



Young farmers' social capital in Greece: Trust levels and collective actions



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A B S T R A C T

Keywords:
Social capital
Trust
Innovation
Collective actions
Young farmers
Greece

Rural space seeks a new development model, for which “flexibility” is the key-word, that is the ability to adapt rapidly to the new, constantly changing, conditions of globalized markets. It is argued that flexibility can be achieved by society itself by developing its social capital, which allows for cooperation among actors in order to meet mutual goals. In rural communities, particularly in Greece, although it is expected that the social capital is increased because of acquaintanceships and frequent interactions among members, cooperation among farmers is limited and less than frequent. The purpose of this study is to examine the social capital of a rural society, by focusing on young farmers, because they are expected to play an essential role in the formulation and implementation of a modern model of rural development. Linkages between social capital, trust and collective actions are examined through an empirical investigation of young farmers in an exemplary rural area of Greece in order to provide an explanation as to the processes through which social capital can play a positive role in the development of a rural society. The empirical analysis yields two findings of crucial importance. First, contrary to a priori expectations, the social capital of young farmers in Greek rural society is limited, considering that both the participation in voluntary organizations (especially in producer groups) and the level of trust, as depicted within the empirical analysis, are low. This entails limited collective actions, which actually translates to limited access to innovation. Second, young farmers' increased trust to institutions (institutional trust) is linked to poor participation in collective actions. On the other hand, young farmers with reduced trust to institutions and enhanced trust to individuals (personal trust) are predominantly those who endeavor collective actions, which allow them to become flexible in order to better adapt to new conditions.

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1. Introduction

Since the beginning of the post-war period, “stability” was in the core of the economy, in general, and of the rural economy in particular. The productivist model, which prevailed in the EU was formulated on the basis of stability guaranteed by the state and the EU, through the implementation of the Common Agricultural Policy (CAP). However, during the past few years concerns have been raised considering the productivist model; the rural space seeks a new model for farm livelihoods, for which “flexibility” is the key-

word, that is the ability to adapt rapidly to the new, constantly changing conditions of globalized markets (Trigilia, 2001). Unlike “stability”, the pursued “flexibility” is not guaranteed by states or other bodies but, as Trigilia (2001) highlights, it can be achieved by society itself by developing its social capital, which allows for cooperation among actors in order to meet mutual goals. In other words, social capital may be the tool enabling actors to adapt to volatile conditions.

The term “social capital” has received increasing attention since the 1980s, as it was then that its economic dimension was recognized and introduced into academic debates. It is used by scientists of various disciplines, sometimes with alternative meanings and context, nonetheless each one of them points to the fact that social capital can play a decisive role in the development process of a local society or of society in general. Quoting Coleman (1990) “like other forms of capital, social capital is productive, making possible the

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achievement of certain ends that would not be attainable in its absence”.

But what is social capital, how is it defined, how is it detected and through which processes can it play a positive role in the prosperity of a local society, in general, and of a rural society, in particular? Social capital consists a “social structure” (Finsveen and Oorschot, 2008) which expresses the ability of members of a given society to combine their strengths and to work together for common goals, within groups and organizations aiming at development (Woolcock, 1998). In detecting social capital, many researchers have used participation in networks and voluntary groups as proxies, while others find trust in its core (Kazakos, 2006). In general, it is expected that closed societies, like rural communities, will demonstrate higher levels of social capital (Coleman, 1988; Portes, 1998), which was confirmed by a survey in five Australian rural communities (Onyx and Bullen, 2000). In particular in rural communities, the role of trust in local entities and government institutions has been explored as a prerequisite in the process of innovation adoption and as a crucial factor in the success of the implementation of rural development initiatives (see for example Uphoff and Wijayaratra (2000) and Shortall (2008)). In this context, Slangen et al. (2004) examined the role of trust in people and in government using a regression analysis model, where these factors, among others, were included as explanatory variables of agricultural success in Central and Eastern Europe.

