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The results shows that social capital contributes positively to poverty reduction and the impact is much higher than that of education. Rural household depends on the social capital because of their lack of education.

3.

METHODOLOGY

The methodology adopted in this paper is mainly on secondary data, which comprises Journals, textbooks, internet usage, on various studied that related to social capita and poverty.

4.

SUMMARY AND CONCLUSION

This study reviews the empirical results of social capital and poverty from the previous studies, it was found that most of the indicators of social capital are significantly correlated to poverty reduction in some area, while some are insignificantly related to poverty in others area. This indicates that the study of social capital and poverty are inconclusive, which give room for further studies. For instance, Narayan (1999), stated that, it is generally understood that social capital has a positive effect on individuals and communities. However, the same ties that facilitate better relationships could also exclude certain people from participation.

In clear terms, the analyses from the previous study have shown that social capital has positive and significant effects on household welfare. However, it is important and necessary to see whether social capital can helps the poor get out of poverty and whether it is worth to invest in it in order to reduce poverty give room for further study.

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Hakim, et al. (2010), examined the relationship between social capital and poverty in rural Terengganu, Malaysia. The proxies they used for social capital includes: i) groups and networks, ii) trust and solidarity, iii) collective action and cooperation, iv) information and communication, v) social cohesion and inclusion, and vi) empowerment and political action. Structured questionnaires on 2500 households in rural Terengganu, Malaysia were administered. The social capital index for each household, in the scale of 1 to 10, is calculated using the linear transformation technique. The analysis of the study was based on logit model estimation. The results indicate that social capital is relevant in poverty alleviation, this support the view with the recent literature. The results found that human capital, physical capital, the age and gender of the head of the household, as well as the size of the household are also important factors in poverty reduction

Fatemeh, (2011), in her empirical analysis investigates the role of social capital in poverty reduction in rural areas of Marvdasht, Iran. Structured questionnaire was employed in carrying out the study. The results show that strong communication and social cohesion are significantly correlated to poverty reduction, but communities still face challenges and constraints which hinder their contributions in poverty reduction.

Hassan, et al. (2011), in analyzing the impact of social capital on household poverty in Uganda. Their main interest is establishing the impact of participating in an agrarian association on household level poverty. They based their argument on the fact that social capital increases household incomes and therefore reduces poverty. Nevertheless, it was also belief that the level of household expenditure might also determine certain components of social capital, therefore, suggesting an endogeneity problem. In order to solve the problem of endogeneity an econometric technique such as the 2SPLS and 2SCML was employed. Their main conclusions and policy implications are summarized as follows: First, social capital described in terms of membership of local and other organizations have positive impacts on household income and therefore reduces poverty. It was also observed that being a member of a local community oriented organization measured in term of homogeneous associations tend to be welfare decreasing. One of the crucial factor that determines household incomes that also has a strong positive influence on the probability of joining social groups is education. However, results indicate that household expenditure is positively and significantly associated with the formation of social capital or group participation. They suggest that the government should intensify in their effort to increase household incomes, by taking into consideration the existing social institutions which will go a long way to encourage associational growth and performance and therefore reduce poverty.

Diawara et al. (2013), described social capital as an empirically elusive concept, yet has also been heralded as the glue that holds communities together. Their aim is to show that associational relationships, social norms and cohesion are important in explaining the poverty status of the heads of household in Senegal. In their study, 2005 Senegalese Household Survey were used to construct a social capital index and the result indicates that it is correlated with the economic situation of the households. The instrumental variable estimations suggest that social capital has an impact on poverty. Moreover, when disaggregating the sample based on the gender and location of the heads of household, results still show that household heads with more social capital are less likely to be poor. Their findings go in line with recent studies carried out by the international community and specialists of development economics on investing in social capital. They recommend that governments in the Sub-Saharan region need to take into account social capital in the formulation of their public policies. Besides, social capital creation and sustenance of the existing one is urge to be encouraged, which will be of a great important to poverty reduction in the Sub-Saharan.

