

**ROLE OF NON-GOVERNMENTAL ORGANIZATIONS(NGOs) IN
BUILDING SOCIAL CAPITAL**

(A Case of Chandrapur Municipality,Rautahat, Nepal)

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CERTIFICATE OF ORIGINAL AUTHORSHIP

I certify that the work in this research work has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the research report has been written by me. Any help that I have received in my research work and the preparation of the research itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the dissertation.

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RECOMMENDATION FOR APPROVAL

The Research Report prepared and submitted by Bimal Dahal in partial fulfillment of the requirements for the degree of Master of Philosophy (M. Phil.) has been supervised by me and recommended it for acceptance.

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ABBREBRIATIONS

ADB	:	Asian Development Bank
CSOs	:	Community and Social Organizations
CBOs	:	Community Based Organizations
GoN	:	Government of Nepal
INGOs	:	International Non-Governmental Organizations
NGOs	:	Non-Governmental Organizations
NPC	:	National Planning Commission
SCI	:	Social Capital Initiatives
SWC	:	Social Welfare Council
UN	:	United Nations
WB	:	World Bank
WHO	:	World Health Organization

CHAPTER I

1.1 Introduction

The concept of social capital has come to the forefront as a crucial ingredient in achieving equitable and sustainable development, participatory democracy, empowerment from below, and effective government (Abom, 2004). Many development theorists and practitioners have accepted the relevance of social capital as an essential component of social development and the creation of a strong civil society. There are still many of them eager to find ways to foster social capital and remove obstacles to its development.

Like many countries in South East Asia, Nepal lives through the legacy of an authoritarian past. Social organizing, community and civic engagement, collective actions, strong norms have not been part of the general landscape. After the demise of panchayat (Kingship) rule and establishment of multiparty democracy in 1990, opened an open space for social development through channelizing social capital. In 2006 people of Nepal protested the kingship rule which was revived after the king's overthrow the democratically elected government in 2003. It remains to be seen the new space and opportunities opened since the signing of the 2006 Peace Accords ending 10-year civil war had crystalize new forms of social capital.

NGOs are sure to play a vital role in this process given that they have become synonymous with the practice of 'development' -as witnessed by their drastic increase in numbers and size over the past 27 years. NGOs have done much to address the needs and issues of the poor across the world. However, much remains to be done with regard to understanding the effects that NGOs and their multiple approaches and agendas have on wider sociological processes, such as the building of social capital and social organizing.

1.2 Background of the study

Social capital refers to the internal social and cultural coherence of society, the norms and values that govern interactions among people and the institutions in which they are embedded. Social capital is the glue that holds societies together and without which there can be no economic growth or human wellbeing (Grootaert, 1998). There is growing evidence that social capital contributes significantly to sustainable development. Sustainable development is a part of social justice. The 2030 Agenda and the Sustainable Development Goals of United Nations are critical steps towards human development for everyone. One of the earliest pioneer in the study of social capital Lyda Judson Hanifan (cited in Abom, 2004) argues that social capital refers to those tangible assets that count for most in the daily lives of people: namely goodwill, fellowship, sympathy and social intercourse among individuals and families who make up a social unit.

Putman (1993), argued that northern Italy developed faster than southern Italy because the Northern Italy was endowed in social capital measured by membership in groups and clubs. Woolcock & Narayan, (2002) provided a wide range conceptual analysis of the role of social capital for developing societies and economics. A range of applications of social capital to economic development are collected in work of Grootaert and van Bastelaer (2002). Grootaert & Bastelaer, (2002) stated that social capital affects economic development mainly by facilitating transactions among individuals, households and group in developing countries. Christoforou (2005), added that the contribution to economic growth by highlighting the importance of cooperation and trust within the firm, market, and the state. Christoforou concludes that social capital are based on norms, networks of cooperation and trust, that enhance collective action between formal actors and achieve improved social efficiency and growth.

1.3 Previous Research Work

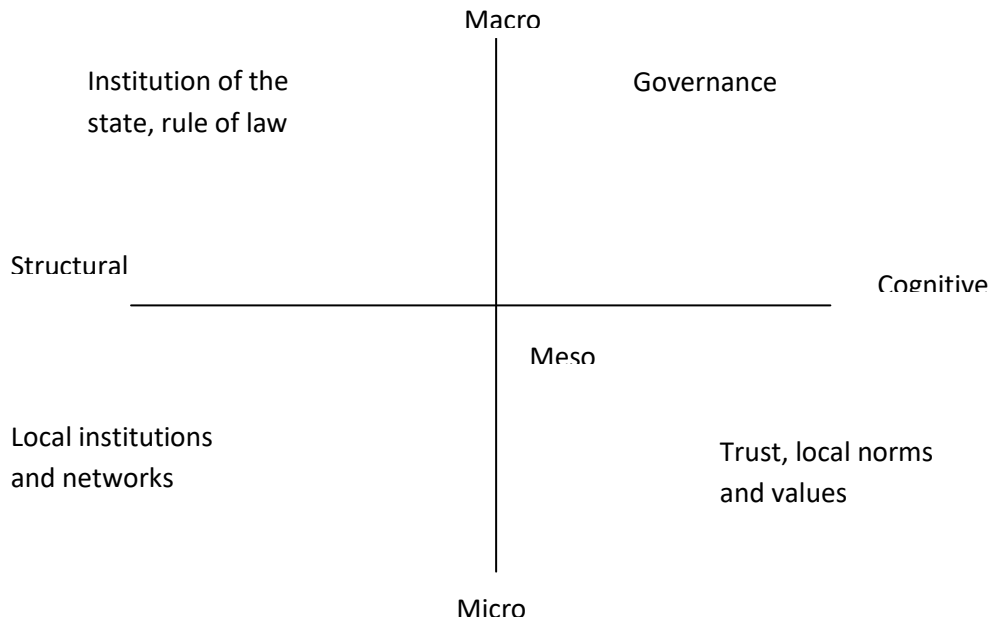
There are various evidence that NGOs has played crucial role is supporting government in order to achieve economic development targets. Mostly NGOs are more effective in developing countries rather than developed countries where government fails to reach the grass-root people to address social problems like, poverty, unemployment, social inclusion, gender inequity, drugs abuse, health and education, girls trafficking, child labor, orthodox beliefs and so on. Jamil and Muriisa (2002) found that NGO (TASO) adopted group formation technique in order to develop social capital, development of trust and solidarity among the group. They further concluded NGOs have played significant role of bringing together through constant interactions and hence building solidarity relationships that have made members to develop trust relationships which eased information dissemination among the members. According to Jamil TASO has utilized solidarity to mobilize resources to make its client mostly living in HIV/AIDS identity with one another for easy access to resources and psychological support (Jamil & Muriisa, 2002).

Similarly, Mondal (2000), in his study found that NGOs put emphasis on participatory development embodying collective effort by the very poor people who are the beneficiary of development. The creation of group based cooperative organizations based on mutual trust strongly promotes participatory development and the empowerment of its members. He concluded that NGOs played very special role in rural development of Bangladesh – conscious raising of value introjection for working together – setting agendas for poverty alleviation and rural development through group formation and collective action, - human resource development to have greater access to other resources, - direct action to implement individual and collective commitments, and – regenerating and regularly

monitoring individual and collective capacities for productive activities (Mondal, 2000).

Likewise, Islam (2002), found that NGOs initiative for social capital development were successful in Bangladesh. Author conducted study in smith families and concluded that NGOs contribution in social capital development was incredible in some areas in social welfare such as participation of the smiths in the development activities, social networking and sharing mutual benefits, collective actions, leadership and income generation. NGOs initiatives were convincing in terms of community awareness, increasing problem assessment capacities, encouraging participation, sharing values and norms, introducing new technologies, responding to financial crisis and mobilization of local resources (Islam, 2002).

Grootaert & Bastelae, (2002), focused on two forms of social capital ‘structural’ and ‘Cognitive’ social capital based on formation of group. And also explained the scopes of social capital based on macro, meso and micro level.



Source: Grootaert and Bastelae (2002), Understanding and Measuring Social Capital: A multidisciplinary tools for practitioner: The World Bank

This study aims to focus on micro level of social capital and role of local institutions focusing mainly on NGOs to towards building trust, norms, values in society for achieving social welfare and economic development.

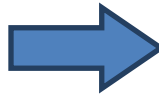
This study proposes a theoretical framework to understand role of NGOs in building social capital in form of collective action, sharing norms and values, social trust and coordination and cooperation of mutual benefits for achieving social welfare and economic development.

Based on literatures following framework for study is being proposed:

Independent variable:

NGOs (voluntary groups) and their activities

- NGOs' Network
- NGOs' Programs
- Community Values



Dependent variable:

Social Capital:

- Collective action
- Social trust
- Sharing norms and values
- Coordination and cooperation formutual benefits

1.4 Statement of problem

Nepal is least developed country and leading LDCs. Being poor is not our culture; it's unhealthy utilization of resources either from public level or private level. After establishment of multiparty democracy Government of Nepal identified NGOs as new partner of social development. During this period NGOs increased in large numbers. Today, there are 39,759 NGOs till 2070/71 (SWC, 2017) registered with SWC and there are uncountable local level NGOs registered or unregistered in District Development Committee (DDC). Beside this, 260 INGOs are also working in the country. Even though, the country is still facing socio –economic issues related to poverty, social welfare and social development. The major

concern and issues regarding NGOs for people are related to role of NGOs in building social capital for betterment of living of rural and poor people and sustainable development of nation.

There are remarkable studies conducted on NGOs in Nepal. Most of these studies had stressed on role of NGOs in social development, addressing social issues like poverty, health problems, social inclusion, women empowerment and child development. International donors had also undertaken various studies to understand potential role of NGOs in development process (Dhakal, 2006). Some academic researcher and freelancer had also conducted research to understand sustainability, accountability and also collaborations with international donors. However, literature regarding importance of social capital in uplifting living standard of people and role of NGOs in building social capital are still lacking. After comprehensive peace accords in 2006 Nepal Government has identified social capital as new form of development.

The purpose of this study is to understand that how the programs of NGOs are effective in building social capital that could be effective tools to uplift the living standard of rural people in developing countries like Nepal. The results of this study not only helps the policy makers but also to future searcher in developing and implementing programs and direct NGOs to deploy their resources in social development programs. Furthermore the significance of this study can be explained in three aspects – first, this study identifies the factors responsible for building social capital. Secondly, investigates role and programs of NGOs and how they are benefited to general people will be assessed through building social capital. To study social capital, how institutional membership helps in building trust, collective action, sharing norms and values, and cooperation and coordination among members will be assessed. Third and most importantly study focuses on

how NGOs' programs helps in building social capital in local level. However, it is difficult to define the term social capital and social welfare, since these terminologies could be define in different ways based on economic level of country, social value of the society and also individual perception. This study will based on how the members of society are benefited from programs of NGOs and are able to meet their needs.

1.5 Objectives of the Study

There is common agreement among researcher and policy maker and practitioner about the need for better understanding need of rural people. This is directly or indirectly dedicated to common goals- of improving living standard of people in terms of education, source of income and social bond. There should be a perfect match between people's needs and objectives of NGOs for better utilization of local resources to achieve goal of regional and global policies regarding social capital. Therefore this research aims to propose following objectives:

- To examine the factors responsible for building social capital,
- To examine the NGOs' activities in relation to building social capital, and
- To access the relationship of NGOs' programs and Social Capital.

1.6 Research Methodology

Both qualitative and quantitative methods are the key methods to be used in this study. However, the success of NGOs role in building social capital heavily relies on behavior of the people and their lifestyle. Therefore, an extensive interview will be also carried out to understand the role and challenges of NGOs and their effects on social development through building social capital supported with a pre-defined questionnaire. A systematic literature review will be made to identify model,

methodology and tools to identify the different variables to measure effectiveness of NGOs' role in building social capital. The data needed for the study will be collected from both primary and secondary sources. Interviews and well-structured questionnaire will be used to obtain required primary information. Secondary information will be collected from different resources like, office record of concerned organizations, published sources, reliable online sources and other research documents.

1.7 Scope and limitations of study

Based on qualitative and quantitative study, the research aims to present a relationship between activities of NGOs and Social Capital and how these elements are important in social development and social welfare. The expected result of this research can be presented in three folds: First emergence and need of social capital, Second role of NGOs in building social capital and finally how activities and performance of NGOs in building social capital will help in achieving social development index. If the proposed concept is supported/come true the outcome of this study will help NGOs, government agencies and policy maker to optimize their strategies and make rational decisions towards social welfare.