Considering Greece, empirical research has shown that the social capital within the Greek society is limited (Kazakos, 2006; Paraskevopoulos, 2006; Demertzis, 2006); this finding was also validated by research among young Greek people (Demertzis, 2006). Although the social capital in Greek rural societies has not yet been examined thoroughly, apart from a few on-site surveys (Karametou and Apostolopoulos, 2010), it can be assumed that it is stronger than in urban areas, because of acquaintanceship and frequent interactions among members of the former, which entail dense and lateral networks involving voluntary engagement. In effect, synergies and collective actions are expected to be more abundant in rural areas. Hence, under the current debt crisis, which had already appeared by the late 90's in Greek rural areas, the majority of farmers struggle to find new ways to improve their performance and generate new opportunities for farm livelihoods by undertaking common actions for common goals. Nonetheless only few sporadic collective actions have appeared in rural Greece during the past few years, which are, however, particularly dynamic and are mainly induced by young people who contribute to development. One then should wonder: under which circumstances do these collective actions emerge and who are the ones which create them in particular?

The purpose of this study is to examine the social capital of a rural society, especially when it comes to its contribution to local development. An analysis of the notion of social capital is presented, mainly by focusing on its particular role in adjusting local dynamics. The basic hypothesis lies on the fact that social capital can be detected through trustworthy relationships, which provide the basis for the formulation of networks, which, in turns, can evolve to collective actions. The latter emerge along with the need for innovation and reform in society and economy.

Linkages between social capital, trust and collective actions are examined through an empirical investigation of young farmers in an exemplar rural area of Greece. The study focuses on young farmers because they are expected to play an essential role in the formulation and implementation of a modern model of rural development, sought by the Common Agricultural Policy in force. Drawing on the perceptions of these young farmers, their trust towards people, institutions and government organizations is analyzed and, as a next step, an attempt is made to investigate

potential connections between trust and collective actions undertaken by them in order to facilitate the adoption of innovation.

The methodological framework of the empirical analysis employs a wide range of established statistical approaches. First, the results of a Two-Step Cluster analysis are briefly presented, by means of which the sampled young farmers are categorized into groups/types, according to their involvement in collective actions and innovation fostering. Then, using a Categorical Principal Component Analysis, the recipients of young farmers' trust under examination are classified in dimensions, which reveal differences in their nature. Finally, by means of a Multinomial Logit model, the authors attempt to reveal the underlying relationships between different levels of trust and different types of farmers.

2. Trust, networks, collective actions and social capital: how are they linked?

The concept of social capital is particularly popular within contemporary scientific circles and is currently being analyzed in various ways by numerous disciplines (for instance economics, sociology, political science, human geography, regional development), as it has proven to ameliorate economic, social and public policy performance in general (Paraskevopoulos, 2010). Nevertheless, the origins of the notion of social capital can be traced some centuries ago, as it is cited by Durkheim and Marx (Portes, 1998) and later by Weber (Trigilia, 2001).

Some decades ago, during the “golden age” of post-war development, the theory and practice of economic development suggested a separation between economy and society. The growing role of the state dominated the stage and economic development heavily relied on state policies aiming at stabilizing markets. Social capital was far from absent but was not considered as a prerequisite for development (Trigilia, 2001). The revival of interest for social capital since the late 1980s was due to the collapse of state socialism, which put an end to the debate about the prevalence of capitalism or socialism (Alexandropoulos, 2010), as well as to the dynamic manifestation of the consequences of globalization and to the incorporation of risk in the economy. The ability to adapt to volatile conditions, otherwise referred to as “flexibility”, emerged as a major challenge, as it was rapidly perceived that capital endowments, even if it were abundant, would not always able to ensure “flexibility”. The search for alternatives rapidly brought Weber's perspective back into attention, according to which networks of social relations are essentially tools affecting, formulating and facilitating economic development in a particular area (Trigilia, 2001).

The concept of social capital is used in different ways and with diverse meanings: the capacity for cooperation, trust and civiness, a particular form of local culture, the network of relations. Following Portes (1998), social capital predominantly “inheres in the structure of people's relationships”. It comprises a set of social relations which can readily be brought to use by an individual or by a collective scheme at any given time (Trigilia, 2001). While social capital is intangible (Portes, 1998), it is a factor influencing economy, as within the new economic frame, it can significantly affect the generation of appropriate human capital, and the efficient use and allocation of both physical and financial capital, through effective cooperation among local actors. The concept of social capital is useful above all in a dynamic perspective (Trigilia, 2001). Thus, following Whitney, the effect of social capital on economic development is, at least, equal to the importance of human capital and education (Alexandropoulos, 2010). Nonetheless, other researchers (Granovetter, 1985; Coleman, 1990; Portes, 1998; Trigilia, 2001; Labrianidis and Sykas, 2013) point out that it is not possible to define a priori the effects of social capital on economic

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