The new ‘sustainable livelihoods’ approach to rural poverty alleviation provides a useful framework for analyzing the resilience of rural livelihoods by incorporating social resources along with the material and physical resources of traditional studies. This paper develops a theoretical framework linking social capital theory to an analysis of the resilience of rural livelihoods to external shocks using the sustainable livelihoods approach so that empirical studies can inform both practical and theoretical debates about rural poverty alleviation. To develop such a framework for use in empirical studies, this paper does three things. First, it summarizes the literature on the three major sustainable livelihood strategies emphasizing the importance of social capital to each and how each may contribute to a household’s ability to cope with shocks. Second, it specifically defines social capital so that it can be incorporated into a household level livelihood analysis. Finally, it argues for an expanded micro-level measure of social capital that moves beyond the current focus on group membership to include broader social networks. The framework has been designed specifically for an empirical study on the effects of the Thai economic crisis and concurrent drought on rural livelihoods in northern Thailand, but it should also be useful for more general studies of livelihood adaptation in response to economic change.
The new sustainable livelihoods approach to rural poverty alleviation provides a useful framework for considering factors critical to supporting secure and resilient livelihoods for poor households. The approach also has potential for holistically framing applied research in this area. Socio-economic analyses of household incomes and livelihoods have been done for decades, but the sustainable livelihoods approach to such analyses makes a new contribution by incorporating social resources as household assets along with the material and physical resources of traditional studies. In the past, social and cultural processes have factored into livelihood analyses only as “context” within which households function. This new approach allows us to integrate social resources directly into our analysis and provide a more nuanced understanding of how these vary across households and livelihood strategies.

Though the sustainable livelihoods approach provides an analytical tool for incorporating social analysis into more traditional economic livelihood studies, a need remains to link this approach to social theory so that empirical studies can systematically inform both practical and theoretical debates about rural poverty alleviation. The relatively new concept of social capital can help us make this link between social and economic analyses, because it sits at the crossroads of the two disciplines. The goal of this paper is to show how social capital theory and measurement can be incorporated into a practical analysis of the vulnerability and resilience of rural livelihoods to external shocks by using the sustainable livelihoods framework. The theoretical framework developed in this paper focuses on the resilience of livelihoods to shocks, because it will eventually be applied to an empirical study in Thailand looking at the effects of the Thai economic crisis of 1997 and the concurrent El Nino induced drought on rural livelihoods. Therefore, the examples used to outline the linkages between specific forms of social capital and livelihood resilience will mostly be drawn from Thailand. I do hope, however, that the linkages made here could also be applied in the future to other more general studies of livelihood development and adaptation.

To fully develop a framework for use in empirical livelihood studies including social capital, this paper draws on three bodies of literature to accomplish three things. First, it summarizes the literature on the three major sustainable livelihood strategies emphasizing the importance of social capital to each and how each may contribute to a household’s ability to cope with shocks. Second, it specifically defines social capital so that it can be incorporated into a household level livelihood analysis. Finally, it argues for an expanded micro-level measure of social capital that moves beyond the current focus on group membership to include broader social networks.

1 Sustainable Livelihoods

A macro-level economic crisis can be linked to specific effects at the local level by identifying the impacts of the crisis on the livelihoods of households in rural areas. The sustainable livelihoods approach provides a useful framework for analyzing crisis impacts on rural households. The literature on sustainable livelihoods most often uses a definition from Scoones (1998) where a livelihood comprises ‘the capabilities, assets (both material and social) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks, and maintain or enhance its capabilities and assets both now and in the future.’ The
approach uses a conceptual framework that maps out the conditions that determine access to both material and social assets and livelihood opportunities for rural households. These conditions include structures like government and private sector operations, institutions and cultural processes and the types of vulnerability to shocks of households (Farrington, Carney et al. 1999).

The incorporation of social resources as assets for the household within the sustainable livelihood framework relates to the earlier work of Amartya Sen on entitlements. Sen (1981, 1985) uses the term entitlement to refer to bundles of assets or endowments held by the poor, the nature of the claims to those assets and the vulnerability of any given claiming systems. Ownership endowments include both tangible assets like land and labor as well as intangible assets like social and familial reciprocity and are the basis for gaining access to commodity bundles through various claiming systems (Sen 1981). Such intangible assets like social and familial reciprocity make up a household’s social capital. Therefore, within the framework developed in this paper, a household’s endowment of social capital is considered an asset and is the basis for gaining access to other productive assets and livelihood strategies for rural households.