Tenzin et al. (2013), investigates the impact of social capital on the poverty of rural households in eastern Bhutan by employing a simultaneous equation model of two-stage probit least squares (2SPLS).

Grootaert and Narayan (2004), in their study, explored the linkages between social capital and household welfare and poverty in Bolivia. They constructed six dimensions of social capital index, namely; the density in membership in agrarian syndicates, the degree of heterogeneity, the meeting attendance, the active participation index, the membership dues and the community orientation. The results indicated that local social capital are significantly realated to household welfare, than human capital and other household assets. In addition, the findings also shows that social capital reduces the probability of being poor and the returns on household investment in social capital are generally higher for the poor than for the rich.

Roslan, Nor and Russayani (2010), used primary information, collected from a sample of 2500 households in rural Malaysia to investigate the relationship between social capital and poverty. They adopted social capital index as in Grooteart, Narayan, Nyhan and Woolcock (2004) to make an indicator of social capital. Their empirical results indicate that social capital has a negative and significant effect on the probability of being poor. Thus, the findings imply that, ceteris paribus, a unit increase in social capital will diminish the probability of a household being poor by around 0.0129

Grochowska and Strawiński (2010), studied the impact of social capital on individual well being in Poland. They employed five dimensions of social capital, namely organization membership, participation in local elections, volunteer behavior, size of social networks and confidence to build a social capital index. The primary difference with other subjects is that they have considered a Mincer earning function. The determinations have proven that social capital explains approximately 20% of income variation both at individual and family level, indicating that social capital is a significant and unneglectable determinant of income. It is nevertheless to be noted that social capital does not induce the highest impact as evidenced by some surveys in growing countries. Grootaert, Oh & Swamy, (2002). The positive and statistically significant coefficient for the social activity proxy indicates that there is a positive influence of social capital on personal income, meaning that the more active a person is, the higher the wage premium he or she gets.

In a different view, Kuroki (2011), looked at the role of social capital on happiness, using Japan as a case study. He used trust as proxy of social capital. The individual happiness is employed as an index of welfare. After solving the problem of possible endogeneity of the main independent variable (trust), the results show that trust is positively and significantly related to human welfare, advising that there is a causal relationship between social capital and happiness. Specifically, the findings shown that the effect of social trust is depends on the beliefs people have on trusting others.

Furthermore, additional tests have suggested heterogeneous effects of social trust, meaning that trustworthy environments do not necessarily benefit everyone. For instance, the empirical evidence has indicated that trust-neutral individuals benefit from social trust in their area of resident while non-trusting ones do not.

Baiyegunhi, (2014), investigate the relationship between rural households' social capital and poverty in Msinga, KwaZulu-Natal, South Africa. With a structured questionnaire administered on 300 rural households. Using a logistic regression model to analyze the impact of social capital on household poverty, the hypothesis testing shows that social capital plays an important role in reducing household poverty. The result shows that, apart from demographic and socio-economic characteristics of some households, social capital endowments have a statistically significant negative outcome on the likelihood of a household being poor. He concluded that, social capital is very important to reduce household poverty

2.2.3 Consequences of poverty

Poverty involves a complex array of risk factors that adversely affect the population in a multitude of ways. It has a wide ranging and often devastating effects. (World Bank, 2006), highlighted five major consequences of poverty. These are: (i) Malnutrition and Starvation, (ii) Infectious disease and exposure to the element, (iii) mental illness and drug dependence, (iv) crime and violence and lastly (v) long-term effect.

2.3 Selected Empirical Studies on the Social Capital and poverty Reduction

This section is a review of past empirical studies on the impact of social capital on poverty. According to Robert Putman who is one of the scholars with strong interest in social capital, stated in his 1993 study, which examine the institutional performance in twenty Italian regional governments, that performance of governments is closely related to associational life in the region. He said that, the density of associations explains the difference in economic performance between North and Southern Italy. In his finding, the northern Italy, where the population participates actively in associations are efficient in their internal operation, creative in their policy initiatives and effective in implementing those initiatives. While the reverse is the case in Southern Italy, where the patterns of civic and associational activity are weak, in that region, the government tent to corrupt and inefficient.

