

“Thought Paper”: The Role of Social Capital in Frontier Capital Markets
#5: “Executing the Resource Generator Technique”

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The Resource Generator Data Collection Process

This paper will introduce process that led to, and guided the data collection process. Even the most meticulous project plan will often encounter difficulties on the ground. There is something in research projects involving the great human mind that will always lead to inconsistencies and gaps in data. And data is always more or less vulnerable to critique. Because we found that neither our project plan nor our data achieves gold medal standard, we will be transparent so the reader will know how to assess the presented results accordingly. It also demonstrates that we recognize our mis-steps and mistakes; which is the best foundation for improving future efforts.

This paper will focus on the background upon which the plans for this study were conceived and the manner in which it was realized. We will discuss some critical factors that we later determined inhibited the value of the information collected. In future papers, we will present our analysis of this data and our proposed possible interpretations. We will then conclude with a look into the future improved design of a repetition study.

Background of Data Collection Process

As our research team visited the Frontier Markets of interest, it became readily apparent that social connections or, social capital, was a very important component that we should attempt to quantify in order to better model these capital markets. Our team

then researched several techniques and a team member became acquainted with the Resource Generator technique pioneered by Van Der Gaag and Snijders (2004).

The team decided to devise a pilot test to see if this technique would be useful in supporting our efforts to classify capital markets. A team member developed a survey instrument based on the Resource Generator model and customized the list of items to capture the type of information we thought necessary to analyze a capital market network. For example, our questionnaire contained a question based on estimated monthly income (For an example survey, see Appendix A). The team consulted World Bank statistics in order to determine the mean monthly income in each country. Another question related to sports; the team modified this question according to the most popular sport in the country visited.

We decided to test these techniques by collecting data during five different cadet trips. The initial data collection effort was during a cadet visit to the Dominican Republic during the spring and summer of 2010. The follow-on efforts were conducted in Ghana in July of 2010 and June of 2011, the Czech Republic in March of 2011, and Tanzania in July of 2011. All five data collection teams utilized virtually the same survey device, adjusting only minor details to fit the respective culture. Two questions were dropped from the survey after the initial trip to the Dominican Republic but due to administrative errors, one was mistakenly included on a survey later conducted in Tanzania.

The teams, generally, conducted the surveys in the course of visits with financial firms, government institutions, or small businesses. Additionally, the teams actively sought out more traditional “blue collar” respondents during the course of our visits. These respondents ranged from shopkeepers to restaurant and hotel employees to people met in everyday situations. The interviewees were selected locally using the snowball technique. The interviewers thus conducted interviews with random people who would then refer them to someone else. In many cases, the initial interviewee would take the cadet team around a workplace, a place of business or a neighborhood

and help arrange the next interview. The interviewees' participation was completely voluntary and incentive-free, which may have led to some interviews ending prematurely. We surmise this because some surveys were missing data from the latter questions on the form (or, interestingly, questions relating to "acquaintances").

Differences in Quantity and Quality of Data

The number of interviews varies greatly, but is rather small in all locations. For instance, in Ghana we only analyzed 16 interviews (eleven male, seven blue collar workers) because of problems with the collected data. In the Dominican Republic 45 interviews were conducted also with mostly male blue collar workers (23 and 31 respectively). In Tanzania 34 interviewees' responses were documented most of them male (21) blue collar workers and an equal number of students (12). As noted previously, the question that inquired about the respondents' social contacts that know a foreign citizen was asked (mistakenly) again in Tanzania. Likewise, the question concerning social contacts that speak at least one foreign language was dropped after the initial fieldwork in the Dominican Republic. These difficulties in the data collection process, of course, are illustrated in the resulting analysis as well. In Ghana, we do not have any remaining data on white collar workers and social resources provided by acquaintances. Equally, a lot of data on Tanzanian blue collar workers and their acquaintances is amiss. When we look at the maximum number of diverse social resources the interviewed women in the Dominican Republic and Tanzania claim to have access to we find that the number is the same per country in all ties. This means that women in the Dominican Republic have access to twenty-one resources in family-, friend-, and acquaintance-circles. We found correlations of income with social resources only in the Ghana data and there they tend to be rather low. In Tanzania we could not collect information on income for most of the survey population.