This function of social capital in mediating economic change effects on households by providing (or constraining) access to other resources, coping mechanisms or livelihood strategies makes it a crucial but formerly neglected area of analysis for understanding livelihood vulnerability. Traditional economic analysis of coping mechanisms and livelihoods helps us understand crisis effects in terms of factors like wealth, mobility, education, life cycle, and gender but often leaves us with unresolved questions. Though important, these factors do not explain fully why one coping strategy is pursued over another if the mediating role of social relations is neglected. Moreover, these other factors provide little normative insight for policy purposes. The analysis of social capital in relation to coping mechanisms can reveal how social relations mediate crisis effects on households by conditioning the coping strategies available to them.

1.1 Livelihood resilience and sustainability

The resilience of rural livelihoods is the key variable to measuring the impact of the crisis and the ability of households to cope on their own without too much government/formal assistance. Revisiting our definition of sustainability for livelihoods we can define resilience of livelihoods as the ability to cope with and recover from stresses and shocks. Livelihoods are more adaptable and thus resilient if it is possible to substitute between livelihood activities and a diverse portfolio of activities improves the long run resilience of a household’s livelihood in the face of adverse trends or sudden shocks (Ellis 1999).

1.2 Coping Strategies and adapting livelihoods

Household livelihood strategies are not static. In fact, they are constantly changing and adapting to dynamic social and economic environments. When a relatively sudden shock occurs in the form of a drought or an economic crisis (or both in the Thai case) the adaptation must happen more quickly. Coping strategies are invoked under abnormal periods of stress and tend to be short-term responses whereas adaptive
strategies create more long term or permanent changes in the mix of livelihood activities (Davies 1993). Adaptive strategies are differentiated from coping strategies on the basis of the duration of the response and the type and level of risk or vulnerability of households (Berkes, Duffield et al. 1996). Because this differentiation is based only on timing, the categorization of livelihood strategies emerging from the sustainable livelihoods literature can also be applied as coping strategies for households dealing with crisis shocks.

1.3 Livelihood strategies

The sustainable livelihoods literature categorizes the main livelihood strategies which households pursue as 1) *livelihood diversification*, 2) *agricultural intensification*, and 3) *migration*. All of these fit well into an analysis of the effects of an economic shock and a drought on rural livelihoods as they represent strategies that can be used to cope with crisis effects. As Ellis points out, social factors are crucial to understanding the implications of these various livelihood strategies.

“In pursuing livelihood strategies composed of a range of activities, both the access to assets and the use to which they can be put are mediated by social factors (social relations, institutions, organisations) and by exogenous trends (e.g. economic trends) and shocks (drought, floods etc.) (Ellis 1999).”

In this next section, I review the literature on these three categories of livelihood strategies and outline the importance of social factors to each as they act as coping mechanisms for households dealing with a shock to their livelihoods. The references to terms like social factors, social relations, social support, social connections, and local or social institutions in this literature provide the space within the sustainable livelihoods approach for incorporating social capital into a livelihood analysis. Therefore, I will be using these terms interchangeably with social capital throughout this section to illustrate the potential linkages. In the following section I go on to specify my definition of social capital and develop the theoretical linkages with livelihood analysis for use in empirical studies.

1.3.1 Livelihood diversification

Ellis (1999) defines rural livelihood diversification as ‘the process by which households construct a diverse portfolio of activities and social support capabilities for survival and in order to improve their standard of living.’ For example, rural households can combine any number of livelihood activities like agricultural crop production, wage work, animal raising, cottage industry, forest product collection etc. to provide or supplement income and subsistence needs. The mix of activities depends on a household’s ability to access different livelihood opportunities. Livelihood diversity stems from household considerations of risk, consumption smoothing, market failures and coping with shocks like a drought or an economic crisis. Though we can see why many households diversify their livelihood strategies, it is difficult to draw generalizations of the effects and implications of such diversification across empirical case study data (Hussein and Nelson 1998). An analysis of rural Thai livelihoods under crisis can contribute to the sustainable livelihoods literature by documenting the degree of diversification in livelihood strategies across households and relate that to other social and contextual factors of each household.
Though studies often focus on the relationship between attitudes toward risk and diversification, the opportunity to diversify may be even more important to the diversification process. Dercon and Krishnan (1996) found in rural Tanzania and Ethiopia that it is having the opportunity to diversify and not attitude toward risk that spurs households into multiple activities. Though livelihood diversification is thought to reduce risk because the nature of risk for one endeavor should not be the same as that for a different type of endeavor, when multiple types of shocks occur the same year then even diversified households may be severely affected. It is, therefore, important to understand how households obtain diversification opportunities through their social capital endowments.

