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SOCIAL CAPITAL AND ITS IMPORTANCE IN AGRIBUSINESS EXCHANGE: AN INSIGHT

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Abstract

The main objective of this paper was to review and discuss the use and influence of social capital in agribusiness economic exchange. In the world characterized by transaction costs, economic exchange is difficult and complex and as a result finding buyers and sellers takes time and effort, negotiating and enforcing contracts is costly and contractual performance must be monitored. Social capital can help economize on transaction costs by speeding up search, increasing trust, and facilitating the circulation of information. The paper used a desk study to review the importance of social capital in agribusiness exchange. Social capital shows to be accumulated over time and it significantly improves economic performance. This, then suggest that it would be of mutual benefit for both to foster and accumulate social capital. This could, for instance, be achieved by facilitating interaction and trust among smallholder farmers and processing firms within the agribusiness.

Keywords: Social Capital, Transaction Costs, Norms, Trust, Contractual Relationships

INTRODUCTION

African agriculture and trade provide a base for an enquiry into the role of social capital. Food is produced by smallholder farmers who typically sell their bags of surplus production. These small quantities have to be assembled into small loads and transported over poor quality roads to towns and cities, and to be broken down into small quantities for urban consumers. The small size of transactions at either ends of the marketing chain implies unusually high costs. Transportation difficulties and delays disassociate price movement across space, such that arbitrage opportunities are hard to predict. Finally, the small size of individual transactions and rapid turn-around time make it difficult to rely on courts and lawyers to enforce contracts. These conditions tend to create an environment where transactions costs are expected to be high and returns to social capital should be high as well.

This paper uses a desk study to review and discuss the use and influence of social capital in agribusiness economic exchange. In the world characterised by transaction costs, economic exchange is difficult and complex and as a result finding buyers and sellers takes time and effort, negotiating and enforcing contracts is costly and contractual performance must be monitored. The question then is; can social capital economize on transaction costs by speeding up search, increasing trust, and facilitating the circulation of information (Fukuyama, 1995; Granovetter, 1985; Putnam, 2000). This paper sets the scene with an overview of social capital.

What is Social Capital?