Critique on Data Collection Process and Method

After these five data collection efforts, we have identified the following issues with our fieldwork and the Resource Generator technique and will later propose adjustments to improve the data collection process:

1. *Diverging Tie-Definitions:* The Resource Generator model asked respondents for an actual number of either: family members, friends, or acquaintances that have access to a particular resource. Even though the interviewer clearly defines each term for the respondent, we found that the population for each grouping varied widely even among people of similar social status and background. The definitions of the different relationships appeared to vary greatly across the different cultures represented. In Ghana the concept of acquaintances seemed to elude completely. Compared to the survey respondents in the other countries, interviewees in Ghana claimed to have much fewer “acquaintances” (4.5 per person compared to 195.4 per person in Tanzania and 578.1 in the Dominican Republic).
2. *Estimated Responses:* As the team conducted numerous surveys, we found that respondents tended to revert to an “estimated answer” as the survey progressed. For instance, a respondent might tell the interviewer that about 25% of his friends were involved in politics. During the latter data collection trips, the teams modified the survey by asking the respondent to estimate the number of people that would fall into each category at the beginning of the survey. Thus, the interviewer reverted to extrapolate a number when they received an “estimated answer.” The team agreed that this was a better technique but, unfortunately, it was not employed in earlier data collection efforts. Asking the interviewees for actual numbers appears to also have evoked estimates of what are highly likely exaggerations (e.g. a fence maker in the Dominican Republic claims to have a thousand friends who repair household items, a cell phone shop-owner in the same sample had two thousand friends who knew how to use a computer, a

Tanzanian interviewee had seven hundred and ninety friends with this ability and five hundred who were members of social networking sites). With acquaintances the information may likely be not immediately accessible when asked for it. But with friends extremely high numbers might indicate a response governed by a perceived social desirability.

3. *Lack of Expertise:* The team did not have a lot of experience developing surveys and collecting data of this type. The team also was not afforded the luxury of completing a pilot study. Furthermore, the team consisted of inexperienced cadet researchers who were inserted into a foreign environment with limited rehearsals. Additionally, in many cases the research teams had little, or no, supervision. In hindsight, we should have developed incentives to ensure quality and accuracy as some interviewers appear to have been much more diligent than others. We assume that these preconditions amounted to inconsistent data.
4. *Loss of Information on Social Contacts:* The Resource Generator was not designed to collect specific attributes on ego's social contacts, especially their position in the network. Thus, an important aspect of the sources of available social capital remains in the dark. The more detailed information could add to the quality of information gained through the interpretation of the analytical results and eventually aid application of the knowledge gained.
5. *The Right Questions:* Adding up the numbers in the three surveys and trying to determine what social resource is mostly available, we find very low numbers (sometimes less than 20%). Is it correct to assume that no more than twenty % of social resources of a given tie provide the same resource? Do people have only a fifth of their social capital in common? Or did we ask the wrong questions? Van Der Gaag and Snijders acknowledge that their tool is not necessarily suitable for cross-cultural research (Van Der Gaag & Snijders 2004: 31).

Some of the critique presented here may seem trivial, but we found it has impacted our study tremendously. In the next study, we will seek to eliminate these sources of

data flaws as much as possible. As mentioned earlier, we find it important to allow the reader to know about aspects compromising the data and influencing the value of the information obtained through it as we now proceed to the analysis of our data.

Appendix 1: Ghana Survey Instrument

SOCIAL CAPITAL SURVEY: This survey will help to understand how people use social relationships to conduct business and personal matters.

Age (years):		Sex (M/F):	
Partner (Y/N):		# Living in House:	
(Monthly income)			
Student	Homemaker	Looking for work	Blue Collar White Collar

We define **acquaintances** as people whom you recognize by site on the street and could start a conversation with, and **friends** are people with whom you have contact at least every two weeks. Keeping this in mind, **How many people do you know that you could ask for help who:**

	Family	Friends	Acquaintances
Has good contacts with the media			
Owens a vacation home			
Earns more than 100 Cedis per month			
Graduated college			
Is active in a political party			
Knows about government regulations			
Knows about financial matters			
Could loan you enough money to buy a home			
Has gotten a loan from a bank before			
Invests in stocks and bonds			
Owens a car			
Can repair household equipment			
Could hire a family member for a job			
Gives good advice about personal problems			
Gives good advice about work problems			
Knows a lot about Soccer			
Can give you medical advice			
Could go shopping for you if you are sick			
Is member of a social/professional club			
Knows how to use a computer			
Is a member of a social networking site			
Is a foreign citizen			

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