Effects of Social Capital on Well-Being of Rural Households in Southwest Nigeria

Author: Olowe, Olukemi Olumuyiwa; Okunmadewa, Foluso; Yusuf, Sulaiman Adesina; Oni, Omobowale

Department of Agricultural Economics, University of Ibadan, Ibadan. Nigeria.

Abstract: *The study examined the effects of social capital on well-being of rural households in Southwest Nigeria. The primary data employed in the study were obtained from 439 respondents selected through a multistage sampling technique. Data were analysed using descriptive statistics, fuzzy set and ordered probit model. The results showed that well-being is low in the study area with an aggregate functioning index of 0.4375. The result of the ordered probit revealed that meeting attendance and cash contribution are negatively related to well-being while density of membership index, heterogeneity index and social capital aggregate are all positively correlated with achieved wellbeing. The study therefore recommends that investment in social capital by government and donors should be an important consideration in promoting the living conditions of rural households.*

Keywords*: Social Capital, Well-Being, Capability Approach, Functioning, Rural Households*

I. Introduction

In spite of the huge resources that have been devoted to poverty reduction by successive governments, living conditions of people in Nigeria have not witnessed a significant growth despite growth in Gross Domestic Product (UNDP 2010, NBS2012). The human development report of the United Nations Development Programme (UNDP 2013), reveals that Nigeria is one of the poorest countries in the world with a human development index (HDI) of 0.471 and ranked 153rd out of 186 countries. Poverty in Nigeria is essentially a rural phenomenon- majority of those in poverty are disproportionately located in the rural areas, where they are primarily engaged in agricultural production and allied activities while having extremely limited access to services such as schools, health centres and safe drinking water (Omonona 2009).

There are many approaches to defining social capital. However, there seems to be a general consensus towards a definition that recognizes social networks, civil norms, institutions and nature of interpersonal interactions that underline them (Healy, 2001). Social capital is widely understood to be the social associations, networks, norms and values that facilitate interaction between individuals and groups and enhance their socioeconomic welfare (Grootaert 1999, Putnam, 1993). They believe that social capital has quantifiable effects on different aspects of human endeavour. Woolcock, 2001, opined that the well connected are more likely to be "housed, healthy, hired and happy".

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

Research undoubtedly correlates high social capital, in the form of social trust and associational networks, with a multiplicity of desirable policy outcomes. Social capital is thus broadly seen as social interactions resulting in improved well-being and can also complement government efforts in improving the well-being of rural households.

It is now generally accepted that well-being is a multidimensional concept. Income or happiness alone is not a sufficient measure of well-being. Sen's capability approach provides a framework for the multidimensional measurement of well-being. The Capability Approach (CA) assesses people's welfare in terms of their functionings and capabilities, which are defined as an individual's actual and potential activities and state of being respectively (Kuklys and Robeyns 2004).

Studies (Majumder 2009, Alkire 2007, Adeyemo and Oni 2013 have been carried out on the determinants of wellbeing using the functioning approach. However fewer attempts have been made to investigate the effect of social capital on overall well-being and the studies were limited to very few functionings. Helliwell and Putnam 2004, Yip et al (2007), investigated the effect of social capital using only income, health and subjective well-being as measures of well-being but did not use the capability approach, while Balimoune-Lutz and Lutz (2004) used the capability approach but concentrated on the effects of income, institutions and social capital on well-being, using life expectancy and literacy as measures of well-being. The

study made use of primary data to analyze well-being status in Southwest Nigeria. The fuzzy set was used to assess the level of household well-being while the ordered probit was used to isolate the effect of social capital on well-being. Specifically, this study seeks to provide empirical evidence on relationships between social capital and well-being.

