

## **Social Capital and the Productivity of Rural Women Oil-Palm Processors in South East Nigeria**

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**Abstract:** Rural development efforts invariably involve the injection of finance and other tangible assets into the beneficiary communities. Huge sums of money in form of grants and loans are usually involved, with outcomes that often fail to justify the investments. There is a growing perception that social capital might be a significant missing link in the rural development enterprise. Social capital comprises the norms and webs of relationships that help people to take collective action in the pursuit of desired goals. The study was designed to investigate the link between social capital and the productivity of women oil palm processors in the study area. A purposive sample of 60 respondents belonging to strong associations constituted the study group. A second group of 60 processors without strong associations, randomly selected, made up the control group. Results showed that 46.7 % of processors in the study group belonged to associations that met between 1 and 2 times in a month; 25 percent indicated that their level of trust in the leadership of their associations was 'very high' and 46.7% said it was 'much.' Perceived benefits that attracted members to these groups were financial, cooperative labour and marketing opportunities. Over eighty percent (83.3%) of women in the study group used modern processing methods as against those in the control group (16.7%). Mean output of the study group was 154.5 litres compared to 70.5 litres for women in the control group. Average savings of the study group was N10, 037 compared to control group's N1, 283.30. Results of t-test showed a significant difference between the two groups in terms of gross margin ( $p=0.00$ ), output per litre ( $p=0.00$ ) and mean savings ( $p=0.00$ ). It was concluded that women processors utilizing social capital have a clear advantage over those that do not. It is recommended that efforts should be made to encourage the formation of vibrant associations and strengthen those that may have atrophied.

**Keywords:** Rural development, social capital, rural women, community based associations

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### **I. Introduction**

Social capital, defined as the networks of relationships and norms that govern community members in the pursuit of their objectives (Grootaert, 1998), has in recent times attracted the attention of scholars. This interest has been the result of frustration with the outputs of massive capital investments in rural development. Social capital is increasingly being viewed as the missing link, which the most vulnerable members of communities can exploit to better their lot.

Oil palm is the most popular cooking oil in Nigeria, and is in high demand most of the year. Palm oil production is a popular enterprise among women in the South Eastern part of Nigeria, providing gainful employment for many of them. However, most these rural women are extremely poor, and may not afford the machinery that has the capacity to boost their output and their incomes. Informal associations have the potential of making capital and other forms of support available to these resource-poor women to boost their output and secure markets for their products.

Women, being among the most vulnerable in the rural areas of developing countries hypothetically stand to gain from social capital dynamics. This study examines the 'social capital profile' of women by looking at their participation in organizations and strength of the social capital in these organizations. The idea is to see if participation in organizations conferred on women any advantage in their economic activities.

The main objective of this study was to examine the role of social capital in the oil palm processing enterprises of women in AhiazuMbaise Local Government Area of Imo state. The specific objectives were to:

- i. identify the types of social groups that the respondents belonged to
- ii. compare the processing methods used by women with high social capital with those used by women with low social capital
- iii. compare the output of women in high social capital organizations with those with low social capital organisations
- iv. compare the average savings of women in high social capital organisations with those of women with low social capital.

## II. Materials and Methods

This study was conducted in AhiazuMbaise Local Government Area of Imo State in South-Eastern Nigeria. The vegetation is typical rain forest with agriculture as the main occupation of the people. Crops grown include cassava, yam, fluted pumpkin, melon and groundnuts. Livestock kept include ruminants and poultry. Oil palm trees mostly growing in the wild constitute the main economic assets of the people.

Five wards were purposively selected to include the most important oil producing and processing communities. Twenty four women were randomly selected from each ward. Of these 12 were women who belonged to functional community organizations, while the other 12 did not belong to any functional organization. In all, a total sample of 120 women was purposively selected for this study. Sixty women who belonged to functional associations (high social capital) and another sixty who did not belong to any association (low social capital) were selected.

Objective (i) and (ii) were analyzed using simple descriptive statistics while objective (iii) and (iv) were achieved through the use of the student's T-Test.