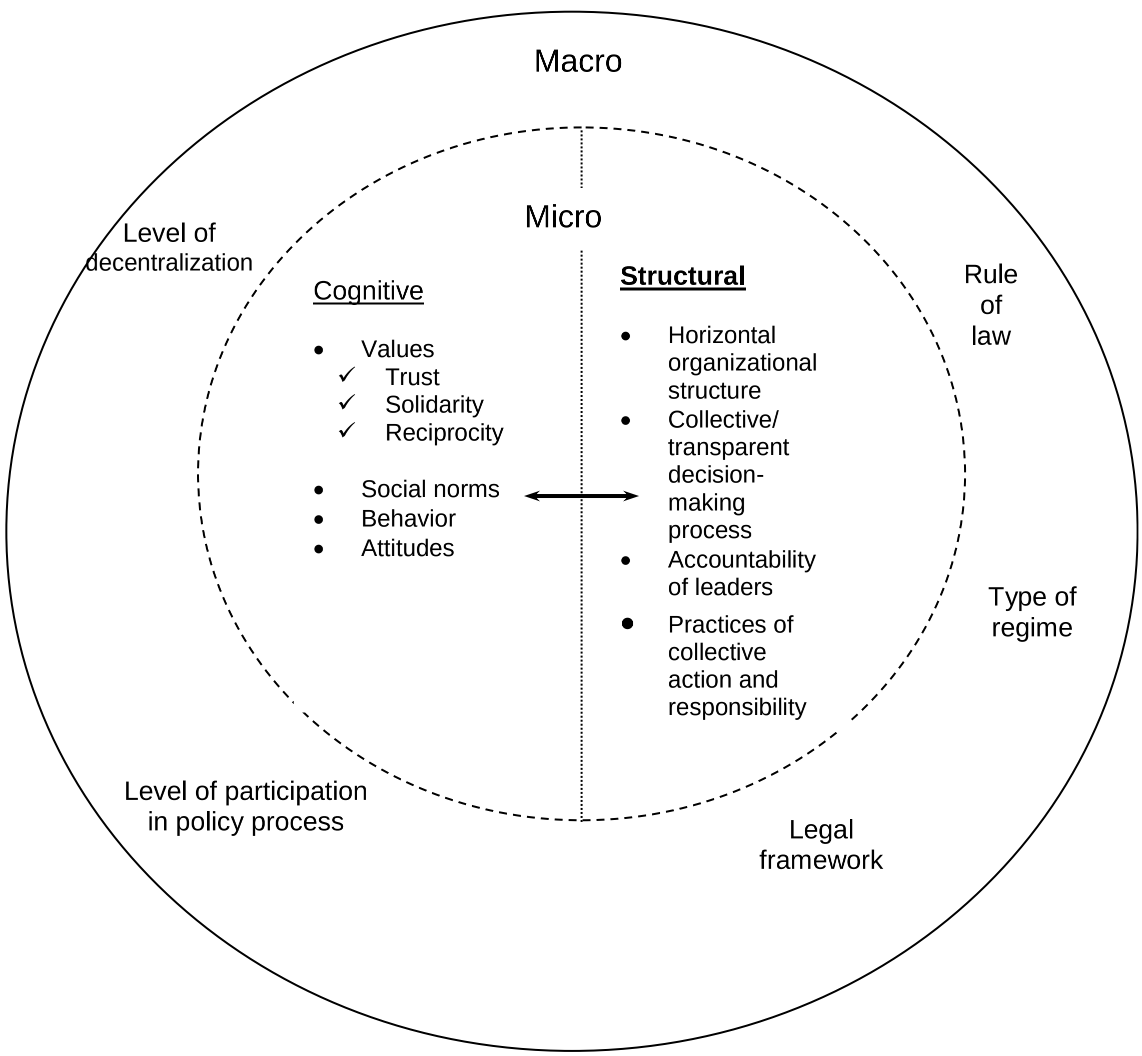
Putnam (1993) played a leading role in popularizing the concept of social capital. In his study of institutional performance in Italy, he explored the differences between regional administrations, in the north and south of the country; Putnam (1995) used social capital to explain the differences in civic engagement. He defined social capital “features of social organizations, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions (Putnam 1993).” After studying American civil society, he then modified his definition of social capital to “features of social life-networks, norms, and trust-that enable participants to act together more effectively to pursue shared objectives (Putnam 1995).” He identified ‘participants’ instead of ‘society’ as the beneficiaries of social capital. In his book *Bowling Alone,* Putnam (2000) argued that the core idea of social capital is that social networks have value because social contacts affect the productivity of individuals and groups. He referred to social capital as “connections among individuals-social networks and the norms of reciprocity and trustworthiness that arise from them (Putnam, 2000).”

In addition, to treating social capital as the relations that characterise the structure of social networks, Putnam (2000) regarded trust as an essential element of the norms that arise from social networks; therefore social capital has two primary components; networks and norms, rather than three components, which are: networks, norms, and trust. Similarly, Fukuyama (1999) analysed the link between trust, social capital and national economic success. He defined social capital as “the ability of people to work together for common purposes in groups and organisations and he later expanded the definition to refer to the existence of a certain set of informal values or norms shared among members of a group that permit cooperation among them.

According to Woolcok and Narayan (2000) social capital refers to the norms and networks that enable people to act collectively. This definition emphasises the internal social and cultural coherence of society (e.g. the norms and values that govern interactions among people). It also implies that social capital is a set of informal norms that promote cooperation between individuals. It is a bottom-up phenomenon originating from individuals forming social connections. These interactions are based on principles of trust and norms of action, such as reciprocity and keeping commitment. The frequency of interactions generates trust in personal relationships and networks thus discourage breaking of contracts in economic transactions; In other words, social relationships restraint individual incentives to behave opportunistically.

Below, Figure 1 presents the conceptual framework for social capital. Social capital is divided roughly into macro and the micro-levels. The macro-level refers to the institutional context in which organizations operate (Olson, 1982; North, 1990; Bain and Hicks, 1998).