II.   Materials and Methods

The study was conducted in South western, Nigeria. The Southwest is one of the six geo-political zones in Nigeria. South West of Nigeria falls on latitude 6^0 to the North and latitude 4^0 to the south. It is marked by longitude 4^0 to the West and 6^0 to the East. It is bounded in the North by Kogi and Kwara states, in the East by Edo and Delta states, in the South by Atlantic Ocean and in the West by Republic of Benin. The zone is made up of six states: Ekiti, Lagos, Ogun, Ondo, Osun and Oyo. It is characterized by a typically tropical climate with distinct dry season between November and March and a wet season between April and October. The mean annual rainfall is 1480mm with a mean monthly temperature range of 18^0C -24^0C during the rainy season and 30^0C-35^0C during the dry season. The zone has a land area of about 114, 271Square kilometres, representing approximately 12 percent of Nigeria total land mass. The total population is 27,581,992 and predominantly agrarian and more than 96% of the population is Yoruba. Major food crops grown in the area include: maize, cassava, rice, cowpea, plantain and yam, while major tree crops are kola nut, cocoa, citrus and oil palm. (NPC, 2006).

Primary data were collected for the purpose of this study using structured questionnaire. The primary data collected from each household include the following:

(i)   Socio-economic and demographic characteristics of rural households including: age, gender, marital status, educational level, primary occupation, household size, and distance to nearest urban centre.

(ii)   Participation in local level institutions, indications of trust and collective action: such information include participation in decision making, number of meetings of associations, annual cash and labour contributions to various groups, level of trust and collective action (iii)   Dimensions of well-being: such as type of housing, health, nutrition, education, household assets, political participation, reproductive health, safety, transportation and respondents' perceived well-being.

Sampling procedure: A multi-stage sampling technique was employed for this study. The first stage is the random selection of two states: Osun and Ogun states in the region. In the second stage five Local Government Areas (LGAs) were randomly selected from the two states (Three and two local government areas from Osun and Ogun states respectively for equal representation). This is based on the number of local governments from the two states. Osun state has a total of 30 local governments while Ogun state is made up of 20 local government areas. In the next stage of the selection, 10 rural enumeration areas (EAs) were randomly selected from each local government area based on the EA maps of the National Population Commission (NPC2006). In the last stage, 10 households were systematically selected from each EA. In all, a total of 500 households were interviewed for the study. However, only 439 copies of questionnaire with adequate and consistent information were used in the analysis.

Analytical techniques: The study employed the use of descriptive statistics, fuzzy set theory, Ordered Probit model based on literature on well-being and social capital analysis.

Descriptive statistics such as tables, frequencies, mean standard deviation and percentages were used to characterize the dimensions of social capital and socio-economic variables.

 The Fuzzy Set: The fuzzy set was used to assess the level of household well-being. Fuzzy set substitutes the characteristic function of a crisp set that conventionally assigns a value of either 1 or 0 to each element in the universal set, with a generalised characteristic function which varies between 0 and 1. Larger values denote higher degrees of membership (Chiappero- Martinetti 2000, Lelli 2001 and Majumder 2009).

The model is considered thus: Assume X is a set and x an element of X. A fuzzy subset Q of X can therefore be defined as follows: Q= {x, $\mu_Q(x)$} for all $x \in X$.

$\mu_Q(x)$ = X→0,1. The $\mu_Q(x)$ is a particular function with values between 0 and 1. In this analysis, given X is a set of households (j=1…..n) and Q is a fuzzy subset of X (the set that denotes well being membership); the membership function of well being for the ith individual x_{ij}=1;   condition of full achievement with respect to a given indicator of wellbeing

 x_{ij}=0;   condition of non achievement with respect to a given indicator of wellbeing

 $0 \leq x_{ij} \leq 1$; conditions within the range of full achievement and zero achievement.

The degree of well being is shown by the placement of the individual on the 0 or 1 value or other values in between.

Estimating Membership Functions**: The variables that define indicators of well being for the study are either dichotomous or categorical.

Dichotomous variables are answered by either 'Yes' or 'No'; being states of wellbeing or deprivation respectively represented by either 1or 0.

Categorical variables express themselves in a range of values. The linear equation given by Lelli (2001), Majumder (2009) is adopted as follows.