As this study is based only on specific location the findings and conclusions cannot be generalized in broader perspective. The study will mostly concentrated on social capital however NGOs performance may have impact on other aspects of society too. Similarly lack of proper literatures may also act as a limitations of the study because of researcher may not have access to all those literature related to the research topic.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

This section of the study is focused on conceptualizing the various terms related to study and review of some previous research works on related topics. First part provides the concept of NGOs, its development in Nepal, and NGOs as development partner. Second part of the section conceptualizes the term social capital and social development, and measurement of social capital. Third part focuses on the relationship between NGOs and social development. And lastly, review of previous research works.

2.2 Non – Governmental Organizations (NGOs)

The phrase Non – Governmental organization (NGO) means any group of people having common interest in fulfilling social needs without having objective of profit making neither formed nor controlled by government. People in the society identify needs in the society which are not prioritized by the government either by lack of resources or government has other priority to complete. This happens mostly in poor countries. People in the society voluntarily organize themselves in a group to fulfill these unfulfilled needs of the community themselves because government is not willing to fulfill these needs even when resources are available. Delivery of public services to grass root level was very poor Dhakal (2006). One of the reasons of poor services is weak delivery mechanism up to grass root level and other reasons are many like rules and regulations, vested political interest, lack of initiatives on the part of government employees, and corruption. There was a need of organized institutions which can deliver public services effectively to grass root level. These organizations are considered as new force for tackling various social

problems through creating public awareness, providing basic need facilities, delivering health services, and providing better livelihood.

NGOs are those organizations which are formed to fulfill those needs which are not addressed by the government or they do not have concerns towards these needs. This mostly happens in autocratic or dictatorship. The term NGO covers small grass root organizations to large big international organizations, and from rural to urban, with differentiated objectives and capabilities. These ranges had made it difficult to explain NGO. Numbers of terminologies are used interchangeably with NGOs like: Voluntary Organization (VO), Community Based Organizations (CBO), Third Sector Organizations (TSO), Grassroots Organizations (GO) (Etzioni, 1973; Fernando & Heston, 1997; Dhakal, 2006). There are various literatures found in defining NGOs, they had defined the term in their context. Currently, two approaches to defining NGOs can be found, one narrow and the other broad (Ball & Dunn, 2000). The narrow definition, derived from recent usage, refers to a specific type of organization working in the field of development: one which works with people to help them improve their social and economic situation and prospects. These are the registered organization in any form either as company or voluntary organization. The broad definition holds that every organization in society which is not part of government, and which operates in civil society, is a non-governmental organization. Thus this includes such organizations as political groups, labor and trade unions, religious bodies and institutions, sports clubs, arts and cultural societies, trade associations, chambers of commerce, professional associations, as well as small and large businesses either registered or not (Fernando & Heston, 1997). But recent considerations towards role of NGOs are taken as contributor to basic social and economic growth to boarder civic infrastructure (Putman, 1993; Fukuyama, 2001).

2.2.1 Emergence of NGOs

In the ancient time, many people form a group to fulfill their needs. In Stone Age, small groups were created to hunt animals in the jungle. In early civilization people form a group in the form of religious matters, social issues. Later on industrialization period people used to form a club; sports club, health club, employee club. These all types of groups are formed to fulfill the need of particular group of people. The groups were also involved in voluntarily activities like providing services to sick, helping people at the time of natural calamities like flood, earthquake, tsunami. Still there are uncountable number of such group of people who are ready to help each other in the society.

However, according NGO Watchdog (<http://ngowatchdog.org/>, 2017, accessed on 13th September 2017), International non-governmental organizations (NGOs) have a history dating back to at least the late eighteenth century. It has been estimated that by 1914, there were 1083 NGOs. Yet NGOs have a far longer history than the literatures. Many of the world's best known NGOs exists before the emergence of the development industry. Save the Children Fund (SCF) was founded by Eglantyne Jebb in 1919 after the shock of the First World War to help the children from war effect. Oxfam, which was originally known as the Oxford Committee against the Famine, was established in 1942 in order to provide famine relief to victims of the Greek Civil War. CARE began its life sending US food packages to Europe in 1946 after the Second World War.

The term, "non-governmental organization" or NGO, came into currency in 1945 because of the need for the UN to differentiate in its Charter between participation rights for intergovernmental specialized agencies and those for international private organizations. In 1945, Article 71 of the UN Charter formalized NGO

involvement in UN processes and activities, and some NGOs even contributed to the drafting of the Charter itself. UNESCO and WHO both explicitly provided for NGO involvement in their charters. But NGOs again began to lose influence, hampered by Cold War tensions and by the institutional weakness of the UN Economic and Social Council (ECOSOC) (Lewis, 2010). From the late 1980s, NGOs assumed a far greater role in development than previously. (Lewis, 2010)

2.2.2 NGOs in Nepal

Nepal is a multicultural country she has got diversity of religions, cultural and sub cultures. Social service is the cultural theme of south Asian (Nepalese) society. Religious epics developed thousands of years ago shows the example of social services based on religious values. various social services including support for needy people, providing foods and shelter for travellers, providing health services, using local resources, creating public awareness, developing social infrastructure and physical infrastructure like school, health post (hospitals), chautara (sheltering place) are provided in the name of temple, samuha (groups), community groups, guthis. Guthis are the one of the good example of organization before unification of Nepal.

The modern social organization came in to existence into Nepalese society with establishment of Shree Chandra Kamadhunu Chakra Mahaguthi in 1926 with objectives of providing shelter and training for disable. After 20 years ParopakarShanstha was as second modern social organization in Nepal aiming at providing medical services to victims of natural calamities (Dhakal, 2006). The creation of modern NGOs started in Nepal after democracy in 1951. NGOs like Nepal Red Cross Society, Rotary Club, Marwari Sewa Samati were established for delivery of social services. In 1960 establishment of panchayat system downsize

the growth of NGOs however there were 220 NGOs including 52 INGOs affiliated with Social Welfare Council (SWC), a government body to regulate NGOs in Nepal. After establishment of multiparty democracy in 1991 the number of those NGOs increased heavily. In 2005 there were 18,126 till June 2009 it rose to 27,018 (Shrestha & Dhakal, 2010) and such organizations registered in SWC, this number reached to 39,763 in mid-June 2014 (SWC,2017). The number of INGOs had also been increased from 52 (1991) to 254 in 2014 these INGOs RS.22 billions in year 2014(SWC, 2017). After the second public movement in 2005 there was high growth of NGOs (Karkee & Comfort, 2016).

Table 2.1: NGOs affiliated with SWC by Sector (2034-2071, Asadh/ 1978- July, 2014)

S.N	Sector	NO. of NGOs
1	AIDS and Abuse Control	96
2	Child Welfare	1,149
3	Community & Rural Development	25,403
4	Education Development	517
5	Environment Protection	1,461
6	Handicap and Disable Services	758
7	Health Services	875
8	Moral Development	1,146
9	Women Services	2,967
10	Youth Development	5,395
	Total	39,763

Source:<http://www.swc.org.np/wp-content/uploads/2015/08/By-Sectorwise.pdf>

There are various factors motivating growth of NGOs. Firstly, political factor is most important. Political shift in 1990 brought people unfulfilled needs at surface. Political parties had challenge of meeting the expectations of their voters. For that, parliamentary election area development fund was channelized by the government.

To provide services effectively and efficiently to the grass root level eighth development plan (1991- 1997) NGOs were recognized as development partners in carrying out development activities and delivery of social service (NPC, 1992). In this context NGOs were found more effective in delivery of services in order to channelizing parliamentary election area fund. Similarly, enactment of social welfare act in 1992 compulsory requirement of NGOs as working partner of INGOs to channelize fund motivated people to form NGOs. However, few NGOs were grouped only to use those funds, better salary, and good public relation. And other factors like; seeking better life style by social members, adaptation of western culture, developing social status are also responsible for growth of NGOs.

2.2.3 NGOs as development actors

As UN Charter formalized NGO involvement in UN processes and activities the role of NGOs has been considered vital in the development process across the developing world (Bastola, 2015). Many governments accepted NGOs as their development partner and these NGOs are channelizing large fund in social development. In 2015, the support of the Ministry for Foreign Affairs to Finnish non-governmental organizations (NGOs) and foundations amounted to about EUR 113 million. ‘We support development cooperation projects run by these organizations in different parts of the world and their communication efforts and global education actions in Finland’ (MOFA Finland, 2017).

There are various studies conducted to explain the role of NGOs in development activities. These are the most important role played by NGOs in such activities; Development and Operation of Infrastructure, Supporting Innovation, Demonstration and Pilot Projects, Facilitating Communication, Technical Assistance and Training, Research, Monitoring and Evaluation, and Advocacy for

and with the Poor (William, 1991). Prior theorists and researchers invested most of their research in discovering these roles of NGOs. Approaching towards the end of third quarter of century, social development issues are hottest topics among recent researchers. There are numerous and various types of NGOs operating in diverse sectors of the society, including health, agriculture, poverty alleviation, social awareness, education and good governance, UN recognizes the importance of partnering with civil society, because it advances the Organization's ideals, and helps support its work. Similarly, WHO claimed that NGOs are at their side in many program settings, from food distribution in emergencies to longer-term initiatives such as schools meals and asset creation. And after three-quarters of our food and cash-based transfer operations are delivered together with NGOs (WHO, 2017).

Ulleberg (2009), explained, as development actors, NGOs have become the main service providers in countries where the government is unable to fulfill its traditional role. In the education sector, many NGOs have moved beyond 'gap-filling' initiatives into capacity building activities. In his work in 2009 seeks to address the role of NGOs in development through the lens of capacity building. (Roberts, et.al. , 2005) in their work identified there is a need to more effectively include NGOs in all aspects of health in order to maximize the potential benefits. Omona (2008), identified that civil society in a conflict environment is becoming more complex in types, forms and orientations. However, civil society organizations are a key factor in response to conflicts and have become important channels for delivery of social services and the implementation of other development programs where government capacity is weak or non-existent.

NGOs are an integral part of a democratic society. Sociological sciences emphasize their importance in enhancing social integration, implementation of the

principle of subsidiarity, building civil society, social dialogue and participatory democracy. In the word of Piotrowicz & Cianciara (2013), the main tasks of NGOs in the health system are providing services and health advocacy. Provision of services includes medical, social and psychological services as well as, integration activities, care and nursing, material and financial support, educational and information services and training. In the work of Jamil and Morisa (2002), showed that some of the groups had grown into big organization dealing with different HIV/AIDS related issues like care, support, counseling, advocacy and resource mobilization. NGOs have played significant role of bringing together through constant interaction and hence building solidarity relationship that have made members to develop trust relationship in Uganda. Nakagawa (2011), showed that performing the task of a “facilitator” for building a better world beyond the provision of a conventional welfare service is a necessity for social enterprises to give birth to inclusive society in Japan.

These literatures show that NGOs are found effective organizations to develop sustainable development. Sustainable development includes various aspects of the social development like; education, health, capacity building, social and public awareness, fighting against social challenges, and mostly agriculture in underdeveloped countries. Today numbers of NGOs working in different sector accumulate sustainable development and achievement of social targets set by governments, INGOs, donor agencies and civil society. Today World Bank, ADB, UNDP including other donor agencies are channelizing their funds for developmental activities through NGOs shows the increasing importance and accountability of those NGOs towards, society, government, and also donor agencies.

2.3 Social Capital and Social Development

Social scientists in several disciplines have recently suggested a novel diagnosis of problem of social development, a diagnosis resting on the concept of social capital. “social capital” refers to features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit. Social capital enhances the benefits of investment in physical and human capital. Putnam (1993) showed that the density and scope of local civic associations laid the foundations for the widespread dissemination of information and social trust, thereby creating the conditions underpinning effective governance and economic development (see also Fukuyama 2005). Sociologist Coleman (1988), concluded, “Like other forms of capital, social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence”. He continues In a farming community, where one farmer got his hay baled by another and where farm tools are extensively borrowed and lent, the social capital allows each farmer to get his work done with less physical capital in the form of tools and equipment.

Much of the interest in social capital stems from the view that the absence of social capital represents one of the major impediments to economic development. Woolcock (1998) provides a wide ranging conceptual analysis of the role of social capital for developing societies and economies; a range of applications of social capital to economic development are collected in Grootaert and Bastenar (2002). In fact, much of the current interest in social capital stems from the classic book by Putnam (1993), which argues that northern Italy developed faster than southern Italy because the former was better endowed in social capital – measured by membership in groups and clubs. In the words of Trigilia (2001), Social capital has to be considered in terms of social relations and social networks, rather than in

terms of culture and civiness and the interaction between social capital and other institutions have to be carefully analyzed. The concept of social capital has become more important to understand contemporary economic development in the era of globalization (Trigilia, 2001).