Figure 1: Conceptual Framework: Levels and Types of Social Capital



Source: Adapted from Bain and Hicks (1998)

The micro-level refers to the potential contribution that horizontal organisations and social networks make to development. Within the micro-level there are two types of social capital: cognitive and structural (Uphoff, 1996). Cognitive social capital refers to the less tangible side of social capital that includes values, beliefs, attitudes, behaviour and social norms. These values include trust, solidarity and reciprocity that are shared among members of a community and that create the conditions under which community members can work together for a common goal. Structural social capital includes the composition and practices of local level institutions, both formal and informal that serves as instruments of community development. Structural social capital is built through horizontal organizations and networks that have collective and transparent decision making processes, accountable leaders, and practices of collective action and mutual responsibility (Bain and Hicks 1998).

The Relationship between Trust and Social Capital

Trust is closely related to social capital. Coleman (1988) contends that a system of mutual trust is an important form of social capital on which future obligations and expectations may be based. Putnam (1993) regards trust as a source of social capital that sustains economic dynamism and governmental performance, while Nahapiet and Ghoshal (1998) treat trust as a key facet in the relational dimension of social capital. This difference**,** however, of related perceptions of the relationship between trust and social capital are partially the result of the close relationship between the sources of trust and the sources of social capital.

Bourdieu (1986) and Coleman (1988) argue that a network tends to reproduce an inherited pattern of relationships via individuals' efforts to preserve social capital. Coleman (1988) argues that a closed social network is the existence of strongly interconnected and mutually reinforcing relations between different actors and institutions and it maintains the existence of effective norms and the trustworthiness of others, hence strengthening social capital. By contrast, a more open structure is less likely to allow individuals within it to detect a violation of norms, which may result in less trust among network members and thereby weaken social capital.

A number of researchers offer different arguments on the relationship between trust and social capital. One school of thought considers trust a precondition of social capital, while a second one regards trust as a product or a benefit of social capital. For many researchers, social capital depends on trust. The relationships, communities, cooperation, and mutual commitment that characterise social capital could not exist without a reasonable level of trust. Without some foundation of trust, social capital cannot develop. While Bourdieu (1986) does not specifically mention trust, it is clearly implicit in his argument concerning social reproduction. The reproduction of social capital presupposes an unceasing effort of sociability, a continuous series of exchanges in which recognition is endlessly affirmed and reaffirmed. He argues that people must base their commitments on trust to expand their useful connections. Both Coleman (1988) and Putnam (1993) define trust as one key component of social capital. Trust also plays an important role in Fukuyama (1995)'s concept of social capital. He defines trust as a basic feature of social capital; social capital is a capability that arises from the prevalence of trust in a society or in certain parts of it (Fukuyama 1995). Trust, therefore is considered to be a precondition of healthy social capital for these researchers.

Relationships between Smallholder Farmers and Large Processing Firms

In business practise, firms have frequently made deliberate attempts to establish stronger relationships with suppliers and customers. As a way of reducing costs, increasing efficiency, improving quality and technology, and enhancing competitive advantage, many firms are moving away from traditional "arms length" business relationships and are forging closer and more collaborative ties with supply chain partners. Spekman (1988) argues that competition from offshore producers, technological innovations, and shortened product life cycles have changed buyer-seller relationships. Traditional arms length contractual relationships no longer suffice, but closer collaborative approaches are needed. Anderson and Weitz (1989) argue that the development of inter-organisational relationships is an approach that combines the advantages of vertically integrated distribution systems (control, coordination and information processing) with the advantages of systems utilising independent chain participants (flexibility, scale economies, efficiency and low overheads). However, inter-organisational relationships come with associated costs and risks. Smallholder farmers are generally considered to be dependent and vulnerable in such relationships because of significant resource inequalities, opportunism and the abuse of asymmetric power advantages to expropriate proprietary assets and obtain concessions from the other partner (Williamson, 1985).

