

**Social Capital and Social Entrepreneurship:  
Analysing Links and Implications for Sustainability  
in Third Sector Organisations in West Bengal**

**Saswati Basu**

**A thesis submitted for the degree of  
Doctor of Philosophy in Management**

**University of Technology, Sydney**

**2009**

### **Certificate of authorship/originality**

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

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

Production Note:

Signature removed prior to publication.

Signature of Student

## Acknowledgements

At the very beginning, I would like to thank my supervisor, Professor Jenny Onyx for her incessant valuable guidance, feedback and support in every area of my study over the past few years. Her invaluable dialogue and discussion helped to shape my ideas from its abstract form; and at the same time, helped me to develop my writing skill and ability to express my concepts in an innovative way. The research area is about social entrepreneur leaders. After studying under the mentorship of Jenny, I realise now that she can be considered as an academic entrepreneur who can enable a student to be a researcher. It has been an honour and joy to research under her supervision.

My co-supervisor, Dr. Samiul Hasan was extremely helpful for his guidance and valuable suggestions in the development of this thesis topic at the initial stage.

Several people provided help in editing my thesis. I am grateful to Sarah Smith, Barbara Murphy, Joe Leahey and Dr. Mathew McDonald for their excellent editing at different points of time that improved my expressions immensely. I am also indebted to Dr. Hilary Yerburi, Nita Maria Radyati and Dr. Jenny Sappy for providing me information and support throughout the entire period of my study - in good and bad days.

My sincere thanks goes to Mr. Jayakrishna Kayal from West Bengal, India for providing tremendous support for organising interviews with the first case study organisation and also in obtaining information on other social entrepreneurs in the region. Mr. Niranjan Naskar, my field study escort also deserves special thanks – without his help I could not have conducted my in-depth interviews efficiently over a long period of time. I want to take this opportunity to thank all interview participants of five case study organisations for their patience and tolerance.

I offer my special thanks to my husband, Parikshit for being patient during the entire period of my study and tolerate only research related talks all the time. He also helped and encouraged me throughout. Last but not the least, I remember with boundless gratitude the love of my children, Anindo and Avantika over this period who have been the valuable sources of my strength in completing this work. The care of my youngest sister, Arundhati during my field work in West Bengal, India helped me to conduct the work peacefully away from home.

## Table of contents

	<i>Page no.</i>
Certificate of authorship/originality	i
Acknowledgements	ii
Table of contents	iii
List of figures and tables	vi
Abstract	vii
List of terms used	ix
List of abbreviations used	x
<b>Chapter 1: Introduction</b>	
1.1 Introduction	1
1.2 Background of research	3
1.3 Genesis of the study	18
1.4 Aims and objectives of the study	19
1.5 Methodology	20
1.6 Outline of the thesis	21
<b>Chapter 2: Literature Review</b>	
2.1 Introduction	23
2.2 The concept of capital	23
2.3 Social capital	25
2.4 Social entrepreneurship	38
2.5 Organisational sustainability	59
2.6 The research gap	64
2.7 The research question	65
<b>Chapter 3: Methodology</b>	
3.1 Introduction	67
3.2 Research paradigm/approach	67
3.3 Multiple case study method	72
3.4 Ethical protocol	83
3.5 Data collection features in rural West Bengal	84
3.6 Data analysis and presentation	84
<b>Chapter 4: Case Study 1: Bhuvonpur Adibasi Sangho ( BAS)</b>	
4.1 Introduction	87
4.2 Socio-economic context	88
4.3 Overview of BAS	92

