

# Livelihood Diversification and Shifting Social Networks of Exchange: A Social Network Transition?

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**Summary.** — In the developing world, traditional social networks of exchange and reciprocity are critical components of household security, disaster relief, and social wellbeing especially in rural areas. This research asks the question: How are traditional social networks of exchange related to emerging household strategies to diversify livelihoods? Within this context, this study uses a mixed methods design to examine the character of inter-household exchanges of material goods (IHE) and the association between IHE and livelihood diversification, in ethnically Maasai communities in northern Tanzania. Findings show that IHE are both evolving and declining and are negatively associated with livelihood diversification.

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## 1. INTRODUCTION

Social networks, and the various forms of social capital they confer on their members, have been extremely popular areas of social research in the recent past (Borgatti, Mehra, Brass, & Labianca, 2009; Freeman, 2004; Watts, 2004; Woolcock & Narayan, 2000). Within this large body of research much focus has been on characterizing the structure and function of networks and examining the consequences of social networks for individual outcomes (Borgatti *et al.*, 2009; Newman, 2003). Fewer studies have focused on how social networks evolve in response to outside factors (Newig, Günther, & Pahl-Wostl, 2010; Ostrom, 1990) and, furthermore, what the implications of this evolution may be for household- and community-level risk management, vulnerability, and development. In the developing world, where social welfare projects are absent or limited, social networks are critical components of household security, disaster relief, and social wellbeing, especially in rural areas (Fafchamps, 1992; Woolcock & Narayan, 2000). Of special importance are networks wherein the exchange of material goods<sup>1</sup> helps to alleviate food insecurity (Aktipis, Cronk, & Aguiar, 2011; Johnson, 1999), smooth consumption (Fafchamps, Udry, & Czukas, 1998; Kazianga & Udry, 2006; Rosenzweig & Stark, 1989) and raise funds to address other concerns including health issues (Befu, 1977; Ensminger, 2002). Ultimately, networks of this kind serve to manage risk and reduce vulnerability within communities and may serve many other purposes including supporting the capacity for collective action (Adger, 2003; Reynolds, Kohler, & Kobti, 2003). Despite the importance of social networks in this context, much remains unknown about how traditional networks of exchange in subsistence economies are changing in response to the growing importance of household economic diversification (Barrett, Reardon, & Webb, 2001; Homewood, Kristjanson, & Trench, 2009; Little, Smith,

Cellarius, Coppock, & Barrett, 2001; McCabe, Leslie, & DeLuca, 2010).

This paper seeks to build on these studies by focusing on the traditional mechanisms of social support and reciprocity that undergird longstanding social networks among a subsistence society in the midst of economic change. To do so, it views exchange of material goods between households as: (1) historically important sources of household security and community cohesion, which serve to manage risk, respond to shocks, and enable collective action across scales; and (2) at risk of widespread decline as households pursue individualized, diversified portfolios of economic activities. Specifically, this paper examines the character of inter-household exchanges of material goods (IHE) and the associations between IHE (including current incidence and perceived trends) and household strategies to diversify income streams in ethnically Maasai, agropastoral communities in northern Tanzania.

## 2. CONCEPTUAL APPROACH

In this paper, we offer a conceptual approach which views: (1) IHE as a set of *traditional* strategies in Maasai society to

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build social networks and manage risk and uncertainty; and (2) livelihood diversification (LD) as set of *emerging* strategies in Maasai society to manage risk and uncertainty. This approach supports several competing hypotheses:

H1. The two may be inversely related. Since LD and IHE each function to manage risk, the rise in LD is associated with a reduction in IHE.

H2. The two may work in concert. Since LD has opened up new pathways of economic activity, including new partners, and new material goods, its rise is associated with an increase in IHE.

H3. New constraints and opportunities associated with LD affect different exchange mechanisms in different ways.

H4. Despite functional similarities between IHE and LD, IHE is deeply engrained in Maasai social organization and is correspondingly unaffected by changes in LD.

While there may be reasons to hypothesize that Maasai would seek to combine the risk management benefits of LD and IHE (H2), it may be more likely that the trends toward individualization that are evident with the Maasai (transitions from commonly managed land to private land tenure and from reciprocal labor to wage-labor) will also be evident in approaches to manage risk—and therefore tradeoffs will exist between IHE and LD (H1). However, this may be the case in some contexts but not in others (H3). Given this range of possible outcomes, this paper provides an empirical test of these hypotheses.

Importantly, we do not view the potential transition from one form of risk management to another as trivial. Each form carries with it unique implications for a wide range of outcomes including: vulnerability to different types of shocks (i.e., low/high incidence *vs.* low/high severity), utilization of natural resources and resulting environmental degradation, capacity for collective action, and exposure to opportunities and constraints associated with inclusive *vs.* exclusive social networks. Regarding social networks more broadly, we also view shifting risk management strategies as a potential signal for a more wholesale social network transition. These considerations are reviewed in greater detail in the discussion section.

