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Role of Non-Governmental Organization (NGO) in Social Capital: A Review

Neelmani Jaysawal*

*Assistant Professor, Department of Social Work, Visva-Bharati, West Bengal, India. neelmanijayswal@gmail.com

Abstract

Social capital has been one of the most controversial concepts in social science in the 1990s. There are many definitions attached to the concept which leads to contradiction about what constitutes "social capital". These range from social energy, community spirit, social bonds, civic virtue, community networks, social ozone, extended friendships, community life, social resources, informal and formal networks, good neighborliness and social glue. A neo-Marxist approach places greater emphasis on access to resources and issues of power in society. Baum (2000) suggests that Bourdieu emphasized the role played by different forms of capital in the reproduction of unequal power relations. Coleman however takes rational action as a starting point and suggests that "Social capital is defined by its function; it is not a single entity, but a variety of different entities having characteristics in common: they all consist of some aspect of a social structure and they facilitate certain actions of individuals who are within the structure."

This Paper seeks to highlight the role of NGO in building social capital through an in-depth content analysis of literature.

Keywords: NGO, Social Capital, Reciprocity, Neo-Marxist, Neo-liberalist, Civic virtue, Community spirit.

Introduction

Social Capital is a terminology which has been very influential in current academic discourse. Broadly speaking, it is a theoretical construction which transgresses divisions between economics...
and sociology. Robert Putnam in his book „Bowling Alone: America’s declining social capital” states that social capital is a broad spectrum of social science academia where interactions between individuals and society based on trust and mutual reciprocity is its core element. Even Portes suggests that the concept behind social capital is nothing new in sociological terms. He points to the work of Durkheim and his emphasis on being connected in a community as an "antidote to anomie and self-destruction". More recently, the value of social capital was identified by Bourdieu (1986) and given a clear theoretical framework by Coleman (1988, 1990) who was the first to subject the concept to empirical scrutiny and develop ways of operationalizing it for research purpose. They share a "lean and mean" approach which focuses on social networks. Social capital is a kind of human resource of society in an integrated manner. It is formed through co-ordinated actions, cohesiveness among individuals, notion of help among members of different community. The network of relationship is here often represented at the individual’s level as all the resources which he has access to or can gather. Lin posits that „social resources constitute the central element of social capital, but also that social capital results from the „investment of an individual in its relations with others (Poder, Thomas G, 2011).” He also states that social capital is drawing up relationship between resources, access and usage. Social capital is more perceived as an attribute of individuals in a social space defined by their personal networks rather than as a collective good usable by all (Poder, Thomas G, 2011). Anirudh Krishna states that social capital has no existence in isolation. Social capital, on one hand brings a network of relationship among people transcending caste, religion as barrier, on the other hand brings a small fragmentation, within a community deliberately or unknowingly. Rudolph commenting on it, says that a social capital has association of individuals as one of its component. In this effort of social capital building, a conglomeration of individuals through formal institutions keeps a pivotal position. Several historical evidences show that inclusive network cooperation based on trust and face-to-face interaction has been crucial means for creation of social capital. The formal institutions based on interpersonal trust and solidarity accumulates masses for strengthening of group cohesiveness. Formal institutions help in strengthening of social capital through creation of shared norms and trust. Formal institutions foster trust in social relations. The empirical literature on social capital emphasizes networks, associational activity and trust as indicators of social capital (Baliamoune-Lutz, Mina, 2011). In addition, the authors show that trust and civic norms are stronger in countries with formal institutions that effectively protect contracts and property rights, suggesting that social capital and institutions could be complements (Baliamoune-Lutz, Mina, 2011). The network and associational membership is source of social capital. Lidgerwood (1999) had mentioned that success of microfinance system depends on generation of social capital mainly among the participants because it depends on trust between the borrower and lender (Kundu, Amit, 2011). Social capital is about social resources and assets which reside in structures or networks that have measures of cooperation, reciprocity, trust and norms. Social capital cannot be generated by individuals acting on their own but depends on the capacity to form new associations and networks (Kundu, Amit, 2011). It is actually a non-material enhancement of asset which can help the participant to get more information about different aspects of family welfare programme mainly about health, nutrition and education (Kundu, Amit, 2011). In this way, Social Capital has been a component which is fostered by formal institutions like NGOs through generation of reciprocity, group-cohesiveness and solidarity.
Methodology

The Research is based on content analysis of various literature based on Journal articles, books, Research reports. The Researcher has also conducted field level inquiry for substantiating the secondary data through semi-structured interview method. The responses gathered from NGO activists have been analyzed based on qualitative data analysis tool.