Social capital not only mediates the opportunity to diversify but can also determine whether the effects of diversification are positive or negative. A household’s ability to adopt more profitable diversification strategies is determined by its having the skills, location, capital, credit and social connections to pursue other activities (Hussein and Nelson 1998). Diversification can affect agriculture negatively through withdrawal of critical labor inputs from the farm and positively by providing capital for investment and a reduction in the risk of innovation (Ellis 1999). There may also be gender differences in the types of diversification available to various members of a household that can be the source of inequality or even conflict within households. Many types of non-farm employment can be skewed in favor of men and against women (Hussein and Nelson 1998). The variation in diversification effects on rural households makes an analysis of local institutions and social relations important in any analysis of change in rural livelihoods.

1.3.2 Agricultural Intensification

The second category of livelihood strategies relates to the agricultural production system on which most rural households are based. Agricultural intensification can improve rural livelihoods through increased production over time. Tiffen, Mortimore et al. (1994) define agricultural intensification as ‘increased average inputs of labour or capital on a smallholding, either cultivated land alone, or on cultivated and grazing land, for the purpose of increasing the value of output per hectare.’ The processes associated with agricultural intensification include increased frequency of cultivation, increased labor inputs, or technological change. Agricultural intensification then is evidenced by increased use of natural or artificial fertilizer, improved seeds, animal traction, mechanization, relay or multi-cropping, and landscape changes like irrigation or soil conservation measures (Carswell 1997).

Agricultural intensification, however, is not always associated with positive outcomes. As with diversification, social capital can determine whether the outcomes of intensification are positive or negative for households. The effects of intensification may be negative as they relate to the quantity and quality of livelihoods and the ecological sustainability of those livelihoods. Ecological problems associated with agricultural intensification (i.e. erosion, declining soil fertility etc.) may elicit farmer innovation in alternative agricultural systems like agro-forestry, but only where regional social and economic incentives favor such investments (Scherr 1995). Also, a sudden shock can threaten a household’s positive intensification efforts if investments...
cannot be maintained. Carswell (1997) argues that since intensification can be either positive or negative, to understand the range of experiences that households may encounter we must examine the role that social connections and local institutions play in the intensification process.

1.3.3 Migration

Migration is another livelihood strategy increasingly pursued by rural households. It also has a special role in the analysis of rural livelihood resilience under crisis as it makes the important link between macro and micro levels of the economy. A study of livelihood effects of crisis can situate the migration decision into an overall sustainable livelihood analysis and show how it fits with other coping strategies and social institutional contexts.

“New research should aim to develop further theoretical and methodological attempts to enhance our understanding of migration by locating different types of movement, settlement and exchange in a range of processes to do with sustainability (McDowell and Haan 1997, p. 10).”

Tracking migration patterns and decisions along with other coping strategies can illustrate the relationship of migration to the local institutions, the structure and function of social connections, and the general development of a rural area.

Though most migration studies focus on the individual and their decision to migrate, the household may be a better unit of analysis in order to consider the social nature of such a decision as well as the links to other household coping strategies. In a review of the literature on migration as it relates to sustainable livelihoods McDowell and Haan (1997) conclude that we do not know much about the linkages between the three types of livelihood strategies; migration, intensification and diversification. To address this they call for an improvement in migration studies by taking an institutional approach to the analysis. They challenge the dominant view of migrants as isolated individual decisionmakers and call for a focus on the multi-dimensionality of the migration process and the links between migrants and their areas of origin.

Migration is also a livelihood strategy that is heavily mediated by the social capital of migrants and their households since social connections play an important role in migration decisions. Bigsten (1996) shows in Kenya that the size of the household and the existence of personal networks were key variables in determining which households engaged in migration. Richter, Guest et al. (1997) found the same pattern of social network importance in Northeast Thailand. Village and regional historical patterns of migration are important to the use of migration as a coping strategy for rural households and these stem from social connections often going back generations. “Migration itself, and the segmentation of migration streams, are often determined by historical antecedents (McDowell and Haan 1997).”

Migration, agricultural intensification and livelihood diversification represent the major categories of coping strategies for rural households and social capital is important to each in specific ways as outlined above. The sustainable livelihoods approach has incorporated social capital into its analytical framework by recognizing that social factors are important to livelihoods and their sustainability. But incorporating new concepts into a
framework is only the first step to understanding how these concepts play out empirically. Social capital is an ambiguous concept, and in order to be useful in an empirical analysis it must be defined and operationalized in very specific ways. That is the goal of the next section.

2 Social Capital

The large and growing body of literature surrounding social capital has created confusion over its meaning and use in theoretical work. In order for the concept to be useful within an approach that seeks to understand and analyze livelihoods it must be very specifically defined. Therefore, just a small subset of social capital theory that defines social capital instrumentally as an individual asset will be used here. This implies that though social capital is made up of social relations, it can be seen as a productive asset (or endowment) that is held by an individual. Other definitions focus on social capital that is held socially within groups, communities or societies and can be used for collective action. Though these other definitions can be useful in many research areas, I argue for a definition that returns to the original uses of the term as the best choice for use in empirical studies at the micro-level of the household.