Despite the positive contribution of smallholder farmers to the agricultural sector, the shortcomings in the understanding of their relationship practises and performance, as well as the lack of consensus on the probable implications of relationships between smallholder farmers and processing firms suggests that there is still a need for empirical research concerning the relationship between smallholder farmers and processing firms. Ellram (1991) stated that as more firms enter into a relational exchange, a guide is needed to help the firms to develop and implement their relationships. The use of contracts to govern transactions between supply chain partners limits the behaviour of the parties substantially, by reducing their flexibility and not allowing them to benefit from market changes

Cannon, Achrol and Gundlach (2000) found that increasing contractual specificity and details is not effective in promoting performance in a study of measures of efficiency and effectiveness in exchange involving high levels of transactional uncertainty. It was found that, inter-firm relationships do not provide direct financial benefits for small businesses in environments with highly competitive output markets (Gales and Blackburn, 1990). Achrol and Gundlach (1998) argue that firms that are willing to play by the rules of mutually oriented cooperative relationships are able to share vital information and innovations, spread their risks by developing coordinated strategies to meet environmental contingencies, benefit jointly from opportunities presented to the social group, and are assured of relatively stable supply and demand markets.

Trust and Performance in Contractual Relationships Involving Smallholder Farmers

Most contractual exchanges tend to emphasize the contract-centered view of contractual relationship, but both contract and relationship centered views are regarded as essential by the relational exchange theory. The contract plays the role of a safeguard in case insoluble differences arise and the relationship fails. A contract is important at the beginning of the relationship. However, once contracted, there is an expectation of a shift of emphasis and the relationship is expected to be sustained through a mutual orientation. Therefore, a complementarily of the contract and relationship centered view is an ideal one for the sustainability of the exchange relationship between farmers and buyers of their produce.

Inherent conflicts between processing firms and smallholder farmers could be managed at three levels. First, is the complementarily of strengths, which form the basis for the relationship and intrinsically provide a common interest. Second, the contractual mechanism that refers to the formal documents governing the relationship, and thirdly, the informal and normative coordination mechanisms, which result in flexibility and compromise. Heide and John (1992) emphasise that when structural and social mechanisms function effectively, contractual mechanisms become less important. In a sense a contract provides certain decision rights, while relational norms provide a safeguard against exploitative use of these rights. A concomitant to these rights are the responsibilities outlined in the contract, while trust provides the expectation that such responsibilities will be met.

While large multi-national firms may reap benefits from contractual relationships with smallholder firms with financial cognitive limitations and fewer strategic options (Gales and Blackburn, 1990), such relationships are frequently accompanied by problems of instability, poor performance and collapse. The transaction costs theory points out that it is imprudent to assume that parties in an exchange will forgo opportunistic behaviour and as a result of this, firms have to safeguard their investments from the possibility of relationship termination and perceived opportunism.

In practise, though smallholder farmers are in contractual relationships with the large corporations, smallholder farmers indicate perceived vulnerability, inability to trust the processing firms and unwillingness to relinquish control as common features, which impact the performance of their relationship with processors. While the access to scale economies, stable input and output markets, greater flexibility, learning opportunities and improved competitive position might encourage movement towards closer relationship between smallholder farmers and processing firms. The question of trust and commitment are important to the relationship maintenance, cooperation and satisfaction of both smallholder farmers and processing firms. These factors also become important sources of the relationship strength. Masuku (2003) in his study of the role of contractual relationships in the performance of supply chain found that smallholder cane growers in Swaziland had limited trust in millers and also percieved poor cooperation by millers. However, because of economic rewards, they were satisfied with their relationship with millers.

Trust has long been thought to be important in organisational success (Davis *et al*., 2000). The top managers' general trust does not only affect his or her actions, but also plays an important role in shaping trusts in the whole organisation (organisational trust), it thus affects organisational operation and performance in two ways: both between and within organisations. Within organisations, researchers have argued that the level of trust affects organisational structures, processes and performance (Bromiley and Cummings, 1992). Bromiley and Cummings (1992) argue that trust reduces transaction costs, optimal expenditures on control, monitoring and other kinds of transaction costs that should be partially a function of the probability of opportunism, which in turn depends on the level of trustworthy behaviour in an organisation. They suggest that the level of trust and trustworthiness in organisations affects their structures, processes, and performance.