4.4	Social Entrepreneur External to Organisation (SEETO)	94
4.5	Influence of SEETO's characteristics on social capital	109
4.6	Development impacts of SEETO's activities	118
4.7	Implications of SEETO characteristics on organisational sustainability	124
4.8	Discussion	130
<b>Chapter 5: Case Study 2: Gramunnayan Milan Samity (GMS)</b>		
5.1	Introduction	136
5.2	Socio-economic context	136
5.3	Overview of GMS	141
5.4	Social Entrepreneur External to Organisation (SEETO)	144
5.5	Influence of SEETO's characteristics on social capital	162
5.6	Development impacts of SEETO's activities	168
5.7	Implications of SEETO characteristics on organisational sustainability	174
5.8	Discussion	178
<b>Chapter 6: Case Study 3: Daria Gramunnayan Sangho (DGS)</b>		
6.1	Introduction	183
6.2	Socio-economic context	183
6.3	Overview of DGS	185
6.4	Social Entrepreneur External to Organisation (SEETO)	187
6.5	Influence of SEETO's characteristics on social capital	199
6.6	Development impacts of SEETO's activities	203
6.7	Implications of SEETO characteristics on organisational sustainability	205
6.8	Discussion	209
<b>Chapter 7: Case Study 4: Shishu O Mahila Sangho (SMS)</b>		
7.1	Introduction	213
7.2	Socio-economic context	213
7.3	Overview of SMS	215
7.4	Social Entrepreneur Internal to Organisation (non-SEETO)	217
7.5	Influence of non-SEETO's characteristics on social capital	232
7.6	Development impacts of non-SEETO's activities	240
7.7	Implications of non-SEETO characteristics on organisational sustainability	243
7.8	Discussion	247
<b>Chapter 8: Case Study 5: Alokandanda Nari Sangho (ANS)</b>		
8.1	Introduction	252

8.2	Socio-economic context	252
8.3	Overview of ANS	254
8.4	Social Entrepreneur Internal to Organisation (non-SEETO)	255
8.5	Influence of non-SEETO's characteristics on social capital	268
8.6	Development impacts of non-SEETO's activities	275
8.7	Implications of non-SEETO characteristics on organisational sustainability	278
8.8	Discussion	282
<b>Chapter 9: Cross-Case Analysis and Major Research Findings</b>		
9.1	Introduction	287
9.2	Social context	287
9.3	Characteristics of social entrepreneurs	290
9.4	Reproduction of social capital and leadership style	304
9.5	Development impact of leadership	307
9.6	Leadership style: Enabler and Benevolent Dictator	309
9.7	Implications of leadership style on organisational sustainability	314
9.8	Conclusion	316
<b>Chapter 10: Conclusions</b>		
10.1	Introduction	319
10.2	Major findings of this study	320
10.3	Significance of this research	326
10.4	Further research possibilities	333
10.5	Implications of this research from a development perspective in India	334
<b>Appendix A Request for preliminary information on social entrepreneurs</b>		337
<b>Appendix B Consent Form for interview participants</b>		339
<b>Appendix C List of questions for face-to-face interviews</b>		340
<b>Appendix D Photos from case study organisations</b>		343
<b>Appendix E Location of Case Study Villages – West Bengal, India</b>		349
<b>List of References</b>		350

## List of figures and tables

	<i>Page no.</i>
Figure 2.1: Conceptual framework	66
Figure 3.1: Proposed methodology – schematic presentation	73
Table 3.1 Case study organisations — basic features	78
Table 3.2 Number of interviews conducted	79
Table 4.1 Characteristics and outcomes of social entrepreneurs SEETO – BAS	135
Table 5.1 Characteristics and outcomes of social entrepreneurs SEETO – GMS	182
Table 6.1 Characteristics and outcomes of social entrepreneurs SEETO – DGS	212
Table 7.1 Characteristics and outcomes of social entrepreneurs Non-SEETO – SMS	251
Table 8.1 Characteristics and outcomes of social entrepreneurs Non-SEETO – ANS	286
Table 9.1 Social context - Summary of findings	291
Table 9.2 Activities, leadership style and outcome of social entrepreneurs’ activities	292

## Abstract

The theory of social capital attracts considerable attention across diversified fields due to its positive impact on society. A major portion of social capital literature is devoted to defining the concept and identifying the sources and factors that contribute to social capital development. Putnam (1993), the major proponent of this theory, defined social capital as the trust, norms and networks that facilitate coordinated action and improve the efficiency of society. He considered voluntary organisations to be a significant source of social capital as they encourage the trust-based relationships required for collective action. Many authors argued that social capital development is context specific. Krishna (2002) found that in a poor socio-economic context, social entrepreneurs acting as mediators can activate social capital and bring development. Social entrepreneurs act as catalysts to social change (Alvord et al. 2004), but limited studies have focused on their role in voluntary organisations in developing social capital.