Social capital is one type of asset identified in the sustainable livelihood approach that households may draw upon to accumulate wealth or to cope with a crisis. Though this concept is currently widely used in economic, sociological and development literature, its ambiguity causes confusion and debates about its usefulness. If specifically defined, however, I believe it fits well with the sustainable livelihoods approach and allows us to systematically integrate social and economic analyses. For the purposes here, social capital is defined as the sum of social resources available to individual households in the form of networks of social relations that may be used to access other productive resources and livelihood strategies. This definition is closely linked to the original definitions of the concept in sociological literature but is very different from other current uses of the concept. In order to justify my choice of definition and distinguish it from others, I first briefly discuss the different uses of the term and then illustrate why my network based definition of social capital is the most appropriate for a study of rural livelihood resilience especially in the Thai context.

2.1 Social capital and society

The contemporary scholar who raised awareness of the concept and is still using social capital extensively in his work is Robert Putnam. Putnam (1993a) uses social capital as referring to features of social organization, such as networks, norms and trust, that facilitate coordination and cooperation for mutual benefit. He draws linkages between the degree of social capital and economic development of different regions in Italy (Putnam 1993). His work has focused on social capital as a societal resource especially at the community level. This community level definition of social capital leads to analyses of civil society or the degree of associational life in a community which are thought to have positive externalities for community members and an unintended economic payoff (Putnam 1993; Knack and Keefer 1997). Thus, social interaction can generate durable externalities that include knowledge about other agents, knowledge about the world, and benefits of collective action (Collier 1998).

Social capital can also reduce transaction costs of exchange through trust. Putnam
(1993b) sees trust as lubricating social life as well as the economy. Schmid and Robison (1995), Fukuyama (1995), Knack and Keefer (1997) and others see trust as an important component of economic transactions. Fukuyama (1995) uses the concept of trust as a measure of social capital and argues that it is accumulated through norms of reciprocity and successful cooperation in networks of civic engagement. His analysis, like Putnam’s remains at the societal level comparing differing levels of trust in various societies and linking that to economic prosperity. Trust may reduce transaction costs by reducing the number of times formal sanctions must be invoked to control or monitor undesirable behavior. The degree of existing social capital influences the extent to which bargainers must turn to the state to enforce contracts or turn to social sanctions and norms instead.

Though Putnam includes ‘networks’ in his definition of social capital they receive little treatment in his empirical work. Lyon (2000) uses Putnam’s definition of social capital to discuss the development of trust within financial and marketing systems in rural Ghana. He specifically addresses networks in his analysis as providing access to these marketing systems but still remains focused on their role in developing trust among actors within the systems. This contributes to our understanding of the relationship between social networks and development of trust but does not show how networks are used to pursue other livelihood strategies or cope with crisis. In order to understand how social capital mediates access to coping strategies for households under crisis it is better to define it as an individual asset as the originators of the concept did.

2.2 Social capital and the individual

In a review of the origins and applications of social capital in modern sociology, Portes (1998) concludes that the greatest theoretical promise of social capital lies with an instrumental definition at the individual level exemplified by two originators of the concept, Pierre Bourdieu and James Coleman. These originators of the concept of social capital were dissatisfied both with the "undersocialized" individualistic approach in economics which focused on utility maximization alone and with the "oversocialized" approach of sociology which focused completely on social relations to the neglect of individual choice (Granovetter 1985).

Bourdieu (1986) saw capital as anything that is productive and can be accumulated and defined three forms of capital as physical, cultural and social. He defined social capital as the “aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition.” These networks, like the knowledge and use of cultural norms can accumulate as reciprocal relationships which can be productive for the individual. Portes (1998, p. 2) observes that “Bourdieu’s definition makes clear that social capital is decomposable into two elements: first, the social relationship itself that allows individuals to claim access to resources possessed by their associates, and second, the amount and quality of those resources.” The first of these elements shows social capital providing access to resources through social connections and is the basis for the definition chosen for the framework developed here.

James Coleman (1988) drew heavily from both sociology (social network and social exchange theory) and economics (rational
choice theory) in his development of the term social capital. Though he was a devout rational choice theorist, he divorced himself from the extreme individualism that often accompanied it. Thus, he viewed social capital and its forms as productive resources for action and choice arising from social organization. Though Coleman never really defined the term clearly, he did give it life by describing its forms and fitting them into a larger social theory. The three forms he described were obligations and expectations, information channels, and social norms.