Krishna and Uphoff (2001) found that for villages in Rajasthan India, the relationship between conventional social capital measures and outcomes such as common land development and poverty reduction is sensitive to a notion of effective governance Krishna calls 'capable agency'. By capable agency, Krishna refers to factors such as strong leadership in organizations, frequent interactions between villagers and clients, etc. His argument is that the density of organizations, a variable often used to measure social capital, will be associated with socially better outcomes only when capable agency is present. Varughese (2001) found, based on a study of groups of forest users in Nepal, where levels of collective action are not well predicted by measures of ethnic, caste, and religious homogeneity within these groups. These sorts of variables are often used to proxy for social capital. Varughese (2001) conclude that institutional design, how decisions are made, etc., can overcome barriers to cooperation that are induced by heterogeneity. Taken together, these studies illustrate that successful group activities depend on more than the presence of social ties (also see Durlauf & Fafchamps, 2005).

Putman (1993), considers social capital refers to social connection and the attendant norms and trust. Such connections can have either positive or negative impact for society, but the key feature of social capital according Putman is that it facilitates coordination and cooperation for mutual benefit of an association's members. Putnam (1993), stated social capital includes "the features of social organization, such as trust, social norms and networks that can improve the

efficiency of society by facilitating coordinated action” (p.167). Cooperation is often required between workers and managers, among political parties, between the government and private groups, between firms and voluntary organizations. Social norms and networks “provide defined rules and sanctions for individual participation in organizations” (p.166), and promote reciprocity and cooperation “founded on a lively sense of the mutual value to the participants of such cooperation, not a general ethic of the unity of all men or an organic view of society” (p.168). On the whole, norms and networks provide for an internal mutual commitment mechanism such that “rational individuals will transcend collective dilemmas” (p.167) (see Christoforou, 2005).

According to regional case studies conducted in rural Mexico by Fox (1996), a political scientist, the construction of social capital depends on the synergy of state and society: state reformists create political opportunities, following pressure from local groups for political, civil and social rights; local groups produce social energy, shared values and common goals, following support from international development or human rights groups and inspired leaders, who are willing to pay the ‘irrational’ start-up costs of mobilization (Fox, 1996). A notable point to be made is that state society synergy promoted social capital accumulation and equitable growth even in an environment of extreme social divergence and conflict. Fine (2001.), an economist and critic of the concept of social capital, agrees that social capital cannot be addressed outside of a context of conflict and power relations. A response to this sort of skepticism may come from Heller (1996), a sociologist, who conducted case studies in the region of Kerala, India. He observes that the synergy between state and society creates the institutional forms and political processes required for negotiating the group compromises through which redistribution and growth can be reconciled.

Christoforou (2005), observed that in most countries of the EU factors like education and unemployment have a strong impact on the probability of an individual to be a member of a group. Thus, expanding education and employment opportunities would apparently increase the incentive to participate in groups and enhance the stock of social capital. Together with famous studies carried out by Coleman (1988) and Putnam (1993), the World Bank's research activity on social capital constitutes one of the most influential sources of inspiration for the literature on social and cultural factors of economic growth. Studies included in the World Bank's *Social Capital Initiative Working Papers Series* generally constitute standard citations for all the following work in this field (Sabatini, 2005). Based on these studies one can identify four major components of social capital namely: Collective action, Social trust, Sharing norms and values, and Coordination and cooperation for mutual benefits.

This simple but very central argument in the sociology of networks is picked up in the distinction between 'bonding' social capital (which might be seen as typical of families) that knits groups together, and forms of 'bridging' social capital (typical of looser networks) that can create links between and across groups (see Putnam 1993).

Many conceptualizations of social capital present a rosy picture of its attributes and focus on its positive effects on educational, economic, social and civic outcomes (Coleman, 1988; Putnam, 1993; Woolcock, 2002). A smaller number take a more critical stance and challenge both the usefulness of the concept and its ability to account for structural inequalities and power relations in achieving economic and other outcomes, such as social inclusion and active citizenship (Dhillon, 2009). Social capital provides an alternative. Clubs formed for noneconomic purposes (e.g., religious worship) have leaders. In the absence of public good provision by the state, these leaders may decide to mobilize club members (e.g., the religious

congregation) to provide missing public goods. History is replete with examples of faith-based organizations intervening to build schools and clinics and to provide a variety of public services. Here, sharing a common religious fervor is the basis for trust and the religious hierarchy provides the necessary leaders. Some large secular organizations have adopted similar practices – e.g., political parties yesterday, nongovernmental organizations (NGOs) today (Durlauf & Fafchamps, 2005).

2.3.1 Measurement of Social capital

Just as various scholars have defined social capital from different perspectives, there is no consensus in its assessment or measurement. The concept of social capital has been analyzed from various perspectives using various tools and indicators (Shrestha R. K., 2015). Since social capital is a complex concept it is hard to measure using simple proxies (Fukuyama 2001). Moreover, most of the studies about measuring social capital are based in the context of developed countries so may not be applicable in the context of developing countries. Likewise, some of such studies measured consequences and outcomes of social capital and could only capture a limited range of its components. Similarly, membership in formal organizations is a widely used indicator of social capital. However, some argue that this may not truly reflect the social capital stock of a person or the level of social capital of a particular community (Krishna 2001). Specifically, in a developing country context there is a tendency of individuals to assume membership in several voluntary organizations in the expectation of gaining material benefit, with no consequent substantial impact on their stock of social capital (FAO 2004).

Social capital can be measured as generalized trust, membership in different associations, and quality of government measured by: performance of public

institutions, how well they address a number of social issues like human security, poverty, corruption etc., and the trustworthiness of public officials, which is measured by their impartiality, friendliness. Helpfulness, less indulgence in corrupt practices, etc. we analyze data derived from surveys, the authors, carried out as part of collaborative project in Nepal in 2008 and in Bangladesh in 2009, on the topic of citizens' trust in public institutions (Jamil & Askvik, 2015).

Similarly, Bill Abom (2004), mentioned following tools as measure of social capital:

- norms of civic participation, cooperation, collective action, social networking, trust, and reciprocity exhibited by people in the area over time;
- factors associated with levels of wider-based collective norms of reciprocity, networking, and civic participation;
- forms of wider-based participation and networking;
- experiences and relations with efforts in social organizing;
- experiences and relations with NGOs in the area;
- experiences and relations with elected representatives and government service providers.

Likewise, Mondal(2000), Jamil and Muriisa (2004), and Islam (2015), conducted a qualitative measurement of social capital explained in the form of collective action, social trust, shared norms and values and cooperation and coordination for mutual benefit. All these studies had adopted structures and semi structured questionnaire centered within these measures.

2.3.2 Social Capital and collective action

With the publication of 'The Logic Of Collective Action in 1965, Maneur Olson challenged a cherished foundation of modern democratic thought that groups

would tend to form and take collective action whenever members jointly benefitted (Ostrom, 2014). Explaining collective action is still one of the most challenging problems for the social sciences. Varughese (2001), the measure of collective action is called degree of collective activities and indicates that extend to which local residents have organized themselves to manage resources. This is most common in rural areas, where people form a group to utilize local resources like, forest, irrigation water, drinking water, in the form of formal groups like community forest or informal groups like clubs and interest groups.

He further added the degree of collective activity is derived from set of questions that asks whether there are rules (formal and informal) related to entry into a forest, harvesting in a forest, and monitoring of a forest, and how the group organizes its forest – related activities. Similarly, Kirui and Njiraini (2013) and Kirui (2013), found that Collective Action on the smallholder agricultural commercialization and incomes is more effective to increase agricultural productivity in Kenya. Likewise, Rahman, Hickey and Sarker (2015) also discussed about the importance of collective action for Sustainable Wetland Fisheries in Bangladesh. Hwang and Stewart (2016), also concluded that collective action is effective in developing tourism in South Korea.

These evidence shows that collective action is a set of activities performed by individual members for mutual benefit. Coordination and cooperation is essential in collective action, which will give win-win situation to the participants of the society for better living and utilization of local resources. A complete theory of collective action must necessarily use agents which present both bounded rationality and bounded reasoning (Reuben, 2003).

2.3.3 Social Capital and social trust

Francis Fukuyama, a political economist, defines “trust” and “social capital” in the following quotation, and illustrates that the two phenomena are not mutually exclusive. “Trust is the expectation that arises within a community of regular, honest, and cooperative behavior, based on commonly shared norms, on the part of other members of that community. Social capital is a capability that arises from the prevalence of trust in a society or in certain parts of it. It can be embodied in the smallest and most basic social group, the family, as well as the largest of all groups, the nation, and in all the other groups in between. Social capital differs from other forms of human capital in so far as it is usually created and transmitted through cultural mechanisms like religion, tradition, or historical habit (see Simon and Schuster, 1996).

Social trust enables those in a community to more easily communicate, cooperate and to make sense of common experiences. Trust has an important role in reducing social and business "transaction" costs (ABS, 2002). Robert Putnam, in contrast, sees trust in less general terms as one element of social capital - one of those ‘features of social organization’, along with norms and networks, ‘that can improve the efficiency of society by facilitating coordinated action’ (Putnam 1993: 167). Trust provides the oil for social interaction and associations, and in turn is a product of them (or, at any rate, of some of them) (Tonkiss, 2004).

2.3.4 Social Capital and sharing norms and values

Norms have no legal or other formal basis, and may sometimes even be in conflict with laws (Coleman, 1990: 243). Norms defined in this way can apply to various social settings. For example, norms can take the form of conventions, resolving coordination problems, such as prescribing that one should drive on the left hand

side of the road. Dhillon (2009), argued that a shared set of norms and values underpins powerful informal networks and this is reflected in the operation of networks in social organizations. Dhillon highlighted the importance of trust and shared norms and values which function as social glue or bonding social capital. He presents the case of social organization in England to offers insights into how different dimensions of social capital, in particular networks and networking, high levels of trust and shared norms and values amongst key participants, underpin partnership working and contribute to the effectiveness and sustainability of a partnership.

Millar & Choi (2009), introduce the concept of sub- networks where tacit knowledge resides and argue that considering social norms underlying trust and other informal mechanisms provides a more suitable basis for understanding the exchange of tacit knowledge. Norm establishment is complicated by the fact that values differ across cultures; however, the social norms that underpin sub-networks can sustain knowledge transfer within them. They further added these sub networks are effective when formed by local networks like clubs. Increasing the authority of individuals to devise their own rules may well result in processes that allow social norms to evolve and thereby increase the probability of individuals better solving collective problems (Ostrom, 2014).

2.3.5 Social Capital and coordination and cooperation for mutual benefit

Each member of a group of interacting individuals can support mutually beneficial cooperation. This can happen only if each member of team performs their part of activities for mutual benefit of group members. Coordination and cooperation among members of the society is essential for achieving mutual benefit for society as a whole. Various evidences shows that there is always coordination and cooperation between the members of the society to mitigate health issues, social awareness, knowledge sharing, resource utilization, agricultural problems, natural

disaster and many more. We all are coordinating and cooperating with each other for benefit of all participating and nonparticipating living and non-living things.

2.4 NGOs and Social Development in Nepal

Socio-economic development society is the prime duty of the state in resource-constrained countries like Pakistan, Bangladesh, India, Nepal and Bhutan. This can be achieved by participation of all segments of the society. The limited capabilities of the governments have made it difficult to respond effectively to the growing needs of population at grass roots level. Various studies conducted in Nepalese context had also found the effective role of NGOs in development of Nepal. Planned economic development was initiated since 1956 in Nepal. first five plan(1956 – 1980) focused on infrastructure development and than sixth and seventh (1980 – 1990) gave priority to basic needs. Eighth development plan emphasized on social development and poverty reduction was the major tool. As poverty was major challenge for government organization, the government has been considering NGOs as development partner to shoulder the development effort of the country. That is NGOs could complement and supplement government in carrying out development activities and delivery of basic services. In 1992 development of Social Welfare Council (SWC), a government body to manage NGOs and SWC Act as the regulatory guideline crystalize the role of NGOs in development. Similarly enactment of Village Development Act, Municipality Act and District Development Act in 1992 had given wider role of NGOs in local development (Dhakal, 2006). More recently, the GoN has lunched Local Governance and Community Development Program (LGCDP) as a national framework to support local governance and community development at all levels and by all stakeholders (Ministry of Local Development, 2008).