$\mu_q(a_i) = X_j(a_i) = x_{ij}$ ....Eqn 1

and thus;

$x_{ij} = 0$, if $C_{ij} = C_{min}$

$x_{ij} = (C_{ij} - C_{min})/(C_{max} - C_{min})$ if $C_{min} < C_{ij} < C_{max}$ ....Eqn 2

$x_{ij} = 1$, if $C_{ij} = C_{max}$

Where C_{min} is the value that depicts the lowest level of well-being in the jth attribute, while C_{max} is highest level of wellbeing in the jth attribute which indicates highest level of well being in the a_i^{th} household. Thus, the modalities are arranged in increasing order of well being attainment. Cij values are the intermediate values within the two thresholds, which depicts the position of the a_i^{th} household within the modalities set forth. This assumes that the modalities in the data set are equally spaced.

In specifying the Fuzzy Well being Index for the population, as a ratio of the well being index of the a_i^{th} household, the formula presented by Oyekale, 2008 and Adeyemo and Oni, 2013 is adopted as follows:

$$\mu_q = \frac{\sum_{i=1}^{n} \mu q(a_i) n_i}{\sum_{i=1}^{n} n_i} \quad \text{.................................3}$$

μ_q is the fuzzy well being index for the population of households studied.

$$= \frac{1}{n}\sum_{i=1}^{n} \mu_q(a_i) n_i \quad \text{...............................4}$$

Equation 3 and 4 express the degree of attainment of the selected well being attribute

This could also be conceptualized as:

$$\mu q = \frac{\sum_{j=1}^{m} x_{ij} w_j}{\sum_{j=1}^{m} w_j} \text{.....................Eqn5}$$

Where w_j is the weight given to the jth attribute

$$w_j = \log \frac{n}{\sum_{i=1}^{n} x_{ij} n_i} \text{...........................Eqn6}$$

In the multidimensional approach used by Majumder (2009), each dimension of human well-being is considered as equally relevant. The approach is used in the study.

The Ordered Probit Model: The causal relationships between the social economic variables and well- being indicators was analyzed using the Ordered Probit Model. Royo and Velazco (2006) used the Ordered Probit Model with 3 alternatives while the study used a model with 4 alternatives.

. The structural equation will be expressed as:

$y^* = \sum \beta_{ki} x_{ki} + \varepsilon_i$ .... (7)

Where $\varepsilon_i \sim ND(0,1)$

It is assumed that there are N individuals, the empirical specification is formulated in terms of a latent response variable, y* which is a linear combination of some predictors, x, plus a disturbance term that has a standard Nominal Distribution and is defined by:

i: The surveyed individual

x_{ki}: Independent variables that explain the individual's well-being

β_k: Parameter that indicates the effect of x_k on y_i^*

ε_i: A normally distributed independent error term for household i

Let yi be a discrete random variable whose value ranges from 1 to 4. The Well-being categories for the households are divided into quartiles following the ranking of countries according to their HDI score by the

UNDP into "very high", "high", "medium" and "low" (4, 3, 2 and 1).Therefore, the Ordered Probit Model with 4 alternatives is defined as follows:

$$y_i = 1 \quad \text{if} \quad y_i^* \leq u_1$$
$$y_i = 2 \quad \text{if} \quad u_1 < y_i^* \leq u_2$$
$$y_i = 3 \quad \text{if} \quad u_2 < y_i^* \leq u_3$$
$$y_i = 4 \quad \text{if} \quad y_i^* > u_3 \qquad \qquad ....(8)$$

Where $\mu_1 < \mu_2 < \mu_3$

Where μ_1, μ_2 and μ_3 are the cut points or the threshold parameters in the Probit model. The threshold variables are unknown and they indicate the discrete category that the latent variable falls into. The model was estimated using maximum likelihood estimation.

Marginal effect on the odds is one of the interpretations of the result from the model. It refers to partial effect on the odd of falling into a category as opposed to user-chosen category. There is also an interpretation as the predicted probabilities in a given set of values in the explanatory variables; this value gives the proportional predicted probabilities by which the explanatory variables contribute to the response variable.

