

# SOCIAL CAPITAL AND LOCAL DEVELOPMENT

*From Theory to Empirics*

Edited by Elena Pisani,  
Giorgio Franceschetti,  
Laura Secco,  
Asimina Christoforou



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Elena Pisani • Giorgio Franceschetti • Laura Secco •  
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Editors

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*For Francesco, Camilla, Valentina, Hugo, Miriam,  
Eleftheria and Agapi*

## Foreword

There is a growing body of knowledge on social capital, which is recognised as a relevant variable in influencing development outcomes. Given that disadvantaged rural areas may be less well endowed with social capital (or at least the right sort of social capital) to engage in creative and productive forms of local development, such an analysis is arguably much needed to address the social, economic and environmental crises that individually or together afflict many rural areas. This book contributes to an evidence base of knowledge on, and measurement of, social capital as a force in rural development. The authors argue rightly that Putnam's view of social capital tends to overlook power relations, social inequalities, and governance structures which are considered more deeply in Bourdieu's analysis. Their approach synthesises these two main traditions of thought regarding social capital arguing that 'the network-based approach of the Bourdieusian tradition can (then) be combined with the civic participation approach of the Putnamian tradition to shed light on the multi-dimensional and contextual aspects of social capital'.

Social capital is often implicated as an essential ingredient in the neo-endogenous and bottom-up approaches which have become favoured strategies for supporting development of disadvantaged rural areas. The grounding of development strategies in governance structures which nurture local networks and partnerships is seen to confer apparent advantage over other strategies, but it may still be important to recognise

that market forces, shifts in work patterns and social values, and enhanced personal mobility have also been important in creating new opportunities in many rural areas. Equally, enhanced livelihoods, liveability, and well-being built around environmental and cultural capital are central issues in local and rural development processes and invoke a more mutualistic and less individualistic framing of development possibilities, which require additional indicators to encapsulate the development impacts.

Taking the case of Highland Scotland over the last half-century, with which the authors of the preface are familiar, the legacy of a weak natural resource-based economy and remoteness from the core areas of economic activity in the UK was partially reinvigorated by an externally led post-war strategy of industrialisation around growth poles and the development of hydropower based on a Tennessee Valley Authority-inspired approach. This neo-colonialist strategy was increasingly criticised for ignoring the sociocultural specificities of the region and extracting surplus while leaving remote areas drifting in and out of the mainstream market economy, depending on prevailing market conditions. But, quite independently of those development policies, the key drivers of prosperity in the post second world war period in Highland Scotland have been almost exclusively based on three sectors that have developed very rapidly: energy, tourism, and marine salmon farming in all of which the region had a degree of comparative advantage. First, the exploitation of hydro-energy in the 1950s and 1960s was followed in the mid-1970s by the beginning of an oil and gas boom based on major reserves found in the North Sea; and finally, from about 2000, in another uplift built around wind-based renewables. Second, tourism and, to a degree, lifestyle migration to high amenity areas has created a major driver of growth, and tourism remains the single biggest economic sector in more remote rural areas of Scotland. Third, marine salmon farming has exploited the clean seas, bays and inlets of the north and west. All three sectors are capable of being organised in small, locally owned businesses or being managed by much larger, even multi-national, corporations. But the overwhelming share of economic growth has been a consequence of large-scale corporations entering what had been disadvantaged economic spaces before new opportunities for exploiting the natural resource base

arose. More community-based approaches to development were eventually included in regional development strategies for the region.

What this example of the Highlands illustrates is that we need an honest and open appraisal of the impacts of the market and different types of policy-led activity, not only economically, but also socially and environmentally over the medium and long term. Of course, framework conditions may favour different strategies in different places. Nevertheless, the frequent idealisation of the neo-endogenous model in much European rural development literature needs to be tempered by a deeper and grounded understanding of its aggregate contribution to regional GDP as well as wider notions of well-being, and this is likely to be highly variable over space and contingent on local specificities. Moreover, the financial contributions of the European Commission and Member States in sustaining this approach have to be carefully evaluated in relation to their effectiveness in generating value-added goods.

Arguably social capital will also be an important element in sectors of economic activity not characterised by endogenous and neo-endogenous development. The work of Camagni and others on the innovative milieu indicate the role of interfirm trust in building local knowledge and skills. A raft of other regional development work from industrial cluster theory to regional innovation systems returns attention time and again to how economic actors behave and whether beyond the assumed individualism of the entrepreneur, there are forces including shared knowledge and trust that provide a platform for positive development. In the same way, the work of Gui and Sugden (2005) explicitly recognises the importance of social interactions and, more recently, social interconnections in determining individual and collective action in the economic realm.

One of the central challenges in relation to social capital is the extent to which it can be strategically built up in areas where it is weak and where arguably it is most needed. The Highland Scotland case shows how economic turnarounds can be a product of both market forces and (neo-) endogenous development; and the Italian cases bear out this point. In the Scottish example, government policies towards energy and infrastructure development and tourism infrastructure were

important factors in revitalisation. But where market forces are weaker, can the forces of (neo-) endogenous development, grounded in social capital, provide the foundation for another type of growth and development, which may be more sustainable because it is based on indigenous, long-term interests, rather than globally mobile capital seeking higher profits? The replicability of social capital (of the right type) and its strengthening in areas where it is weak remains two of the great development challenges confronting areas left behind by market forces in an era of globalisation. These are precisely the challenges addressed by this book, as it seeks to propose a method to evaluate intangible aspects of development, without falling into a normative idealisation of social capital and related governance aspects.

A further major challenge is to better understand the context specificity of development outcomes. Context specificity is in part a function of national and regional institutional arrangements that frame possibilities, the multilevel governance structures that shape opportunities for action, and the human and natural resources endowments of a region and how these have been combined historically and in the present. In a globalising world, development is about how particular places can adapt and evolve in response to their own internal social and economic pressures and the external forces that impact upon them. The rhetoric of place-based development and territorial- and community-led local development are at the centre of a European vision for rural areas, but it remains an unanswered question as to whether this model is enough to afford real opportunities to the poorest communities in the most remote and disadvantaged corners of Europe, where social capital is weak and economic opportunities are few. Remittances from economically active migrants who eventually return to their homes may actually be the best that can be hoped for. Surely, we must not let normative desires cloud empirical reality.

The EU's LEADER approach is perhaps the strongest manifestation in rural policy of a belief in the power of local partnership, neo-endogenous development and civil society action to drive positive development outcomes built around territorial capital. And as evaluative approaches to European policy support to rural development have advanced, so it is incumbent on the policy community to develop

smarter ways to evaluate the efficiency and effectiveness of policy, recognising the economic, social, and environmental dimensions. It is important to note that at various times the European Court of Auditors has been rather critical of the performance of LEADER. The Evaluation Network for Rural Development has recognised the challenges of evaluating LEADER and the work presented in this study enriches the extant repertoire of evaluative tools by focusing not only on jobs created in projects supported by LEADER, on percentage of rural population covered by local development strategies, or percentage of rural population benefiting from improved services/infrastructures, but also on social relations, shared norms, and values. Effective evaluation requires a firm conceptual grasp of the role of social capital in LEADER and the development of novel and robust ways to measure its impact on development outcomes. That evaluation must be two-pronged. It needs on one hand to explore the stock of social capital created by, and attributable to, LEADER rather than extant networks; and on the other to assess the contribution that those changes in social capital make to development outcomes, which requires an ability to strip out confounding factors. This constitutes the core challenge of this book.

At a time when markets are weak, globalisation threatens small-scale enterprise and public funds are short, it is incumbent on the research and policy communities to better understand the social forces that mediate development outcomes and, in particular, how policy can assist in building social capital to enhance those outcomes. The recent broadening of the LEADER approach into community-led local development across a range of structural funds strengthens the need for effective evaluation of its impacts on European territories. This book provides some useful signposts on that journey.

Aberdeen, Scotland

Bill Slee and Maria Nijnik

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# **Part I**

## **Social Capital and Local Development in European Rural Areas: A Conceptual Framework**

# 1

## Introduction: Motivation, Aim and Contributions

Elena Pisani, Asimina Christoforou, Laura Secco  
and Giorgio Franceschetti

### Motivation of the Book

Social capital is a multi-faceted concept. It reflects the complexity that characterises social relations in the real world, as well as the various, often conflicting, approaches adopted in different social science domains on what is “social” and what is “capital”. In economics, social capital is assumed to be a type of capital held by individuals or groups based on social networks,

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norms of reciprocity, trust, and shared values and identities, which facilitate collective action and promote development. Regional economic research on social capital has often asked why territories with similar physical, human and institutional capital show different economic performance. Generally, the hypothesis supported by theorists of social capital is that the social factors of each territory interact with other resources and differentially affect economic outcomes.

In their seminal work, Putnam et al. (1993) compare the economic and institutional performance among Italian regions in relation to social capital, measured mainly as membership in voluntary associations, trust, newspaper readership and civic behaviour. Results show that the South possessed a relatively weaker stock of social capital, potentially explaining the lower level of development and institutional effectiveness in this part of Italy. Within a context of hierarchical power structures and social relations, the dominance of groups that are exclusive and serve particularised interests can prevent links to other groups that may be more inclusive and horizontal and thus more inclined to serve generalised common goals. This is not a specificity of Italy. Particularly in South Europe, the relatively low levels of social and civic participation are due to a history of civil and external conflicts and authoritarian regimes, a system of centralised governance and the prevalence of clientelistic networks, all of which weakened formal associations and gave way to the emergence of local informal groups.

Indeed, according to the synergy view of social capital (Woolcock & Narayan, 2000), public institutions play an important role in formulating the social and political context which enables widespread cooperation and participation: they support people's rights and provide legal frameworks to act collectively; they secure public dialogue, democratic governance, accountability and transparency; and they coordinate relations between local actors and empower them to mobilise and work together to determine the means and ends of local development.

In recent years, the role of social capital in the development of local and rural areas has received increasing attention (e.g., Horlings, 2012; Koutsou et al., 2014; Tamásy & Diez, 2016; Raagmaa, 2016). Many studies have focused on the ability of social capital to enhance

development in areas characterised by socio-economic marginality (Marquardt et al., 2012). They argue that social capital gives local actors the capacity to limit the negative impacts of rural abandonment, biodiversity depletion, unemployment and social exclusion, and support the diffusion of new services, social innovation, the protection of natural and cultural heritage and creation of new forms of governance and landscape management (see, for instance, Farrell & Thirion, 2005; Wiesinger, 2007; Bosworth et al., 2016).