Nepal is an agricultural country. Agriculture development is being always in priority of the government. Agricultural development is the best tool for poverty reduction in Nepalese society. Partnerships with public, private and NGOs is an essential fact of agricultural development as the public sector can facilitate its partners with legal provision and resources, and the private sector can use its resources as well as managerial skills and the NGOs can mobilize its participatory approach up to the grassroots level which can help boost the economy of a country (Paudel, 2013). He further added, partnership between government agencies existed since early days of agricultural extension. He mentioned government and private sector partnership and between government and NGOs partnership. He further demonstrate various projects; Agriculture Research and Extension Project (AERP), Third Livestock Development Project (TLDP), The Nepal Tea and Coffee Global Development Alliance Experience , Smallholder Irrigation Market Initiative (SIMI), ADB Crop Diversification Project (CDP) to show partnership between government and NGOs in agriculture development.

Similarly, the efforts of the government and NGOs are coordinated and connected to each other and they are not oriented to influence each other's activities. The existing policy framework is appropriate to facilitate partnership between the government and NGOs (Bastola, 2015). He further identified favorable political and social climate; mutual respect, understanding and trust; ability to compromise; clear roles and policy guidelines; shared vision; and skilled leadership among others requisite for effective partnership as factors influencing the success of collaborative efforts among organizations. Dahal (2001), answered the question ‘is it possible to bring the diverse civil society on to a voluntaristic platform so that it engages itself in social action to promote democratic development in Nepal?’ as, if civic groups are organized and geared towards responding to the diverse needs of

the people and controlled by and for them. Participation between government and NGOs could surely provide them the wherewithal to confront long-term issues of sustainable human development and good governance. In the case of Dalits, the bonded laborers or kamaiyas and destitutes, many post-modern forms of civil society organizations assert that these socially constructed ills ought to be subjected to deconstruction in order to open a space for their participation and transform their identities (Dahal, 2001).

In the words of Ghimire (2003), NGOs mostly focus on sectors like: agricultural expansion, irrigation, forestry, drinking water, basic and primary education, primary health care etc. while INGOs focus on awareness raising, group formation and credit, area development, health and humanitarian assistance etc. Bhandari, (2014) found that the role of CSOs is significantly important for the Nepalese environmental, economic, political, and social development and transformation. He further added NGOs' and CBOs' role in the economic and social transitional period is always crucial and usually beneficial. Primarily NGOs and CBOs help for the development and operation of infrastructure through various development activities such as in land development, establishment of business communities, and maintenance of public concerned infrastructures. NGOs can solve the specific problems of the local areas and are often quicker than the government bureaucracy. NGOs translate the people's concern and provide the service to the local communities with the involvement of locals. Likewise, Acharya (2015), believed that community-based organizations are key actors of community governance in Nepal and their functions are supportive in reinforcing the peace building process in many ways. First, it plays a significant role in addressing inequality and isolation. Second, its continual practice fosters awareness creation, promotes democratic exercise, imparts "voice to the voiceless" and gives clout to the

powerless. Third, it inspires the partners to create an enabling environment for mobilizing local resources. And finally, it strengthens the structure of accountability and contributes to peace building.

Kanel & Niraula, (2006) illustrated an example of community forest program used to improve livelihood of local people. He further demonstrated how people are benefited from community forest program. Likewise there are numbers of studies conducted to understand the role of NGOs in various sectors of the society. Similarly role of NGOs in peace building process after the end of civil war in 2006 and also after earthquake in 2015 was remarkable. Likewise, these NGOs are becoming very effective in helping flood and landslide victims in eastern Nepal, delivering health services in rural part of Nepal like Jajarkot district. Recent work of 'Dhurmus Suntali Foundation' had proved the role of NGOs as development partner in recent years in Nepal.

2.5 Research review

Mondal (2000), concluded that 'Social capital can be generated by the expectations of the rural poor who are victimized by government and market failures. The demands of the rural poor of Bangladesh for economic and social goods and services, for example, have been instrumental to their economic and social well-being. Cooperation based on mutual trust and norms of reciprocity contributes to the creation of other kinds of capital, especially economic and human capital, that are mutually reinforce. Both governments and the NGOs make use of social capital as a tool for implementing poverty policies.' He further added Social capital can be produced by the government (GO), nongovernmental organizations (NGOs), local societal actors, and external actors in the civil society, both in combination and in isolation. The NGOs rural development programs put emphasis on participatory

development embodying collective effort by the very people who are the beneficiaries of development. The creation of group-based cooperative organizations based on mutual trust strongly promotes participatory development and the empowerment of its members. Basic social values take precedence over the values of the market.

He presents the two largest and leading NGOs in the Bangladesh, which represent around 65% of the NGO rural development programs; named BRAC and PROSHIKA. Rural development activities in which BRAC VO members participate encompass an array of savings and credit programs, poultry raising, nutrition, participatory livestock development, vegetable production, plant nurseries, social forestry, sericulture, fishery, micro-enterprise development, tissue culture, income generation for vulnerable groups, environment protection, and a host of social developments, such as village meetings, education, health services, village society, and popular theater. In addition to these activities, PROSHIKA group members participate in irrigation, apiculture, housing, health infrastructure building, and disaster management.

The survey was conducted from November 1999 - January 2000 on a population of 500 responding BRAC and PROSHIKA group members in randomly selected areas of ten Thanas. The study had followed qualitative and quantitative methods. Open ended questionnaire were used to collect the information from respondent, in which, respondents were requested to describe their experiences with their cooperatives in terms of beneficial effects, harmful effects, and failure incidents due to non-cooperation. Trained field investigators with background in cooperative programs were posted at the survey areas to administer the questionnaire. In order to understand the role of NGO rural development programs in the process of social

capital formation, it is important to consider how the programs of these NGOs facilitate building community norms of trust and interpersonal networks.

Mondal (2000) states that BRAC and PROSHIKA play several distinct roles in the rural development of Bangladesh. They are:

- (i) consciousness raising or value introjection for working together,
- (ii) setting agendas for poverty alleviation and rural development through group formation and collective action,
- (iii) human resource development to have greater access to other resources,
- (iv) direct action to implement individual and collective commitments, and
- (v) Regenerating and regularly monitoring individual and collective capacities for productive activities.

These two NGOs contribute to the process of social capital formation by infusing in the target group the spirit of cooperation and activating the groups in cooperative activities, and by inculcating in the group members the core human competencies to enlarge the opportunities to dissipate inequality of endowments within the community in order to improve the quality of life of the common people. Cooperation is found easier in communities with a substantial stock of social capital. The informal social interactions, such as sport and club activities including recreational folk songs and staged dramas, and rural fairs, for example, provide an important source of social capital formation.

Islam (2002) also conducted a study Bangladesh and showed that in many cases, NGOs' social capital development initiatives for social welfare were successful. He started with statement 'Non-governmental organization (NGO), social capital, and social welfare are three distinct but closely associated terms.' The main stance of social capital used in his paper was to build a greater interaction between people

generating a greater sense of community spirit. He further argued that NGOs' contributions in social capital development helped to develop social network, social trust, and community empowerment among the vulnerable people. The main objective of the paper was to evaluate two NGOs' such contributions to social welfare on four principal elements of social capital, e.g. collective action, social trust, coordination and cooperation of mutual benefits, and sharing norms and values argued by Putnam (1993). The paper considered PROSHIKA and Practical Action Bangladesh (PAB) for study. Both NGOs target vulnerable people such as agricultural workers, small farmers, blacksmiths, goldsmiths, pottery and factory workers, micro-entrepreneurs, day laborers, and slum communities. However, blacksmiths and gold smiths were being more focused. This study was based on a qualitative case study approach using a multi-method data collection procedure, where a semi-structured interview, social mapping, participant observation, in-depth case study, focus group discussion (FGD), and documentation survey were employed.

Islam, observed that the NGOs' contributions in social capital development was incredible in some areas in social welfare, such as participation of the smiths in the development activities, social networking and sharing mutual benefits, collective action, leadership, and income generation and NGOs' initiatives were convincing in terms of community awareness, increasing problem assessment capacities, encouraging participation, sharing values and norms, introducing new technologies, responding to financial crisis, and mobilizing local resources. He concluded that 'in some cases, we observed that the NGOs were facing some limitations to create social capital because of the low level of education of their beneficiaries, poor socio-economic and cultural conditions, noncooperation from community leaders, lack of government initiatives, and NGOs' donor dependency.'

Jamil and Muriisa (2004), identified that the Role Of NGOs In Mitigating HIV/AIDS Challenges. In their words ‘Social Capital is an important explanatory variable for performance of different nation states as well as improved livelihoods of people in different countries.’ The major purpose of the study was to analyze how building of social capital is mitigating HIV/AIDS challenges in Uganda. NGOs such as ‘The AIDS Support Organization (TASO)’ have focused on tackling HIV/AIDS from all fronts; social, economic, cultural and medical. Creating networks and linkages (social capital) takes precedence in NGO approaches to mitigate HIV/AIDS challenges. In the paper authors had discussed the process of building social capital and documents how it has utilized to mitigate HIV/AIDS challenges in Uganda. The paper argues that NGOs possess institutional mechanisms that help to mobilize people into solidarity groups, which are capable of mitigating HIV/AIDS challenges. In particular TASO focused on building social relations among people living with HIV/AIDS and communities in which they live makes it advantageous over other organizations in the same struggle. The analysis were presented based on 104 interviews; 80 beneficiaries of the organization (90% living with HIV/AIDS), 4 government officials, 10 NGO officials and 10 AIDS community workers (ACWs) trained by the organization.

In the paper they indicate that NGOs possess institutional competences to mitigate the demographic, socio – economic and social exclusion and stigma challenges of HIV/AIDS. They are:

- Capacity building
- Participatory management
- Policy making
- Resource mobilization
- Capacity to create Identity to fight a common cause.

They pointed the role of NGOs and government in order to overcome the challenges of HIV/AIDS and presented Synergy, with government is observed in a number of ways:

- Government and NGOs plan together for some HIV/AIDS programs.
- By having joint programs. NGOs are considered by government as partners in the fight against HIV/AIDS. It is for this reason that, most TASO activities like outreaches and satellite sites take place in government health facilities.
- Local community leaders mobilizing local population to attend the organization programs.

Finally paper concluded that, the role of NGOs in mitigating HIV/AIDS challenges through building social capital and forming solidarities among people living with HIV/AIDS. The challenges of HIV/AIDS are many and cannot be addressed alone by technical and formal institutional mechanisms. The situation needed a more social approach by which non-governmental organizations by creating solidarities and identities among people affected by HIV/AIDS have managed to overcome social stigma, exclusion, spread and cure of the disease and the smooth functioning of NGOs was facilitated by an enabling state encouraging NGO involvement.

Rodríguez (2004), analyses the experience of a sustainable natural resources management project coordinated by CARE in Villa Serrano, Bolivia, between 1993 and 2000. He found that considerations of local learning processes and of social capital formation have important implications for development NGO. The general aim of study was to improve the social and economic conditions of 2 families distributed among more than 40 communities in the municipality of Villa

Serran the Bolivian Department of Chuquisaca. The intervention had five objectives:

- increasing the community's ability to manage its natural resources;
- enhancing the community's productive infrastructure;
- increasing agricultural production in a sustainable fashion;
- improving women's participation in decision making; and
- improving families' reproductive health.

He had used the networking and coordination among group members as measure of social capital and found the positive impact on improved production infrastructure, management of natural resources, women's participation and, improved reproductive health. However, impact on women participation was above the expected and remaining failed to meet the expected outcomes.

Schafft & Brown (2000), investigates the determinants of Roma local minority self-government (LMSG) capacity in Hungary and the role of Roma LMSGs in community development. Following the work of Woolcock (1998), developed and operationalized a multi-dimensional framework of aggregate-level social capital to investigate factors associated with inter-municipal variation in LMSG capacity. Data analyzed from a survey of Roma LMSG leaders and demonstrate that LMSGs possess higher institutional capacity in localities where the Roma population, itself demonstrates high levels of social cohesion; where Roma-majority social networks are characterized by norms of trust and cooperation; and where the local Roma government has effective institutional linkages with extra-local organizations. This study is relevant to broader questions of institutional impacts on minority-majority relations, community-level social network resources, and how the dynamics of

local development in the post-socialist context are shaped by local social logics embedded within broader social and historical process.