Social Capital-Different Schools of Thought

Social Capital has been theorized by major thinkers of social science. Those thinkers are Pierre Bourdieu, Coleman and Putnam. Individual benefit group consisted of Bourdieu, Coleman and Mcclenaghan while Collective benefit group consisted of Putnam and Fukuyama. The propagators of collective benefit group state that norms and networks are capable of being used for collective benefit. The propagators of individual benefit group assert the closeness of networks.

James Coleman’s Approach on Social Capital

James Coleman drew-up the concept of social capital as integration of sociological and economic approaches. James Coleman was a leading exponent of quantitative sociology and author of a magisterial study called „Foundations of social theory”. He conceptualized social capital from neo-liberal points of view. Coleman’s conceptualization of social capital suggests the possibility of building social capital by encouraging investment in organization of this kind. According to him, individual behaviors are influenced by social system. He wants to establish a link between social interactions and individual choices, and seeks to go beyond a concept of society as a simple summation of individual behaviors. The function identified by the concept of “social capital” is the value of these aspects of social structure to actors as resources that they can use to achieve their interests. They facilitate certain actions of actors within structure. For Coleman, all these entities are capital and are resources used by various members of society. Social capital, in turn, is created when relationship among people change in ways that facilitate action.

Pierre Bourdieu’s Views on Social Capital

Bourdieu is called one of the pioneering proponents of the notion of social capital. He links social capital with cultural capital referring to socially constructed qualifications of one sort or another to which rank is attached with honour and prestige. Social capital is socially and historically limited to circumstances that create them. According to Bourdieu, social capital stems not only from subjective attributes but more profoundly from emergent and existing actions of many kinds. He analyzes social capital from class perspective. For Bourdieu, Social Capital is reproduction positions of power, allowing thinking in terms of dynamics of unequal power between actors and of conflicts of interest (Poder, Thomas G, 2011). The concept of social capital has emerged as the only way to designate the principle of social effects, although one clearly seized them on the level of singular agents (Poder, Thomas G, 2011). According to him, social capital is defined by the aggregate of actual and potential resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition. Social capital is available to those people who provide efforts in this direction (Poder, Thomas G, 2011). Bourdieu (1980) perceives social relations as relations between individuals enrolled in social
groups, which allows him to ask the question of the articulation of social capital between these groups (Poder, Thomas G, 2011).

**Robert Putnam’s Views on Social Capital**

Putnam relates social capital with civic engagement. According to him, social capital is originated from norms of generalized reciprocity and networks of civic engagement. In other words, social capital refers to features of social organization such as trust, norms, networks that can improve efficiency of society by facilitating coordinated actions. Putnam states that social capital is possible in case of weak ties rather than strong ties. Networks that cut across social cleavages nourish wider cooperation. For him, voluntary associations which constitute the essence of what he calls thereafter “networks” are thus the center of a dynamic generating citizenship, cooperation and democratic performance within societies (Poder, Thomas G, 2011). According to him, social capital is based on two types of social ties and on the idea that level of civic culture depends on those social ties. The networks of horizontal ties, such as those formed in voluntary associations, support the emergence of norms of reciprocity which in turn foster trust, exchange and collective engagement; and the success of past cooperation strengthens collective engagement and develops a taste for cooperation (Poder, Thomas G, 2011). In the civic community, associations proliferate, memberships overlap, and participation spills into multiple arenas of community life (Poder, Thomas G, 2011). Putnam et al. (1983, 1993) make from this disposition of generalized reciprocity a quasi-natural attribute of the societies, although this one is probably unequally distributed within the population, particularly within groups of people having different socio-economic status (Poder, Thomas G, 2011). According to him, life is easier in a community blessed with a substantial stock of social capital. He emphasizes that virtues of voluntary association with face-to-face relationship create social capital. In other words, Social Capital helps in easing life and reconciling individual and general interest. Social capital is connected to the transmission of information, establishing trust and development of standard collaboration (Poder, Thomas G, 2011). It refers to the nature and the scale of a wide variety of informal networks and formal civic organizations. Social Capital is used to characterize numerous and various ways in which members of a community interact.