The Ordered Probit model was employed in this study to compare the probability of a household falling into any of the quartiles as a result of its social capital endowment through household participation in social groups, level of trust in community members and participation in collective action.

Variables Definition

(A) Household characteristics / conversion factors that were used in the regression analysis include:

Age (X_1): It measures the age of the household head in years.

Gender (X_2): Male respondents are scored1 while female counterparts are scored zero.

Marital status (X_3): if household heads are married, single, widowed and divorced/ separated.

Household size (X_4): Household size is measured by the number of people eating from the same pot.

Level of education (X_5): This is measured by the educational attainment and grouped into none formal, primary, secondary, tertiary.

Employment (X_6): Respondents are either employed or not

Primary occupation (X_7): Primary occupation indicates the nature of job of the household. It is represented by farming, government, private, trading, wage labour, craft/artisan, driving, others.

Distance to urban centre (X_8): Distance of rural homesteads to the nearest urban centre was measured in kilometre.

(B) Social Capital Variables

Density of Membership(X_9): This was measured by the total number of associations to which each household belongs.

Heterogeneity Index (X_{10}): Internal heterogeneity of groups that household members belong. This was rated according to eight criteria: neighbourhood, kin group, occupation, economic status, religion, gender, age and level of education.

Meeting Attendance Index (X_{11}): Number of meetings attended by household members in relation to scheduled meetings per annum by the associations they belong to. This value was then multiplied by 100.

Decision making index (X_{12}): Extent of participation in decision making in the associations

Cash contribution (X_{13}): Summation of the total cash contributed (in Naira) as membership dues to the various associations which the household belong.

Labour contribution (X_{14}): The total number of days worked as membership contribution.

Indicators of Trust (X_{15}): Household members' level of trust in the community and if they expect to receive assistance from members of their community or networks in case of emergencies.

Collective Action(X_{16}): Number of activities household members has participated in the community.

Aggregate social capital index (X_{17}): This will be obtained by the multiplication of density of membership, heterogeneity index and decision making index of households in the various groups.

III. Results and Discussion

Table 1 presents the fuzzy logic computations of achieved well-being measured by the functioning index. Housing dimension records highest score of 0.1361, while the lowest scores are in the dimensions of wealth, security and political participation in descending order (0.0378, 0.0197 and 0.0167). The functioning index for this study is lower than the national Human Development Index (HDI) of 0.471(UNDP 2013). The HDI is a composite measure of well-being using the three dimensions of health, education and income while this study used an index with eight dimensions of health, nutrition, education, housing, reproductive life, political participation, security and wealth. Majumder (2009) in analyzing well being of Indian women over two periods estimated well being values of 0.606 and 0.649 for the data set of 1998/1999 and 2005/2006 respectively. The values are much higher than that estimated from this study, although Majumder concentrated on Indian women in both urban and rural India.

Table 1: Fuzzy logic computations of achieved well-being measured by the functioning index

