, acquaintances, key service providers, and even strangers, either to assist them or do them no harm. Adequately defining "trust" in a given social context is a prerequisite for understanding the complexities of human relationships. Sometimes trust is a choice; in other cases, it reflects a necessary dependency based on established contacts or familiar networks for solve the community problems (Dudwick et al., 2006).

#### ***Cooperation***

Cooperation is closely related to the dimension of trust and solidarity, however, the former dimension explores in greater depth whether and how people work with others in their community on joint projects and/or in response to a problem or crisis. It also considers the consequences of violating community expectations regarding participation norms (Dudwick et al., 2006).

#### ***Communication***

Increasing access to information is increasingly recognized as a central mechanism for helping poor communities strengthen their voice in matters that affect their well-being and increase the quality of life (Dudwick et al., 2006).

#### ***Social Cohesion***

Social cohesion are closely related to the previous four dimensions of social capital, but focus more specifically on the tenacity of social bonds and their dual potential to include or exclude members of community. Cohesion can be demonstrated through community events or through activities that increase solidarity, strengthen social cohesion, improve communication, for coordinated activities,

promote civic-mindedness and altruistic behavior, and develop a sense of collective consciousness (Dudwick et al., 2006).

#### **Empowerment**

Individuals are empowered to the extent that they have a measure of control over the institutions and processes that directly affect their well-being (World Bank 2002a). The social capital dimension of empowerment explores the sense of satisfaction, personal efficacy, and capacity of network and group members to influence both local events and broader political outcomes. Empowerment can occur within a small association or at broader local, regional, or national levels. Each level has its own importance and should be considered separately, as well as in conjunction with the others (Dudwick et al., 2006).

### **3. Research Methods**

This study was carried out in rural areas of Marvdasht, during the period March and April 2010. Marvdasht is one of the northern cities and also counties of Fars province. The city is located 45 kilometers north of Shiraz and has an altitude of 1620 meters above the sea level. The county has an area of 3687 square kilometers. Marvdasht as a county is divided into four districts: Central, Kamfirouz, Doroudzan and Seydan. Marvdasht has a cold weather in the hilly areas and moderate climate in other regions (Wikipedia, 2011). Agriculture is the major development sector in Marvdasht (Allahdadi, 2011). This study is based on quantitative method to investigate the level of social capital in poverty reduction. The study used survey design, where a questionnaire was used to collect the data. The questionnaire was structured around a Likert scale. The respondents answered each statement based on five scales. The value of each response for these items on the questionnaire is as follows: 0 = Never, 1 = Seldom, 2 = Sometimes, 3 = Often and 4 = Always.. The respondents were 250 rural residences, where each citizen was chosen based on cluster sampling. The population of this research was rural men, above 22 years of age, who live in Marvdasht. The respondents were asked to answer these questions which were constructed to gauge their level of social capital for poverty reduction. The questionnaire was piloted tested to have its contents validated. Statements for level of social capital were tested for their validity using Cronbach's alpha. Descriptive analysis was employed to determine

the level of social capital for poverty reduction in rural areas of Marvdasht, Iran

### **4. Results**

This study to determine the level of social capital in poverty reduction in rural areas used descriptive statistics. Table 1 reveals the mean score of six domains of the social capital including: cooperation, network, trust, communication, social cohesion and empowerment). Table 1 reveals the findings of the analysis, which show the differences between dimensions of social capital in poverty reduction (max=4, min =0). Using the mean of the total score as a standard indicator, it was found that generally social capital domains in communication and social cohesion was high whereas the level of cooperation, network, trust, and empowerment were low.

**Table 1: Total scores of social capital in poverty reduction**

<b>Domains</b>	<b>Mean</b>
Cooperation	1.09
Network	0.90
Trust	1.01
Communication	3.01
Social Cohesion	2.89
Empowerment	0.70

Table 1 showed the differences in the domains of social capital for poverty reduction. Using the mean it was found that the level communication and social cohesion for poverty reduction is higher than cooperation, network, trust and empowerment (3.01, and 2.98 respectively). Levels of social capital in cooperation, network, trust and empowerment, have low scores as compared to communication and social cohesion. It shows rural residence cannot cooperate with the local government and have not been empowered to influence policies and expand their opportunities in poverty reduction. Generally, the findings reveal that the level of social capital in rural areas of Marvdasht for poverty reduction is low. This means that most people are not involved in the decision-making process for poverty reduction. For rural residence to be effective in poverty reduction they should come together and interact with government organizations. Local residence should be more involved in community actions and influence decision-making processes that

affect their lives, and their communities. They need to interact with the cooperatives and foster active relationship with local organizations.

### 5. Conclusion

This study promises to make a significant contribution to the study of social capital in poverty reduction in rural areas of Marvdasht, Iran. The findings of this study showed that the level of social capital for poverty reduction in low, except for domains of communication and social cohesion. The findings from this study are especially valuable for establishing some conceptual and empirical baselines for subsequent studies of social capital in poverty reduction and rural development in Iran. This finding will assist social workers in understanding the barriers of building social capital in poverty reduction in Iran. Since social capital has impacts upon the way how rural development policies are implemented in each community, the central government could design relevant policies to cultivate the social capital that has positive effects on poverty policies.

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9, May 2011