In terms of inter-organisational relations, Sako (1998) concludes that inter-organisational trust may enhance business performance in a number of ways. These include (1) reducing transaction costs, mainly resulting from a reduced need for contractual or monitoring devices, (2) investment with future returns, and (3) continuous improvement and learning. She found that mutual trust between a customer and a supplier organisation is conducive to good supplier performance and that this positive link is stronger for goodwill than for other types of trust.

The Social Context of Relational Exchange in Agribusiness

Power and Dependence

In any agribusiness business relationship the balance of power and the degree of dependence or inter-dependence will help shape the atmosphere of the exchange process and the relationship. In this paper power is defined as the ability of one party to influence the actions of the other (Gaski, 1984). The perceived balance of power is what becomes important, since it is not the use of the power within the relationship, which can change the actions of the parties, but the knowledge that power exists. It is considered that the relative dependence between the parties in the relationship determines their relative power (Hallen *et al*., 1991). Hence, the need in an analysis of an atmosphere to investigate not only dependence, but also the degree of mutual dependence between the parties.

If party "A" perceives that he/she is dependent on party "B" and that party "B" is not dependent on "A", then that would give party B a certain degree of power in the relationship. However, party B would only have that power if they hold the same perception of power differences. This is where perceptions become very important in shaping the actions of the parties and therefore the shape of the relationship.

Pfeffer and Salancik (1978) argue that organisations respond to the demands of other organisations that control critical resources. From this, power and dependency may be seen as opposite on the same continuum in that firms in a business relationship can be expected to adapt to each other to the degree that they are dependent on each other's resources (Hallen *et al*., 1991). In other words if one party holds the balance of power based on control of critical resources then the other party may be dependent on that party.

Cooperation, Dependence and Competition

Cooperation and dependence are the two extremes of the same continuum, going from a desired bilateral investment in the relationship to a constrained maintenance of the relationship from one of the two parties regarding the difficulty to replace his partner (Emerson, 1962; Dabholkar *et al*., 1994). Cooperation between a customer and a supplier is based on balance, harmony, equity and mutual support (Oliver, 1990). It combines a positive state of mind and a positive behaviour on behalf of each party. Cooperation is a bilateral management where the two parties involve common investments and coordinated actions (Anderson and Narus, 1990; Wilson, 1995), voluntarily (Morgan and Hunt, 1994) with the objective of making a profit (Smith *et al*., 1995).

Cooperation and competition are seen in most of the interaction literature as being opposite along the same continuum as in the power and dependency situation. In simple terms cooperation is the willingness by both parties to work towards common benefits or an attitude towards work in common, and this work in common is seen as “tit-for-tat”, which inevitably gives benefit to both parties (Hallen and Sandstrom, 1991).

Competition on the other hand implies a lack of will to cooperate towards joint goals (Hallen and Sandstrom, 1991). Competition is not necessarily a negative influence on the relationship, but it may cause conflict in certain cases, which may be counterproductive in the development of the relationship. It is relevant therefore to look at both cooperation and lack of cooperation in assessing the atmosphere of farmer-processor relationships. More especially lack of cooperation, because it can cause problems, which may result in conflict. Reliance on perceptions in this regard is of importance since what one party may consider a problem the other party may not perceive it as a problem or lack of cooperation. Hence, the perception of cooperation by farmers and processing firms is vital in assessing their relationship.

Several studies have described the kind of actions and investments involved in cooperative relationships (Anderson and Narus, 1990; Dwyer *et al*., 1987; Wilson, 1997; Mohr and Spekman, 1994; Morgan and Hunt, 1994). Even if there is reduced consistency between their results, it is clear that in all these studies the main effect of cooperative actions is to influence the behaviour of the parties, leading to a regular and stable relationship. Dependence may result to asymmetry of power between the two parties (Dwyer *et al*., 1987). This asymmetry of power may exist from the customer towards his supplier or from the supplier towards his customer (Dabholkar *et al*., 1994).