For Coleman (1987; 1988), social capital was a tool for importing economists’ principle of rational action for use in the analysis of social systems proper, including but not limited to economic systems, and to do so without discarding social organization in the process. He accepted the principle of rational or purposive action and attempted to show how that principle, in conjunction with particular social contexts, can account not only for the actions of individuals in particular contexts but also for the development of social organization.

Schmid and Robison (1995) and Robison and Hanson (1995) use social capital as mutual relationships to be considered productive assets in economic analyses. They see people investing in social capital in order to reap the benefits economically in the future. Social capital as a productive asset can also be seen as opening opportunity to individuals. Though he never uses the term social capital, Sen (1993) relates the opportunity to achieve as a freedom to opportunity through the ties or relationships which people have. Social capital seems to be an appropriate representation of many forms of opportunity. This also fits with Sen’s entitlement mapping, described in an earlier section, where opportunity is realized through existing claiming systems made up of an individual’s (or household’s) social capital.

The relationship of social capital to other forms of capital in theoretical discussions is important to the framework developed here as it justifies the use of the term to refer to an asset that, as a representation of opportunity, provides access to other forms of capital. It is not just one more form of capital available to households that can be used productively on its own but instead is capital that can be employed to gain access other forms of capital. Though most forms of capital can be used to access other forms, social capital may be unique in that it may actually mediate access to all the other forms. Social capital can be used to acquire economic capital (money, materials), human capital (labor, knowledge) and natural capital (land, water) (Johnson 1997). In an attempt to theoretically synthesize the literature on social capital Woolcock (1998) bases the importance of the concept on its connection to the other forms of capital. He concludes that though it is enigmatic, social capital is a crucial part of the development equation because it can enhance, maintain or destroy physical and human capital.

2.3 Identifying and measuring social capital

Having decided on an instrumental definition of social capital at the individual (household) level, we now need to develop a process to identify and measure social capital to make it work empirically. There are a few empirical studies of social capital at the micro-level that are relevant and two of these even link social capital to income and livelihoods (Narayan and Pritchett 1996; Maluccio, Haddad et al. 1999). Though these studies make strides in developing measures for social capital, I argue that their measure needs to be expanded
beyond group membership to include broader social networks. The safety net function of networks is crucial to understanding a household’s ability to cope with economic or physical shocks to its livelihood.

These studies have in common the fact that they define and measure social capital through group membership at the micro-level. Though they collect data on social capital through household surveys about group membership, their measure comes from aggregating the household results to create a community level measure of social capital. This they find has significant effects on household income. Narayan and Pritchett find the village level social capital effects dwarf any other mediating factors. Maluccio et al. also find a large social capital effect on income but in their findings it is less significant than human capital.

Though group membership is one useful way to measure social capital, these scholars themselves recognize the need to expand into other measures of social capital. “A second direction of future research involves moving away from the group membership measures of social capital to other possible measures… The first among these is through measures of family networks and their use (Maluccio, Haddad et al. 1999).”

Social networks are the embodiment of social capital (Dasgupta 2000). To focus exclusively on group membership as a representation of social capital at the micro-level would be to miss a potentially large portion of an individual’s social relationships (which embody social capital) that are not group based. Uncovering the social relationships that are crucial to survival and coping under crisis takes expanding our analysis to include any relationships that may be called upon for help in crisis. Some of these may be people we know from participation in a specific group, but often it is family, friends, employers etc. that we know from everyday experience.

The expansion of a social capital measure to include network relationships may be especially important in certain cultural contexts. The degree to which an individual’s important exchange relationships stem from group participation may depend on the degree to which one’s society values organized group membership. In any empirical analysis of social capital, therefore, it is important to consider socio-cultural tendencies toward individualism or group affiliation. It is the tendency for civic engagement that Putnam measures on a society wide level and that he claims leads to better economic outcomes. He found that social capital (as measured by associational tendencies) is declining in America (Putnam 1995), and yet the American economy continues to thrive.

Thailand has low levels of social capital under the group affiliation definition and yet experienced unprecedented growth rates until the crisis in 1997 (Unger 1998). These seemingly contradictory results may be a problem more with how social capital is defined and measured than with the underlying importance of general social connections of a society. A society with few (or decreasing) associations or groups may still very well be cohesive, but the nature of that cohesion may not be represented by group participation.

I am not arguing that group membership is not useful for measuring social capital. It is. It just may not be sufficient and may be just one component of an individual’s social connections and, therefore, one type of an aggregate measure of social capital in a society. Social capital defined as the aggregate social resources held by a household can be analyzed in other ways. If we think of social capital as an asset (an endowment as the accumulation of relationships) then we can try to determine
the stock of social capital held by various types of households.