Furthermore, social capital is considered a useful tool for economic policy, as well as the analysis and evaluation of rural development policies (Grieve & Weinspach, 2010; Franceschetti et al., 2015; Bosworth et al., 2016; Christoforou & Pisani, 2016). Indeed, the measurement of social capital for evaluation activities is a central and complex question. Authors argue that social capital is replete with conceptual ambiguities and measurement problems (see, for instance, Fine, 2001; Durlauf, 2002; Sobel, 2002; Durlauf & Fafchamps, 2004; Teilmann, 2012). Definitions and measures of social capital often conflate inputs (networks, norms) with outputs (forms of cooperative behaviour like political participation and social organisations). In certain cases, it assumes positive outcomes, while overlooking the negative impacts of powerful economic and political groups, lobbying and criminal activities. Also it often ignores the influence of an historical and cultural context of inequality and power on participation and development. Finally, social capital is used to attribute the quantitative, even a-social, features of a capital stock to a cognitive and purely relational phenomenon. It is thus difficult to identify, assess and compare the sources and effects of social capital in a commonly accepted and consistent manner across regions and disciplines.

Following Putnam, most studies tended to focus on perceptions of social capital that stressed individuals' participation in a variety of social and political activities. They often reproduced an individualist purview with regard to social behaviour that fails to capture distinctive features of local and rural areas, such as the influence of social stratification and power relations. In contrast, the Bourdieusian tradition, which was instituted prior to Putnam but received limited attention in the social capital literature, may enable us to critically assess contextual factors, like inequality and power. Bourdieu (1986) focuses on the role of social

networks in conjunction with the broader social and political context within which they are embedded. The network-based approach of the Bourdieusian tradition can then be combined with the civic participation approach of the Putnamian tradition to shed light on the multi-dimensional and contextual aspects of social capital. Sabatini (2009) observes how over the last decades, the number of empirical analyses quantifying the value of social capital has substantially increased. Social capital is measured by using different indicators based on key structural and cognitive dimensions, including social networks, relationships of trust and social norms. Studies in rural areas also measure the accumulation of social capital by using direct indicators for its multiple dimensions and main contextual factors (Nardone et al., 2010; Lopolito et al., 2011; Torquati et al., 2016).

Relations across the public-private divide seem to enable communities to address collective action problems and organise their efforts towards specific developmental goals and social objectives. There is a growing interest among local populations, policy-makers and funding organisations in supporting reforms and programmes for more collaborative and empowering social and governance structures by taking into account the social, political, cultural and environmental contexts that characterise the region. This has become an imperative in the context of the recent global and European financial and economic crises, which have led to deep recession and rising unemployment, markedly in rural areas. In the European Union (EU), the neo-endogenous, territorial-based approach to local development, has garnered increasing attention in recent years. It is based on the notion that local and rural development should not be imposed from the “outside”. Rather, it depends on endogenous tangible and intangible factors (local agro-food systems, livestock and forestry productions, ecosystem services, local cultural and ecological amenities and heritage, as well as rural-urban economic relations), along “a bottom-up trajectory”, which recognises “the roles played by various manifestations of the *extralocal*” (Ray, 2006, p. 278). The combination of these multiple factors expands rural opportunities for competitiveness, employment and sustainable development. Social capital is of paramount importance in this process because it provides the social resources – social networks and norms – needed to build partnerships and

relationships of trust among local stakeholders in both the public and private spheres and promote participation in development.

The LEADER Approach is an illuminating example of the neo-endogenous approach in Europe. Briefly, LEADER was included in EU Regional Policy in the 1990s as a Community Initiative and after 2007 it was mainstreamed into EU Rural Development Policy. Since 2014, LEADER has been renamed as Community-led Local Development (CLLD) and included in the European Structural and Investment Funds. LEADER strongly focuses on networks and partnerships, which are based on public-private synergies, social learning and innovation for rural development. It functions as a “laboratory” which enables local stakeholders and rural communities to pursue locally devised developmental objectives. By mobilising and organising collectively, local actors can best identify and voice their needs. Thus in this approach, relations of local stakeholder organisations and multi-level governance institutions are object of a separate measure to be pursued alongside conventional socio-economic outputs, such as growth, employment and competitiveness. A focus on the social dynamics of development in LEADER and CLLD is consistent with a *theory of change*, whereby results, outcomes and impacts are consequences of the implementation phase of the project (inputs, activities and outputs) and are borne out of the interactions among stakeholders. The creation of new social networks and modes of governance has been recently identified in EU policy as “social innovation” (BEPA, 2011; Bosworth et al., 2016).

These constitute innovative initiatives promoted by the EU to deal with conditions of deepening recession and rising unemployment, especially in rural areas. However, funding and decision-making bodies at all levels have not explicitly assessed how social capital promotes local and rural development, specifically in the case of the EU-funded LEADER projects. This is the focus of our analysis. Indeed, we argue that core features of processes of development and change remain a black box. To this day very few studies have attempted to integrate the various types and forms of social capital that combine to affect collaboration, cooperation and local development. In particular, we observe that bonding, bridging and linking social capital have been insufficiently addressed in



past evaluations of EU-funded development projects, while relational, structural and normative-cognitive types are rarely assessed. Trust also remains an underinvestigated concept in project evaluation, even though it constitutes a basic resource that underlies networks and partnerships by resolving social dilemmas, encouraging information sharing, collaboration and cooperation, and cultivating solidarity. This book provides a theoretically and empirically informed approach to study the role of social capital in local development by using the specific example of the LEADER Approach.

## Aim of the Book

The aim of this book is to look deeper into the social processes that underpin private-public partnerships and governance structures to better understand how local actors act collectively to pursue development through immaterial resources and long-term transformations. In this way, the book challenges the deterministic assumptions and path-dependency narratives often used to explain the low stocks of capital in certain regions. It reflects on the local possibilities for the regeneration of trust, cooperation and distribution of developmental benefits to the wider population. Ultimately, we suggest alternative means of perceiving, measuring and evaluating social capital and local development to better assess the potential for participation and development, and thus to improve the effectiveness of development programmes and policies.

By integrating qualitative and quantitative analyses, this book identifies the specific factors that affect economic and social processes of development, within the context of social inequalities, power relations and governance structures. It identifies and measures various dimensions of social capital, namely structural, normative-cognitive, bonding, bridging and linking forms, and tries to assess how they combine to determine local development, in the context of EU policy and the LEADER Approach.

Structural forms of social capital relate to the configuration of networks that rely on clearly designated and widely recognised roles, rules, procedures and precedents; cognitive forms are more amorphous and

fungible and refer to norms, values, attitudes and beliefs that correspond to normative orientations (Krishna & Uphoff, 1999). Trust, a special form of normative-cognitive social capital, includes both interpersonal trust (among citizens, within and across groups) and institutional trust (towards public institutions). Bonding, bridging and linking social capital are used to study the differential development outcomes of strengthening ties *within* groups (bonding), *across* groups (bridging) and *between* groups and administrative and policy-making bodies (linking) (Woolcock, 1998; Putnam, 2000; Andriani & Christoforou, 2016). Based on Blumberg's hypothesis (Blumberg et al., 2012), it is argued that increases in in-group trust will lead to stronger ties within social networks (bonding social capital), while out-group trust will facilitate the establishment of new contacts and the expansion of the network (bridging and linking social capital).

The book aspires to motivate researchers, development practitioners and project evaluators to broaden their focus beyond results, outcomes and impacts of funded projects and the quantitative aspects of development interventions, such as short-term outputs or growth in incomes, and look into developmental processes, often referred to as the “forgotten middle”.

## The Innovative Method Proposed

Our book provides an innovative method for quantifying and qualifying the value of social capital in Local Action Groups (LAGs), which are the local planning and management units of the LEADER programme.

*The method is based on theoretically informed and empirically derived indicators and indices.* It is specifically designed to (1) assess the structural and normative-cognitive forms of social capital and their interrelationship with local governance structures, and (2) revise and supplement the evaluation framework proposed by the Evaluation Helpdesk of the European Evaluation Network for Rural Development and applied in evaluation reports commissioned by the EU. Social network analyses are also used to understand the distribution and circulation of material and immaterial resources among project participants, and thus the

effectiveness of these projects in sharing benefits across a larger constituency. Nine different LAGs in Italy are used to demonstrate how the indicators work in practice and which types of analysis are most effective in determining the sources and effects of social capital and governance.

*The quantitative and qualitative method is based on a multi-disciplinary approach to assess the nature and role of cooperation and reciprocity in local development.* In particular, it uses a synergy view of social capital which combines structural and normative-cognitive forms of social capital. It unravels the bonding, bridging and linking dimensions of social capital by distinguishing among ties within and across groups. It addresses various types of trust, or relational social capital, which differentially affect local development, such as interpersonal and institutional trust. Finally, it focuses on context-specific aspects of social capital, that is, on the historical, cultural, social and political environment within which networks and norms develop with specific reference to structures of governance.

*The method aspires to capture, integrate and measure the various forms of social capital and the ways they interact in affecting cooperative behaviour and achieving developmental objectives.* This is in support of the well-recognised importance of social processes including bottom-up initiatives, grassroots organisations, private-public partnerships, multi-level governance and multi-sectoral economic activity. In the post-Putnam era, many studies tried to unravel the relationship between social capital and growth (e.g., Knack & Keefer, 1997; Routledge & Von Amsberg, 2003; Beugelsdijk & Van Schaik, 2005; Peiró-Palomino, 2016). However, the use of attitudinal studies not intended for social capital research, as well as problems in the aggregation and comparison of individual responses at the national level, often overlooked significant local and contextual factors that determine the formation of social capital and relate to social and governance structures, shared values and identities. The method proposed here focuses on the dimensions of social capital that have been understudied in research and evaluation. It offers a first step in identifying the multiple dimensions of social capital and investigating the specific mechanisms that link social capital to local development. The method sets the scene to genuinely delve

deeper into the black box of the social dimensions of development and contribute to research and policy.

*The method could be used in the regular monitoring and evaluation activities carried out by local actors, practitioners, researchers and evaluators of the LEADER programme.* But the method could give operative tools also to the Managing Authorities of the Rural Development Programmes funded by the European Agricultural Fund for Rural Development; the European Innovation Partnership; the other EU structural funds using the LEADER/CLLD Approach such as the European Social Fund, the European Regional Development Fund and the Cohesion Fund; and EU and national institutions for agriculture and rural development (e.g., Commission Directorates, National Ministries and Managing Authorities) assigned with monitoring and evaluation responsibilities. It can also be used by institutions that set out the framework for evaluation and monitoring, including the European Network for Rural Development; professional associations in agriculture and professionals and experts in rural development; European and national universities and research associations and institutions specialising in agriculture and rural development. Finally, LAGs can use this method for self-evaluation in the programming period 2014–2020.

*The method applied here may be used as a platform to evaluate social capital and local development in other local economies and societies beyond Europe.* National governments and policy-making bodies can adjust this method to assess the effectiveness of their own development policies and programmes. Researchers and development practitioners can also use this method to investigate the role of social processes in local development and obtain insight on threats and challenges posed by social inequalities, power relations and ineffective governance institutions. Local development agencies and project beneficiaries can also use it for self-monitoring and evaluation, which enhance the participatory dimensions of development projects. Finally, the method can be combined with other qualitative tools which strengthen its hermeneutical capacity in local contexts.