The present research analyses the activities of social entrepreneurs who assist in building and strengthening social capital among villagers as a part of the development process, and the implications of these activities for organisational sustainability. The activities of two types of social entrepreneurs, outsiders (SEETOs) and insiders (non-SEETOs) have been analysed.

The research used a qualitative design and case study approach to investigate multiple levels of analysis within the single study. The case study organisations are five rural voluntary organisations from the state of West Bengal, India — three with SEETOs and two with non-SEETOs. Primary data have been collected during 2007 and 2008 through face-to-face interviews, published materials, photographs and participant observations.

The findings of this research indicate that the development of social capital is dependent on the ‘enabling’ leadership style of social entrepreneurs. The ‘enabling’ leaders played an important role in transforming an organisation into a learning organisation and developed the villagers’ organisational ability or social agency (an element of social



capital) as a group to solve their own problems. The learning organisation ensures organisational sustainability. The study also observed the ‘benevolent dictator’ leadership style. The ‘benevolent dictator’ failed to create a learning organisation, and so the villagers had no organizational ability or social agency, which then placed organisational sustainability at risk. However, both types of leader played positive and effective roles in improving the lives of poor villagers. The research confirmed the social entrepreneur’s role in social capital development in voluntary organisations within a poor socio-economic context.

## List of terms used

<i>Basantotsav</i>	Spring festival
<i>Bidi</i>	Local hand rolled cigarette
<i>Dada</i> or ' <i>da</i> (in short)	Elder brother – used with respect and love
<i>Dalit</i>	Lower caste in the social system (synonymous to ‘untouchable’)
<i>Dharma</i>	Religion
<i>Didi</i> or ' <i>di</i> (in short)	Elder sister – used with respect and love
<i>Gajon</i>	Local drama based on common life story
<i>Gram</i>	Village
<i>Hogla</i> grass	A type of local grass used to weave mats and baskets
<i>Hut</i>	Weekly market
<i>Jethu</i>	Father's elder brother
<i>Kador</i>	<i>Santal</i> term - used for a small canal
<i>Kaku</i>	Father's younger brother
<i>Kirtan</i>	Religious song
<i>Mama</i>	Mother' brother
<i>Nari</i> or <i>Mohila</i>	Woman
Palm candy	Special type of delicious molasses made out of palm juice
<i>Panchayet</i>	Local (at village level) government - lowest tier of village administration
<i>Panchayet Prodhan</i>	Elected head of Panchayet – usually a local political leader
<i>Pucca</i> house	Brick built house
Rupees (Rs.)	Indian currency - exchange rate: A\$ 1 = Rs. 34 (October 2009)
<i>Sangho</i>	Organisation
<i>Shal</i>	A type of big tree
<i>Shola</i>	A type of local grass stem used to make handicrafts
<i>Sorder</i>	<i>Santal</i> village administrative head
<i>Thonga</i>	Hand-made paper packet used as bag
<i>Unnayan</i>	Development

## List of abbreviations used

ANS	Alokananda Nari Sangho
BAS	Bhuvonpur Adibasi Sangho
BRAC	Bangladesh Rural Advancement Committee
CAPART	Council for Advancement of Peoples' Action and Rural Technology
CASA	Church's Auxiliaries and Social Action
DGS	Daria Gramunnayan Sangho
FCRA	Foreign Contribution Regulation Act (of the Government of India)
GMS	Gramunnayan Milan Samity
GOI	Government of India
JP	<i>Jeevandeep Prokolpo</i> - Programme to enlighten (improve) life
JRY	<i>Jawahar Rojgar Yojona</i> - Planning for creating income-earning opportunities, named after Jawaharlal Nehru, former Prime Minister of India
LP	<i>Lokshiksha Parishad</i> - a state level voluntary organization of the Ramakrishna Mission
NABARD	National Bank for Agriculture and Rural Development
Non-SEETO	Social Entrepreneur Internal to Organization
RRA	Rapid Rural Appraisal
SEETO	Social Entrepreneur External to Organization
SEWA	Self-Employed Women's Association.
SGSY	<i>Swarnajayanthi Gram Swarozgari Yojana</i>
SMS	Shishu O Mahila Sangho
VO	Voluntary organization
VSK	Vivekananda Sishushiksha Kendra