DIMENSION	INDICATOR	INDEX PER INDICATOR	INDEX PER DIMENSION
HEALTH (μ_1)	μ_{11} Health facility	0.0130	
	μ_{12} Use of health facility by household members	0.0118	
	μ_{13} Type of facility consulted by household	0.0047	
	μ_{14} Suffered injury in the last one year	0.0191	
	μ_{15} Type of net used to prevent malaria.	0.0200	
			0.0686
NUTRITION(μ_2)	μ_{21} Consumption of beans and/ or any plant protein	0.0184	
	μ_{22} Consumption of egg/chicken meat or fish	0.0193	
	μ_{23} Consumption fruits and vegetables	0.0198	
			0.0575
EDUCATION (μ_3)	μ_{31} Primary school in the community	0.0129	
	μ_{32} Secondary school in the community	0.0193	
	μ_{33}	0.0197	
			0.0519
HOUSING(μ_4)	μ_{41} Dwelling Ownership	0.0166	
	μ_{42} Type of housing unit	0.0195	
	μ_{43} Quality of construction material	0.0113	
	μ_{44} Wall of house plastered	0.0189	
	μ_{45} Type of toilet facility	0.0185	
	μ_{46} Source of drinking water	0.0197	
	μ_{47} Connection to national grid for electricity	0.0193	
	μ_{48} Refuse Disposal	0.0123	
			0.1361
REPRODUCTIVE LIFE (μ_5)	μ_{51} Location of maternity centre	0.0132	
	μ_{52} Children ever born	0.0188	
	μ_{53} Children ever died	0.0172	
			0.0492
POLITICAL PARTICIPATION (μ_6)	μ_{61} Location of polling booth	0.0091	
	μ_{62} Participation in the last voters' registration	0.0045	
	μ_{63} Participation in the last election	0.0031	
			0.0167
SECURITY(μ_7)	μ_{71} Location of police post or station in the community	0.0197	
			0.0197
WEALTH (μ_8)	μ_{72} Ownership of land	0.0199	
	μ_{73} Ownership of consumer durables	0.0179	
			0.0378
			0.4375

Source: Field Survey 2012

Table 2 shows the fuzzy logic computation of functioning by socioeconomic (characteristics conversion factors) of the respondents. The male headed households have a lower functioning than female headed households with indices of 0.4240 and 0.4433 respectively. This may be due to the fact that female household heads may tend to invest more in indicators such as assets that directly contribute to functioning while male may have more fixed assets like land but larger households. The result agrees with Adeyemo and Oni (2013) that female headed households have higher index (0.1246) than their male counterparts with an index of 0.1234 across the six geo-political zones of Nigeria. With respect to age, age group 40-49 has the highest scores of 0.4727. Respondents aged 60 and above have lowest scores 0.4186. It is interesting to note that achieved well-being increase with age, however, well-being starts to decline from age group 50-59. The age group 60 and above has the lowest score and it may be assumed that diminishing productivity leads to lower potential wellbeing. It is also expected that those within the productive age bracket will have the resources to access required infrastructure and assets that will make them achieve a better standard of living than those who are not. Oswald and Blanchflower (2004) and Easterlin (2006) found effect of age on well-being (happiness) to be concave reflecting the life cycle effect of age on well-being. These studies found that well-being increases with age and reaches maximum at age group 40-49 years. With respect to educational status, well-being increases with each level of education. Household

heads with no formal education have the lowest index of 0.3888 while those with tertiary education have the highest score of 0.5704. This result is expected as level of education is known to influence the behaviour, values, exposure and opportunities of individuals leading to improved well-being.

The results further showed that, household heads that are divorced or separated have higher well-being than other households having the highest score of 0.4495, followed by the married with an index 0.4488. The widowed has the lowest index of 0.3995. The lowest score by the group indicates that widows are the most vulnerable to poverty as they have the lowest well being. Loss of a spouse predisposes households to lower well-being achievement as such households are deprived of the economic and emotional contributions of the dead spouse. The results further show that wellbeing in both the capability and functioning spaces increases with household size. The larger the household size, the higher the quality of life from household size1-5 to household size 6-9 but lowest with household size ≥10. Agricultural production in rural Nigeria depends largely on household labour. These findings agree with Oni and Adeyemo (2013) that household with a greater number of members have more opportunity to improve their livelihood than those with smaller sizes but diminishing returns to labour may set in as household size reaches 10 members. In terms of occupational group of household heads and wellbeing index, households in waged labour have the highest functioning index of 0.5444, followed by those in private jobs with 0.5368. Farming households have the lowest wellbeing (0.4229). This agrees with several studies (Okunmadewa, *et al* (2005), Majumder (2009), Adeyemo and Oni (2013) that the small holdings of most farmers result into their low income. With regards to distance of households to urban centres, functioning increases as households live farther from urban centres. In the space of achieved wellbeing, households who live more than 20km from urban centres have the highest score of 0.4718, while those living not farther than 10km to urban centres have the lowest index of 0.4298. Functioning increases as households live farther from urban centres. Households living close to urban centres may have potentials but do not make the right choices which reflect in better living as they may be exposed to the negative effects of urbanisation.