## Contributions

The book is divided into 5 parts and 19 chapters. While the chapters build on each other, they can also be read independently. Part I develops the conceptual framework regarding social capital and its relationship to local development in rural areas. Part II sets out to critically examine the methods used to define and measure social capital in the evaluation procedures of LEADER, to locate their shortcomings and to stress the ways the proposed method can offer an innovative perspective on development processes and outcomes. Part III describes the set of indicators used in the proposed method to evaluate the social capital of LAGs in the LEADER programme. It also provides an overview of results by comparing the Italian cases used in the research project. Part IV presents the method, context and results of the case studies included in the present study in more detail, and provides an assessment of social capital and related governance indicators and indices for the corresponding regions. Finally, Part V draws some conclusions regarding the need for alternative conceptualisations and measures of social capital, and the prospects for development programmes and evaluation procedures with an aim to restore social capital and support LEADER as a catalyst for social innovation.

In [Chapter 2](#) of Part I, Asimina Christoforou discusses different conceptions and applications of social capital in relation to local development. There is much debate on how social capital should be defined and measured. The aim here is to complement an approach based on civic participation, with a network-based approach, by bringing together the two traditions of Robert Putnam and Pierre Bourdieu.

In [Chapter 3](#), Asimina Christoforou continues to critically examine the role of social capital in local development and the neo-endogenous approach, particularly in the LEADER Approach. She observes that rural development policies are revised to incorporate new public-private relationships in the context of the so-called neo-endogenous approach. Social capital plays a crucial role by creating shared values and identities, inclusive networks, participatory governance structures and democratic decision-making mechanisms. As the main object of study in this book, LEADER is seen as a vehicle for activating the participatory dimensions

of development processes highlighted in the neo-endogenous approach. Standard evaluation methods at the EU and national levels dedicate limited attention to important aspects of participation and development, in particular, networks, power and inequality. Thus, there is a need to introduce alternative concepts and indicators that take these factors into account.

In [Chapter 4](#), Luís Moreno describes social capital, local development and neo-endogenous approaches to rural development in a space-territory perspective, placing it in the context of the diversity of European regions and rural areas. The European geography of rural areas and the territorial roots of local development processes reveal the contextual historical, cultural and political-institutional divides. A critical literature review of various approaches and studies regarding social capital in local development is proposed, offering a human geographical perspective. The theoretical discussion on social capital within the territorial capital framework focuses on social capital and its various dimensions. Finally, critical insights based on empirical studies highlight the geography of inequalities in social capital research.

In [Chapter 5](#), Laura Secco and Catie Burlando emphasise the two-way connection between social capital and network governance. Social capital has been positively linked to the promotion of rural development because it is seen as sustaining new forms of governance, while network governance is considered a pre-condition to the creation of social capital. Currently, attention is focused on their role in fostering (social) innovation, paving the way for an emerging paradigm in rural development. The chapter connects social capital and network governance. It then presents the contribution of governance aspects to the evaluation of social capital in the case of the LEADER approach. Finally, it sketches a process whereby social capital and governance might catalyse social innovation at the local level.

Part II begins with an evaluation of social capital in LEADER by delineating what's in and what's out in accordance to EU regulations and institutions ([Chapter 6](#)). Authors Elena Pisani and Asimina Christoforou investigate the European Common Monitoring and Evaluation Framework (CMEF) and the European Evaluation Network on Rural Development, which determine common indicators

and set the guidelines for the evaluation practices of EU policies, inclusive of LEADER. They stress some of the shortcomings in the conceptualisation and operationalisation of social capital in LEADER and raise critical questions related to the current evaluation system proposed. The authors find the need for an innovative evaluation method, which explicitly operationalises social capital and related governance aspects in LEADER initiatives by thoughtfully considering EU requirements.

Chapters 7, 8 and 9 describe the method used in the present study for quantifying and qualifying the endowment of social capital in LAGs. In Chapter 7, Elena Pisani argues that the social capital endowment in a given local context may present both positive and negative aspects, leading to divergent effects on rural development strategies. This calls for an evaluation approach that specifies how social capital contributes to the rural revival or isolation of European local territories. This chapter provides an *evaluation framework* of social capital that can be applied more broadly in rural development. Accordingly, it describes the scope of analysis, distinguishes the types of relationships sustained and promoted by LAGs and finally details the different forms, dimensions and sub-dimensions of social capital and related governance aspects.

In Chapter 8, Riccardo Da Re, Maria Castiglioni and Catie Burlando describe the statistical foundations of the method used in the present study. The chapter presents the statistical method, including criteria and techniques used to calculate, normalise and aggregate indicators into indices of structural and normative-cognitive social capital and governance. It further describes the data collection system, the selection of case study areas and the sampling design in relation to the LEADER project beneficiaries.

Part II closes with Chapter 9, where Elena Pisani, Giorgio Franceschetti, Riccardo Da Re and Maria Castiglioni offer a detailed description of the different indicators. These indicators refer to the dimensions of (1) structural social capital (context, network actors, horizontal structure of the network, transparency and accountability, reputational power); (2) normative and cognitive social capital (trust and reciprocity among actors, trust in institutions, quality of the network, quality of participation, shared values, conflict); and finally, (3)

governance (decision-making processes, efficiency and effectiveness, organisational culture and capacity, vertical structure).

Part III puts the method to the test and provides an overview of results. In [Chapter 10](#), Elena Pisani, Asimina Christoforou, Catie Burlando, Riccardo Da Re and Giorgio Franceschetti discuss how the proposed evaluation method holds up to real-world use by applying it to a set of Italian case studies. These results allow the researcher and evaluator to select a final set of indicators and apply normalisation. Four normalisation techniques are used and the one that performs best is selected. This enables the researcher and evaluator to apply an aggregation process that builds from indicators to aggregated indices at the level of sub-dimensions and dimensions of social capital and rural governance. The chapter offers an example of this sequential process and reflects on its contribution to the intervention logic in the evaluation of social capital.

[Chapter 11](#) presents the quantitative results of the research conducted in Italy on the endowment of social capital in selected LAGs. The authors, Catie Burlando, Elena Pisani, Asimina Christoforou and Riccardo Da Re, draw on the indicators and indices proposed to measure social capital and governance at different levels of aggregation, to identify strengths and weaknesses of individual LAGs and compare LAGs within and among regions. The chapter concludes with a review of the contributions of the method and recommendations for policy-makers, evaluators and practitioners.

[Chapter 12](#) concludes Part III by applying the proposed method and presenting comparative results across regions. Asimina Christoforou, Elena Pisani and Catie Burlando discuss results and argue that the Putnamian tradition alone does not suffice to capture some of the distinctive features of social capital at the local level. It should be complemented by the Bourdieusian tradition, which stresses the role of social networks in conjunction with the broader social and political context and thus sheds light on the multi-dimensional and contextual aspects of social capital and governance.

[Chapters 13 to 17](#) of Part IV include the regional case studies in which the method described in Part III was applied. Social capital and governance are central elements in the evaluation of development



projects based on the neo-endogenous approach to local development. The aim of these chapters is to measure the endowment of social capital both quantitatively and qualitatively in the case studies. Details of indicators, questionnaires and results (numeric and graphic) are provided in the Appendices.

In [Chapter 13](#), Riccardo Da Re, Giorgio Franceschetti and Elena Pisani present the case studies of the Prealpi e Dolomiti and Bassa Padovana LAGs in the Veneto region (North). The analysis shows that a consolidated partnership history, focused on the capacity of the LAG in bridging between stakeholders and the local governance system, and combined with the effective and efficient delivery of high-quality projects, contributed to increase the levels of social capital in the two LAGs.

[Chapter 14](#) focuses on the case studies of the Valle Umbra e Sibillini and Ternano LAGs in Umbria (Centre), studied by Biancamaria Torquati and Giulia Giacchè. The research shows that both LAGs were recognised as playing an important role in the local development of their territories, and through their activities, became a reference point for small and medium enterprises, as well as local institutions. At the same time, it was found that both LAGs could improve their collaborative networks through better communication and empowerment of the actors involved.

In [Chapter 15](#), Antonio Lopolito and Roberta Sisto analyse the case studies of the Gargano and Meridaunia LAGs of Apulia (South). The results highlight the idiosyncratic nature of social capital at the community level, which is closely related to the specific characteristics of the local organisational system. Gaps in planning and implementation of local development strategies were identified as a starting point for improving future actions.

[Chapter 16](#), authored by Alba Distaso, presents the case studies of the COSVEL and Basento Camastra LAGs in Basilicata (South). The results highlight the strengths and weaknesses of the network of social relationships in both LAGs. The authors propose policy recommendations to strengthen levels of trust and collaboration among the members of the two organisations.

Finally, in [Chapter 17](#) Raffaella Di Napoli and Fabio Muscas discuss LEADER and social capital in Sardinia (Island) through the case study of the Sulcis Iglesiente Capoterra e Campidano di Cagliari LAG. Results show how, on the one hand, the regional Managing Authority played a central role in sustaining widespread participation of different stakeholder groups. On the other hand, strong delays by the Paying Agency, combined with the presence of powerful clusters within the network, weakened local actors' expectations regarding the LAG.

Part V concludes the analysis. In [Chapter 18](#), Elena Pisani, Asimina Christoforou, Laura Secco and Catie Burlando outline the innovative elements proposed in the method for quantifying and qualifying the endowment of social capital in LAGs of the EU LEADER initiative. In sum, the new elements of the evaluation correspond to a deepened scrutiny of the economic implications of social capital in rural areas; the identification of different dimensions and sub-dimensions of social capital and related governance aspects; the use of Social Network Analysis for data analysis regarding information sharing, reputational power and trust among actors; the proposal of a detailed set of indicators selected after a careful phase of testing; the validation of the method in the field; and a first attempt at measuring aspects of governance in relation to social capital. There is of course room for improvement and some of the limitations of the method are also discussed in the chapter, including additional aspects of network governance (e.g., legitimacy) that at present are not included, and new emerging issues (e.g., social innovation) that have been very recently acknowledged by scholars as new possible developments of the LEADER Approach. The chapter concludes with recommendations on the implementation of the method for improving monitoring and evaluation activities in rural development policy.

Finally, in [Chapter 19](#) Laura Secco, Elena Pisani, Catie Burlando and Asimina Christoforou ask: what is the future of LEADER as a catalyst of social innovation? The LEADER Approach was initially designed to promote innovation in European rural areas by sustaining a bottom-up approach to local development. Nowadays LEADER includes elements that are generally considered to support social innovation. Classical features, for example, area-based development

strategies, cooperation and networking, are considered catalysts of social innovation as well. By drawing on key elements that support social innovation, the chapter examines the future role of the LEADER Approach and LAGs, and discusses the challenges and potentials of the new rural development policy in the context of emerging social, environmental and economic needs. Therefore, the chapter suggests possible routes for future research, which will enrich and strengthen our method as a tool for analysis and evaluation.