**Social Capital-A New Type of Capital**

Although nomenclature of Social Capital relates it with physical capital yet, nature of composition is quite different. Social Capital is nevertheless, a material capital rather, a conglomeration of individual cooperation, cohesiveness and group solidarity. The growth of social capital is dependent upon mutual reciprocity among people. Spending time with friends allows one to increase his social capital without efforts. It is a capital capable of generating externalities. It is the product of an endless effort at institution, of which institution rites mark the essential moments and which is necessary in order to produce and reproduce useful relationship. (http://home.iitk.ac.in/~amman/soc748/bourdieu_forms_of_capital.pdf). The reproduction of social capital pre-supposes an unceasing effort of sociability. Social Capital is able to transform all circumstantial relationship into lasting connections. It has been seen, for example, that the transformation of economic capital into social capital presupposes a specific labor, an apparently gratuitous expenditure.
of time, attention, care, concern, which has the effect of transfiguring the purely monetary import of the exchange and, by the same token, the exchange (http://home.iitk.ac.in/~amman/soc748/bourdieu_forms_of_capital.pdf). Social Capital can be used to achieve certain actions of members of group. It exists in social relationship. It involves a social relationship between a provider and a recipient. Woolcock states, “much of one’s social capital stems from an inherited endowment over which one has little influence but it is also the case that people can and do make deliberate, hence costly, efforts to increase their social capital”. Social capital can be combined with other inputs to provide services that meet human needs in four essential areas of human experience, economic services, social services, validation services, and information services (http://home.iitk.ac.in/~amman/soc748/bourdieu_forms_of_capital.pdf). It is sympathetic relationships that have capital’s transformative potential to provide economic, social, validation, and reflective services. It is also said that some forms of social capital is indestructible. Like physical capital, social capital is flexible. Social capital, like physical capital, is subject to decay from use, the passage of time, and lack of maintenance. Like other types of capital, social capital may also be used to strengthen existing social capital. It gets nurtured in network of individuals who are capable of caring. Social capital is created through acts of service, gifts, mutually beneficial interactions, and discovered and created kernels of commonalities. Social capital may be used for social fulfillment and economic advantage. Social capital can be used to create more of itself and create different forms of capital (Robinson, Lindon J, et. al, 2000). It may be summarized that Social Capital is a person’s or group’s sympathy toward another person or group that may produce a potential benefit, advantage, and preferential treatment for another person or group of persons beyond that expected in an exchange relationship (Robinson, Lindon J, et. al, 2000).

