

## SOCIAL CAPITAL AND PUBLIC POLICY: CASE OF RURAL LIVELIHOODS

**Gabriel N. Kirori**

Senior Lecturer and Head of Accounting and Finance Department  
Faculty of Commerce  
The Catholic University of Eastern Africa

### ABSTRACT

The capacity of people's self-organization, social ties and solidarity is at the core of social capital. Social capital provides the means for accessing resources and support at vulnerable life cycles. Rich endowment of social capital allows people to produce and provide for one another outside the mechanism of the market. Social capital facilitates achievement of a broad range of major public objectives in the areas of health, education, rural economy, poverty reduction, and so on. Various policy documents in Kenya show that the improvement of rural livelihoods remains an important public policy objective. Yet the formulation of development policy in the country has not taken into account social capital and its effects on rural livelihoods, although it is a key form of national resource. This paper examines role of social capital as a process in facilitating improvement of rural livelihoods in Kenya, a matter of public policy. The paper uses primary data collected from a sample of 340 households from Nyeri district to achieve its objectives. Descriptive method in form of cross-tabulation is used to explore the nexus between social capital and livelihood sources and socioeconomic status of the households. Results show that social capital is an important factor in the livelihood diversification strategy of the households in the study area. Social capital enables households to diversify in main sources of livelihoods including crop production, livestock production and non-farm activities. The results further shows that investment in social capital can help households escape from poverty. The findings of the study are used to suggest policies for promoting formation of social capital as a mechanism for improving living conditions of rural households.

**Keywords:** Social capital, public policy, rural livelihoods, livelihood diversification strategy, rural development.