Narayan and Pritchett (1999), investigate the relationship between social capital and household welfare in rural Tanzania. Social capital indexes considered are the degree and characteristics of associational activity and confidence among households. The various dimensions of social capital are applied to build an indicator of social capital. The results shown that a single standard-deviation increase in the village social capital index is associated with at least 20% higher expenditure per individual in each house in the small town. The findings indicates that the effects of social capital on income are comparatively bigger in comparison with other types of assets such as human and physical capital.

Grootaert (1999) has a different view to Narayan and Pritchett (1999), he looked at the impacts of the social capital index and each dimension of the social capital separately. The dimensions considered are the density of associations, their internal heterogeneity, the frequency of meeting attendance, the members' effective participation in decision making, the payment of dues (in cash and in kind) and the community orientation of associations. The empirical findings have demonstrated that social capital index is positively and significantly related to the household expenditure per capita and that the returns to the household are similar in magnitude to those of human capital.

Moreover, disaggregated tests of social capital dimensions shows that the number of memberships, the internal heterogeneity and the active participation in decision-making are strong effects on household expenditure per capita. Besides, Grootaert (1999) also shows that social capital reduces the probability of being poor and the returns to household investment in social capital are higher for poor than for the population at large. This evidence is true for the number of memberships and households' active participation in decision making.

Similarly, Grootaert, Oh, and Swamy (2002), used the case of Burkina Faso to empirically investigate the importance of social capital for the benefit of rural household. The social capital index considered are the membership in local associations and networks. They make use of instrumental variable estimation to solve the endogeneity problem of social capital. The results shown that a 5% increment in the endowment of social capital contributes to an increase of 2.7% in the household expenditure per capita making the effect larger than that of human capital.

2.1.4 Measurements of Social Capital

There are considerable debates and arguments over the measurement of social capital. The World Bank has been attempting to propose a harmonized measure of social capital while individual researchers have also been making their own measurements World Bank, (2004); Narayan & Pritchett, (1999); Putnam, (1995); Roslan, Nor & Russayani, (2010). The search for a universal measure still continues. Therefore, measurements depend on the assumptions made and the availability of socioeconomic variables.

Putnam (1995), proposed an important approach distinguishing five components of social capital, this includes, the community organizational life, the engagements in public affairs, the community volunteers, the informal sociability and the trust.

Grater, Oh, and Swamy (2002) in their own view suggest seven aspects to capture social capital. The variables considered and used as proxies of social capital are: the number of memberships in associations; the degree of heterogeneity of the group; the meeting attendance; the index of participation; the degree of informality of the association; the community initiation; and the cash contribution score and work contribution score.

The World Bank, through the Integrated Questionnaire for the Measurement of Social Capital (SC-IQ), proposed ways of assessing social capital via six broad dimensions, namely group and networks, trust and solidarity, collective action and cooperation, information and communication, social cohesion and inclusion and empowerment and political action Grootaert, Narayan, Nyhan & Woolcock, (2004). The same index numbers have been employed by, among others, Roslan, Nor and Russayani (2010).

Sanjeev and Per Selle (2004) argue that Social Capital should be quantified using three components; the impact of scale, embeddedness and consequences.

Grootaert (1998) said two things are to look for when measuring Social Capital, either quantitatively or qualitatively, these being the extent of connections and related systems, and also the impacts that Social Capital can have on development processes, such as growth and poverty reduction.

Grootaert and Bastelaer (2002) also propose three types of proxy indicators that should be employed in social capital measurement. These are: (i) membership in local associations and networks; (ii) indicators of trust and adherence to norms and (iii) an indicator of collective actions. They claimed these three types of indicators to measure social capital from different vantage points and provide a helpful framework for designing a measurement instrument.