Quinones & Seibel (2000), presented a study that examined how formation of social capital in the microfinance affected by enlarging the political or economic resources of the informal groups of population and microfinance institutions (MFIs) that contribute to social cohesion. In particular attempts to show how the regulatory and supervisory frameworks as well as the financial innovations of microfinance institutions have affected poor households' capacity for cooperation and mutual support in their fight against poverty. They added the wave of Grameen replicators in the Philippines were credit NGOs. They operated in an unregulated environment, i.e., there were no prudential regulations governing NGO credit programs for the poor. They concluded that formation and reinvestment of social capital is affected by enlarging the political or economic resources of poor households and microfinance institutions (MFIs) that contribute to social cohesion. Several MFIs in the Philippines have shown that the success and international fame of Grameen Bank in Bangladesh can be capitalized to bolster the political and economic resources of credit NGOs working with poor households in economically depressed communities. The study focuses on policy framework of MFIs in Philippines in order to build social capital.

Similarly, Bill Abom (2004), Lennox Bernard (2009), Jonathan Fox and John Gershman (2000), Safiétou Kane (2013), Etienne Nel, Tony Binns and Nicole Motteux (2001), also highlighted the role of NGOs and other voluntary organization in building social capital in terms of social trust, collective action, shared norms, and cooperation and coordination for mutual benefit.

Shrestha (2015), stated that, ‘Building of social capital in rural farming communities can help improve sustainable rural livelihoods under pressure among challenges posed by rapidly changing socio-economic and environmental conditions. Relevant extension and cooperative development policies, and implementation of local leadership development programs, are identified as government efforts designed to foster and support social capital building in such communities.’ The study was conducted in western hilly part of Nepal. The thesis aimed to answer the research question ‘How is social capital built with the development of agricultural cooperatives and how does it impact on rural livelihoods?’ along with other three questions. Four Cooperatives were taken as sample two from Syanga District and each from Baglung and Kaski District. Author followed qualitative research approach with case study methodology. Semi structured interview, survey and observation were conducted to collect the data.

It has shown that across the cases more mechanisms facilitating the building of bonding social capital were present than the mechanisms facilitating social capital. Among the various mechanisms, participation of the members in a monthly meeting was the main mechanism of social capital building in comparatively smaller cooperatives, whereas selling vegetables through collection centre was the main mechanism in the case of bigger cooperatives having collection centre facilities. Moreover, some informal forums beyond the cooperative helped in enhancing effectiveness of mechanisms of social capital building within the cooperatives. These various mechanisms provided various opportunities for networking and developing interpersonal relationship between and among different actors, based on norms of reciprocity and trust.

The cross-case analysis showed positive influence of some socio-economic, leadership and physical factors in social capital building. Of such factors, local

leadership was found to be the main factor because the leadership played a critical role in the social capital building process, either by causing it to trigger, or by providing crucial supports in the process. Another enabling factor was role of the extension agency or Department of Agriculture (DOA), Nepal. He further added ‘A significant change in social capital, mainly bonding and linking, was found in all the cases. Positive change or development of group bonding social capital was manifested mainly in terms of unity among members. Change in individual bonding social capital was manifested mainly in terms of reinforcing of existing ties, and increased trust and norms of reciprocity between and among the members of the cooperatives. The analysis also showed that norms of reciprocity among members of the cooperative were higher in smaller cooperatives than the bigger ones. Likewise, trust placed by members in fellow members and the leadership was mainly attributed to financial transparency and lack of any past history of defaulting and fund embezzlement.

Finally he concluded answering the research question that, ‘Accessing farm technologies and information and credit were two major utilizations of social capital at the individual member level. Likewise, better market access, marketing supports and marketing information were the benefits for semi-commercial and commercial farmers from bigger cooperatives belonging to well established production pockets. Similarly, utilization of bonding social capital in terms of exchange of labor was more prevalent among the members from small cooperatives who lived in close proximity. At the collective level, the main utilization of social capital was directed to accessing government services and facilities, with limited use for produce marketing and input supply by the bigger scale cooperatives. Moreover, accessing better government support and services was shown to be influenced by factors such as history of established production

and prior exposure to the support agency services, accessibility and strategic location of the production pockets and the cooperative headquarters. Also, utilization of social capital for community works was more prevalent in smaller cooperatives.’

The role of CSOs is significantly important for the Nepalese environmental, economic, political, and social development and transformation (Bhandari, 2014). NGOs and CBOs help for the development and operation of infrastructure through various development activities such as in land development, establishment of business communities, and maintenance of public concerned infrastructures (drinking water wells or public toilets and solid waste collection services). NGOs can contribute community-based economic enterprises and provide necessary technical moral assistance to the respective governments as well as to the international agencies. NGOs can solve the specific problems of the local areas and are often quicker than the government bureaucracy. NGOs are becoming powerful in solving social problem including problems regarding to Bhutanese Refugee, civil war to natural disaster like earthquake, landslides and flood in case of Nepal.

(Manandhar, 2014) visualizes civil society as a dynamic concept with changing patterns of social capital within groups of people of similar cultural background and socio-economic status (bonding), between dissimilar groups (bridging) and between relatively powerful and relatively powerless groups in hierarchical relations (linking) through distinctive forms of interaction and solidarity. The case studies involve studying social institutions and their social mobilization in three locations– a remote village, a roadside village and a transition village in a single hill district in a single hill district of Dhading. According to the former Maoist Leader, Dr. Babu Ram Bhattarai (2003), the reactionary state of Nepal in the last fifty years had been peddling various attractive slogans, but it only further

deteriorated the socio-economic problems of the country in comparison with other countries. Unfortunately, government programs tended to avoid such conflict-affected locations, fomenting dissatisfaction of the people with the government and their support for the Maoists insurgency (Manandhar 2011).

The study from Dhading district found that many NGOs worked through transactional social mobilization with local communities, building and bridging on the social capital. They created and strengthened a number of community based organisations, such as the savings and credit groups, forest user groups, production groups, cooperatives and other issue based groups. These groups were empowered only to manage and sustain the benefits of their development activities. They were neither empowered to challenge injustice within nor demand accountability from outside. This sort of development practice can be observed taking place different parts of Nepal, exposing a lack of co-ordination and collaboration among the development partners.

The case studies conclude: ‘Social mobilization should make efforts to ‘maintain bonding relations’ by lending support to their horizontal mutual trust and interdependent relations, as well as to their struggle against domination and discrimination in the distribution of national resources by the State as well as NGOs.’ And also social mobilization should empower communities to utilize their pre-existing horizontal relations and enable them to go from bonding to bridging relations between different ethnic and caste groups and engendering class-consciousness, unity and participation in local governance, such as planning, allocation of resources and monitoring. And also social mobilization should empower communities to capitalize on bonding and bridging relations between various social groups and to fight against hierarchical power relations.

NGOs had played an important role in managing Bhutanese Refugee problem in Nepal. They have created social capital through participation and collective action within the group and fight against the problems faced by refugee in eastern Nepal (Hinton, 1996). Similarly, developing community-based forest enterprises (CBFEs) is an ideal development intervention in poor forest communities as they have the potential to generate income and employment for the poor while supporting sustainable management of forest resources. In Nepal, there has been an increase in interest and efforts to develop forest based enterprises following the institutionalization of various community-based forest management programs (Pandit, et. al., 2008). This also shows the incidence of social capital in Nepalese societies.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this chapter is to present the methodological approach of the study and methods used in data collection and analysis. Research methodology guides the researcher in the process of systematically solving the research problem (Honadle, 1981 & Shrestha, 2015). It provides a framework for the researcher to develop (i) samples from the population, (ii) data to be collected, and (iii) tools and techniques for data collection and analysis. The research methodology is the strategy developed to answer the research questions. Silverman defines research methodology as a “general approach to studying a research topics” (Silverman, 2010) which explains how one will go about studying any phenomenon. It basically describes about which form of tools and techniques were used in data collection, presentation and analysis, and how they were used.

3.2 Research Approach

Broadly speaking there are two types of research approach: quantitative and qualitative. Quantitative approach, typically allied to a positivist or post-positivist approach, uses predetermined variables or response categories for data collection and analysis. Proponents claim that their work is done from within a value-free framework (Shrestha, 2015). In social research settings this means attempting to fit the varying perspectives and experiences of people into a limited number of predetermined response categories to which numbers are assigned, with emphasis on the measurement and analysis of causal relationships between variables, not

processes. In contrast, qualitative approach is best suited when an issue is to be studied in depth and in detail, and where data collection and analysis are not based on predetermined response categories or variables that are to be experimentally examined or measured. Lincoln & Guba (1985), stated qualitative researchers are typically imbued with a critical, constructivist or participatory paradigm, recognizing the socially constructed nature of reality and the intimate relationship between the researcher and what is studied, and therefore consider the situational constraints that shape inquiry, including its value-laden nature (see Shrestha, 2015). They seek answers to questions that stress how social experience is created and given meaning.

Qualitative research approach is mostly suited for this study. Since, Qualitative approach generally focuses on extracting and interpreting the meaning of experiences of research participants. The research questions guiding this study are related to the experiences of the research participants, within the context of their social environment, and the meanings they make of them, and hence answers to these questions may best be obtained through using qualitative approach (Patton, 2002). The study is about understanding the process and mechanisms of building of social capital by NGOs. This social phenomenon needed rich understanding of contextual situation, and intense interaction between researcher and the participants which the researcher believes was possible only through employing qualitative approach. And also, no pre-determined variables or any hypothesis towards building of social capital was tested. The focus of the study was on understanding the phenomenon of building social capital through activities and programs of NGOs in Nepalese context.

Research methodology

The research design of this research was descriptive in nature that gives the description of the facts and used statistical analysis tools to describe the facts. The study assesses the behaviors and characteristics of sample and describes the situation and events occurring with the context of building social capital in Nepalese context. The study attempted to explain the Role of NGOs in building social capital and factors influencing it in context of Nepal. An examination and assessment of the relationship between independent and dependent variables was conducted. Thus, the structured questionnaire survey method was used as the appropriate choice for the data collection. To fulfill the research objectives, a set of structured questions was developed and distributed among the members of NGOs who are influenced by activities of NGOs.

3.3 Research Area

Terai region of the Central Development Region (provenance no. 2) of Nepal was selected as the study area. Nepal is commonly divided into three geographic regions: Mountain, Hill and Terai running east to west. Terai region is the smallest of the three regions, occupying 17% of the country's total area and with about 51% of the population residing in it (CBS 2017). About a half of the country's poor people live in this region (CBS 2017). Unlike the two other geographic regions the terai region is in chronic poverty. About 35% of terai households are either smallholders (< 0.5 hectare of land) or landless, and constitute the most vulnerable of seven identified vulnerable groups, from a food security perspective, in Nepal (FAO, 2004).

Rautahat district has population of 6,96,221 having 1,09,976 households with average household size of 6.33per. This district had population growth of 27.72%

during 2001 to 2011 which is seventh largest growth rate following jajarkot and kalikot after other 5 major district. Rautahat district is situated in central of terai having 1126 sq. km. area second smallest district in terai after Mahottari, spread from bottom of Churiya hill to the southern border (CBS, 2017).

Chandrapur Municipality is spread in 249.4 Sq. Km has 13488 households, with 72,085 total population out of which 35,884 are male and 36,201 are female (CBS, 2017). There are 61 NGOs associated with NGOs federation of Nepal and there are about 200 such organization registered in District Development Office, Rautahat. These NGOs mostly work in the field of social development like education, health, child development, women empowerment, empowerment of dalit (majhi, kami), medeshi, janajati, and other indigenous groups (mushar and dushad). Some of these NGOs are involved in agricultural development through women empowerment, training and skills development, providing support for irrigation and so on.

The main reason for selection of survey area was that it represents the major culture of the nation. The major resident of the area are Brahmins followed by medeshi, tharu, janajati, mulsim, majhi, kami, mushar, and dushad. This region has diversity of culture shared among community members. Most of the village and communities are found with combination of these cultures. Beside this this city has huge potentiality of growth. Government of Nepal has listed Chandrapur as new smart city with other 13 major cities. Similarly, construction of Fast Track, Nijgadh International Airport and connection with Southern border and becoming shortest route between Calcutta and Kathmandu had added value and prospects of opportunities are huge in this area. During past few years population of major city area has been increased tremendously. Therefore, creation of peaceful and well managed diversified society is essential in this area.

3.4 Description of Sample

The population for the study is all the total number of population residing in the research area. The greater the sample size, the more accurate will be the estimate of the true population mean. The rules of thumb for determining the sample size states that sample size larger than 30 and less than 500 are appropriate for most research (Roscoe, 1975). For precise estimation of the relationship between variables, descriptive study usually requires samples of hundreds or even more.