Trust and Opportunism

Trust is often equated as being inversely proportional to opportunism. Williamson (1992) argues that trust is only warranted when the expected gain from placing oneself at risk to another is positive. Hence, the assumed unidimensionality of trust and opportunism. This behaviour can manifest itself in the exchange of goods, services, and information. Since trust in a relationship is built up overtime, close continuing relationships are regarded as being vital in generating trust and characteristics such as predictability of behaviour in terms of repetitiveness, reliability, competence and credibility are also considered important in generating trust in relationships (Wilkinson and Young, 1989). Therefore, these characteristics are not only essential in measuring trust, but also helpful in assessing the degree of trust and the existence of legal agreements as well as the degree to which these are used within the relationship. The measurement of trust and its effects on the relationship characteristics and development are mostly based on some supposed aggregate value, as opposed to potentially differing perceptions of trust the parties may have about their relationship.

Trust and Commitment

Many studies on industrial buying patterns emphasise the crucial role of trust and commitment in facilitating exchange performance. These two variables are often studied together and there is considerable agreement about their combined action on organisational buying behaviour (Morgan and Hunt 1994). Based on Moorman *et al*. (1992) trust is regarded as the willingness to rely on an exchange partner in whom one has confidence. Anderson and Narus (1990) define trust as the firm's belief that another company will perform actions that will result in positive outcomes for the firm and not take unexpected actions that result in negative outcomes. Ganesan (1994) posed two distinct components of trust; (1) credibility, which is based on the extent to which one partner believes that the other has the required expertise to perform the job effectively and reliably, and (2) benevolence, which is based on the extent to which one partner believes that the other has good intentions and motives beneficial to the first when new conditions arise, conditions for which a commitment was not made.

Morgan and Hunt (1994) argue that the presence of commitment and trust is central to the success of relationship marketing, not power and its ability to "condition others." They argue that commitment and trust are "key" because they encourage suppliers to; (1) work at preserving relationship investments by cooperating with exchange partners, (2) resist attractive short-term alternatives in favour of the expected long-term benefits of staying with existing partners, and (3) view potentially high-risk actions as being prudent because of the belief that their partners will not act opportunistically. Therefore, when both commitment and trust (not just one) are present, they produce outcomes that promote efficiency, productivity, and effectiveness. Commitment and trust lead directly to cooperative behaviour that is conducive to the success of a relationship.

Regarding commitment, the concept has been widely investigated in the literature, mostly by Relationship Marketing and International Marketing Purchasing (IMP) researchers. The diverse perspectives of the researches have lead to a variety of definitions, hence creating confusion. Derived from some of the most important researches carried out (Anderson and Weitz, 1992; Dwyer *et al*., 1987; Moorman *et al*., 1992; Morgan and Hunt, 1994), the concept can be defined as the willingness of a party to develop and maintain his relationship with another party. Commitment implies the importance of the relationship to the partners and desire to continue the relationship into the future. Thus, commitment assumes that the relationship will bring value or benefits to both parties. Because commitment may be motivated by different factors, there are different types of commitment (Geyskens *et al*., 1998). These include affective and calculative commitment. In affective commitment a partner would desire to continue a relationship because he likes the other partner and enjoys the relationship. In contrast, calculative commitment is the extent to which a partner perceives the need to maintain the relationship given the significant anticipated termination or switching costs of terminating a relationship. It is a result of calculation of costs and benefits, encompassing assessment of idiosyncratic investments and availability of alternatives (Geyskens *et al*., 1998).

Geyskens *et al*. (1998) argue that the feelings of trust and commitment influence partners' behaviour, driving them to engage in long-term relationships. The main idea is that one partner's trust and commitment are closely linked to the regularity and the stability of his exchange. A confident partner would not have an incentive to switch to another partner, but would commit him/herself to maintain the relationship, thus, a stable relationship develops. Commitment manifests itself not just in the investments adaptations the parties make to each other, but also in the perceptions each partner has about the other's degree of commitment to the future of the relationship. Commitment may be shown by investment of time or money in the relationship or it may just be willingness by one partner to make changes and work towards mutual goals and benefits.