## III. Results and conclusions

The results showed that women oil palm processors belonged to a wide variety of organisations including religious groups, neighbourhood groups, business groups and producer groups. Others are farmers' unions, credit groups, burial societies, cultural groups and education societies. Most of these groups function as thrift societies where members make regular savings and access credit on the basis of their savings. Over forty-six percent (46.7%) of the respondent belonged to groups that met at least once in a month. Majority of the women in functional groups (71.7%) professed high degree of confidence in the leadership of the groups. It is very important for the organization if members have a high level of trust in the leadership and are committed to the activities of the group through regular attendance to group meetings (Njuki et al 2008). Reasons for belonging to the organizations included financial support, valuable information, marketing opportunities and cooperative labour that the groups provided.

Table 1 show that 83.3 percent of women with high social capital used modern methods of processing their oil palm fruits compared with 16.7 percent of women who had low social capital (Table 1). This is an indication that high social capital facilitates access to critical machinery that makes their tasks less laborious and at the same time boost their productivity and enhances their chances of exiting the poverty cycle (Wiesinger, 2007)

Table 1: Respondents according to processing method used

Processing methods	High Social Capital		Low Social Capital	
	Frequency	Percentage	Frequency	Percentage
Traditional	5	8.3	9	15.0
Modern	50	83.3	10	16.7
Both Traditional and Modern	5	8.3	37	61.7
Total	60	100	60	100

With regards to output, the results showed that the high social capital group had a mean output of 154.5 litres of palm oil compared to the low social capital group with 70.5 litres. The results also showed that belonging to an organization where individuals can pool their resources together could have salutary impacts on the productivity. The results further revealed that the mean savings of high social capital women was NGN 10, 037.00 compared to low social capital women (NGN 1, 283.30). The T-Test results (Table 2) revealed significant differences between the high and low social capital groups in output and average savings. The high social capital women consistently performed better than their low social capital counterparts on all indices

Table 2: T-Test of difference in gross margin, output and savings between high social capital and low social capital women

Index	Processor	N	Mean	Std. deviation	Std Error mean	Mean difference	t	df	Sig
<sup>1</sup> GM	<sup>4</sup> HSC	60	22268	10603.70	1368.93	17179.42	12.15*	118	0.00
GM	<sup>5</sup> LSC	60	5088.4	2724.95	351.79				
<sup>2</sup> QPO	HSC	60	154.50	68.46	8.84	75.00	7.69*	118	0.00
QPO	LSC	60	79.50	32.07	4.14				
<sup>3</sup> QPK	HSC	60	27.30	11.98	1.55	14.10	8.46*	118	0.00
QPK	LSC	60	13.20	4.83	0.62				
SAVINGS	HSC	60	10037	4618.97	596.31	8753.33	14.20*	118	0.00
SAVINGS	LSC	60	1283.30	1208.61	156.03				

Legend

\*t-test significant at 1% level

1GM= Gross Margin; 2QPO=Quantity of Palm Oil; 3QPK= Quantity of Palm Kernel  
4HSC=High Social Capital; 5LSC= Low Social Capital,;

The results support studies elsewhere that have affirmed the ability of social capital to contribute to the productivity and wellbeing of members of the community (Narayan and Pritchett, 1999; Woolcock and Narayan, 2000). Uphoff and Wijayaratra (2000) demonstrated how local farmers could leverage on webs of relationships to the point of extracting important concessions from governmental agencies.

#### **IV. Conclusion**

Current extension efforts are focused on financial capital in terms of empowering vulnerable groups through credit facilities and inputs: social capital is often ignored. Many of the well-intentioned development projects often fail to meet their targets or else prove unsustainable. Extension agents and agricultural educators are not trained in social capital formation. As more and more studies highlight the importance of social capital in the upliftment of vulnerable persons, training of agricultural educators must incorporate capacity-building for the harnessing of the potentials of social capital. Deliberate efforts should be made by all stakeholders in rural development to encourage the formation of high social capital groups, and resuscitate those groups that have atrophied.

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