This research work was carried with the sample size of 100 respondents. These samples represents various communities like, medhesi, muslim, mushar, bishwakarma etc. besides other major communities, benefitted through various NGOs program. For this purpose questionnaire was formulated in a target group within friendly scenario and language to locate their perceive understanding in different cases presented by questionnaire. The sampling and non-sampling error may ascend during the study. To minimize the sampling error the careful selection of the sample from population has been done. The range at a given confidence level was defined. For minimizing the non-sampling error the study tried to keep the sample survey as easy to execute as possible, the questionnaire was restricted to data essential to the main issue only, pre-testing of questionnaire and making an effort to minimize participant's fatigue.

Altogether there were 103 respondent in the survey. Out of these 103, 3 respondents were not member of any group therefore only data for 100 respondents are presented in the study.

3.4.1 Gender

Out of 100 samples 78 percent were male and 22 percent were female. The reason for low number of female respondents are mainly either they are not involved in such group and also they feel shy to talk with strangers. However this represents remarkable participation of female in various social groups. Mostly female from madeshi, mushar, kami, dushad and other backward groups are very low. However, women from Brahmin communities had made there significance presence in group activities.

Table 3.1: Gender

S. N.	Gender	Frequency	Percentage
1	Male	78	78
2	Female	22	22
	Total		

(Source: Field Survey, 2017)

3.4.2 Family Size

Average family size of survey area is 4.53 per family. Most of the families have 4 to 5 members. Out of 100 respondents 70 respondents have family size of 4 to 5. Family size is ranging from 1 to 8. But more than 8 members per family can also be found in this region.

Table 3.2 Family size

Family Size	Frequency	Percentage
1	1	1
2	1	1
3	11	11
4	39	39
5	31	31
6	15	15
8	2	2
Total	100	100

(Source: Field Survey, 2017)

3.5 Sources of Data

The published and unpublished past data, information & literature available in the field of the study was used to develop theoretical framework. The researcher tries to present the past literature into own area of concern related to study. The questionnaire is formulated to collect the first hand data. The different types of data used in the study are:

Primary Data: Primary data is original data gathered by the researcher for the project at hand. Primary data was collected by distributing questionnaire to the respondents. In this study, questionnaires were used as a tool for data collection. The primary data have been collected from the developed structured questionnaire to meet the specific objectives of the study. Structured questionnaire were adopted from (Grootaert, Narayan, Jones, & Woolcock, 2004), (Bullen & Onyx, 1998) and (Ruston & Akinrodove, 2002)

Secondary Data: Secondary sources of data are those already gathered by others. Different secondary sources had assist in resolving or partly answering the research problem. The external secondary sources include books, periodicals, articles, journal, published reports, and other published sources.

3.6 Data Collection

Based on research objectives various models of data collection techniques are used in this study. This study mainly focuses on people benefitted from NGOs, they are the major focuses throughout the study. However, NGOs officials, local government authorities, local think tanks were also interviewed and observed for the study. Primarily, study focus on building social capital within the people, therefore well designed questionnaire has been used to abstract information from sample. These questionnaires are prepared on English language, but samples were asked in native language. Out of total population in the study area 100 samples are taken from people benefitted by NGOs. Interviews were conducted with NGOs officials, and local government authorities initiated by researcher himself. Semi structured interviews were also conducted between these individuals to understand the activities of NGOs in different sector of societies.

3.7 Analysis Plan

After the responses were collected all the information were initially gathered which was further edited, transferred and recorded in Microsoft Excel for SPSS processing. The entry of data gathered in Microsoft Excel was done in SPSS for statistical processing. Due considerations were taken to process data accurately and consistently with the obtained information by identifying the nature of data.

Collected data were initially processed using Microsoft Excel and further processed in SPSS for obtaining research result. Table, charts and percentage

analysis was conducted for the analysis of respondent's profile, chart were developed through Microsoft Excel. Table, mean, standard deviation, minimum and maximum of frequency distribution were performed as a part of descriptive analysis. Correlation analysis and Hypotheses testing and analysis between dependent and independent variable were performed as a part of inferential analysis.

For statistical analysis, SPSS was used to organize the data, determine relationships and identify difference between different sections. Descriptive statistics like frequency, mean, standard deviation, minimum and maximum were used to analyze the data. For both descriptive analysis, the groupings of question according to the variables were done.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter deals with the analysis and interpretation of the primary data collected through structured questionnaires. This chapter deals with analysis of independent and dependent variables. First section of the chapter deals with independent variables i.e. NGOs and such voluntary groups (network, NGOs programs and Activities). Second part of the chapter deals with dependent variable Social Capital (Collective action, social trust, shared norms and values, and coordination and cooperation for mutual benefits). And lastly third part of the chapter deals with inferential analysis i.e. correlation between dependent and independent variables.

4.2 Independent variables

4.2.1 Number of NGOs/Groups

Networking between organizations has been fashioning in modern society during post modernization era. It is possible by participating in multiple group activities, which ultimately cultivate habit of collective action, social trust, cooperation for mutual benefit and sharing norms and values among various groups of the society building social capital. More the number of groups involved members of the group gets more access to the social resources. Number of groups involved by the respondents is presented on the table 4.2.1

Table 4.2.1: Number of Groups

Number of groups	Frequency	Percentage
1	28	28
2	34	34
3	27	27
4	7	7
5	4	4
Total	100	100

(Source: Field Survey,2017)

Most of the respondents are involved in more than one group. In average respondents are involved in 2.25 groups ranging from 1 to 5. Majority of respondents are involved up to 3 groups and very few are involved in more than 3 groups. Chaudhary Pramod, secretary of Nepal NGO Federation, Rautahat said, people are involved in more groups because of benefits gained from such different groups. For example a person is a member of a club, forest community moods Nepal (for working in Public health), Sagarmatha club (for sports, library and social activities) and also Divya Jyoti Krishi Sahakari Sanstha (for agricultural inputs and technology).

4.2.2 Members of NGOs/Group

Diversity in members of organization creates and environment to learn different cultural values and this learning can help to build social capital in the society. Path to the various opportunities gets opened in the market. It helps in sharing idea between each other. Table 4.2.2 shows the data of either the members of the group are of same caste, religion, culture or they are formed beyond the boundaries of such social beliefs. Neighborhood or village in the questionnaire represents the diversity in member of social organizations.

Table 4.2.2: Members of NGOs/Group

S.N.	Members of the group	Frequency	Percent
1	neighborhood/ village	93	
2	Religion	3	
3	Gender	2	
4	Age	1	
5	Ethnic, linguistic, race, caste, tribe	1	
	Total	100	

(Source: Field Survey, 2017)

Table 4.1.2 shows that 93% of NGOs members are of same neighborhood or village. Very few percent of NGOs have members of same religion, gender, age or ethnic group but the majority of members of these groups are of same village or neighborhood. This means there is diversity in members of the social organizations.

4.2.3 Formation of NGO

Formation of organization will also help in creating a social organization; and helps in building social capital. Groups formed for mutual benefit will help in creating trust between members, therefore all the people of the society cannot be member of all organizations. Groups formed for common purpose have higher degree of social networking

Table 4.2.3: Formation of NGO

S.N.	Initiator of group	Frequency	Percentage
1	Central government	0	0
2	Local government	3	3
3	Local leaders	18	18
4	Community members	79	79
		100	100

(Source: Field Survey, 2017)

Respondents did not marked on central government because they have believed that those organizations were initiated by local leaders. 18 percent of social organizations were formed by local leaders. Most of the groups were formed by community members and very few by local government.

4.2.4 Benefit of joining NGO/Group

Every organizations have their objectives, they are specialized in some resources. People join these groups for their own benefits like improve livelihood access to service, important in time of emergency, benefit of community, enjoyment and recreation, spiritual and some others. Table 4.2.4 shows the detail about these why people get themselves attached with some kind of social group.

Table 4.2.4: Benefit of joining NGO/Group

S.N.	Benefits of joining group	Frequency	Percent
1	Improves livelihood or access to service	25	25
2	Important in times of emergency	1	1
3	Benefits of the community	59	59
4	Enjoyment/recreation	10	10
5	Spiritual/social status/self esteem	4	4
6	Others	1	1
	Total	100	100

(Source: Field Survey, 2017)

The main reason of joining the group is benefit of the society. In total 59 percent of respondents responded in same way followed by improves livelihood and thirdly the reason was enjoyment. Some clubs in this region is focusing on sports. Like Sagarmatha Club is promoting Cricket while Fishtail Club is promoting Football. Whereas, saraswati club is on social service. Some religious and spiritual groups are also found like Shree KrishnePranami Yuba Parisad, Om Shanti etc.

4.2.5 Access to services

NGOs and voluntary groups can provide various access to services. People access to those service which they need. Those social needs includes education, health, credit and saving, agricultural inputs, irrigation, sports and some others. Table 4.2.5 shows the detail of these social needs:

Table 4.2.5: Access to services

S.N	Access to service	Frequency	Percent
1	Education	30	30
2	Health services	16	16
3	Water supply and sanitation	1	2
4	Credit and saving	28	28
5	Agricultural inputs and technology	20	20
6	Irrigation	3	3
7	Others	2	2
	Total	100	100

(Source: Field Survey, 2017)

Most of these organizations are working in the field of social service. 30 percent of respondent said their household gets access to the education. NGOs like Jagaran Nepal, Jana Chetana Nepal are some examples. 28 percent of Households get access to credit and saving, this includes cooperative, Gai Mai Samuha, and some

more. 20 percent of respondents get access to agricultural inputs and 16% gets access to health.

4.2.6 Decision Making

Decision making is one of the major activities and functions of an organization. Rational decision making is demand of current employees and participation of members of organization in decision making process add value to organization and its culture. This culture helps in building social capital in the heterogeneous society. There are mainly three approaches of decision making; firstly, leaders make decision and inform other members (top-down approach) secondly, leaders ask for suggestions from members of organization and then decide himself (bottom-up approach) and lastly, all the group members hold a discussion and decide together (participative approach). Participative approach is more meaningful in building social capital. The detail of decision making in NGOs are presented in table 4.2.6

Table 4.2.6: Decision Making

S.N	Decision making	Frequency	Percentage
1	Leader decides and inform the other group members	4	4
2	Leader ask group members what they think and then decides	41	41
3	Group members hold a discussion and decide together	55	55
	Total	100	100

(Source: Field Survey, 2017)

Majority of respondents said that group members hold a discussion and decide together about any issues. 55% of NGOs takes collective decisions, issues are discussed in forum and decisions are made. In 41% leader calls for views of the group members and decides and in only 4% leaders decide and informs others. This data shows that there is participative decision making approach are used to make decisions in NGOs.

4.2.7 Source of Fund

Sources of fund is important for success of any organization. Those organization can perform better whose sources for funds are generated within the society. Organization funded from outside of the society may not be equally benefitted to every member of the society. Detail of these sources of funds are in detail in table below:

Table 4.2.7: Source of Fund

S.N	Sources of fund	Frequency	Percentage
1	Members due	48	48
2	Other sources in community	46	46
3	Source outside of society	6	6
	Total	100	100

(Source: Field Survey, 2017)

Most of the NGOs are funded by members' dues and other sources in community which counts 94% however some portion of funds are also received from outside the society from national and international donors.

4.2.8 Interaction with other groups/NGOs

Interactions between groups are important in developing access to social resources. It will help in promoting community values. Community values means creating social bonding between members of the society. More these members of the different organizations interact with each other regarding social issues, they collectively come together against such social problems. It depends on how frequently these groups interact with each other. Detail of survey is presented in table below:

Table 4.2.8: Interaction with other groups/NGOs

S.N.	Interaction with other groups	Frequency	Percentage
1	No	1	1
2	Yes, occasionally	76	76
3	Yes, frequently	23	23
	Total	100	100

(Source: Field Survey, 2017)

In the study it is found that 99 percent of groups or NGOs interact with other groups with similar goals, out of these 23 percentage interacts frequently. This is because each individual are involved in more than one group than there will be gossips between the members, out of many some problems attracts attention from all members.

4.3 Descriptive Analysis

This section deals with descriptive statistical analysis of each dependent and independent variables of the study. NGOs programs and activities were counted as independent variable of the study and the rest other variable related to Social Capital i.e. collective action, social trust, shared norms and values and coordination and cooperation for mutual benefit were counted as dependent variable of the study. The questionnaire was set in order to examine the factors responsible for building social capital, and to examine the NGOs' activities in relation to building social capital in terms of collective action, social trust, shared norms and values and coordination and cooperation for mutual benefit. The detail of each these are presented in the analysis below.