It is clear that social capital has been measured in a variety of innovative ways. However, it is to be noted that obtaining a single, consensual and true measure is probably not possible. Woolcock & Narayan, (2000).

2.2 Poverty: Meaning, Measurement, Causes and Consequences

2.2.1. Meaning

Poverty is a multidimensional in nature; scholars have described it in different ways. There is no precise agreement on the definition of poverty. Depending on the societies and changes over time, the perceptions, contexts, meanings and usages may differ among the observers and researchers. For example, (World Bank, 2006), defined poverty as a condition of having insufficient resources or income.

Recently, there seems to be a general belief among scholars and policy makers that the development and promotion of the Social Capital will go a long way in addressing the poverty situation.

However, this paper reviews the empirical evidence of selected studies that related to social capital and poverty, and contribute to the debate.

2. REVIEW OF THE RELATED LITERATURE

2.1. Conceptualization of Social Capital and Poverty

2.1.1 Meaning of Social Capital

Social capital is the expected collective or economic benefits derived from the preferential treatment and cooperation between individuals and groups. Although different social sciences emphasize different aspects of social capital, they tend to share the core idea "that social networks have value". Just as a physical capital and or cultural capital and human capital can increase productivity (both at individual and collective), so do social contacts affect the productivity of individuals and groups.

According to World Bank (2011), Social Capital is an institution, relationships, and norms that shape the quality and quantity of a society's social interactions. While the OECD (2001) defined it as, "networks, together with shared norms, values and understandings which facilitate cooperation within or among groups".

Although the concept of social capital can be understood otherwise, there has been a visible convergence towards a definition that focuses on networks, shared norms and values that facilitate cooperation within and among groups. Healy & Hampshire, (2002).

Therefore, the definition of social capital revolves around the idea of network, norms and trust.

2.1.2 Types of Social Capital

Social capital has two main types, "government social capital and civil social capital" Frank (2005), distinguished "government social capital" from "civic, social capital" by referring to government social capital as governmental institutions that influence peoples' ability to co-operate for mutual welfare. These foundations include the contract enforceability, the rule of law, civil liberty and the extent of economic liberty that are allowed by the country. While civic, social capital comprises common values, norms, informal network and associational memberships that affect the ability of individuals to work together to achieve common goals.

2.1.3 Forms of Social Capital

The concept of social capital is widely recognized as a multi-dimensional with dimensions such as relationships, trust, reciprocity, and action for a mutual benefit. The dimension such as relationships can be divided into three. Frank (2005), divided relationships into; bonding, bridging and linking, forms of social capital. He describes bonding as the relationships that we have with people who are like us, and typically refers to those relations among members of families and ethnic groups. Bridging refers to those relationships; we have with people who are not like us. These may be people who are from a different socioeconomic status, from a different generation or a different ethnicity. He describes linking social capital as the relationships people have with those in power. Linking social capital enables individuals and community groups to leverage resources, ideas and information from formal institutions beyond the immediate community radios. See also Putman (2000).

SOCIAL CAPITAL AND POVERTY REDUCTION: A REVIEW OF EMPIRICAL EVIDENCE

BY

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ABSTRACT

The concept of social capital is gaining momentum in the social science research in this ispensation. Based on its relevance to the economic performance both at the micro and macro level, it is rgued that it has an important role in poverty reduction. Social capital has seen as a missing link to overty reduction. To this end, social capital has been depicted as an empirically elusive concept, and as ie glue that holds society together. This paper reviews the empirical evidence of social capital on conomic outcomes. It concludes that the components of social capital have a significant influence on conomic performance.