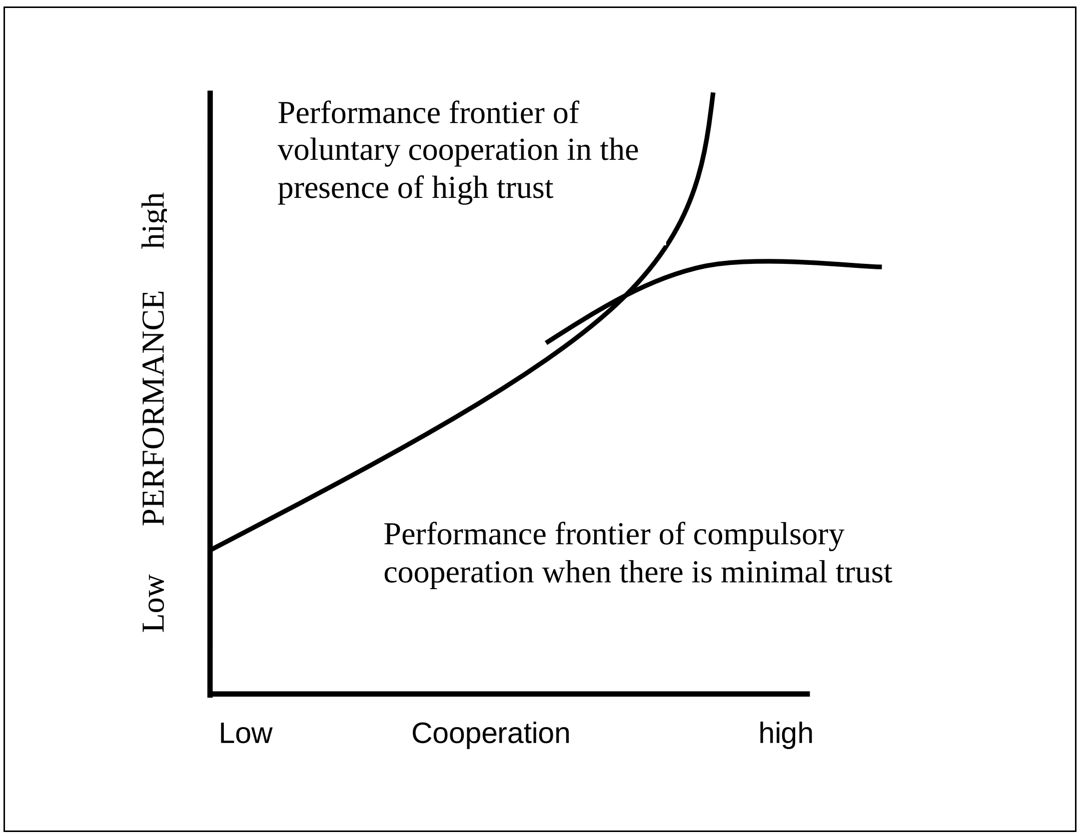
Trust, Commitment, Cooperation and Satisfaction

The relationship between trust, commitment, cooperation and satisfaction, has been described in different ways in the literature. Although the existence of a link between the four variables seems obvious in the vast majority of the studies, there is limited agreement about which variable is an antecedent or a consequence of the others. Several researchers have, however, established trust as an antecedent of commitment (Geyskens *et al*., 1998; Morgan and Hunt, 1994; Dwyer, *et al*., 1987). Theoretical and empirical researches have shown that if one party does not trust his partner, he will not commit himself to the relationship with the partner. In addition, the results of several other studies indicate that satisfaction is an antecedent of trust (Ganesan, 1994). Thus, a non-satisfied partner would not be able to feel confident in his partner, while others argue that trust is an antecedent of satisfaction.

