

Research Paper

Position of Rural Production Cooperatives in Capacity Building of Social Capital of local communities in Hamadan County

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Citation: Shanazi, K., Sadi, H., & Movahedi, R. (2020). [Position of Rural Production Cooperatives in Capacity Building of Social Capital of local communities in Hamadan County (Persian)]. *Journal of Rural Research*, 11(1), 140-157, <http://dx.doi.org/10.22059/jrur.2020.293247.1425>

doi: <http://dx.doi.org/10.22059/jrur.2020.293247.1425>

Received: 01 Dec. 2019
Accepted: 12 Mar. 2020

ABSTRACT

The purpose of the present research is to investigate the position of rural production cooperatives in the formation and of social capital. This study is descriptive-analytical survey-based study. Data were collected using library studies and field method using a questionnaire. The statistical population of the study consisted of 1655 members of rural production cooperatives in *Hamadan*, Iran, out of whom 180 were selected using Cochran formula by proportional random sampling method. Content validity of the questionnaire was assessed by subject matter experts. The construct validity and reliability of the construct were confirmed by calculating the composite reliability and Cronbach's alpha coefficient. The results showed that the level of capacity building of bonding and linking social capital was medium and low, respectively. Pearson correlation results confirmed the significant relationship of age, membership experience in the cooperative, agricultural experience and number of training courses with the variables of capacity building of linking and bonding social capital. In this regard, there was no significant difference between men and women in terms of capacity building of bonding social capital but capacity building of linking social capital of men was significantly higher than women. The results obtained in relation to the values of the fit indices showed that both the models of measuring capacity building of bonding and linking social capital had good fitting indices. The results of confirmatory factor analysis indicated that the bonding interaction ($\lambda = 0.83$) was the strongest indicator of the capacity building of bonding social capital and formal relationship network ($\lambda = 0.84$) was the strongest indicator of the capacity building of linking social capital.

Key words:

Capacity building, Bonding social capital, Linking Social capital, Rural cooperatives, Hamedan County

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Extended Abstract

1. Introduction

Today, social capital is seen as one of the components of nations' wealth and sus-

tainable development, one of the means of community capacity building and reducing social problems. The dimensions of social capital do not exist equally for individuals and communities. Bonding social capital is the relationship between similar members of a community. In order to achieve proper social capital, the necessary structures and

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capacities must first be formed in society. Membership in productive (cooperative) organizations, networks and civic organizations is one of the strategies for strengthening social capital. Numerous social elements (trusts, partnerships, networks, etc.) in cooperatives are summarized in a variable called social capital that is capacity-building by the effort and willingness of individuals to reinforce or create them within and outside the cooperative defined. Strengthening social capacity enhances individuals' ability to identify problems, target and communicate and provide opportunities for their participation. In this regard, the present study measures the level (capacity) of social capital (bonding and linking) members of *Hamadan* rural production cooperatives, assuming social capital by establishing coordination and communication among other types of capital in the form of a network of relationships based on mutual trust and in-group and communication partnerships. Cohesion and solidarity provide the basis for achieving rural development.

2. Methodology

This is a descriptive-analytical study. It is applied in terms of purpose and is a survey-based in terms of data collection, which was done using a questionnaire and correlation. The statistical population of the study consisted of *Hamadan* rural production cooperatives (six cooperatives) with a total of 1655 members. According to the number of members of each cooperative, the sample size was determined to be 180 using Cochran's formula. It is a cooperation among members as well as with power groups, which includes measuring interaction and building better relationships because of increased trust. Descriptive statistics (frequency distribution, percent, mean and standard deviation) and analytical statistics (Pearson correlation coefficient, independent t-test, and confirmatory factor analysis) were used for data analysis on SPSS₂₅ and LISREL_{8.8}.

3. Results

The results showed that the level of capacity building of bonding and linking social capital members was reported to be medium and low, respectively. The results confirm the significant relationship of age, membership experience in the cooperative, agricultural experience and number of training courses with the variables of capacity building of linking and bonding social capital. However, there was no significant difference between men and women in terms of capacity building of bonding social capital, but capacity building of linking social capital of men was significantly higher than women. The results of confirmatory factor analysis indicated that the bonding

interaction ($\lambda = 0.83$) was the strongest indicator for the capacity building of bonding social capital and formal relationship network ($\lambda = 0.84$) was the strongest indicator for the capacity building of linking social capital.

4. Discussion

Rural production cooperatives, along with their economic functions, can affect the social capacities of society (social capital) in two dimensions: bonding and linking. Cooperatives have been influential in all elements of social capital in both bonding and linking dimensions, indicating the high capacity of cooperatives to carry out in-group collaborative development activities. In the dimension of linking and interaction with institutions and groups of power, the cooperatives have failed to build mutual trust and the exchange of constructive information between its members and individuals or independent groups, and linking conflict still exists. This has limited the level of capacity building of linking social capital in relation to capacity building of bonding social capital. Women have also failed to form formal partnerships outside the cooperative system and institutions of power for various reasons. The results of confirmatory factor analysis indicated that the bonding interaction ($\lambda = 0.83$) was the strongest indicator of the capacity building of bonding social capital and formal relationship network ($\lambda = 0.84$) was the strongest indicator of the capacity building of linking social capital.

5. Conclusion

Given the importance and necessity of women's role in rural development and the advancement of cooperative goals, barriers to this capacity building should be recognized and eliminated. Bonding interaction is the strongest indicator of enhancing bonding social capital capacity. According to Putnam (1993), "the more people interact, the more they learn about each other and find more motivation for trust".

Acknowledgments

This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

Conflict of Interest

The authors declared no conflicts of interest