Table 2: Fuzzy logic computation of functioning by socioeconomic of the respondents

Characteristic	Subset	Functioning Index
Gender	Male	0.4240
	Female	0.4433
Age Of Household Head	<30	0.4366
	30-39	0.4500
	40-49	0.4727
	50-59	0.4396
	>60	0.4186
Educational Status	No Formal	0.3888
	Primary	0.4466
	Secodary	0.4792
	Tertiary	0.5704
Marital Status	Married	0.4488
	Single	0.4324
	Widowed	0.3995
	Divorced/Separated	0.4495
Household Size	1-5	0.4225
	6-9	0.4572
	≥10	0.4545
Employment	Unemployed	0.4982
	Employed	0.4267
Occupational Status of Household Head	Farming	0.4229
	Government Job	0.5117
	Private Job	0.5368
	Trading	0.4560
	Wage Labour	0.5444
	Crafts/ Artisan	0.5350
	Driving/Okada Riding	0.4633
	Others	0.4419
Distance To Nearest Urban	0-10km	0.4298
	11-20km	0.4649
	>20km	0.4718

Source: Field Survey 2012

Table 3 shows the results of functioning based on social capital dimensions. Achieved wellbeing increases as density of membership increases. Households with membership of 1-2 associations have the lowest functioning index of 0.4210 while households participating in 5 or more groups have the highest wellbeing index of 0.5981. Groups with heterogeneity index of more than 80% have the highest functioning index of 0.5520 while groups with scores of 1-20% have the lowest functioning index of 0.4040. Participation in groups with greater diversity improves achieved wellbeing. Households attending 41-60% of all association meetings have the highest functioning index of 0.4584. With respect to decision making and functioning, households with scores of 41-60% in decision making have the lowest achieved well-being with an index of 0.4029 while those with scores of 21-40% have the highest index of 0.5244. Meeting attendance and participation in decision making do not guaranty achieved well-being. Households with membership dues between ₦501and ₦1000 have the highest well-being index of 0.4892 while those with cash contribution of ₦1001- ₦5000 have the lowest index of 0.4226 respectively. Membership dues should be moderate for members of association to derive full benefits in terms of well-being.

Table 3: Functioning Based On Social Capital

Social Capital Indicator	Subset	Functioning Index
Density of Membership	1-2	0.4210
	3	0.4951
	4	0.5276
	≥5	0.5981
Heterogeneity Index	1-20	0.4040
	21-40	0.4261
	41-60	0.4619
	61-80	0.4743
	>80	0.5520
Meeting Attendance Index	1-20	0.4181
	21-40	0
	41-60	0.4584
	61-80	0.4002
	>80	0.4465
Decision Making Index	1-20	0.4253
	21-40	0.5244
	41-60	0.4029
	61-80	0.4280
	>80	0.4384
Cash Contribution	0-500	0.4459
	501-1000	0.4892
	1001-5000	0.4226
	>5000	0.4255
Labour	0-1	0.4369
	>1	0.4412
Collective Action	0-0.5	0.4460
	0.51-1	0.4391
	>1	0.4263
Trust	0-0.5	0.4479
	0.51-1	0.2671
	>1	0.4334
Social Capital Aggregate	1-20	0.4945
	21-40	0.3950
	41-60	0.4619
	61-80	0.4423
	>80	0.4365