ey Words: Social Capital, Poverty,

1. INTRODUCTION

Evidence show that a significant number of the population are surviving below the poverty line in ite of the attempts made towards cutting down poverty by most nations. According to (UNDP, 2013), spite the greatest achievement in the reduction of poverty since the introduction of MDG's by the UN 2000, there is still a widespread of human poverty in the world. It report that the number of poor people opped by 650 million in the last decade, but more than 1 billion people are still living in extreme verty. Also, (World Bank, 2014), reports that, over 1 billion people representing 14 per cent of the bal population are living below poverty line as at 2011. Therefore, the problem of poverty is so critical l eradicating poverty is the first one of the eight Millennium Development Goal by the United Nation. this end, studies relating to poverty and poverty reduction have major effects and helpful because they l with the whole existence of an individual. Poverty is one of the most vital problems facing the poor well as the society. The study of poverty is inevitable because it is not merely specific to some ntries, but rather, almost all countries in the world are battling with the problem of poverty.

Nevertheless, the World Bank, which is the leading institution for global transformation in the lives living standards of people in poor countries, made a pronouncement that it is committed to the eam'' of a ''world free of poverty'. (Hulme & Green, 2005). Because an ideal society is the one with poor citizens, otherwise they will encounter many vices as a result of poverty. For instance, Acquired unodeficiency Syndrome (AIDS) is a product of poverty, and subsequently, society pays the price. In s of the expenditures related to taking care of the sick and the costs associated with the destruction of nost productive assets of nations.

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PREFACE

The 6th Asia Pacific Marketing and Management Conference (6th APMMC) continues its tradition of promoting interdisciplinary business research. The conference theme "The Dynamism of Sustainable & Responsible Marketing and Management in Asia Pacific Region" reflects the needs for critical discourse and debate on today's contemporary business issues. The conference continues to focus on exciting new research that emphasizes the discussion of contemporary issues and challenges in the context of the Asia-Pacific region.

The current economic turmoil and instability has led many businesses and organizations to re-evaluate their existing strategies and approaches to improve the viability of the business. The business community recognizes the challenges brought by the environment and the importance to embrace this economics uncertainty. Businesses also need to be flexible in adapting wit the rapid change and to come up with strategies that can be used effectively to allow businesses to remain sustainable and competitive in the long run. Their approach would have certain implications, particularly in the context of managing social relationships and responsibility to stakeholders, employees, consumers and society. In the context of the research disciplines of business, contemporary issues require a more in-depth investigation research either using quantitative or qualitative approaches.

This conference serve as an avenue for an international forum and platform for academics and practitioners to meet the primary objective to gather and disseminate current research work relevant to the conference theme "The Dynamism of Sustainable & Responsible Marketing and Management in Asia Pacific Region" . This proceedings is a collection of contributions from the participants from various research discipline and tracks from the main domain of marketing, management, accounting finance & economics.

The editorial team would like to acknowledge the contribution of the review committee in providing their critical views and feedbacks to authors to improve their final papers for publication. We also would like to express our gratitude to many individuals (presenters, authors, colleagues) and also organizations for their continuing support and encouragement.

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IMPACT OF SOCIAL CAPITAL IN COMBATING POVERTY IN NIGER STATE, NIGERIA

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ABSTRACT

In spite of the numerous policy/strategy put in place by the Nigeria government since independent in other to reduce the poverty rate in the country, policies such as: Austerity Measure and Structural Adjustment Program (SAP), Directorate of Food, Roads and Rural Infrastructure(DFRRI), Integrated Rural Development Projects, Better Life Program, Family Support Program, Mass Transit Program, National Directorate of Employment, Peoples' Bank, Family Economic Advancement Program, National Poverty Eradication Program, Subsidy Re-investment Program (SURE-P), there is still high rate of poverty in the country. In responding to this high poverty rate in Nigeria, this dissertation aims to provide ways in which the level of poverty in Niger State, Nigeria can be reduced by looking at the impact of social capital on poverty reduction in Niger State, Nigeria. However, the important attached to social capital as a solution to social interaction provides for an examinations of its relevance to poverty reduction in Niger State, Nigeria. Using a set of household data generated from the administration of structured questionnaire to 479 households in Niger State. This thesis addressed three aims, firstly, the study looked at the socio-demographic factors as a determinant of household poverty in Niger State, Nigeria. Out of ten (10) variables that were tested using Tobit regression analysis, only five were statistically significant, these are, age, sex, household size, education, and health facility. Secondly, the study also examines the nature of social capital in Niger State, using descriptive statistic of cross tabulation, the result shows that there is a presence of social capital in Niger State. Thirdly, the study investigate the impact of social capital on poverty reductions in Niger State, Nigeria, using structural equation model (AMOS). The social capital variables considered are the one suggested by Putman which includes, community volunteerism, community organizational life, commitment in public affairs, informal cooperation and trust. The results obtained shows that apart from commitment in public affairs, all other variables were statistically significant, thus, fulfilling our a priori expectation that the more the people of the study area are engage in social capital components the more they find themselves out of poverty. This result notwithstanding, policy measures that would continue to make social capital more relevant to poverty reduction in Niger State, Nigeria in particular and the world in general were suggested.