**Role of NGO in Creation of Social Capital**

Non-Governmental Organization (NGO) represents key resources in terms of expertise for creation of social capital. This institution is efficient in building individual cohesiveness and group coordination which results into social capital. The society-centered approach views regular social interaction, preferably through membership in voluntary associations, as the most important mechanism for the generation of social capital (Rothstein, BO and Dietlind Stolle, 2002). According to Peters, social capital can be constructed and managed by formal institutions. The formal institutions through building solidarity, leadership, fostering local level groups assist in developing mutual bonding, civic virtue and trust among people. These organizations form social relationships for the purpose of building social capital. They create social contacts and bring close bonding among its members through following norms and values. The formal institutions like NGOs nurture a sense of reciprocal relationship among its members based on organizational values. It seems likely that NGOs are conducive to interpersonal social trust, as well as trust being conducive to democracy. NGOs also appear to influence the trajectory of informal elements in inter-organizational relationships. These institutions are designed to create procedures to adapt to changing conditions. These organizations are very crucial in informing people about their rights. It plays connectivity and provides space for different social groups to unite together. Citizen voice, participation and representation of all social groups in state decision making generates consensus, trust and social learning (Narayan, Deepa, 1999). These institutions also help in organizing the excluded groups. Due to creation of local participation, the feeling of community ownership is
generated. The NGOs do what they are supposed to do in a fair, reasonably efficient and unbiased manner (Fu, Qianhong, 2004). These institutions help in shaping network structure and influencing norms and beliefs. Social structure is crucial not only for formation of social capital but for generation of trust also (Fu, Qianhong, 2004). A number of theorists state that social capital is based on shared norms like generalized reciprocity. Portes (1998) refers to it as “bounded solidarity”, a sense of community solidarity which results from collective shared experiences of community (Fu, Qianhong, 2004). Granovetter (1985) has argued that social relations and the obligations inherent in them are two main sources of trust in economic life (Fu, Qianhong, 2004). Trust needs to be embodied in social institutions and cannot be fully understood and studied without examining how institutions influence human being’s duties and obligations (Fu, Qianhong, 2004). Several bridging organizations provide an arena for knowledge co-production, trust building, sense making, collaboration and conflict resolution. Through working together collaboratively to support certain policy-making functions, network actors will, little by little, experience the creation of trust (Gabriel A. Huppé and Heather Creech, 2012). Following the Tocquevillian tradition, formal and informal associations and networks are seen as creators of social capital because of their socializing effects on democratic and cooperative values and norms (Rothstein, Bo and Dietlind, Stolle, 2002). The proponents of Institution-centred approach state that government institutions and policies create and channelize the social capital. According to Peters, “This approach argues, although perhaps not so boldly, that if effective institutions can be constructed and managed then in time (and perhaps not very much time), the appropriate values will also be created (Rothstein, Bo and Dietlind, Stolle, 2002).” There are two schools of thought related to contribution of formal institutions on social capital. One is attitudinal approach and another is institutional-structural approach. The institutional-structural approach seeks to state that states enable the establishment of reliable contracts between citizens in that they provide information and monitor legislation about contracts and support participation of citizens (Rothstein, Bo and Dietlind, Stolle, 2002). The impact of NGO provides an indirect channel through which formal institutions may affect capital accumulation. These institutions are very significant in developing the highest level of trust. The membership of voluntary associations leads to development of social capital. Putnam states that membership of voluntary organizations at the meso level matters a lot for the sake of development of informal trust. The density of voluntary organizations leads to expansion of various micro-level inter-personal networks among the community members which in the long run, leads to development of a robust social capital. These institutions promote Social Capital through following diversified ways:-

- **Information Sharing**

The role of formal institutions like Non-Governmental Organization (NGO) is quite significant in terms of promotion of inter-group solidarity. They facilitate the information sharing between groups while reducing communication gaps. Information is a public good that can be fostered through easy and equal access to communication channels and public information disclosure laws. NGOs may not be much involved in infrastructure investment, but they have an obvious part to play in promoting “connectivity”, and in educating people about their rights to information (Narayan, Deepa, 1999). The poor and deprived sections of society may have easy accessibility only in case of transparent sharing of information between the beneficiaries and service providers.
- **Inclusive Participation**

The inter-group or inter-community solidarity may not come true until it is advanced by inclusive participation of all those communities. The communities should play the role of active stakeholder in decision making process which may be pertinent for a welfare state. The formal institutions challenge the state while making it facilitative towards wide-spread communities. Freedom to associate is a prerequisite for open participation and shapes the emergence of formal organizations like NGOs. These organizations enable the community to connect with state actors. They represent the interests of excluded groups also on public platform through advocacy, mass mobilization efforts. In some areas in Rajasthan, India, civil society pressure for information disclosure has led to village governments posting in a public space, information on all government funds received and detailed accounts of expenditures (Narayan, Deepa, 1999). This has led to widespread knowledge of fraudulence, and in many cases to corrective action (Narayan, Deepa, 1999).

- **Resolution of Conflicts**

The role of NGOs in alleviating chances of conflicts in the society may not be ignored. The conflict resolving skill is quite crucial for developing cohesiveness in the society which is not possible without support of community based social collectives. The fair treatment of excluded social groups is very essential for generating trust and socio-economic stability. The quick and effective resolution of conflicts results into a culture of bonding and cohesiveness in the society. The absence of conflict in the society brings increased social interaction between various groups of society irrespective of their caste and class orientation. These institutions in the community foster ethical values and norms through various orientation programmes among individuals which has potential to create a harmonious situation in society. The socialization function of community based organizations reduce the chances of conflict soaring in the society. Together with families, schools they instill values that promote nationhood, citizenship, and ethics, and that recreate societies.