4.3.1 Factors responsible for building social capital

In order to identify factors responsible for building social capital, direct questions were asked to respondents regarding various factors of social capital like social network, social trust, collective action, information and communication, shared

norms and values, coordination and cooperation for mutual benefit, empowerment and political action, and social cohesion and inclusion. Result is presented on the table below:

Table 4.3.1 Factors Responsible for Building Social Capital

S.N.		N	Minimum	Maximum	Mean	Std. Deviation
1	Social network	100	1.00	5.00	2.0300	1.03918
2	Social trust	100	1.00	4.00	1.6700	.65219
3	Mutual benefit	100	1.00	4.00	1.6900	.69187
4	Collective Action	100	1.00	4.00	1.6200	.69711
5	Norms and values	100	1.00	3.00	1.6500	.64157
6	information and communication	100	1.00	5.00	2.3500	.72995
7	empowerment and political action	100	1.00	5.00	3.3300	.73553
8	Social Cohesion and Inclusion	100	1.00	5.00	3.2700	.80221
	Total	100				

(Source: Field Survey, 2017)

In order to meet the first objectives of the study various factors were presented to respondents and were asked to rate them, detailed analysis is presented in table 4.2.1. Altogether eight factors were listed out of which four factors got high positive rank namely: social trust, coordination and cooperation for mutual benefit, collective action, and shared norms and values. Averages of these factors are respectively: 1.67, 1.69, 1.62 and 1.65 with lowest standard deviation with 0.65, 0.69, 0.69 and 0.64 respectively. Therefore these factors were carried forward for detail studies to meet second objectives. It can be said as collective action, social trust, shared norms and values, and coordination and cooperation for mutual benefit are the major factors responsible for building social capital.

4.3.2 Collective action

In order to understand the relationship between social capital and collective active various questions were asked to respondents. Initial questions include the group activities and participation of respondents in such group activities for community

development. More than 90 percent of respondents said that they have participated in most of such activities. And also their households frequently participated in such activities. Other descriptive results are shown on table 4.3.2.

Table 4.3.2: Collective action

S.N.	Factors of collective action	N	Min	Max	Mean	Std. Deviation
1	How likely is it that people who do not participate in group activities will be criticized or sanctioned?	100	1.00	5.00	2.9000	.78496
2	What proportion of people in this group contribute time or money toward common development goals, such as building a levy or repairing a road?	100	1.00	4.00	2.8700	.78695
3	If there was a water supply problem in this community, how likely is it that members of group will cooperate to try to solve the problem?	100	1.00	4.00	2.0400	.72363
	Total	100				

(Source: Field Survey, 2017)

As shown in table above, mean of the response of respondents is better than average this indicates that group members holds certain level of understanding regarding collective action. Timalisina Prakash (2017), an owner of one of the NGO explained that this level is yet to be increased. It can be increased by getting proper match between the NGOs programs and people needs.

4.3.3 Social trust

Social capital is a capability that arises from the prevalence of trust in a society or in certain parts of society. It can be embodied in the smallest and most basic social group, the family, as well as the largest of all groups, the nation, and in all the other groups in between. Detail of responses of respondents regarding social trust is presented table below:

Table 4.3.3: Social trust

S.N	Factors of Social trust	N	Min	Max	Mean	Std. Deviation
1	Most people who live in this village/neighborhood can be trusted.	100	1.00	4.00	2.4800	.64322
2	In this village/neighborhood, one has to be alert or someone is likely to take advantage of you.	100	1.00	4.00	3.2500	.71598
3	Most people in this village/neighborhood are willing to help if you need it.	100	1.00	4.00	2.0800	.72027
4	In this village/neighborhood, people generally do not trust each other in matters of lending and borrowing money.	100	1.00	5.00	4.1500	.85723
	Total	100				

(Source: Field Survey, 2017)

Social trust and social capital are closely related, in order to build social capital it is necessary to build trust between the members of the group. Table 4.2.3 shows that group members have trust with each other only till there is not involvement of money. Table shows that people have high level of trust and also they are ready to help each other, at same time they also fear that people will take advantage of others, and also people have lower level of trust in terms of borrowing and lending. Therefore cooperatives and some other organizations act as intermediaries in the matter of lending and borrowing said Chalise Ganesh(2017), an officer of Sankalpa Saving and Credit Cooperative.

4.3.4 Shared norms and values

Field (2003) argues that a shared set of norms and values underpins powerful informal networks and this is reflected in the operation of networks in social organizations. Importance of trust and shared norms and values which function as social glue or bonding social members is for building social capital. Table 4.2.4 shows the detail responses of shared norms and values.

Table 4.3.4: Shared norms and values

S.N.	Shared norms and values	N	Min	Max	Mean	Std. Deviation
1	People of society welcome the new member from different culture.	100	1.00	4.00	2.2100	.96708
2	Member of one group participate in programs of other group	100	1.00	2.00	1.3900	.49021
3	Members of the group interact with each other regarding individual problems?	100	1.00	5.00	3.2000	.73855
4	Members of the group enjoy living among people of different life styles?	100	1.00	4.00	1.5600	.67150
5	Multiculturalism makes life in your area better?	100	1.00	3.00	1.3700	.52522
6	Differences often exist between people within the same group. Such differences will divide people in the group?	100	1.00	4.00	2.4500	.75712
	Total	100				

(Source: Field Survey, 2017)

Table 4.3.4 shows that group members used to share their norms and values. 6 different questions were set in order to understand the status of shared norms and values and the result is presented in table 4.3.4. People welcome the member from other culture in the group or society. And also these groups also participate in activities of other groups. This is because that people are involved in more than one group and these different groups help in fulfilling various need of the people in the community said Mr. Humagain Haribol (2017) a chairman of Sagarmatha club.

People share only some of the individual problems with other members. But they enjoys living with different cultures and different lifestyles. Respondents also accepted that multiculturalism makes life better and also accepts that differences in cultures may divide groups.

4.3.5 Coordination and cooperation for mutual benefits

Each member of a group of interacting individuals, can support mutually beneficial cooperation. This can happen only if each member of team performs their part of activities for mutual benefit of group members. Coordination and cooperation

among members of the society is essential for achieving mutual benefit for society as a whole. Various evidences shows that there is always coordination and cooperation between the members of the society to mitigate health issues, social awareness, knowledge sharing, resource utilization, agricultural problems, natural disaster and many more.

Table 4.3.5: Coordination and cooperation for mutual benefits

S.N.	Details	N	Min	Max	Mean	Std. Deviation
1	If a community (group) activities does not directly benefit you, but has benefits for many others in the village/neighborhood, would you contribute time or money to the project?	100	1.00	3.00	1.5800	.58913
2	How well do people in your group help each other?	100	1.00	4.00	2.4500	.68718
3	Do you think that over the last few years, the level of coordination and cooperation between the members of society has gotten better, worse, or stayed about the same?	100	1.00	3.00	1.2800	.69747
	Total	100				

(Source: Field Survey, 2017)

Table 4.3.5 represents the status of coordination and cooperation for mutual benefit between group members. Table shows that the status of coordination and cooperation stands better than average that is below 3. People are ready to help each other and also they are helpful for social issues which may not benefit them directly. Also the data in the table shows that coordination and cooperation is being better within the group over last few years.

4.4 Inferential Analysis

This section of the study presents the relationship between dependent and independent variables. It deals with to what extent variables are correlated to each other. Pearson’s correlations analysis was carried out to find the correlation coefficient. Correlation matrix was computed to assess the extent or degree of relationship in between the research variables.

4.4.1 Correlation between variables

It is very necessary to understand the correlation between variables. Three independent variables (Social Networking, NGOs programs and community value) and four dependent variable (collective action, social trust, shared norms and values, and coordination and cooperation for mutual benefit) were presented in earlier chapter. The table below shows the relationship between these variables.

Table 4.4.1: Correlation Matrix

Independent variables	Dependent variables			
	Collective action	Social trust	Shared norms and values	Coordination and cooperation for mutual benefit
Social Networking	0.125	0.004	0.098	0.152
NGOs programs	0.044	-0.034	0.179	0.024
community values	0.089	0.183	0.092	0.037

** . Correlation is significant at the 0.01 level (2-tailed).

(Source: Field Survey, 2017)

Table 4.3.1 shows the correlation between different independent and dependent variables. Table shows most of the variables are positively correlated except social trust. Social trust is negatively correlated ($r = -0.034$) with NGOs programs. Table 4.2.3 shows that, people generally do not trust each other in matters of lending and borrowing money. Community values has higher degree of correlation ($r = 0.183$) with social trust, this means NGOs should focus on developing community values in community in order to build social trust. All other variables are positively correlated and have satisfactory value.

4.4.2 Correlation between NGOs programs and components of social capital

The table 4.4.2 exhibits the correlation between the independent variables i.e. NGOs activities and the dependent variables i.e. social capital (collective action, social trust, shared norms and values and coordination and cooperation for mutual

benefit. Correlation coefficients of research variable were shown in the below table:

Table 4.4.2: Correlation between NGOs activities and components of social capital

Variable	Correlation	Ngo Activities
Collective action	Pearson Correlation	0.007
Social Trust	Pearson Correlation	0.110
Shared norms and values	Pearson Correlation	0.157
Coordination and Cooperation	Pearson Correlation	0.064

** . Correlation is significant at the 0.01 level (2-tailed). (Source: Field Survey, 2017)

All the different dependent variables are positively correlated with NGOs activities and programs which indicates that all the components of social capital are having significant relation i.e. NGOs activities and programs is helpful in building social capital. Among four components shared norms and values has highest degree of correlation with NGOs activities i.e. $r = 0.157$. This indicates that NGOs activities are more effective in building multicultural societies. This also states that people in the society accepts the culture of different communities. Likewise collective action has lowest degree of correlation with NGOs activities $r=0.007$.

4.4.3 Correlation between NGOs programs and Social capital

Based on the data collected from survey it is found that NGOs activities are positively correlated with social capital. Karl Pearson Correlation coefficient was calculated using SPSS and result is presented on table below:

Table 4.4.3: correlation between NGOs programs and Social capital

Variables	Pearson Correlation	Ngo activities
social capital	Pearson Correlation	0.154
	N	100
(N=100) .** Correlation is significant at the 0.01 level (2-tailed).		

(Source: Field Survey, 2017)

Table 4.3.3 states that correlation between social capital and NGOs activities is 0.154, which means NGOs activities and programs are significant with social capital. This can be explained as NGOs activities are effective in building social capital in the society. NGOs programs are helpful in developing social trust, people are motivated to work together, they used to share their cultures (people from one culture also participate in programs of other culture), and also they are ready to help each other without conditions.

4.5 Discussion

The data collected in the survey presents that NGOs activities are able to build social capital. Accessing farm technologies and information and credit were major utilizations of social capital at the individual member level. Likewise, better market access, exchange of labor was more prevalent among the members from small cooperatives who lived in close proximity. At the collective level, the main utilization of social capital was directed to accessing government services and facilities, accessing better government support and services was shown to be influenced by factors such as history of established production and prior exposure to the support agency services, accessibility and strategic location of the production pockets and the cooperative headquarters. Also, utilization of social capital for community works was more prevalent in smaller cooperatives.

CHAPTER V

SUMMARY AND CONCLUSIONS

This chapter deals with the summarizing and concluding of the study. This chapter was further divided into two parts; former is related with summarizing of the study and later section is related with drawing the conclusion from the study.

5.1 Summary

The research tried to explore the scenario of social capital in Nepalese society. Structure questionnaire were developed to access the information from respondents. The questionnaire was divided into three sections: respondent profile, NGOs and association of individual in NGOs, and understanding NGOs activities in building social capital. Very few variables were taken to develop respondent profile like, gender, occupation, and family size. Next section of questionnaire includes information about independent variable i.e. NGOs' activities and programs. Major part includes formation of groups, funding of group, reason for joining groups, benefit received from such groups and access of such benefit to households. Third section of questionnaire includes dependent variable i.e. forms of social capital in terms of collective action, social trust, shared norms and values and coordination and cooperation for mutual benefit. The analysis was done based on descriptive statistical tools including mean & standard deviation to analyze the dependent and independent variables and inferential statistical tools including Pearson Correlation.

Based on the literature review, there are four dimensions of social capital i.e. collective action, social trust, shared norms and values, and coordination and cooperation for mutual benefit (Abom, 2004) (Bhandari & Yasunobu, 2009)

(Christoforou, 2005) (Fox & Gershman, 2000) (Grootaert & Bastelaer, 2002) (Islam, 2002) (Fukuyama F. , 2001) (Mondal, 2000) (Jamil & Muriisa, 2002) (Putman, 1993) (Shrestha R. K., 2015) (Woolcock & Narayan, 2002). A theoretical framework was developed taking into account these identified dependent and independent variables.