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# 2

## Social Capital: Intuition, Precept, Concept and Theory

Asimina Christoforou

### Introduction

For almost half a century now, many researchers and policy-makers have employed the concept of social capital in different contexts to explain why some individuals and communities are better off than others; why some institutions, like the market, the state or civic organisations, function more effectively than others; how these institutions come into being and how individuals come together to set collective objectives and to create various types of groupings that serve these objectives; how these groups resolve internal and external conflicts and concert differential interests and how they affect the well-being of their members and that of society as a whole; how organisational structures of networks and governance structures of the broader social and political context affect individual and group behaviour and change socio-economic outcomes and institutional settings. The idea

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is that social capital, in its contemporary sense, refers to social norms and networks, which people can use to facilitate cooperation, reciprocity and trust and potentially increase their individual and collective well-being. These are intangible resources that do not belong to individuals and groups but are formed and transmitted via their social relations among family members, friends, neighbours, colleagues, communities and citizens, and determine the collective means and objectives of behaviour in their everyday life and transactions.

Actually, the topics studied under the concept of social capital are not new. They represent age-old questions that humankind has been pondering over since it started exploring its natural and social surroundings: what brings and keeps people together; how do groups and societies take form; how do people create and abide to social values and objectives that override individual interests and goals. For instance, many centuries ago the philosopher Aristotle argued that the essentials of life, such as prosperity, knowledge and health, depend on social relations, on comradeship and on values of fairness and equity in order to build the political community that will draw people together to cooperate and jointly decide what is good for them and how they will go about to achieve it (1999. 4th c. BC, pp. 137–138). For Adam Smith, a moral philosopher and the father of classical political economy, networks and trade associations are the main channels for the transmission of a reputation for trustworthiness, while principles of compassion and self-discipline remain crucial in the functioning of economies and societies (Smith, 1980[1776], 1982[1759]).<sup>1</sup>

Yet to this day there is much debate on how social capital should be defined and measured, leading to various conceptions and indicators in theoretical and empirical analyses across disciplines and regions. This multiplicity of conceptions and indicators reflects the different approaches adopted regarding the processes of socio-economic transformation and particularly the interaction between agency and structure.<sup>2</sup> Still researchers appreciate the heuristic value of social capital in tackling these issues and addressing the debate on what is *social*, that is, what identifies as social welfare and how it should be achieved, and what is *capital*, that is, what identifies as a resource for production and how it should be distributed.

Social capital research covers a very wide range of phenomena that is beyond the scope of the present book. Our analysis focuses on the ways that social capital has been applied in relation to local development. Development researchers, policy-makers and practitioners have used social capital to stress the importance of social relations in institutional performance and local development. International and regional institutions, such as the World Bank, the OECD and the European Union (EU), as well as national statistical and development agencies in countries like the USA, the UK, Australia, etc., have funded many research projects and development programmes<sup>3</sup> that see social capital as a crucial factor in the development process, alongside traditional forms of capital, like physical (infrastructural), natural, financial and human capital. Generally, it is considered that the strength of social capital lies in its capacity to build the kinds of network ties and trusting relations among actors in the public and private spheres that are needed to pool material and non-material resources; produce public goods and allocate their benefits on premises of efficiency and fairness; set the rules for managing and sharing common resources; reduce transaction costs and market imperfections to foster efficiency; build bottom-up initiatives in development policy based on the locality's knowledge of endogenous dynamics (place-based policies); and cultivate social association and political participation to discuss the problems of urban and rural areas and determine the means and ends of development.

In this book we study social capital in terms of the structural and cognitive dimensions of social networks, which have received less attention compared to standard dimensions of social capital related to civic behaviour, membership and trust. Thus, in this chapter, we try to bring together two traditions, that of Robert Putnam and Pierre Bourdieu. In Section 2 we briefly describe the Putnamian tradition, which inspired social capital studies since the late twentieth century and appeals to conceptions and measures of social capital that typically identify with individuals' social and political participation. In Section 3 we develop the Bourdieusian tradition, which preceded Putnam's work and adopts a network-based approach of social capital. We argue that the Putnamian tradition tends to overlook the influence of power relations, social inequalities and governance structures, which play a crucial role in

how social dynamics unfold in development processes and policies. Therefore, we appeal to the Bourdieusian tradition, which has largely been ignored in the literature, to focus on network relations and governance structures and re-introduce the multi-dimensional and contextual aspects of social capital.

## The Putnamian Tradition

Many will agree that the seminal work of the political scientist Robert Putnam constituted a focal point in social capital research, triggering a renewed interest among scholars and policy-makers alike on the role of social relations in development. In *Making Democracy Work*, Putnam, Leonardi and Nanetti define social capital as “the features of social organisation, such as trust, social norms and networks that can improve the efficiency of society by facilitating coordinated actions . . .” (Putnam et al., 1993, p. 167). By collecting regional data and conducting a series of regression and statistical analyses across Italian regions, the authors conclude that the South has low levels of development and institutional effectiveness due to the poorer endowments of social capital that it has inherited compared to the North. They argue that social norms and networks “provide defined rules and sanctions for individual participation in organisations” (ibid., p. 166), and promote reciprocity and cooperation “founded on a lively sense of mutual value to the participants of such cooperation, not a general ethic of the unity of all men or an organic view of society” (ibid., p. 168). Moreover, for the authors, norms and networks potentially undergird a kind of social trust that discourages malfeasance and facilitates cooperation: “Norms of generalised reciprocity<sup>4</sup> and networks of civic engagement encourage social trust and cooperation because they reduce incentives to defect, reduce uncertainty, and provide models for future cooperation. Trust itself is an emergent property of the social system, as much as a personal attribute” (ibid., p. 177). Hence, regions with widespread norms of reciprocity and dense networks of civic engagement would enjoy more favourable growth prospects and more effective public institutions than regions with fewer associations and limited political involvement.

Furthermore, in *Making Democracy Work*, the authors speculate that network relations in the South of Italy may be more vertical and hierarchical, which reflect paternalistic and clientelistic social relations, where cooperation is achieved by coercive action and force and exercised by the privileged to exploit the rest of the population. Examples mentioned in his study include the Mafia or the institutional Catholic Church. On the contrary, network relations in the North or in the successful business sectors of the Mezzogiorno (Italian regions of the Centre and South, as well as the Islands) might be more horizontal in that they take the form of multiple professional and leisure associations. Horizontal networks are assumed to be positively associated with improved economic performance and democratic governance, because they create an internal mutual commitment mechanism and support widespread cooperation and participation by combining individuality and social obligations (*ibid.*, p. 175). Putnam (2000) then takes his research over to the USA. Though social and political participation seem to be falling in modern America and losing their Tocquevillian momentum, he provides evidence that where participation remains high community well-being is also high.

Notably, for Putnam social capital is produced as a by-product of other social activities and pre-existing social relations, which were built up for reasons other than their economic value to participants and operate on the basis of values of friendship and reciprocity. However, as a result of the functionalist and instrumentalist influences of modern social and economic theory, Putnam falls into a kind of historical and cultural determinism that fails to inform us how actors and regions that have inherited a poor stock of social capital will be able to rebuild norms and networks of participation and trust, and eventually enhance local development, institutional performance and social welfare. By emphasising the lock-in effects of an inherited culture of low social capital, he overlooks the potential for political action at the individual and collective level to pose alternative values of collaboration and solidarity and promote social change.

More active forms of agency emanating from public work and civic education can be found in earlier treatments of social capital. In the beginning of the twentieth century, Lyda J. Hanifan, who was a State Supervisor of Rural Schools in the USA and is often cited as the first to use

the term social capital in its contemporary sense, identified social capital with “goodwill, fellowship, mutual sympathy and social intercourse among a group of individuals and families who make up a social unit, the rural community, whose logical centre is the school” (Hanifan, 1916, pp. 130–131; cited in Farr, 2014, p. 16). He links social capital to “the community centre idea” that inspired community programmes and civic education to confront deplorable school conditions, racial segregation, migration, rural isolation, poverty and illiteracy (Hanifan, 1920; cited in Farr, 2014, p. 17). However, according to Farr (2014), it was John Dewey’s philosophy that inspired movements of civic education and the texts of social capital. Democracy itself was nothing other than “a mode of associated living” (Dewey, 1916 in *MW9*, p. 93; cited in Farr, 2014, p. 21)<sup>5</sup> experienced by citizens in and through their communication with each other, via associations, education and public work.

Putnam adopts a more macro-social perspective by stressing the importance of social capital for social cohesion and political integration. But what happens at the micro-social level where individuals make decisions about participation and development? This question was addressed by economists. Glaeser et al. (2002, p. 4) define social capital at the individual level as a person’s social characteristics, that is, his/her sociability in communicating with others and making acquaintances that will offer him/her influence, social status and access to networks in order to secure (pecuniary) personal benefits. Hence, individual characteristics such as education, income, gender, age, occupation, as well as spatial proximity and social distance are assumed to determine individual investment in social capital. Similar to Gary Becker’s treatment of social capital (Becker, 1974, 1996), Glaeser and his colleagues introduce social capital as an argument in the utility function  $U$  of an individual agent, so individuals’ decision to invest in social capital is represented as one of maximisation, given preferences and constraints. Studies that proceed to test these hypotheses empirically tend to confirm the impact of individual characteristics on indicators of social trust and group membership. However, we feel that such a preference-based approach is problematic in that it overlooks the role of individual and collective motivations that derive from a sense of identity and commitment to social values. Consequently, it ignores the aggregate processes of socialisation

and political participation within which collective identities and shared values form and evolve, reducing them to a mere outcome of or constraint to individual utility maximisation, which in turn will (automatically and inevitably) promote market efficiency, economic growth and social welfare. In other words, economic models offer a reductive interpretation of social variables, such as distinction, reputation, status and altruism, by explaining them only in terms of individualist, calculative considerations that prevail in modern economics.