Keywords: Social Capital, Poverty Reduction, Tobit Regression Model, Structural Equation Modelling (SEM/AMOS)

In its most extreme form, poverty is a lack of basic needs, such as adequate and nutritious food, clothing, housing, clean water, and health services.

Todaro and Smith, (2006) defined poverty has been unable to feed adequately, lack of asset and are indebted, live in an inadequate and unhygienic environment, lack access to medical facilities, water and other basic services, been indulge in alcoholism, drugs abuse, domestic violence and been physically handicapped and indolence.

Leowen, (2009), Defined poverty as the lack of resources to meet the physical needs for survival, and not been able to achieve a standard of living that allows people to play roles, participate in relationships, and live a life that is deemed normative by the society to which they belong. Poverty include lack of critical mass of assets needed to meet one's needs on a sustainable basis, processes of deprivation and marginalization that isolate people from the social and economic activities of society, Lack of resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, economic, political and social rights.

Related to the definition of poverty is the measurement of poverty. Poverty been a multidimensional and complex in nature is as contending as its measurement. The popular P, alpha measure is the most frequently used in analyzing poverty. The measure relates to different dimensions of the incidence of poverty. According to (Omonona, 2010), the incidence of poverty can be attributed to the headcount poverty index (P_0), which measures the proportion of the population whose income or consumption is below the poverty line. The poverty gap index (P_1), this represents the depth of poverty, which give information regarding how far household are from the poverty line. The poverty severity or the square poverty gap, (P_2), measures the severity of poverty, which takes into account not only the distance separating the poor from the poverty line, but it's also takes into account the inequality among the poor. See, (Foster et al., 1984). Other measures of poverty exist; for example, the Sen Index, the Sen-Shorrocks-tone index, the Watts index, and counting and multidimensional poverty measurement. See, (Haughton & Khandker, 2009; Alkire and Foster, 2009).

Recent studies by United Nations Development Program (UNDP) advocates the use of the Human Development Index (HDI). According to UNDP (2009), HDI combines three components in the measurement of poverty: (i) life expectancy at birth (longevity); (ii) education attainment and; (iii) improved standard of living determined by per capita income. (World Bank 2006)

2.2.2 Causes of poverty

According to Maldonado, (2004), there are two main causes of poverty which are the low productivity of available household resources and the high income and consumption volatility experienced by poor households. First, a low productivity of resources is associated with limited endowments (that is, human capital, technology and knowledge, social capital and physical capital), not well-defined property rights, and precarious access to markets (e.g., markets for goods and services, financial services, labor markets, and land markets). These constraints make it difficult for poor households take fuller advantage of their productive opportunities. Second, the instability of income and consumption results from the incidence of shocks and the lack of mechanisms to anticipate and cope with adverse occurrences. The inability of households to deal efficiently with shocks may lead to the loss of productive assets and, thereby, reduce income-generating opportunities. To deal with this vulnerability, households may choose strategies that generate lower, but more stable returns in the process trap into poverty.