

**Gift Economy and Trust in rural Nepal – study among 567 families of mountain farmers**  
by Alexander Dill



Peter Effenberger from OneWorld with Chepang farmers

Photo: OneWorld alc

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**I Summary**

Sharing food and water is the major free service provided by the people of the tribe of the Chepang to people outside their family. A survey among 567 families in rural Nepal questions the definition and the measurement of social capital, giving and volunteering. The study shows that measuring existing social commons such as *gift economy* and *trust* can be part of economic improvement and create a new way of social development aid.

**II Situation and Partners**

The tribe called *Chepang* are part of the 80 per cent of the Nepalese that live from agriculture. The Chepang live in smaller clusters and threatened by extinction. They grow on steep terrace slopes. Families can only practice agriculture between two and six months per year. Therefore they have to find other sources of income and mostly have to leave their homeland. In most of the Village Development Committees (VDC) the Chepang are a minority of 5-10 per cent. Only in few VDC the Chepang represent a majority of 85 per cent of the population. It is the heartland of the tribe.

In these regions the social business *OneWorld alc* is developing agricultural business and export opportunities. *OneWorld alc* creates opportunities to enable the Chepang to stay in their homeland by building up a sustainable biodynamic agriculture. In summer 2010 Peter Effenberger from *OneWorld alc* met Alexander Dill at the Basel Institute of Commons and Economics. They agreed in setting up a very simple social capital survey to be used among the Chepang.

**The Setting: social capital=gifts+trust**

Measuring and exploring social capital in rural areas requires quite clear targets and settings. In the midst of social capital *trust* and *gifts* characterize the relations outside the family. In opposite to Western approaches on social capital, organized networking and volunteering don't exist and can therefore not become a major criteria to measuring social capital. The formula *social capital=gifts+trust* allows us to create a short questionnaire in respect of cultural and religious tradition. In this respect social capital is in no way to be defined as an absent but only as an existing, positive common and public asset.

**The Survey**

Therefore the question “How big is your social capital?” is not only one question among others in a poll, but itself part of the exploration and the development of social capital. Both common and public assets - *trust* and *gifts* – function through their cultural awareness. They remain immaterial despite the fact, that the whole agricultural business and the physical survival of the group depends on how to deal with trust and gifts.

In case social capital is the only capital available, it can no more be distinguished from human and financial capital. 523 persons of 567 families in the area answered the four questions of our survey. Interviewers were Oona Elvers and Katharina Stamp.

**Results**

*I Free services offered to people outside/except your family*

	No.	per cent
Sharing food and water	522	99,8
Healthcare	499	95,41
Help in Agriculture	492	94,07
Cleaning	475	90,82
Transport	459	87,76
Religious activities	404	77,24
Music	284	54,3
Craftsmanship	276	52,77
Nursing	181	34,6
Teaching	140	26,76
Training	109	20,84
<b>Total</b>	<b>523</b>	

*II Do you trust people outside your family?*

No, not often	5
Yes, but few	306
General Yes	145
Yes, I trust all	65
<b>Total</b>	<b>521</b>

A further question tried to explore the amount of time spent for these free services but it seemed that the services provided by the Chapang were not seperated from their labour. Therefore the average value of seven hours per month was not significant to explain the total of the free services provided.

In order to allow us to interpret the results within the framework of the local economic relations we also asked:

*III How much of the products and services you need do you obtain from your local community?*

Nothing	1
Only few	227
Yes, a lot	179
Almost everything	116
<b>Total</b>	<b>523</b>

### Learnings and conclusion

The recently published *World Giving Index* ranked Nepal No. 100 and published the following table:

	Nepal	Sri Lanka	India	Bangladesh
Percentage giving money	22	58	14	12
Percentage Volunteering time	21	52	12	5
Percentage helping a stranger	36	50	30	29

The database of the *World Giving Index*\* is the result of a Gallup survey with samples in all states.

Maybe Gallup asked in Kathmandu and other towns – the results in any case differ strongly from the results of our rural survey.

Of course the question “Have you recently dedicated time to a social organization?” (21 per cent) requires a clear definition of social organisations.

Among the Chepang there may be no difference between their villages and any social organisation.

\*Source: Charities Aid Foundation  
 The World Giving Index 2010, Gallup

The poor ranking of Nepal in international Indices in almost all categories becomes obvious through the following Index Benchmark:

### Nepal Index Benchmark

Index	Rank
Human Development Index	140
Global Competitiveness Index	133
Shadow Economy Index	95
Environmental Stability Index	85
Global Peace Index	82
Happy Planet Index	38
Average	88

Source: Global Index Benchmarks 2010  
 Basel Institute of Commons and Economics



Survey situation at the House of the Chepang

Giving away food and water for free (99%), Healthcare (95%), Cleaning (90%) and Transport (87%) have never been in the major focus of the measurement of social capital in developed countries. *Hospitality* seems to be major social capital of the Chepang. *Hospitality* in all it's forms overcomes the difference made between financial, human and social capital. Hospitality is at the same time an economic strength (and even wealth!), an individual virtue and a public good.

### **Social capital doesn't have any currency**

The countries leading in the World Giving Index such as Australia, New Zealand, Canada, Ireland, Switzerland and the United States may be strong in fundraising for charity activities and volunteering – we will never find a 99%-hospitality rate among their people.

Healthcare, transport and the cleaning of the public space in these countries are highly specialized professional services that are only provided for free in case of emergency.

At the Chepang these services build the heart of their social capital.



Benchmark-leadership and excellence in Social Capital?

Finally we may consider that social capital doesn't have any currency. It can therefore not be compared between cultures. Social capital is expressed in very different forms, forms, that may only appear and exist in small local areas and even not on a national level.

The Chepang seem to have an astonishing and very strong social capital. But in can't be compared with the charity and foundation culture of Switzerland and the US.

Therefore it is not possible to compare social capital by the use of existing statistical databases: They don't allow to measure the content of local forms of social capital. They reduce social capital to percentages of people being organized or being involved in general activities such as education, culture, nature protection, communities, charity, self-aid and democratic participation.

Can we admit: In almost no rural area of so called developing countries we will find the forms of social capital that are critical for a successful competition within a *World Giving* or a *Human Development* Index.

### **A new form of social development aid**

Exploring the local social capital is a quite time consuming way to generate information. But this information helps to encourage the existing social capital. Without knowing the content of the local social capital many programmes will fail because they don't meet the spirit of the community.

The study among the Chepang showed, that surveys in rural areas work with very few questions and generate astonishing results. The high participation rate makes the survey itself a part of dealing with local social



Searching the existing, not the absent social capital: nine children from a Chepang family

capital in a positive way and builds up confidence in respectful development aid.