The aforementioned studies conduct applied research to test their hypotheses on the relationship between social capital and various socio-economic outcomes. To operationalise their concept of social capital they use measures of social capital typically derived from survey data that focus on individuals' participation in a variety of social and political activities and stress aspects of generalised trust and civic engagement. An indicative list of relevant measures based on individuals' civic participation includes

#### 1. Community organisational life and volunteerism

- Officer or committee member for some local organisation
- Social organisations per 1000 population
- Mean number of group memberships or club meetings attended or doing volunteer work

#### 2. Engagement in public affairs

- Turnout in presidential elections
- Voted in referendum
- Attended public meeting on community issues

#### 3. Informal sociability

- Spending time visiting friends
- Entertaining friends at home

#### 4. Social trust

- Agree that “Most people can be trusted”
- Agree that “Most people are honest” or “fair” or “help others”

Generally, the Putnamian tradition gives limited attention to the specific structural and cognitive aspects of networks. For instance, though it discusses the effects of horizontal and vertical network structures on participation and development, it does not delve deeper into the structural dimensions of networks by means of statistical analyses to uncover the specific structure of connections and exchanges among individuals. Similarly, it refers to social trust but does not distinguish between the different dimensions of trust and their normative underpinnings depending, for example, on who trusts whom and for what. In this manner, it underestimates the dark side of social capital, that is to say, the existence of networks that operate on the basis of vertical relations and particularistic interests, at the expense of generalised norms of trust, solidarity and social welfare. Groups including the Mafia, extremist and racist groups, patron-client networks, powerful economic and social groups, groups engaging in lobbying and rent-seeking at the local and global level are some examples. Furthermore, this tradition overlooks the significant role played by new, alternative forms of social and political participation, like digital networks and informal self-help groups, often coming together to face a crisis, satisfy a sense of belonging or promote social change.

Therefore, we need to complement our analysis of social capital with a network-based approach that combines individual and structural elements of human behaviour. To this end, we turn to another tradition, that of Pierre Bourdieu.

## The Bourdieusian Tradition

Since the 1960s sociologist Pierre Bourdieu had been using the concept of social capital in his theoretical and empirical analysis of the French society. His conception of social capital was more consistent with a network-based approach at the meso-level of analysis.<sup>6</sup> In his widely cited “Forms of Capital” (Bourdieu, 1986) he gives this definition: “Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and

recognition . . . which provides each of its members with the backing of collectively-owned capital, a ‘credential’ which entitles them to credit, in the various senses of the word [in the economic, social and cultural domain]” (Bourdieu, 1986, pp. 249–250). It is part of a framework that recognises the existence of other forms of capital, namely economic and cultural capital: *economic capital* is accumulated labour, appropriated at a private basis by agents or groups, convertible into money, and institutionalised as property rights; and *cultural capital* includes long-lasting dispositions of mind and body, cultural goods (books, instruments and machines) and educational qualifications. He adopts two hypotheses: (1) the *interdependence* of social capital with the other forms of capital, such as economic and cultural, which implies that social relationships are never entirely independent of social structures and the distribution of the various forms of capital; and (2) the *multiplier effects* of social capital, so that two individuals with the same amount of economic and/or cultural capital will have differential gains if one has more social capital than the other (Bourdieu, 1980; cited in Eloire, 2015).

Empirical analyses based on regression techniques and survey data, including those mentioned in the previous section, offer evidence of the positive relationship between variables of social capital, like membership and trust, and other socio-economic variables, like income and education, which can be measured at the individual and aggregate level and used to represent economic and cultural capital, respectively.<sup>7</sup> These findings show that individual affluence and education potentially increase one’s access to additional economic and non-economic resources. Thus, individuals who invest in economic and cultural capital will increase their own social capital. However, we should recall that social structures, characterised by the unequal distribution of capital and power, considerably influence individuals’ access to all kinds of resources and differentially affect their capacity to invest in the various types of capital. Fewer studies apply qualitative methods and indicators to delve deeper into the role of structural factors, including social inequalities, power relations and governance structures.<sup>8</sup> Earlier work by urban theorist Jane Jacobs (1992[1961]) and sociologist Glenn Loury (1977) in US communities stressed that conditions of urban poverty and racial



segregation have a differential impact on individuals' access to various resources for personal and collective well-being.

Bourdieu examines the role of social structures in social capital analysis by introducing the novel concepts of *field* and *habitus* (cf. Bourdieu, 1977, 1980, 1984, 1986, 2005). Briefly, field, like the field of economic production (e.g., various industries) or the field of cultural production (e.g., art and science), consists of the objective social structures, which are determined by the distribution of the different forms of capital, and which determine individuals' economic and social conditions and positions within a hierarchy of social relations. These objective social structures are internalised by individuals and shape their so-called habitus, that is to say, a system of durable, but transposable or malleable dispositions that enable them to form the interests and strategies that maximise their gains from the various kinds of capital they possess. Though this makes practices appear *sensible, natural, inevitable* and *universal*, leading to the reproduction of social structures, at the same time, the *plurality* of fields and principles of social differentiation (monetary, cultural, ethnic, religious, gender, national) leaves room for reflection and changes in the habitus and ultimately in the field that shapes it. In this framework, Bourdieu talks about the *symbolic foundations* of economic life, according to which the behaviour of actors and the economy depend on certain definitions of social value that are imposed by dominant classes over the dominated. This is achieved via a process that Bourdieu terms "symbolic violence" or "misrecognition" that makes underlying power relations, and the social inequalities they foster, go unrecognised and unquestioned, leading to the reproduction of structures of distinction and domination. Yet it is the plurality of worldviews among different groups and classes in the social space that lead to a struggle for "symbolic power", that is, for the power to re-assess and re-make "the visions and divisions" of the social world, leading to social change (see also Christoforou & Lainé, 2014).

In this manner, the rather understudied notions of conflict and struggle are reinstated in the analysis of social capital. This is opposed to the Putnamian tradition, which takes on a more communitarian view, whereby communities and organisations always produce consensus and

cohesion. By considering the conflictual nature of social relations, we shed further light on the dark side of social capital.

To empirically assess social capital, Bourdieu applied social network analyses that enable the researcher to delineate the different aspects of network interactions among individuals by distinguishing: the number of links and nodes; the degree of network closure and “structural holes” (a “gap” in the network allowing weaker ties with non-members and thus offering greater scope for connections and resources beyond the confines of a single network); the flow of economic and non-economic resources among members and the characteristics of hierarchical structures and vertical relations. Thus the value of individuals’ stock of social capital depends not only on the connections they have, but also on the economic, cultural and social capital resources they obtain access to by virtue of their connections.

The role of networks and their structural effects on individual behaviour were specifically addressed by sociologist James Coleman (1988), another central figure in social capital research, whom Putnam often cites as a source of inspiration. However, Coleman’s view of social capital was thought to have underestimated the importance of weak ties à la Mark Granovetter (1973) or structural holes à la Ronald Burt (2005). Moreover, compared to Coleman, it is sociologist Nan Lin (2001) who operationally defined the concept of social capital as resources embedded in social networks and engaged in social network analyses. In line with Bourdieu’s perception of social capital, Lin attempts to conciliate a network approach with issues of social stratification: he poses a postulate based on the original position of the individual inside the network, the so-called Strength of Position Proposition, according to which an individual with a better position of origin in terms of income and education, is more likely to have access to and make better use of social capital.

In the aforementioned studies social capital is examined in relation to networks. Contrary to the set of measures concurring with the Putnamian tradition described above, these studies provide a deeper analysis of networks on the basis of formal statistical techniques like social network analysis. An indicative list of relevant measures includes

### 1. Structural properties of networks

- Size, density and diversity of the network
- Frequency, intensity of contacts between actors
- Social and spatial proximity of network members

### 2. Qualities of networks

- Diversity of horizontal and vertical relations (e.g., links in other communities or levels of hierarchy)
- Other members' personal characteristics (e.g., education, income, prestige, gender, ethnicity)
- Mobilisation of resources (e.g., number and kinds of contacts in a critical episode, like job search)
- Norms of trust and reciprocity in the community

### 3. Embedded resources

- Instrumental: wealth, power and reputation
- Expressive: health, life satisfaction, sense of belonging

Notably, in network analysis, Lin & Erickson (2008, pp. 8–24) argue that instead of asking individuals about close-knit ties and social relationships with particular people (name generators), or people with particular resources, like economic and cultural capital (resource generators), it might be more useful to ask them about their social links to social positions in which different kinds of resources are concentrated (position generator). For example, a position generator based on occupation, an important aspect of an individual's life and social condition, implies that the more connections one has from all levels of the occupational hierarchy, the more resources, in amount and kind, one has access to. Thus more information is gathered about an individual's broad network of strong and weak ties (compared to the classic name generator) and about one's access to various kinds of resources (compared to a resource generator). This method can be expanded to incorporate other social stratification principles on the basis of gender, ethnicity, occupational status, prestige and connections to other localities,

economic sectors, state officials and social economy actors, by inquiring into the personal and social characteristics of other network members. In this manner, the method connects to the social and institutional context that social capital depends upon. Finally, the authors present a series of empirical studies that examine the relationship between network-based indicators and indicators of civic participation (such as participation in voluntary institutions, trust and reciprocity). For the authors, the relatively weaker relationship of network-based indicators with trust and reciprocity suggests that the latter may need to be studied independently of a theory of social capital as networks. But Lin (2001, p. 246) still sees trust and reciprocity as collective assets of the community that sustain collaborative dynamics and networking.

Yet Bourdieu was critical of these network approaches in sociology. He argued that they adopted the principle of rational choice to explain individual behaviour, which reduces the analysis to the intersubjective relations that take place within networks, ignoring the influence of the broader social context which is defined by the configuration of the various forms of capital in respective fields and in the social space. Generally, Bourdieu's analytical framework of human action diverges from the individualist assumptions of the rational choice principle where structure, power and change boil down to properties and choices of individuals. For this reason, in his empirical analyses, Bourdieu preferred alternative methods, like geometric data analysis and field analysis, that combined quantitative and qualitative methods and enabled him to assess network interactions in relation to social structures that determined the broader historical and institutional context within which individuals and networks are embedded (see Lebaron, 2015, for a brief overview of Bourdieu's methodology and empirical works).

Though Bourdieusian concepts and techniques are applied to this day by French sociologists in the study of social capital, they have been largely discarded from the literature. According to critics like Ben Fine, Bourdieu's notion of social capital was replaced by the rational choice perspective that prevailed in the social sciences and was adopted by Becker, Coleman and Putnam (Fine, 2001, 2010). Contemporary work on social networks in economics (like that of Matthew Jackson and his collaborators) continues to apply the principle of rational choice to explain the behaviour of

networks and their members (see Odabaş & Adaman, 2014, for an overview of networks in economics). Some contend that Bourdieu adheres to a more individualist approach vis-à-vis Beckerian assumptions of individual behaviour; some consider him to lean towards a more structuralist approach vis-à-vis Marxist interpretations of social change. But Bourdieu himself claims to distance himself from both fronts in an effort to transcend these “false dichotomies” as he called them and to bring them together in order to uncover the mechanisms that determine the interplay between agency and structure, the reproduction of power relations and the possibilities for social change (for details on these debates see Christoforou & Lainé, 2014).

## Conclusion

In empirical analyses and policy evaluation reports, social capital would typically be assessed in relation to individuals’ attitudes and values towards participation and the common good, their membership in social organisations, civic engagement (paying taxes, protecting the environment, voting, protesting), and their trust towards other individuals, groups and institutions. However, as we shall see in more detail in [Chapter 3](#), the capacity and dynamic of social capital cannot be addressed without considering that individuals and groups have differential access to social resources, due to inequalities and power, and that they can mobilise and organise collectively to re-assess and re-define the means and ends of development. To assess the social dimensions of development, we should analyse the network relations created among individuals and groups, as well as the broader social and political context, especially the governance structures at the local, regional, national and supranational levels.