A long used and well-developed analytical tool from sociology can help us here. That tool is social network analysis that can unpack social capital held by households and illustrate how a specific endowment of social capital held by a household comes into play in coping with an economic crisis and its effects on rural livelihoods. A social network analysis can account for other types of connections people have that may have economic significance. It includes group membership as one type of network tie but also includes different network ties (familial, employment, etc.) that also may be very important to economic outcomes and livelihood strategies of individuals and households.

3 Social Networks

Davern (1997) describes the usefulness of combining sociological and economic analyses through the use of a social network metaphor. This metaphor derives from a structuralist perspective in sociology that replaces nodes and connections of a network with actors and social ties or bonds to make it a social network. Thus, a social network may be defined as a series of direct and indirect ties from one actor to a collection of others, whether the central actor is an individual or an aggregation of individuals (e.g., a household). A network tie is defined as a relation or social bond between two interacting actors (Ibid). Using this definition, a household level economic analysis of livelihoods can be combined with a sociological analysis of social structure through the social network metaphor. The household represents the central node of each network and the social ties or bonds making up the connections of the network can be considered social capital held by that household.

Though they do not all use the term social capital or make an explicit link to the social capital literature, there are a few studies using social networks to represent social capital as I have defined it above. None of these, however, consider the effects of two universal shocks like an economic crisis and concurrent drought on the sustainability of rural livelihoods as a whole. The studies are all concerned with poverty and lack of opportunity but differ by geographic region and also methods. Two of them link a network analysis with economic variables through quantitative surveys. Green et. al. (1995) studied social networks and their relationship to job opportunity for inner city residents of Atlanta. Economic opportunity was shown to be directly affected by social resources (social capital) available or unavailable to certain groups of people. Dershem and Gzirishvili (1998) measure the relationship between household support networks and economic vulnerability of households. They find, as expected, that households with larger support networks self-define themselves as less vulnerable than other households with fewer social support assets.

Two other studies done in Central Asia use ethnographic methods to explore household networks and how they are maintained and used for securing livelihood opportunities (Kandiyoti 1998; Werner 1998). They describe the ways that networks are changing in response to changing economic conditions. Another study from South Africa based also on qualitative methods describes the important role that social capital (defined as social networks) plays in household responses to economic shocks (Cross, Mngadi et al. 1998). That study focuses on poor household responses to
individual economic shocks unique to their own livelihoods such as a death in the family or illness. Though I draw on the network concepts used in the South Africa study to develop the network taxonomy below, their methods need adaptation in order to analyze the effects of two universal shocks that affect all households but in differing ways. The empirical study in northern Thailand will add to the social network literature by combining quantitative and qualitative methods and analyzing the effects of two universal shocks on the functioning of a rural social safety net through network support.

3.1 Network Characteristics

Social network analysis can be used in many ways and to varying degrees of detail. Mapping the complete social network of any individual, let alone a household, is a huge undertaking. But the social network metaphor may be used in a limited way as an analytical tool to understand how social resources fit into an analysis of livelihoods. As network analysis is just one piece of the larger puzzle, analyzing all the social links in a household’s network is not necessary. Only social relations that provide access to productive resources, coping mechanisms and livelihood opportunities are necessary to explore and map for a practical analysis of livelihood resilience. The social networks analyzed can be limited by the transactional content of the exchanges in network relations.

To make the link to the livelihood analysis we need to know how various productive resources are accessed through social networks. Transactional content refers to the material and non-material elements that are exchanged between two nodes in a network (Chartchai Na Chiangmai 1983). The central node for this framework is the household, but other nodes to which a household is connected may be other households, individuals or groups. In order to link the specific types of livelihood strategies and coping mechanisms of this framework, only network ties with specific transactional content need to be explored. The relevant network ties are those in which the items of exchange observed are the following: in-kind assistance (rice, food), cash assistance, help finding employment, labor, credit, and marketing. These types of transactional content directly relate to consumption smoothing coping mechanisms as well as the three categories of livelihood strategies; diversification, intensification and migration.

There are structural concepts used in social network studies that can be applied to understanding of the role of networks in mediating the effects of crises on rural livelihoods. This framework development employs two characteristics of social networks in the rural Thai context: the structure of the network, and the types of network ties.

3.2 Network structure

Woolcock uses the terms integrated and linking in a synthesis theoretical framework based on the reviewed literature on social capital (Woolcock 1998). For him, ‘integrated’ refers to the social ties that exist within a community. He contrasts this with ‘linking’ that, at the micro-level, stands for network ties between different communities. The degree of integration or linking of a household can be represented by the structure of its network. Network structure refers to the pattern of the links in a network with the household at the center. The social network structures of different rural household types can be compared to see how they affect the coping strategies available to those households. Household
level integrated networks are the building blocks for social institutions at the village level and linking network ties that connect households to resources outside the village represent meso-level rural-rural and rural-urban linkages. A structural analysis of social networks, therefore, can also contribute to theories about the direction of change in rural social structure.

