MEASURING SOCIAL CAPITAL IN RURAL DEVELOPMENT PARTNERSHIPS

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Abstract

One of the greatest weaknesses of the social capital concept is that there is no consensus on how to measure it. After a short literature review concerning the different approaches, definitions and functions of social capital, a new measuring method will be presented through a Hungarian case study, which could be also well employed with some alteration in rural development partnerships both in other developed and developing countries as well. The study is concluded that partnership working has contributed to the development of social capital in every partnership, but not equally in case of each partners. On the basis of examinations the trust has been much stronger among members of local political elite than in the cases of civil or business spheres. In addition, the research proves that the downward trust has been missed from the application system and it has prevented the cooperation between local, regional and national bodies and has led to the over-regulation of system and exaggerated severity towards local level.

Keywords: social capital, cooperation, partnership, integrated rural development, sustainable development

Introduction

The term social capital was first used in the international literature in the beginning of the 20th century by Lyda Judson Hanifan (Tömpe, 2007), but it became widely known only in the 1990s. Its popularity can be explained by the ‘wider recognition that economic development models have failed to explain why some areas appear to have been able to develop while others have not’ (Lee et al., 2005, 270.p.).

The definition of social capital can be examined from different approaches. It can be analysed from anthropological approach, which mainly focuses on the biological and psychological components of social capital. According to the representatives of this approach trust and cooperation are basic human needs. As opposed to this point of view, the sociological approach put primarily norms and motivation in the centre of its research. The most important representatives of sociological approach are Pierre Bourdieu and James Samuel Coleman. The economic approach emphasises that cooperation and trust are very significant economic factors; they are among the most important sources of economic efficiency. Its most significant representative is Francis Fukuyama. The political approach brings into focus the examination of relations between social capital and democracy. This point of view stresses that the increase of social capital is essential in order to strengthen democracy, social solidarity and sustainable development (Skrabski-Kopp, 2008; Szakáll, 2004).

Since the 1990s social capital has been given a number of different definitions (Fukuyama, 2001). On the basis of the concepts of the above mentioned Bourdieu (1986), Coleman
(1988), Putnam (1993, 1995), Fukuyama (1995, 2002) the social capital is a mixture of relations, trust, civil social activity and norms regulating social behaviour. In this research the first three factors were examined in Hungarian integrated rural development partnerships in 2012.

Several international surveys (e.g. Füzér et al., 2005; Giczi—Sik, 2009; Hankiss, 1989; Kulcsár, 2006; Skrabski—Kopp, 2008; Szakál, 2006) confirm that the social capital in Hungary is much lower than the indicators of Western member states. Hungary belongs to the countries with low level of trust both in persons and institutions and the civic participation is also low. However, social capital is important to the efficient functioning of modern economies, since it can induce economic growth, on the one hand by reducing the transaction costs associated with formal co-ordination mechanisms like contracts, hierarchies, bureaucratic rules (Fukuyama, 2001), on the other hand, the informal channels can play a significant role in obtaining new business opportunities (Füzér et al., 2005). If there is a low level trust between the local actors the transactional and administrative costs of business activities are going to increase, which results in the loss of efficiency (Tóth—Jóna, 2012).

Social capital is also important in enabling stable liberal democracy by strengthening civil society (Fukuyama, 2001). It can make public administration more effective (and less corrupt) and can contribute to higher quality of public services. Since if there is a strong communal identity, the community may feel the public services as their own property and so more people can be mobilised in order to build infrastructure and maintain it more carefully (Füzér et al., 2005).

Several literatures (e.g. Kis, 2006; Kulcsár, 2006 etc.) prove that social capital has an essential role in sustainable rural development. Where social capital is weak, there are conflicting values and a lack of trust, which hinder any economic or social development activities. Moreover, it often results in personal distress and a higher mortality rate. So where social capital is larger, the sanitary conditions are better in general. In addition, social capital can make a significant contribution to the reduction of social exclusion and poverty alleviation. In those rural communities where social capital is strong among inhabitants the number of crimes is much lower than the national average (Füzér et al., 2005). For these reasons, it is a crucial task to increase the social capital in Hungary.

Some research findings (e.g. Katonáné, 2006; Kis, 2006; ÖIR, 2004) reinforce that local partnerships is an important factor in the creation of social capital, moreover in its utilization as a resource. It is considered that social capital is increasing through partnership working and so the efficiency of such type of rural development programmes is improved. On the other hand, research projects (Shucksmith, 2000) prove that endogenous development programmes based on partnership advance those who have already had appropriate social capital and capacity.

Therefore, the objective of my country-wide research was to survey whether local rural development partnerships really contributed to the building up of social capital of local community and the development of cooperative willingness, thus enhanced more efficient utilization of available resources, improvement of exploitation of development opportunities, in other words the successful operation of partnership.