In this chapter, we observed that the Putnamian tradition deeply influenced contemporary social capital research by providing concepts and indicators of social capital based on individuals’ civic participation. However, these perceptions of social capital were unable to shed light on the specific socio-economic processes that determined the content of norms and networks and their differential effect on local development. For

instance, the networks and underlying norms utilised for the design and implementation of development strategies and projects in a locality can reflect the hierarchical structures and social inequalities in the area, enabling powerful groups to appropriate development funds and outcomes and leaving out the disadvantaged groups of the locality. Thus, development agencies, researchers and policy-makers at various levels of administration need to explicitly address inequalities and power and implement ways to make networks and governance structures more inclusive and participatory. To explore these dynamics, we return to the Bourdieusian tradition which adopts a network-based approach. By highlighting the structural and cognitive aspects of networks, this tradition offers insight on the contextual conditions that affect participation and development in the locality.

Our humble attempt here was to develop a theoretical framework that merges the Putnamian and Bourdieusian tradition of social capital. We argued that a better understanding of the nature of social capital and its role in local development can only be obtained if we recognise and operationalise social capital in its structural, cognitive and contextual dimensions. The integration of these two approaches appears to be consistent with the aim of the method developed in the present book which wishes to address the multiple dimensions of social capital and assess their impact on participation and local development. In the following chapter we focus on development studies that single out these dimensions in theory and in practice and provide the background for our current study.

## Notes

1. Interestingly, these values have been overshadowed by his far more celebrated notion of the “invisible hand” used by mainstream economics to support individualist principles and the idea of self-regulating markets.
2. Put simply, the interaction between agency and structure refers to the different assumptions concerning the extent to which individual interests, beliefs and behaviour shape and are shaped by structural elements, such as social groups and the broader institutional and social context within which individuals and groups are embedded.

3. We discuss some of these programmes in [Chapter 3](#) before introducing the EU-funded LEADER programme studied in the present book.
4. Putnam et al. (1993) identify two kinds of reciprocity: balanced and generalised. The former refers to simultaneous exchange of items of equivalent value (e.g., legislators' logrolling). The latter refers to a continuous relationship of exchange that is not immediately required, but relies on expectations that a benefit granted now will be repaid at some time in the future. The norm of generalised reciprocity is thought to be characteristic of friendship relations and "serves to reconcile self-interest and solidarity" (*ibid.*, p. 172).
5. Farr refers to Dewey's texts by date, as included in the *Middle Works (MW)*, followed by volume number and pages.
6. In his analysis, Bourdieu addresses the spatial dimensions of capital in a more explicit manner compared to the micro-level approach (individual interactions) and macro-level approach (broader social and institutional contexts) mentioned in the previous section. This topic is discussed more extensively in [Chapter 4](#).
7. Some studies on the determinants of social capital in this genre include Kaasa & Parts (2008), Halman & Luijkx (2006), Van Oorschot et al. (2006), Bartkowski & Jasińska-Kania (2004), Costa & Kahn (2003), Glaeser et al. (2002) and Brehm & Rahn (1997).
8. Early on political scientists like Margaret Levi (1996) criticised Putnam for not stressing the role of governments in cultivating trust among citizens and promoting socio-economic development. We return to this issue in the next chapter.

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# 3

## Social Capital and Local Development in European Rural Areas: Theory and Empirics

Asimina Christoforou

### Introduction

The discussion on social capital is directly linked to the resurgence of interest in the social dimensions of local development. This concept brings together different social science disciplines and enables us to understand various aspects of the social dynamics of development: the utilisation of material and non-material resources; the production of public goods; the allocation of resources based on both individual and social values like efficiency and fairness; rules for managing and sharing the commons; bottom-up initiatives based on the locality's knowledge of endogenous dynamics; the social and political participation and dialogue of citizens on urban and rural poverty and development priorities. Development policies are thus revised to incorporate new relationships between state, civil society and market actors in the community. Social

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capital is of paramount importance in these policies because it facilitates the utilisation of material and immaterial resources via the creation of shared values and identities, inclusive networks, participatory governance structures and democratic decision-making mechanisms that target local development for individual and collective well-being.

In this chapter, we discuss the relationship between social capital and local development in EU rural areas in theory and in practice. In Sections 2 and 3 we set the framework by providing a brief overview of theoretical and empirical works that link social capital to local development and the neo-endogenous approach of rural development. Then in Section 4, we focus on the role of social capital in EU rural development policies and particularly in the LEADER initiative. We conclude that, notwithstanding difficulties in measuring intangible resources such as social capital, the effectiveness of LEADER in rural areas depends on a deeper understanding of participatory networks and governance structures, as key principles of the LEADER Approach, and on the implementation of alternative indicators capturing the multi-dimensional and contextual aspects of social capital.

## The Importance of Social Capital in Local Development

Influenced by Putnam's seminal work, a series of empirical studies emerged to test his hypothesis of the positive relationship between social capital and development in various regions and countries outside of Italy (e.g., Putnam, 2000; Rupasingha et al., 2000; Whiteley, 2000; Beugelsdijk & Van Schaik, 2005). These studies viewed social capital as an additional factor in the economy's production function and applied Putnam's methods that were mainly based on indicators of civic participation, survey data and regression analyses. A highly cited work is the cross-country study conducted by Knack & Keefer (1997). The authors find evidence of the strong relationship between economic growth and social capital measured as interpersonal trust (trust in strangers) and norms of civic cooperation (for instance, not avoiding a fare on public transport or not cheating on taxes). At the same time, they

find a weak relationship between growth and group membership indicators. They speculate that it is difficult to capture the underlying motivations and objectives of the various social organisations represented in the data and to single out the “rent-seeking” organisations, which are detrimental to growth and, according to Olson (1996), function as distributional coalitions against social welfare.<sup>1</sup>

In the 1990s, international funding agencies joined the search for social capital in development. Indeed, the World Bank considered social capital as the “missing link” in development research and policies. It started funding community-based and -driven development programmes (CBD/CDD programmes) in Third World countries for poverty alleviation and launched the *Social Capital Initiative Programme* in order to investigate the relationship between social capital and development and create relevant indicators. Grootaert & Bastelaer (2002) edited a volume based on the *Initiative’s* working paper series. They conclude that both quantitative and qualitative methods of inquiry are useful for understanding the relationship between social capital and development; social capital complements other types of capital (human, physical and natural); and efforts to enhance local social capital should seek to adapt the concept to local conditions and manifestations (Grootaert & Bastelaer, 2002, pp. 14–15). However, the Bank’s CBD/CDD programmes had limited success. Mansuri & Rao (2003), both development researchers at the Bank, argue that most of these programmes were dominated by elite groups, based on gender, caste, race or ethnic identities, so objectives for empowerment and poverty were compromised. They suggest that an understanding of social capital within its cultural and political context of power relations and social inequalities is more consistent with Bourdieu’s perception of social capital.

Generally, these studies were unable to determine what happens within and between informal and formal groups and organisations and how these interactions differentially affect development. To understand local development we need to consider and assess social capital in terms of social networks and how they interact with other institutions. This requires a conceptual framework that focuses on social networks analysed under the lens of both quantitative and qualitative methods, beyond survey data, like in-depth interviews, network analysis and case

studies. Recent studies apply qualitative techniques and network-based indicators in less developed, rural areas to unravel the specific mechanisms that connect social capital with local development via multi-level governance structures (e.g., Franceschetti et al., 2014) or via social entrepreneurship (e.g., Evans & Syrett, 2007).

Woolcock (1998) analyses the interaction of different group relations and their effect on development by introducing bonding, bridging and linking social capital. He argues that intra-community social relations can provide members with access to a pool of material and immaterial resources. However, a high degree of density and closure could impose considerable constraints on individuals to access resources provided in larger, more extensive extra-community networks, referred to as bridging social capital. Moreover, bonding ties with powerful institutional actors, like state officials, referred to as linking social capital, can turn into clientelistic networks that serve particularistic interests and foster favouritism and corruption. Thus there is need for autonomous social ties, alongside embedded relationships, in order to support a dynamic re-evaluation and re-socialisation of norms and networks through mechanisms of social mobilisation, political participation and moral reasoning that restore commitment of private and public actors to generalised norms and networks of participation and development. Within this nexus of social relationships, governance structures play an important role, not only in the provision of public goods and law enforcement, but also in coordinating alliances across boundaries of community, class, ethnicity, race, politics and religion (Evans, 1996; Hooghe & Stolle, 2003). Woolcock and Narayan's (2000) synergy view to social capital emphasises relations within and across groups by combining a network analysis with an institutional approach that bring together bottom-up and top-down development initiatives.

Furthermore, earlier studies by Uphoff (1999) and Krishna (1999) had theoretically and empirically distinguished between structural, cognitive and relational social capital. Generally, structural forms of social capital rely on clearly designated and widely recognised roles, rules, procedures and precedents, and relate to the configuration of networks. Cognitive forms refer to norms, values, attitudes and beliefs, and might be more amorphous and fungible. Relational forms of social capital are

often included in the cognitive category, but can be distinguished when identified specifically with trust. Structural and cognitive normative dimensions of social capital depend on one another: on the one hand, structural characteristics of networks are determined by the social norms that are adopted by members embedded in the broader historical and cultural context; on the other hand, cognitive-normative considerations can be re-iterated or re-shaped by network structures, that is, by the formal rules that determine networks' size, diversity, links, exchanges and hierarchies. Franke (2005, pp. 46–47) offers a conceptual framework for measuring social capital as networks in the evaluation of public policies. She distinguishes between interpersonal, intra-organisational and inter-organisational networks and studies these network-types in relation to their structural properties (e.g., size, diversity, density); their dynamics in terms of underlying social norms and the mobilisation of resources; and the external social and institutional context within which social capital operates.

Therefore to assess the impact of social capital on development we must consider its multiple and contextual dimensions. Each of these dimensions alone has a differential impact on cooperation and development. But they deliver sustainable outcomes only when the structural dimension is combined with the cognitive, and the bonding dimension is combined with the bridging and linking.