Source: Field Survey 2012

The result of the determinants of functioning is presented in Table 4. The four categories of achieved wellbeing– very low, low, high and very high, formed the dependent variables as ordered 0, 1, 2 and 3 respectively. Thirty one explanatory variables were considered in the model. However, only 30 were allowed in the model from which eleven were statistically significant at various levels. They are age group 40-49, primary education,

secondary education, tertiary education, employment, trading, crafts and artisan, density of membership, heterogeneity index, meeting attendance and cash contribution. The likelihood ratio chi-square of 165.58 with a p-value of 0.0000 reveals that the model as a whole is statistically significant. Pseudo R squared is 0. 1360. The result reveals that age group 40-49 is significant (P < 0.10) and positively related to achieved wellbeing. This shows that being in the age group 40-49 will lead to a 0.37 increase in the log odds of having achieving a higher wellbeing than any other age group, given all of the other variables in the model are held constant. All levels of education (primary, secondary and tertiary education) are statistically significant (P< 0.01). Having formal education is positively related to higher well-being. As level of education increases, the odds of achieving better living increases. This is expected, as education is positively correlated with other indicators of well-being like health, nutrition, exposure to mass media thus leading to higher wellbeing. This can be due to the fact that higher education leads to better opportunities. Trading and crafts are positively significant to achieving better living conditions (P< 0.05 and P< 0.10) in that order. Being employed in rural Nigeria is negatively significant to achieving higher well-being (P< 0.01). Meeting attendance and cash contribution are negatively related to achieved wellbeing and significant. Density of membership index and heterogeneity index are positively correlated with achieved wellbeing (P<0.01). The results is in agreement with Adepoju *et al* (2011) and Yusuf (2008) that groups with members with high diversity tend to yield better benefits leading to high wellbeing achievement.

Table 4: Determinants of Functioning

Variable	Coefficients	Standard Error	Z	P> Z
Age <30	-.2173849	.2583399	-0.84	0.400
Age40-49	.3697861*	.2071015	1.79	0.074
Age 50-59	.1030878	.202341	0.51	0.610
Age ≥60	.0809611	.1901795	0.43	0.670
Gender	-.0197555	.1887135	-0.10	0.917
Married	-.1095638	.2727157	-0.40	0.688
Widowed	-.2229837	.3343201	-0.67	0.505
Divorced/Separated	.0166385	.3565909	0.05	0.963
Hhsize1-4	-.401434	.2478832	-1.62	0.105
Hhsize5-9	-.1426827	.246703	-0.58	0.563
Primary Education	.5099801***	.1402438	3.64	0.000
Secondary	.8612136***	.1783413	4.83	0.000
Tertiary	2.141981***	.3642205	5.88	0.000
Employment	-.6578097***	.1761385	-3.73	0.000
Private Job	.5867757	.4661176	1.26	0.208
Trading	.4048607**	.1726666	2.34	0.019
Wage Labour	.7955812	.5850758	1.36	0.174
Crafts/Artisan	.6234502*	.3711294	1.68	0.093
Driving	.112248	.3497698	0.32	0.748
Others	.1834505	.2347874	0.78	0.435
Farming	0			
Dist Tourban11-20km	.2776042	.1723287	1.61	0.107
Dist To Urban >20km	.0504503	.2277966	0.22	0.825
Denmem3	.4603515***	.1036834	4.44	0.000
Heteroindex3	.0159614***	.0042388	3.77	0.000
Meetindx3	-.0049907**	.0019588	-2.55	0.011
Decindx3	.0049829	.0031195	1.60	0.110
Cashcontri3	-.0000378*	.0000219	-1.72	0.085
Laborcontri3	-.424041	.06600808	-0.64	0.521
Collective action	-.0142889	.11943	-0.12	0.905
Trust3	-.0177586	.116248	-0.15	0.879
/Cut1	-.0084413	.6037565		
/Cut2	.8220013	.6055975		
/Cut3	1.692141	.6083677		
No Of Observation	439			
Pseudo R2	= 0.1360			
Log Likelihood	= -525.78834			
Prob >Chi2	= 0.0000			

*** 1% Significant Level,   ** 5% Significant Level,   * 10% Significant Level
Source: Field Survey 2012

IV.   Conclusion and Policy Recommendation

The study examined the effect of social capital on well-being of rural households. The study provides empirical evidence that social capital has a positive influence on household well-being. It is evident from the results of the study that education is a factor that can complement social capital in improving achieved well-

being. Farming records the lowest well-being of all the occupational groups. Meeting attendance and cash contribution are negatively related to achieve wellbeing. Density of membership is highly correlated with achieved well-being. The results further show that membership in groups with high diversity of members improve well-being. Achieved functioning is low in rural southwest Nigeria. The study has revealed that social capital contributes positively to well-being. It suggests that investment in social capital by government and donors should complement the promotion of formal education among rural households in order to improve the living conditions of rural households.