- **People-centric Governance**

The community spirit is possible not only through information sharing, value creation but through people-centric governance also. The development of accountability of governance structure towards common people is an important tool to foster strong social bonding. In this affair, NGOs are contributing a lot through various policy-advocacy initiatives, public forums so that the difference of opinion between the state and the people may be mitigated. The consultation of people, voluntary organizations bring a sense of cooperative spirit in the governance structure. Especially in case of India where the nature of governance is a conglomeration of unitary and federal, the participation of non-state actors like NGOs, CBOs, VOs, Associations remains need of the hour in case of policy formulation and its implementation. The pro-people initiative mitigates the chances of uni-dimensional decision-making and its enforceability. The polarization of society results into lack of social capital which may not be addressed unless the under-represented groups are getting organized. Therefore, NGOs work in bridging this gap through multi-dimensional way ranging from inviting public debate, advocating public concerns to the state and advising the policy makers for certain social welfare measures.
**Prompt Service Delivery**

The trust and reciprocity of society towards the organization may be developed when their needs are fulfilled in a time-bound manner. The Welfare State failing in its social promises due to various efficiency and delivery related issues, is dependent upon the formal organizations especially NGOs for growth of society. These organizations due to proximity with grass-root community, develop ownness in services towards people. Co-production between the state and community groups creates synergy and complementarity in the management of local public resources (Narayan, Deepa, 1999). It also creates local ownership, an essential ingredient of sustainable projects. The collective action for local public goods is essential for all levels of development. Introducing participation and collective action in the management of local resources usually requires fundamental shifts in agency mission, roles, values and indicators of success (Narayan, Deepa, 1999). Instead of seeing themselves as suppliers of inputs (pipes, sewers, seedlings, electricity), these institutions have to become supporters of inclusive local organizations and enablers of resource flows (Narayan, Deepa, 1999). These institutions have a long history of assisting communities to obtain and maintain services which are supposed to be provided by the state. They may contribute in this affair through cross-cutting ties among communities. The current development paradigm necessitates reforms in the functioning of the state so that it may compete with market forces in service delivery to each far-flung area. In this case, spatial gap puts an obstacle which may be lessened through strengthening formal institutions which may engage local people in service delivery. Values of trust and reciprocity may be fostered through active engagement of people with these organizations.

**Mobilization of Masses**

The generation of social capital is impossible if it is not supported by community mobilization. We live in a society of diversity which is ingrained not only in its culture, society but thinking also. To bring it on lines of homogeneity, the fostering of social capital requires a very strong mass mobilization towards a certain goal. The heterogeneity of concepts needs to be integrated with common perception of phenomena. In developing country like India, which is subsumed with numerous socio-economic hurdles, bringing parity in thinking is a challenge. The stratified social order may not contribute towards a robust bridging social capital unless the non-state actors accumulate masses across various sections of society. The expansion of cross-cutting ties may be possible through these formal institutions that identify potential allies in the community to challenge the repression of the state. The NGOs provide training to various community groups through participatory methods like Participatory Rural Appraisal (PRA), Micro-Planning. It empowers the local community to realize their potential, resources, problems to plan for a macro-level goal.

**Conclusion**

In a sum-up, it may be inferred here that participation of Non-Governmental Organizations (NGOs) is quite vital in the arena of social capital development. They not only foster it but facilitate an essential space for mutual coordination and exchange of ideas among people. These organizations motivate the individuals to develop reciprocity among themselves. The voluntary associations integrate the fragmented societies and socialize the effects on democratic and cooperative values.
The associational membership of adult creates social capital which may be used in wider context. The voluntary engagement of people in associational work promotes creation of solidarity in the community. It has been stated that use of membership in adult voluntary associations as a measurement of social capital should be handled with great caution. These organizations build inter-community and inter-ethnic relationship in order to grow mutual coordination. Due to wider acceptance among masses, the NGOs are successful in garnering their trust. They acquisition the relationship among people. Various NGOs like PRADAN, CARE, ASSEFA intervene into the various facets of people’s lives through development of mutual reciprocity among them. They have created various micro-level institutions like SHG, Cooperatives, CBOs for garnering of mass support which culminates into social capital. The presence of reciprocity among its members also strengthens their effect on mutual coordination.

References