Wilson (1995) presents thirteen variables that have theoretical and empirical support to buyer and seller relationships. These include; commitment, trust, cooperation, mutual goals, interdependence, performance, satisfaction, comparison level of the alternative, adaptation, non-retrievable investments, shared technology, summative construct, structural bonds and social bonds. This shows that commitment and trust are the most dependent variables used in buyer-seller relationships studies (Dwyer *et al*., 1987; Moorman *et al*., 1992)

It has been demonstrated that there is a link between cooperation and trust. Trust is an antecedent of cooperation in industrial relationships. Morgan and Hunt (1994) give the details of the direct influence of trust and commitment on cooperation. They argue that to achieve cooperation, some degree of trust and commitment is essential. Kim and Mauborgne (1997) determined that fair process between exchange partners like the farmers and the processing firms would help to bring about trust and commitment which in turn, maximise co-operation and business performance. In contrast, traditional tools of resource allocation, economic incentives and organisational structure tend to produce an attitude of outcome satisfaction, which will lead to compulsory cooperation, and a lower level of performance. The greater the levels of trust between exchange partners, the more likely the cooperation between exchange partners and cooperation itself breeds trust (Figure 1). As a bilateral investment in the relationship, cooperation seems to exist in most of the regular and stable relationships. After a period when satisfaction, trust and commitment have developed, the two parties begin to engage in activities such as co-development of products, co-investments, and technical advice. This cooperative behaviour reinforces the relationship, the stability and the regularity of purchases.

Figure 2: The Interaction of Trust, Cooperation and Performance in Relationships



Source: Kim and Mauborgne (1997)

Social Capital: An African Agribusiness Perspective

The concept of social capital and its role in the process of enterprise development and growth as well as socioeconomics development of African communities have received strong research interest in most social science fields in recent years. Hence, it is imperative to look at the perception of social capital in the African context.

The concepts and theories of social capital are based on observations made by people on the ground. For example, many Africans believe that the African economy is a poor performer. The reasons of such performance are; firstly, within a given country, people from different ethnic groups have language barriers and this can prevent them from understanding each other and this in turn becomes an obstacle to working together. Secondly, there is a belief that African communities are not development-oriented. Thirdly, people of different ethnic groups tend to have mistrust among themselves. These observations are all related to theories of social capital and have important consequences for development strategies and especially for decentralization programmes that are common in Africa. Therefore, social capital is an important phenomenon in the African context. It operates by reducing the perceived levels of risk or the transaction costs associated with commodity exchange. For example, where levels of interpersonal trust are high, exchanges that take place over time, and therefore carry risk, are more likely to occur than they are where interpersonal trust is low. Compromise is also more likely where levels of interpersonal trust are higher.

Social capital is a very important concept among African communities and it is one of the basic strategies that African communities use to generate income in both the formal and informal sectors of the economy. A study by Narayan and Pritchett (1997) showed that higher village social capital in Tanzania was associated with high individuals' incomes levels, even after controlling for household education, physical assets, and village characteristics. Wambugu, Okello, and Nyikal (2009) in a study of social capital on performance of smallholder producer organizations found that various dimensions of social capital influenced performance of rural producer organizations. Similarly, Nthuni (2014) found that social capital components such as business networks, access to information, access to innovations and access to finance had a significant positive contribution to growth of SMEs in Kenya. Masuku (2009) in a study of the role of trust in contract enforcement between cane growers and millers, found that those farmers (94%) who trusted millers claimed to have made profit. Those who did not trust millers had attitude and clamed millers were cheating them.

Wambugu, Okello, and Nyikal (2009), further found that solidarity increased cooperation and commercialization among smallholder producer organizations. The frequency of attendance by farmers to organization's meetings was also found to improve performance of the farmers.

CONCLUSIONS

In this paper we looked at the effect of social capital, specifically trust on the performance of agribusiness chains. It has been shown that that social capital influences economic performance through: (1) a reduction in search costs for products, suppliers, and customers; (2) reduction of opportunistic behaviours by supply chain participants and (3) a reduction of imperfect information on the market situation, on suppliers and customers, and on the quality of the product.

Social capital shows to be accumulated over time and it significantly improves economic performance. This, then suggest that it would be of mutual benefit for both agribusiness partners to foster and accumulate social capital. This could, for instance, be achieved by facilitating interaction and trust among smallholder farmers and processing firms within the agribusiness chain.

Based on the argument on the paper, there is a need to conduct an empirical study to conduct a study on the influence of social capital on performance of agribusiness firms, especially in Swaziland.

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