3.3 Types of network ties

Cross, Mngadi et al. (1998) use a helpful distinction between two types of networks that households may rely upon for aid in a crisis. A *bound network* includes relations with close relatives that begin at birth and are connected by obligations based on kinship roles. I have changed the term ‘bound’ to ‘inherited’ in order to make the relationship to birth more explicit. The *inherited network* contrasts with the *achieved network* which includes a person’s or household’s list of personal contacts that are gained through experience and not automatic at birth. The analysis of achieved networks can draw on the group membership measure of social capital since an achieved network may be increased through contacts with others through group participation. ‘In addition to personal networks based on past experience, membership in institutionalized groups and community-based organizations often serve as the basis for voluntary mutual help between individuals (Cross, Mngadi et al. 1998).’ Below is a taxonomy using structural characteristics of network ties and some examples of specific ties that fit into each category.

<table>
<thead>
<tr>
<th>Integrated (embedded)</th>
<th>Linking (autonomous)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inherited</td>
<td>Clan links outside village</td>
</tr>
<tr>
<td></td>
<td>External ethnic links</td>
</tr>
<tr>
<td></td>
<td>Migrated family members</td>
</tr>
<tr>
<td>Achieved</td>
<td>Migrated friends/others</td>
</tr>
<tr>
<td></td>
<td>External schooling ties</td>
</tr>
<tr>
<td></td>
<td>Formal credit institutions</td>
</tr>
<tr>
<td></td>
<td>District government</td>
</tr>
<tr>
<td></td>
<td>Thai bureaucracy/military</td>
</tr>
<tr>
<td></td>
<td>National/int’l NGO’s</td>
</tr>
<tr>
<td></td>
<td>Business/market links</td>
</tr>
</tbody>
</table>

The taxonomy as presented can also serve as an analytical tool to chart the structure of social networks. The nature of the ties in social networks can be explored to identify the type of ties most important for coping with a crisis. Specifically, the relational dependence of social ties that access key resources for households can be determined by measuring the degree to which exchanges are “personal”. This tells us to what degree households rely on informal (support networks) as opposed to formal (market or government based) coping mechanisms in the face of crisis. Combining an analysis of the types of ties in networks with the overall structural analysis also illustrates the spatial dispersion of strong and weak ties and how that may be changing in a society.

4 Social Networks in Thailand

There are some characteristics of Thai culture that make the use of a social network analysis to measure social capital especially appropriate. In studies of Southeast Asian cultures, patron-client type dyadic relationships have been described and analyzed in detail. Lacking in the literature, however, is a social analysis based on networks that can connect changes in social structure to economic change. In his critique
of patron-client studies of Thai society Kemp (1984) calls for Thai scholars to expand beyond the typical patron-client analyses to include broader concepts like ‘quasi-groups’ and network analysis. Social network analysis is increasingly appropriate for the study of individuals and communities in Thailand as they become more integrated into a modernizing economy and commercially based agriculture. Three aspects of Thai culture support the use of a social network analysis to understand social relations and their impact on crisis coping in rural northern Thailand. These aspects include Thai individualism, obligation and reciprocity norms, and the specific manifestation of patron-clientage in rural Thailand.

4.1 Thai individualism

The choice of the social network metaphor to analyze crisis effects makes sense in the Thai context because of the nature of Thai social structure and cultural representations of sociability. Thai peasants are known for their relative freedom from cultural constraints on individual behavior. This stems from the long running debate in Thai studies over the use of John Embree’s characterization of Thai society as “loosely structured.” He defined a loosely integrated culture as one where ‘considerable variation of individual behavior is sanctioned (Embree 1950).’ This characterization began a long string of scholars supporting, countering or trying to refine the characterization (see Evers 1969; Phillips 1970; Brummelhuis and Kemp 1984; Mulder 1990)). Underlying these debates was the general ambiguity in Thai studies that continues into the present about the relationship of the individual to Thai society.

More recently, Unger (1998) refers back to this body of literature in his analysis of social capital in Thailand. He uses the loose structure characterization to explain the relative lack of a group affiliation tradition among the Thai. As he is using a similar definition of social capital as Putnam’s which focuses the analysis at a societal level he equates this lack of traditional group affiliation tendencies among the Thai as signifying a lack of social capital. This brings us back to the argument presented in the previous section that calls for expanding our measure of social capital to include non-group based social resources. Focusing exclusively on group membership to represent social capital for Thai peasants would be missing a large component of Thai society that is based on interpersonal networks of social relations. Group formation is relatively new in Thailand and most often has economic motivation. Therefore, an analysis of non-economic associations creating economic benefits (i.e. Putnam’s work) does not apply well to the rural Thai setting.