#### (a) *Social networks of exchange*

Broadly defined, social networks are structures of individuals or institutions, which are held together by some form of interdependency. They have become a major area of interest in several fields across the social sciences (Watts, 2004). In 2009, Borgatti noted that the number of papers in the Web of Science on “social networks” nearly tripled in the preceding decade (Borgatti *et al.*, 2009). This is not surprising given the diversity of ways in which social networks facilitate the production and exchange of information and material goods at various scales. The history of network analysis in the social sciences is quite well reviewed elsewhere (Borgatti *et al.*, 2009; Freeman, 2004; Mitchell, 1974; Watts, 2004). Reviews have showed that researchers have been especially concerned with the structure of social networks including issues of centrality, connectedness, openness, and density (e.g., Bodin & Crona, 2009; Granovetter, 1973, 1985; Wolfe, 1978). Borgatti points out that while there have been many studies of the determinants, or antecedents, of network connections, the “primary focus of network research in the social sciences has been on the consequences of social networks” (2009, p. 894).

One avenue of scholarship on the consequences of social networks has focused on natural resource management and governance (Bodin & Crona, 2009; Bodin, Crona, & Ernstson, 2006; Ostrom, 1990; Pretty, 2003). Some have argued that

social institutions and networks are important components of social capital and adaptive capacity (Folke, 2006; Ostrom, 2005; Ostrom & Ahn, 2003; Walker *et al.*, 2006) and are central to strategies to protect biodiversity (Agrawal & Gibson, 1999; Pretty & Smith, 2004; Pretty & Ward, 2001) and adapt to changes in natural capital brought about by climate change (Adger, 2003). Others have claimed that some network structures are more supportive of equitable and effective management than others (Bodin & Crona, 2009; Newman & Dale, 2005).

Many recent empirical studies on social/ecological systems (SESS) have focused on the role of social networks in shaping governance outcomes in the developing world (Bodin & Crona, 2008; Gelcich *et al.*, 2010; Prell, Hubacek, & Reed, 2009; Stein, Ernstson, & Barron, 2011; Tompkins, Adger, & Brown, 2002). In doing so, they have tended to focus on information exchange and collective action to manage resources and/or resource crises. Fewer studies have focused on the exchange of material goods between individual actors or households—a particularly salient issue where the subsistence strategies for rural households in developing countries include the harvesting, consumption, and exchange of natural resources and consequently hold profound implications for resource management and biodiversity conservation.

As with social *networks*, the history of scholarship on social *exchange* is extensive and very capably discussed elsewhere (Befu, 1977; Mauss, 1990; Sahlins, 1972; Scott, 1976). Research in development economics on agrarian societies has focused on exchanges and/or transfers to manage risk. Much of this research has focused on the effect of structural characteristics of social networks on risk-sharing outcomes (Ambrus, Mobius, & Szeidl, 2010; Attanasio, Barr, Cardenas, Genicot, & Meghir, 2012; Bloch, Genicot, & Ray, 2008), and the efficacy of transfers (public and private) on risk pooling and income (Cox & Fafchamps, 2007; Pan, 2009). Studies focused on the determinants of social networks of exchange and insurance have identified geographic and social proximity (Fafchamps & Gubert, 2007), shocks (Fafchamps & Lund, 2003), income (Santos & Barrett, 2006) and altruism (De Weerd & Fafchamps, 2011) as important factors.

It is unfortunate that the recent surge in scholarship on the effects of social networks, risk management, and natural resource utilization has not more directly engaged the work in anthropology and sociology on material exchange and moral economies (Thompson, 1971), though some exceptions exist (Reynolds *et al.*, 2003). In addition to providing households with needed material goods especially food, exchanges between households create networks of reciprocity, trust, and support (Ensminger, 2002). Hunt has distinguished between exchange and transfer, where exchanges involve reciprocity and transfers do not necessarily (Hunt, 2002). In the context of this study, transactions involve the expectation of reciprocity, as we will describe below, and therefore we refer to them as exchanges throughout the paper.

In East Africa, pastoralist and agro-pastoralist societies provide vibrant examples of how social networks and material exchange are integral to social/ecological systems and natural resource management (Homewood, 2008; Homewood & Rodgers, 1991; Little & Leslie, 1999; McCabe, 2004). Furthermore they offer productive comparisons with strictly agrarian societies for which mobility and common property management are less common risk management strategies.

Exchange within pastoralist groups can take many forms and often supports the persistence of existing land use practices. While exchange traditions are institutions driven by many factors, including the forces of cultural inertia and

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