## The Neo-Endogenous Approach to Rural Development

Local development programmes founded on various forms of social capital were also influenced by the OECD via the New Rural Paradigm (NRP) (OECD, 2006). The NRP is seen as a response to the challenges that rural areas face in light of sweeping global changes – technological, economic, political and environmental. In a nutshell, it implies a shift from sector-based policies to place-based policies. Rather than subsidising farmers in agriculture it adopts a more multi-functional, multi-sectoral approach by encouraging investments in both agricultural and non-agricultural sectors and in the provision of

environmental and recreational services. In the new paradigm, funding and development objectives do not depend exclusively on top-down initiatives, but also rely on the mobilisation of local groups and stakeholders to build public-private partnerships and contribute actively with distinctive bottom-up initiatives. Apart from food production, the aim would be to exploit local cultural and ecological amenities, environmental services and the economic links with urban areas, in order to expand rural opportunities for sustainable development. Generally, this can be viewed as a shift to a more endogenous approach based on the notion that rural development is not imposed from the “outside”, but depends also on endogenous factors (OECD, 2006, pp. 55–78; p. 15, Table 0.1). In practice, we can say that place-based policies are now considered as an additional instrument to conventional measures based on subsidies and sectors to promote development in rural areas.

According to the OECD, at the heart of the NRP are new governance structures and arrangements grounded on partnership building, community involvement, strengthening local identity, public-private synergies and innovative problem-solving. Based on a series of regional case studies, the OECD finds that these structures are determined by the institutional context of every country, including the democratic accountability and transparency of partnerships, the power of local elites, the monitoring and evaluation systems of development policies and programmes, and conditions of social exclusion (OECD, 2006, pp. 123–126). In the OECD’s 2014 policy review on the innovation and modernisation of the rural economy we find explicit references to social capital. Social capital is seen as part of a more comprehensive account of “hard” and “soft” aspects of territorial assets. It is also one of the seven forms of capital – financial, built, natural, social, human, cultural and political capital – which comprise the so-called Asset-Based Community Development (ABCD) approach (OECD, 2014, pp. 84–85).

One might argue that by focusing on conceptions of economic “modernisation”, we tend to limit our attention to factors like growth, technology, productivity and flexibility, and thus downplay the social and institutional context within which the economy is embedded, especially public institutions and development policies. Consequently,



regions with limited resources and structural disadvantages must deal with rural problems on their own and compete with one another, compromising their capacity for local development, especially in light of unfavourable national and global trends like the financial crises and austerity policies. Thus, some authors argue that social capital is actually employed to serve pro-market objectives of national development policies and international agencies (for instance, see Fine, 2001).

However, Trigilia (2001) argues that social capital does not reduce the role of the state in favour of the market. In fact, public institutions beyond the locality at the regional, national and supranational levels are called upon to act “from above” in helping local actors mobilise “from below” and develop the kind of networks that will enable them to utilise natural, human and physical resources effectively and produce innovation and sustainable development. A necessary condition, he adds, is the autonomy of political action at local and higher levels of governance so as to resist particularistic interests and preserve social welfare. This is consistent with the neo-endogenous approach in which bottom-up initiatives and local resources remain central but are placed within a new mode of governance that connects them with extra-local actors in various territories and at various levels of administration, and functions as a mechanism of coordination and legitimacy across localities. Actors are thus called upon to balance a multi-sectoral approach with new modes of multi-level governance enabling them to organise collectively to determine and pursue the means and ends of development (Pisani & Burighel, 2014, pp. 250–251).

Wiesinger (2007) is also critical of a development approach that takes social capital as an endogenous remedy to rural marginalisation<sup>2</sup> and as a substitute for public policy. In his theoretical and empirical analysis, he shows that the interrelationship between social capital and rural development in remote and less-favoured European regions depends on the socio-cultural and institutional background, especially on governance structures. He concludes that policies are needed to encourage cooperation within and across diverse groups and regions and to provide opportunities for learning and building trust relations and networks. To give an example of this, he points to the LEADER initiative in the European Union (EU). We turn to the LEADER Approach below.

## The Leader Approach and the Role of Social Capital

One of the most striking examples of the neo-endogenous approach is the so-called LEADER programme that is funded by the EU. LEADER stands for “Links between actions for the development of the rural economy” from the French title “Liaison entre actions de développement de l’économie rurale”. It was launched in the 1990s as part of European Economic Community Regional Policy. Its aim was to provide rural communities with a method to tackle problems of local development by building new forms of partnerships and linking activities across various economic sectors, social groups and levels of governance. The operational principles of LEADER are consistent with the provisions of the NRP: (1) bottom-up planning and implementation of projects; (2) the integration of innovative and multi-sectoral solutions to rural problems; (3) a shift to a more territorial/place-based approach; (4) the promotion of local partnerships proposed by public and non-public sectors; and (5) networking and cooperation among different stakeholders.

Local Action Groups (LAGs) play a central role in LEADER projects: they are made up of public and private rural partners, which are selected by the Managing Authority (MA) of the Member State and collaborate to decide upon local development strategies and the management of funds. A Local Development Strategy (LDS) is a coherent set of operations aimed at meeting local objectives and needs, implemented in partnership at the appropriate territorial level, on the basis of the Europe 2020 strategy for smart, sustainable and inclusive growth. Overall, LAGs identify with the actualisation of LEADER’s operational principles and contribute to sustainable development by strengthening dialogue and synergies between participants and by utilising material and non-material local resources.

As a Community initiative of European Community Regional Policy,<sup>3</sup> LEADER received funds from the European Structural Funds. Since 2007 it has been integrated – “mainstreamed” – within the EU rural development policy. In the 2007–2013 programming period, it received funds from the European Agricultural Fund for Rural Development (EAFRD)

and constituted one of the four axes defined for rural development support.<sup>4</sup> In the 2014–2020 programming period, the Common Strategic Framework for the European Structural and Investment Funds (ESI Funds)<sup>5</sup> foresees that Community-led Local Development (CLLD) initiatives are based on the LEADER Approach for enhancing the cooperation between rural, urban and fisheries areas. The LEADER components (LAGs, LDS and area/population coverage) have been maintained, but Member States must specify in their partnership contract how they intend to support CLLD and in which funds (CLLD is compulsory for EAFRD and optional for the other European Funds) (European Commission, 2006, 2010, 2014; Metis, 2010).<sup>6</sup>

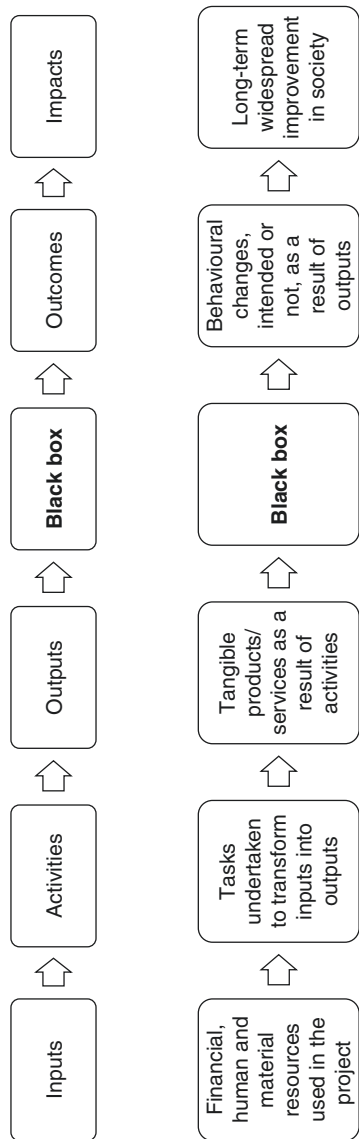
In the current programming period 2014–2020, the EU-28 budgeted €157.5 billion for 118 RDPs, of which almost €10 billion went to LEADER/CLLD. Evidently, a vast amount of funds is dedicated to rural and regional development across Europe via the LEADER initiative. Furthermore, the number of LAGs across Europe has increased over the past decades. This shows recognition of the LEADER Approach in rural development, especially in the less developed areas of Southern and Eastern Europe. Therefore it becomes important to uncover the ways in which these funds can be utilised to improve local development and social welfare in these areas. We argue that the impact of LEADER and LAGs on rural development depends highly on the social dynamics of development related to the concept of social capital. In fact, the LEADER Approach explicitly addresses perceptions and indicators of social capital.

LEADER strongly focuses on networks and partnerships promoting public-private synergies, social learning and innovation for rural development. In this sense, it is not viewed simply as another “development programme” funded by a regional, national or supra-national authority; it is seen as an alternative “method” or “approach” oriented towards *how* to act, rather than *what* to achieve. “Conventional” rural development programmes consist of a fixed set of measures that are imposed by a central authority and typically aim at increases in income, employment and competitiveness. On the contrary, LEADER enables local stakeholders and rural communities to meet their needs and pursue developmental objectives by mobilising and organising collectively to exploit their own capabilities – economic, social and political. Consequently, the establishment of

mechanisms that take the form of local stakeholder organisations and multi-level governance institutions are considered as a separate measure and objective to be pursued alongside conventional socio-economic indicators. The core processes expand to incorporate the networks and synergies that local groups develop, as well as the social learning mechanisms that underlie the changes in social values and behaviours. They rely on “soft” investments in cultivating shared values and identities and new individual and collective beliefs, attitudes, relations, institutions and rules, which support further the developmental objectives of the programme (European Commission, 2006; Metis, 2010, pp. 45–47, 56–59).

This is crucial in local environments where individuals and groups do not have the capacity to build collective means and ends for development. Furthermore, the creation of new social networks and modes of governance is recently associated with the dynamics of “social innovation”. In EU policy, social innovation is identified with the development of new forms of organisation and interactions with an aim to reform society and promote a more participative arena where empowerment and learning are sources and outcomes of well-being. In this context, people not only learn how to function together, but also how to trust one another (Bryden, 2006; BEPA, 2011; Dax et al., 2016; Neumeier, 2017).

A focus on the core processes of development promoted by LEADER and CLLD is consistent with a *theory of change*. According to this theory, results in the form of outcomes and impacts are a product of the processes that take place in the implementation phase of the project (inputs, activities and outputs). More specifically, they are borne out of the types of interactions among stakeholders: different results come about depending on whether we consider individuals as isolated actors making decisions based on economic rationality and cost-benefit analyses, or as members of networks that contemplate the potential costs and benefits of acting collectively and working together to promote social innovation. These processes have received less attention in development policy and thus constitute a “black box” or “forgotten middle”. The *theory of change* is an innovative tool in the design and evaluation of social change initiatives because it tries to investigate these processes and shed light on the ways projects can convert inputs, activities, and outputs into results (see Fig. 3.1).



**Fig. 3.1** Theory of change and the “black box”

Source: Elaboration of Kusek and Rist (2004); ActKnowledge and Aspen Institute (2003); Binnendijk (2000).

This instrument is useful in our analysis of social capital in rural areas because it can help us understand how rural development projects can achieve changes in behaviour and attitudes that will make policy interventions sustainable in the long run. To open the “black box”, we take into account the structure of socio-economic relationships and the normative-cognitive values that allow groups to work together (see [Chapter 10](#)). For example, if norms and networks are such that exclude certain groups because they are poor, they are women, or they belong to an ethnic minority, then results and impacts will not be sustainable. It is then that we must support social innovation to reshape local organisations and governance structures so they could become more inclusive and therefore satisfy generalised interests and improve project effectiveness.