**Material and methods**

One of the greatest weaknesses of the social capital concept there is no consensus on how to measure it. For instance, Robert Putnam measured social capital by counting groups in civil society. He analysed several censuses and surveys to track size of memberships in sports clubs, bowling leagues, literary societies, political clubs, etc. Both the average size of groups and the number of groups are important measures of social capital. It is also possible to measure the radius of trust of a group, which can emerge as a positive externality of a
collective action. On the other hand, group affiliation can produce also negative externality, so the radius of distrust can be studied as well (Fukuyama, 2001). In addition, there are already several census of a society’s stock of social capital, like the World Values Survey, which enables international comparative analysis for example in trust in political and social institutions or in level of participation in voluntary organizations etc.

In this paper a new measuring method has been worked out. Social capital is examined through the example of the Hungarian LEADER Local Action Groups (hereinafter called LAGs). The most important reason for choosing just the LEADER programme, because one of the most important aims of this rural development initiative is to build local capacity by constructing and developing social capital.

Based on the literature review and a preliminary empirical research conducted in seven LAGs in 2011, my hypothesis was that partnership actions favoured mainly those partners of the local community, who already had more social capital. In order to support my hypothesis by data interviews and two countrywide surveys were conducted in the circle of leaders of Management Offices and members of LAGs between 2011 and 2012. The so gained primary data were analysed by different statistical methods. To examine first the data structure single variable tests were employed. Cross-tabulation was used for the examination of relations among nominal and ordinal variables listed in the survey of members of Local Action Groups. The relations among metric variables of the fact sheet completed by leaders of administrative organizations and the relations among indexes produced from variables of the questionnaires of LAG-members were analysed by correlation-calculations.

The following formula was used for calculating part-indexes:

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I_j = \frac{\sum X_j - X_{j,\min} \times n}{(X_{j,\max} - X_{j,\min}) \times n}
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where: \(\sum X_j\) = the total score of the received answers for the given question regarding the examined LAG
\(X_{j,\min}\) = the minimum score of the answer that can be given for the question;
\(X_{j,\max}\) = the maximum score of the answer that can be given for the question;
\(n\) = the number of answers for the given question regarding the examined LAG;

Each part-index was between 0 and 1. While 0 means that the examined attitude is not typical at all for the given partnership, 1 means that it is completely characteristic of it. The part-indexes were not weighted, because each of them is considered equally important. Finally, each index was determined as a mean of part-indexes calculated on the basis of answers for the belonging questions. The following two indexes were created: the Trust Index (TI), which shows the extent of trust among LAG-members and the Cooperation Index (CI), which contains the characteristics of cooperative willingness of LAG-members.

It was regarded inevitable to consider the opinion of each sphere. Therefore, from the 94 studied partnership only those 51 local partnerships were analysed where at least two local governments, two civil organizations and two entrepreneurs answered the questionnaire appreciably (Fig. 1.).
Results concerning social capital and cooperative willingness

Primarily, the personal trust among partners was examined. Trust enables cooperation, so without it the implementation of local development strategy can be in danger. In the course of the research work the personal trust among partners was examined, but the general trust was not. The respondents assessed the trust among members, how much they kept their promises and how they could rely on fellows when problems arose. According to the majority of partners participating in the research the personal trust was strong inside the LAG. Only one-fourth stated that the trust among members was weak or totally missing (Fig. 2.).

More than three-fourth of the members stated the partners kept their promises, so they could trust in them (Fig. 3.) In addition, the overwhelming majority of respondents felt that they could really rely on the others in case of any problems. Hardly one-fifth felt that the partners would not help if needed (Fig. 3.).
According to cross-tabulation analysis there is a significant correlation between the level of trust and keeping of promise. In those partnerships where the members kept their promises, the personal trust was stronger than in those partnerships where they did not keep them. There is also significant correlation among the level of trust and relying on partners. In those partnerships where most of the member could rely on each other in trouble, the personal trust was also stronger.

The social capital grows in the partnership through contacts among the local governments, civil organizations and entrepreneurs. However, most of the members kept in contact relatively rarely between the partnership meetings. One-tenth of the respondents did not communicate with the other members at all and more than half of them only monthly or even less often. Two-fifth of the members established a connection with the others weekly or even more often (Fig. 4.).

The social capital strongly influences the cooperative willingness, since only forced associations can be built without the trust among partners. Eighty per cent of the examined partnerships cooperated with another national LAG. But only every other LEADER partnership participated in international cooperation. According to the survey the partnerships shared information, experiences and results, gave opinion on legislation drafts, agendas, and consulted with each other about the interpretation of regulations in the frame of cooperation.
Besides, more LAGs elaborated common projects, appeared together in regional and national programmes, exhibitions, promoted the products of each other, even some of them mentioned that they organised common trainings for the new colleagues.

In this paper mainly the cooperative willingness within the rural development partnership and with the superior authorities – with Steering Authority (SA) and Paying Agency (PA) – are studied. The cooperative willingness among members was judged favourably in most of the LAGs, only twenty-seven per cent of the members stated that it was weak or there was not any cooperation within the partnership (Figure 5). The leaders of Management Offices (MO) spoke even more positively about the cooperative willingness among members in the interviews; only one-fifth stated that the cooperation was weak.