The research design of this research was descriptive and qualitative in nature. Respondent profile and information related to independent variable were measured with multiple choice questions and options were set based on context. Dependent variables were measured with 5-point Likert Scale. Choices of all items of dependent variables were based on five point Likert scale anchored by “Strongly Agree”= ‘1’ to “Strongly Disagree”= ‘5’. Simple random sampling method was used and the primary data required for analysis were obtained through structured questionnaire. A total of 103 questionnaires were distributed and the response rate was 97% i.e. 100 out of 103 respondents responded the questionnaire these three respondent said they are not member of any such voluntary groups therefore these 3 questionnaire were excluded. The possible response was collected from field survey. For the purpose of analysis, the collected data were process with software such as Microsoft Excel & SPSS. Similarly, analysis of demographic profile, descriptive statistics, correlation analysis and analysis of relationship between dependent and independent variable were used to accomplish the objectives of the research.

Out of 100 samples 78 percent were male and 22 percent were female. The reason for low number of female respondents are mainly either they are not involved in such group and also they feel shy to talk with strangers. However this represents remarkable participation of female in various social groups. Mostly female from madeshi, mushar, kami, dushad and other backward groups are very low. However,

women from Brahmin communities had made their significance presence in group activities. Average family size of survey area is 4.53 per family. Most of the families have 4 to 5 members. Out of 100 respondents, 70 respondents have family size of 4 to 5. Family size is ranging from 1 to 8. But more than 8 members per family can also be found in this region.

Most of the respondents are involved in more than one group. In average respondents are involved in 2.25 groups ranging from 1 to 5. Majority of respondents are involved up to 3 groups and very few are involved in more than 3 groups.

Most of the groups were formed by community members and very few by local government. 18 percent of NGOs were formed by local leaders however; most of the NGOs are initiated by local leaders. The main reason of joining the group is benefit of the society. In total 59 percent of respondents responded in same way followed by improves livelihood and thirdly the reason was enjoyment. Most of these organizations are working in the field of social service. 30 percent of respondent said their household gets access to the education. NGOs like Jagaran Nepal, Jana Chetana Nepal are some examples. 28 percent of Households get access to credit and saving, this includes cooperative, Gai Mai Samuha, and some more. 20 percent of respondents get access to agricultural inputs and 16% gets access to health. And 93% of NGOs members are of same neighborhood and village.

Majority of respondents said that group members hold a discussion and decide together about any issues. This data shows that there is participative decision making approach are used to make decisions in NGOs. Most of the NGOs are funded by members' dues and other sources in community which counts 94%

however some portion of funds are also received from outside the society from national and international donors.

The correlation between the independent variables i.e. NGOs programs and activities and the dependent variables i.e. social capital (collective action, social trust, shared norms and values and coordination and cooperation for mutual benefit) is significantly positive i.e. $r = 0.154$. All the different dependent variables are positively correlated with independent variables. NGOs activities and programs is helpful in building social capital. Among four components shared norms and values has highest degree of correlation with NGOs activities i.e. $r = 0.157$. This indicates that NGOs activities are more effective in building multicultural societies. This also states that people in the society accepts the culture of different communities.

5.2 Conclusion

The focus of the study portrays the importance of NGOs activities in building social capital. The basic purpose of the study is also to study the role of NGOs in building social capital. The different factors determining the social capital were studied to determine the valid conclusion. This study explored role of NGOs toward building social capital through undertaking of activities that satisfy needs of society.

The statistical tools employed indicated that NGOs activities are an important mechanism to achieve social welfare through building social capital. The statistical tools verified that social networking created by such organizations, programs of NGOs and such other groups, and community norms build by social organizations have significant and positive relationship with collective action, social trust, shared norms and values and coordination and cooperation for mutual benefit. Social trust

is negatively correlated with NGOs program and people do not trust others in matter of lending and borrowing. These all factors have significant relationship to determine the social capital.

The findings revealed that Nepalese NGOs and other voluntary groups focused on need of people to maximize the benefits to be taken by optimum utilization of social resources. This result seems to be consistent with the findings of (Acharya, 2015), (Bhandari & Yasunobu, 2009), (Bhandari M. , 2014), (Dahal, 2001), (Hinton, 1996), (Kanel & Niraula, 2006), (Karkee & Comfort, 2016), (Pandit, Albano, Kumar, & Belcher, 2008), (Paudel, 2013), (Shrestha R. K., 2015). (Shrestha & Dhakal, 2010)and (Varughese, 2001) in Nepalese context. This result also seems to be consistent with the findings of (Abom, 2004), (Bernard, 2009),(Christoforou, 2005), (Fine, 2001), (Fernando & Heston, 1997), (Islam, 2002), (Jamil & Muriisa, 2002), (Mondal, 2000), (Putman, 1993), (Trigilia, 2001), (Ulleberg, 2009) and (Woolcock & Narayan, 2002) in international context.

The results of this study have a number of important consequences. The findings of this study are not considered as general proclamation about the entire NGO activities in Nepal. But the findings of this study furnished an idea about the role of the NGOs' in building social capital in Nepal. In some cases, we observed that the NGOs were facing some limitations to build social capital because of the low level of education of their beneficiaries, poor socio-economical and cultural conditions, noncooperation from community leaders, lack of government initiatives, and NGOs' donor dependency. But in general, we observed that the NGOs' contributions in social capital development was incredible in some areas in social setting, such as participation of the all members of society in the development activities, social networking and sharing mutual benefits, collective action, and income generation. We observed that NGOs' initiatives were convincing in terms

of community awareness, increasing problem assessment capacities, encouraging participation, sharing values and norms, introducing new technologies, responding to financial crisis, and mobilizing local resources.

The challenges of society are many and cannot be addressed alone by technical and formal institutional mechanisms. The situation needed a more social approach by which non-governmental organizations by creating solidarities and identities among people in the society have managed to overcome social stigma, exclusion, spread and cure of the disease, strengthen the capacity of social members by building income generation skills, access to resources, awareness programs, credit and saving facilities agricultural inputs and technology etc.

We make a conclusion that, in spite of the increasing social challenges, which are a developmental threat, building social capital is a necessary mechanism for limiting the impacts of such threats. Well-developed social capital leads to social inclusion, it helps in information flow, reduces stress (Jamil & Muriisa, 2002). All these can lead to sustained livelihoods for people living in the society.

5.3 Implications

The research has contributed to social capital theory by developing a conceptual model of social capital building, utilization and channelizing local resources through NGOs and other voluntary groups. It has also contributed to development of NGOs activities by demonstrating the role of the society, its structure and function in building social capital. Besides these immediate fields the research has wider implications. It contributes to development policy literature by demonstrating the role of policy in community organizing and building of social capital.

Likewise, development agencies working with the local community can utilize the preexisting community based groups while forming grassroots networks, including social groups and social organizations or NGOs and other voluntary groups. This would enhance the extent and quality of interaction among members with positive effects on social capital building.

This research was based on case studies of NGOs operating in research areas. With the growing number of NGOs in peri-urban areas of large cities the model developed through this study can be tested and validated. The model can also be tested in other types of NGOs and voluntary groups, notably saving and credit cooperatives. This research has identified three critical factors of social capital building in rural communities: policy; government institutions and local community leadership. A quantitative study can be conducted to determine the relative importance of each of these factors in social capital building.

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ANNEX 1

ROLE OF NGOs IN BUILDING SOCIAL CAPITAL (A Case of Chandrapur Municipality, Rautahat, Nepal)

Research questionnaire

Name:.....

Occupation:.....

Family size:.....

Are you a member of any social groups? a) Yes b) no

1. If you are involved in more than one such groups, how many?

.....

2. Members of this group, are most of them of the same.

- a. Neighborhood/Village
- b. Family or Kin group
- c. Religion
- d. Gender
- e. Age
- f. Ethnic or linguistic group/race/ caste/tribe

3. Does this group work or interact with other groups with similar goals in the village/neighborhood?

- a. No
- b. Yes, occasionally
- c. Yes, frequently

4. What is the most important source of funding of this group?

- a. From members' dues
- b. Other sources within the community
- c. Sources outside the community

5. Who originally founded the group?
 - a. Central government
 - b. Local government
 - c. Local leader
 - d. Community members

6. What is the main benefit from joining this group?
 - a. Improves my household's current livelihood or access to services
 - b. Important in times of emergency/in future
 - c. Benefits the community
 - d. Enjoyment/Recreation
 - e. Spiritual, social status, self-esteem
 - f. Other (specify) _____

7. Does the group help your household get access to any of the following services?
 - a. Education or Training
 - b. Health services
 - c. Water supply or sanitation
 - d. Credit or Savings
 - e. Agricultural input or technology
 - f. Irrigation
 - g. Other (specify)

8. When there is a decision to be made in the group, how does this usually come about?
 - a. Decision is imposed from outside
 - b. The leader decides and informs the other group members
 - c. The leader asks group members what they think and then decides
 - d. The group members hold a discussion and decide together

9. How do you rate the factors responsible for building social capital?
 (1. Agree strongly 2. Agree somewhat 3. Neither agree nor disagree 4. Disagree somewhat 5. Disagree strongly)

	1	2	3	4	5
Social network					
Social trust					
Cooperation for mutual benefits					
Collective action					
Shared norms and values					
Information and communication					
Empowerment and political Action					
Social Cohesion and Inclusion					

Collective action

10. In the past 12 months, have you worked with others in your group members of the community to do something for the benefit of the community?
- Yes
 - No
11. How often do you or anyone else in your household participate in these groups activities?
- Yes always
 - Yes sometimes
 - Never
12. How likely is it that people who do not participate in group activities will be criticized or sanctioned?
- Very likely
 - Somewhat likely
 - Neither likely nor unlikely
 - Somewhat unlikely
 - Very unlikely

13. What proportion of people in this group contribute time or money toward common development goals, such as building a levy or repairing a road?

- a. Everyone
- b. More than half
- c. About half
- d. Less than half
- e. No one

14. If there was a water supply problem in this community, how likely is it that members of group will cooperate to try to solve the problem?

- a. Very likely
- b. Somewhat likely
- c. Neither likely nor unlikely
- d. Somewhat unlikely
- e. Very unlikely

Social trust

15. In general, do you agree or disagree with the following statements?

(1. Agree strongly 2. Agree somewhat 3. Neither agree nor disagree 4. Disagree somewhat 5. Disagree strongly)

- Most people who live in this village/neighborhood can be trusted. (.....)
- In this village/neighborhood, one has to be alert or someone is likely to take advantage of you. (.....)
- Most people in this village/neighborhood are willing to help if you need it. (.....)
- In this village/neighborhood, people generally do not trust each other in matters of lending and borrowing money. (.....)

16. How well do people in your group help each other?

- a. Always helping
- b. Helping most of the time
- c. Helping sometimes
- d. Rarely helping
- e. Never helping

17. Do you think that over the last few years, the level of trust between the members of society has gotten better, worse, or stayed about the same?
- Gotten better
 - Gotten worse
 - Stayed about the same

Sharing norms and values

18. People of society welcome the new member from different culture.
- Agree strongly
 - Agree somewhat
 - Neither agree nor disagree
 - Disagree somewhat
 - Disagree strongly
19. Member of one group participate in programs of other group?
- Agree strongly
 - Agree somewhat
 - Neither agree nor disagree
 - Disagree somewhat
 - Disagree strongly
20. Members of the group interact with each other regarding individual problems?
- Agree strongly
 - Agree somewhat
 - Neither agree nor disagree
 - Disagree somewhat
 - Disagree strongly
21. Members of the group enjoy living among people of different life styles?
- Agree strongly
 - Agree somewhat
 - Neither agree nor disagree
 - Disagree somewhat
 - Disagree strongly
22. Multiculturalism makes life in your area better?
- Agree strongly
 - Agree somewhat
 - Neither agree nor disagree
 - Disagree somewhat
 - Disagree strongly
23. Differences often exist between people within the same group. Such differences will divide people in the group?
- Agree strongly
 - Agree somewhat
 - Neither agree nor disagree
 - Disagree somewhat
 - Disagree strongly

Social Capital and coordination and cooperation for mutual benefit

24.If you suddenly faced an emergency of some problems like; shortage of money, or harvest failure , are members of your group beyond your immediate household could you turn to who would be willing to help you?

- a. No
- b. Yes, occasionally
- c. Yes, always

25.If a community (group) activities does not directly benefit you, but has benefits for many others in the village/neighborhood, would you contribute time or money to the project?

- a. Very likely
- b. Somewhat likely
- c. Neither likely nor unlikely
- d. Somewhat unlikely
- e. Very unlikely