4.2 Obligations and reciprocity in Thai culture

Social network analysis does apply well to the rural Thai context, because from birth, a Thai peasant is embedded in relational networks of family and acquaintances that carry both obligations and reciprocity rights. Bun Khun networks are an important component of Thai rural life (Snit Smuckarn 1998). Bun Khun refers to feelings of obligation and indebtedness felt by Thais to people above them in the hierarchy of society. This includes parents, other elders, teachers and other patrons. These networks make up the moral economy within villages that create obligations for individuals to help family and friends and act as a social support system in difficult times. Though
patron-client type relationships may exist within Bun Khun networks because of their hierarchical nature, not all Bun Khun relations can be classified as patron-client.

4.3 Patron-clientage in Thailand

In the typical patron-client type social system, multiplex relationships are the norm where one link to a powerful patron can provide access for rural households to multiple productive resources they need for their livelihoods. Thailand has usually been considered an example of a hierarchical society with dyadic patron-client relationships functioning. As Thai society changes, however, the number of personal ties needed to obtain the same resources may be increasing. One patron or even a few may not be able or willing to meet all the changing needs of rural households. Personal ties that are used to access productive resources are becoming more like a web with links to non-traditional and external resources increasingly sought in order to “get ahead.” A network analysis is more likely to address the complex nature of these relations and their effects on household decision making and coping than a traditional patron-client type analysis.

5 Networks as social support

Social networks are especially important for rural households faced with two concurrent shocks like the economic crisis and drought, because they can act as a social safety net for dealing with the various effects of both crises. Households can vary by the opportunities and coping mechanisms open to them based on their social networks. In her study of coping with drought in India, Chen (1991) distinguishes between social and economic institutions that govern access to resources and thus coping strategies. She stresses the centrality of non-market activities, relationships and institutions to household livelihood systems. Social networks as defined in this study make up an important social institution that govern access to resources and, thus, livelihood strategies in the Thai context.

This paper argues that social networks play a crucial role in determining the coping strategies available to various households during a crisis. Formal and informal institutions, groups and NGO’s of all kinds that represent ties of a social network structure aspects of both coping and general diversification strategies. They may limit the types of diversification open to certain households in different local contexts and can condition who can diversify and what types of rewards are related to diversification in those same contexts (Hussein and Nelson 1998).

In concluding their discussion of livelihood diversification Hussein and Nelson (1998) state that further research is needed to examine local institutions that support the diversification attempts of the poorest rural groups and the ways and means that rural people secure access to diversification opportunities via social networks. The proposed Thai study seeks to do this in specific relation to rural households’ coping with two important shocks to their livelihood systems.

The reason for investigating various characteristics of social networks and how they relate to coping with a crisis is to understand their role as a social safety net when a crisis hits. Chen (1991) found that traditional social security systems and public social security systems are effective under very different conditions in India. She found that government is most responsive under drought and other crisis conditions when family support mechanisms are often
strained beyond capacity. She also found that social support mechanisms (caste, kin, and family) operate during peak seasons in normal years when government provides limited public services and that these social support mechanisms restrict during slack season in normal years when only closer family support still functions (Ibid). In the Thai case it is important to know if and when the touted social safety net presumed to exist in rural areas was sufficient for vulnerable groups in society to cope with the economic crisis or if more government intervention was needed.

The ability to diversify livelihoods is conditioned by social capital, but it can also affect social relations and institutions through change over time. Bangura (1994) describes coping strategies used by economically vulnerable households in the face of structural adjustment policies in Africa. These coping strategies have brought changes in social relations and the institutional context. Berry (1989) argues that a state of continuing agrarian crisis and economic instability in Africa has caused farmers to invest more in extended social networks as mechanisms of access to the means of production and increased off-farm activities to fund production and consumption. An empirical study in Thailand of the linkages between social and economic change will help us understand the current dynamics of household level investment decisions about social capital along with other investments in human, physical and financial capital.

There is mutual influence between local social institutions and the structure of livelihoods in rural areas. Since household level endowments of social capital embodied in social networks are the building blocks for aggregate social institutions, a study of social networks can illustrate the linkages between changes in social structure and the economy through a practical livelihood analysis. I hope that the framework developed in this paper will serve as a starting point for refining our understanding of how households accumulate and employ their endowments of social capital to cope with crises generally improve their livelihoods and well-being under normal conditions. If we succeed in understanding how social capital fits into household responses to economic change we will be well on our way to improving policy to alleviate rural poverty and prevent vulnerable households from dropping into poverty due to crises beyond their control.

References


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