The respondents appreciated the cooperative willingness among LAGs and Management Offices (MO) even better than within partnerships. Hardly more than one-tenth of the members reported on the lack of cooperation (Figure 5). The leaders of Management Offices had similar opinions.

![Figure 5: The cooperative characteristics of LAG-members (%)](image)

According to the majority of respondents the cooperative willingness among the LAGs and the superior authorities (Steering Authority (SA) and Paying Agency (PA) is also definitely favourable (Figure 5.). Those respondents were unsatisfied with the cooperation who stated the relations among the authorities and the Action Groups were one-sided, because the LAGs were in subordinate position. These respondents missed the meaningful negotiation, the possibilities of expressing of their opinion; they said that ‘the socialization of legislation is only ostensible’. Local partnerships ‘have become empty, only administrative tasks are managed by the organizations’. ‘the upper levels determine the scope of actions of LAGs in a dictatorial way’. The concerned heads of Management Offices said that more dialogues, two-sided communication and larger compromise skills would have been necessary. The Steering Authority should have looked at LAGs as partners not only at rhetoric levels, but also in practice instead of the sub- and superordinate relations.

Moreover, it is also examined how the partnership actions have contributed to the development of cooperation of local community, according to the members. The results of the survey show that according to the prevailing majority of members (87%) the work of LAGs really contributed to the improvement of cooperation of the local community. Hardly more than one-tenth of the members and out of the Management Offices stated that the partnership did not foster the cooperation of local community. In these LAGs the cooperative willingness among members proved to be quite weak, the partners gave priority to their individual

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interests instead of the collective interests. Figure 6 illustrates the Trust Index (TI), which shows the aggregated extent of trust among LAG-members and the Cooperation Index (CI), which contains the aggregated characteristics of cooperative willingness of LAG-members.

![Figure 6: Cooperation and Trust Index](source: own editing, 2012)

To sum it up it can be stated that both Trust and Cooperation Indexes were quite high in most of the examined LAGs (Fig. 6.). While Trust Index was between 0.51 and 0.93, for Cooperation Index I received values between 0.56 and 0.9. Most of the values can be found around the average, so the standard deviation was quite small (0.1) in both cases.

**Conclusions and recommendations**

It has been proved in the research that the work in partnerships contributed to the development of social capital in almost all the examined LAGs but not equally for each partner. The local political elite had greater power in partnerships – due perhaps mainly to the greater social capital - than the other social groups. The analysis confirmed that the trust among the members of the public sector was much stronger than in case of the civil or business sector. So the results proved that the work in partnership is advantageous primarily for those members of the local community who already had more social capital.

The majority of LAG-members and leaders of Management Offices considered that the partners were motivated for internal and external cooperation as well. In general the members were able to place collective interests in front of individual interests. Those LAGs where the cooperative skills were lower explained this feature mainly with the following three reasons:

- The traditions of community cooperation were missing in these regions, so most of the partners had not known each other before setting-up the LAG, and therefore the trust needed for cooperation did not emerged in time.
- The conflicts among members made the cooperation impossible. A narrow group monopolized the LAG for own purposes and so the cooperation with them made no sense for other partners.
- The members lost their motivations for cooperation due to the bureaucratic barriers and legislation which made their operation impossible. They felt they invested money, time, and energy in vain, and they received nothing in return.
It would be advisable in the future to give higher priority to cooperation, because it would enhance local activity, stimulate more efficient utilisation of local resources and more efficient handling of local problems. In my opinion, the cooperation should be encouraged in four areas: the cooperation willingness among partners should be increased, the cooperation with external authorities should also be improved, the international cooperation between action groups should be extended and the projects targeting the cooperation should be prioritized.

The lack of international cooperation was usually explained by the lack of financial resources, but the research results proved that in many cases there was not even the slightest need in LAG-members to participate in international cooperation. Most of the LAGs did not give any priority to build up international cooperation. It should be taught to the members that joint conferences and study tours, transfer of good practice and exchange of experiences can considerably enhance the efficient operation of partnerships. In case of borderline action groups, the current cooperation should be made closer.

The quality of cooperation is basically determined by the trust among partners. As I have already mentioned in the Introduction, Hungary belongs to the countries with low level of trust, the trust both in persons and institutions is weak (Giczi-Sik, 2009). My own research also proved that the downward trust is missing from the system and it prevents the cooperation between local, regional and national bodies and led to the over-regulation of application system and exaggerated severity towards local level.

Most of the people, however, regarded the personal trust between members within the examined LEADER partnership good. The quantity and quality of contacts between members was however not appropriate. Among the weaknesses of LAGs the heads of management offices often listed the lack of trust between the different sectors and towards the management. Building up trust takes a lot of time but it can be accelerated by increasing the number of personal meetings. More attention should also be given to the introduction of advantages and possibilities of cooperation to the membership.

This paper will hopefully call attention to the importance of examination of local partnerships and contribute to the development of local society of rural communities. These research results could be well utilised in the course of planning and implementation of operational and development strategies of local partnerships. I believe that the methods worked out by me could be also well employed with some alteration to get to know some social characteristics of other type of rural development partnerships both in developed and developing countries as well.

REFERENCES


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