References

[1]. Adeyemo, T. and Oni O. (2013): "A Functioning Approach to Well Being Analysis in Rural Nigeria" Sustainable Agriculture Research; Vol. 2, No. 1; 2013
[2]. Adepoju, A., Oni, O., Omonona, B. and Oyekale A. (2011): "Social Capital and Rural Farming Households' Welfare in Southwest Nigeria" World Rural Observations 3 (3), 150-161.
[3]. Alkire, S. (2007): Choosing Dimensions: The Capability Approach and Multidimensinal   Poverty. CPRC Working Paper 88
[4]. Baliamoune-Lutz, M. and Lutz, S.H. (2004). "The Contribution of Income, Social Capital, and Institutions to Human Well-being in Africa" Center for European Integration Studies, Rheinische Friedrich-Wilhelms-Universität Bonn.
[5]. Chiappero -Martinetti, E. (2000). "A multi-dimensional assessment of well-being based on Sen's functioning theory," Rivista Internazionale di Scienze Sociali, Vol. CVIII, No. (2), pp.207-39.
[6]. Grootaert, C. (1999). "Social Capital, Household Welfare, and Poverty in Indonesia" Local Level Institutions Working Paper No. 6, Washington D.C. The World Bank.
[7]. Helliwell,J. F. and R. D. Putnam(2004) "The Social Context of Well-being" Phil Trans R   Soc. Lon, B Vol 3, (59):1435-46.
[8]. Kuklys W. and I. Robeyns (2004) "Sen's Capability Approach to Welfare Economics" CWPE 0415
[9]. Lelli,S. (2001) Factor Analysis Vs. Fuzzy Set Theory: Assessing the Influence Of Different Techniques On Sen's Functioning Approach
[10]. Majumder, A. (2009) "Capability and Women's Well-Being In India: An Empirical Study Based On National Family Health Survey-2 & 3" Preliminary Draft Submitted For Presentation At The 18th Annual Meeting Of The IAFFE In Boston, USA, June 26-28, 2009.
[11]. Human Development Report Nigeria 2008 - 2009
[12]. National Population Commission (2006) Census Report
[13]. Omonona, B.T. (2009). Knowledge Review on Poverty and Rural Development in Nigeria, Nigeria Strategy Support Program NSSP Report No 003 Pp3
[14]. Oni O and S.A. Yusuf (2008) Determinants of Expected Poverty Among Rural Households in Nigeria AERC Research Paper 183 African Economic Research Consortium, Nairobi .September 2008
[15]. Putnam, R. (1993): "The Prosperous Community: Social Capital and Public Life" The American prospect, No. 13.
[16]. UNDP. (2010). Human Development Report. Accessed on 15/11/2010. http://hdr.undp.org/en/reports/global/hdr2010.
[17]. UNDP. (2013). Human Development Report. Accessed on 04/05/13
[18]. Woolcock, M.. (2001) "The Place of Social Capital in Understanding Social and Economic Outcomes". ISUMA Canadian Journal of Policy Research 2 (1) 11-17.
[19]. Yip, W., S.V. Subramanian, A. Mitchell, D. Lee, J. Wang, and I. Kawachi (2007): "Does   Social Capital Enhance Health and Well-being? Evidence from Rural China". Soc Sci Med 64(1): 35-49.
[20]. Yusuf, S.A. (2008) Social Capital and Household Welfare in Kwara State, Journal of Human Ecol., 23 (3): 219-229