Networking dynamics, social innovation and the core processes of development, which are central to the LEADER Approach, are directly associated with the concept of social capital. Practically, social capital can be detected in (1) activities of LAGs that mobilise rural actors to participate in development projects both at local, inter-territorial and transnational levels; (2) interactions of LAGs and rural actors with administrative bodies and policy-makers at the local, national and EU levels; (3) the participation of project beneficiaries and their links with LAGs and administrative bodies; and (4) the impact of these projects on the entire rural population by enhancing the local capacity for development and participation. The specific ways in which social capital is perceived to have affected these processes can be deduced from evaluation reports and case studies on the performance of these programmes and the impact of LAGs.

Indicatively, in the Metis ex-post evaluation report for LEADER+ (EU-15, 2000–2006) social capital is considered as one of the major developmental objectives because it encourages trust and reciprocity among local people and helps them mobilise and act collectively. The report provides ample evidence that LEADER had a considerable impact in promoting economic activity, protecting the environment and creating social capital in the form of willingness and capacity of local people to cooperate. It also observes that LEADER has positively contributed to these dimensions by means of the networks, partnerships and multi-level governance structures that were created with the support of LAGs.

Moreover, it recognises the important role of public authorities at all levels of governance in bestowing the required autonomy and democratic legitimacy to local development agencies and deliberative processes (see [Chapter 5](#)). However, only a small proportion of activities incorporated or targeted marginalised groups, especially ethnic minorities. Furthermore, innovation-based processes and objectives are understood mostly as technological and technical change and less as social innovation, that is, as changes in local organisations and networks, social values and governance institutions. Finally, there were cases in which projects faltered on account of the dominant presence of public authorities, overarching top-down initiatives, bureaucratic burden, dysfunctional financial flows and political interferences, which challenged the autonomy of LAGs (Metis, [2010](#)).

One explanation for this is the deficiencies in the conceptualisation and operationalisation of social capital in the evaluation of LEADER.<sup>7</sup> The Common Monitoring and Evaluation Framework (CMEF), whose indicators have been revised in Grieve & Weinspach ([2010](#)) and ENRD ([2015](#)), underlines the non-economic dimensions of development, but so far has not suggested any common social indicators. Briefly, indicators for bonding and bridging social capital are introduced but are rather ambiguous, while measures for structural and normative-cognitive social capital are hardly used. For example, in the programming period 2007–2013, bonding social capital is strictly identified with local identity and coherence, while bridging social capital is identified with external relations, usually among rural territories and national network units, and their impact on resource flows and socio-economic performance. This distinction overlooks that local identity can be built among diverse social groups and interests within the locality, which covers bridging aspects of social capital, while resource flows and socio-economic performance also depend on the articulation of local bonding ties (see [Chapter 6](#)).

More importantly, the evaluation of LEADER and rural development projects is not based on the participation of *all* stakeholders to jointly reflect on the effectiveness of the programme. Perhaps this is due to the fact that EU evaluation is a more impact-oriented system, which focuses on economic outcomes like job creation, increased economic growth and

territorial competitiveness, offering limited attention to the core processes of development that take place in the stage between agenda setting (targeting and consequently the relevance of the action) and final performance (results, outcomes and impact). It is argued that a process-oriented evaluation, inclusive of stakeholders' assessments of processes and outcomes, can contribute to the enhancement of collective and individual experience and learning, the development of a capacity for participative governance and the creation of less hierarchical programmes (RuDI, 2010, pp. 1–2; Papadopoulou et al., 2012, pp. 84–85). Recently the EU has taken some steps to propose the self-evaluation by LAGs (ENRD, 2015, p. 48), but it remains to be seen how this will come into effect.

## Conclusion

No doubt, there are difficulties in operationalising intangible variables like social capital in their various forms and contexts and assessing their impact on project processes and objectives. Definitions and indicators are marred by institutional inertia at all levels of governance, by conflicts among stakeholders (in the private and public spheres, as well as in policy-making and research areas) with various social and political interests, and by inequalities and hierarchies leading to the marginalisation of certain groups. However, the effectiveness of the LEADER method depends on a deeper understanding of networks and partnerships as core processes of development programmes and on the implementation of alternative indicators that account for the multi-dimensional and contextual aspects of social capital. This task is undertaken in the remaining chapters.

## Notes

1. These studies attempt to distinguish between “Olsonian-” and “Putnamian-type” groups to capture the full effect of a region's or country's group membership on growth. But results are ambiguous and inconclusive.



2. Rural marginalisation is defined in its broader sense as economic, agricultural, environmental and sociocultural decline. It comprises phenomena such as unemployment, the closing down of farm enterprises, out-migration, over-ageing, brain drain, rural poverty and social exclusion, loss of infrastructure and services, environmental degradation, biodiversity depletion, loss of habitats, afforestation, land abandonment, landscape degradation, and loss of cultural tradition and local identities (Wiesinger, 2007, pp. 2, 5).
3. After the Maastricht Treaty (1992) the European Economic Community became European Community.
4. Axis 1 refers to “Improving the competitiveness of the agricultural and forestry sector”, Axis 2 to “Improving the environment and the countryside”, Axis 3 to “The quality of life in rural areas and diversification of the rural economy” and Axis 4 to the “LEADER Approach”.
5. European Regional Development Fund, European Social Fund, European Agricultural Fund for Rural Development, European Maritime and Fisheries Fund and Cohesion Fund.
6. Details on the regulatory and policy framework of the RDP and LEADER are included in: <https://enrd.ec.europa.eu/>; [https://enrd.ec.europa.eu/leader-clld\\_en](https://enrd.ec.europa.eu/leader-clld_en); [http://ec.europa.eu/agriculture/rural-development-2014–2020/index\\_en.html](http://ec.europa.eu/agriculture/rural-development-2014–2020/index_en.html).
7. For a detailed analysis, see Christoforou & Pisani (2016).

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# 4

## Social Capital and Rural Development in Europe: A Geographical Perspective

Luís Moreno

### Introduction

By considering the use of the concept of social capital and its relation to local development and the neo-endogenous approach of rural development, the aim of this chapter is to place the three concepts in a space-territory perspective. This approach highlights the European diversity of regions and rural areas, which are subject to heterogeneous local and territorial development processes. It offers a “bird’s eye view” of a European geography of rural development in relation to social capital and local development processes, especially their “regional” or territorial roots. It further provides a means of exploring the contextual historical, cultural and political-institutional divides in Europe, which, according to some authors, explain existing social-spatial European differences in territory.

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Bearing in mind that the discipline of geography includes scholars other than geographers (Gibson, 2009), this approach converges with contributions from diverse fields of research. The first section combines social theory with spatial and regional science to investigate past framing of social change and behaviour in conjunction with the political, institutional and economic contexts of European policies. These policies shape both the types and capacities of organisations operating in a territory.

The second section of this chapter presents geographers' theoretical discussions on social capital, including territorial capital and governance, which is more specifically analysed in [Chapter 5](#). The third section provides an overview of studies on social capital, mostly focused on social and political attitudes and behaviour. These studies are compared at the European regional level to contextualise the approach adopted in this book. The fourth section discusses different meanings of "rural" in treatments of rural development and social capital in Europe. Finally, the chapter provides critical insights derived from empirical research on social capital and rural development in European countries and regions, and concludes with reflections on the geography of inequality which emerges from these empirical sources. Thus, the analysis proposed in this chapter helps to understand and contextualise how multi-level and regional frameworks for public policy and governance systems structure social capital in local and rural development.

## The Debate on Social Capital in Human Geography

Since the 1990s, research on social capital has either focused on rural contexts or on diverse social and economic issues, including institutional change, cultural transformation and learning regions. The perspectives of geographers involved in the debate on social capital are here mainly drawn from the journal *Progress in Human Geography*, without excluding related work from other sources. Some authors reflect more specifically on the field of human geography itself, while others look beyond human, social and economic geography to include

other scientific domains. Yet in all cases we find that the socio-spatial and territorial contexts are common features in geography-based arguments on social capital.

Mohan & Mohan stress the importance of social capital for geographers “not only because it is so pervasive and, therefore, ideologically problematic, but also because it seeks to explain different spatial patterns” (2002, pp. 191–192). These authors also focus on the difficulties of building spatially disaggregated measures of social capital. This is in line with other scholars’ reflections on the meaning of aggregated measures of social capital, and their criticisms of approaches put forth by Putnam and Coleman (Foley & Edwards, 1999; Tzanakis, 2013).

To overcome these challenges and “mobilise social capital” in geographic inquiry, Holt attempts to construct “an embodied perspective” of social capital, which “synthesises Bourdieu’s capitals and performative theorisations of identity” (2008, p. 227). By “performing the habitus”, the author attempts to illuminate “the importance of broader socio-spatial contexts and relations to the embodiment of social capital within individuals” (ibid.). Esparcia & Escribano further claim that Bourdieu provides a “more comprehensive and more dynamic model, enabling a better adjustment to contextualise the situation of the rural areas (...), where a big number of stakeholders interact” (2014, p. 217). By assigning a more active role to agency in the interrelationship between actor and structure, these authors avoid reducing Bourdieu’s analysis to a reproductionist theory and open our analysis to conceptions of territorial capital (see below) that foresee the mobilisation and organisation of individuals and groups for social transformation. As described in Chapter 3, this fits within the OECD’s view of the New Rural Paradigm, involving new governance structures which are ultimately at the core of the neo-endogenous approach to rural development and development processes and programmes like LEADER.

In his plea “for a re-engagement by geographers” with the concept of social capital, Naughton (2014) proposes a review of social capital theory that is critical of “abstract theories of the social that erase context”. Thus, he suggests adopting a “research agenda” that produces social capital narratives “grounded in the everyday practices of power” and

incorporates socio-spatial contexts and the “intentions of actors exercising power through network relationships” (ibid., pp. 3, 17).

From a different perspective, Murphy (2006) considers the role of space and context in relation to discussions of social capital in economic geography and regional science. The author privileges a conceptualisation of trust-building processes, with the support of actor-network theory and social psychology, “regarding the influence of power, non-human intermediaries, and performance on social outcomes and network configurations” (ibid., p. 427). Thus, by drawing from early contributions (since the 1960s), the focus is mainly on the interplay among macro-scale influences (institutional and structural context), subjective micro-scale processes and inter-subjective meso-scale processes, which constitute a “conceptual framework to empirical research” on trust-building processes (ibid., p. 442).

At the crossroads of regional and political science, and territorial development, Tomaney (2014) discusses the institutional framework for governance and regional and local development. He belongs to a group of geographers and “territorial development and planning” scholars working towards the consistent inclusion of social capital in rural development. As a socially and politically constructed space, territory reflects both relational practices and representation of power(s) (Haesbaert, 2016). Here, the interaction of power at different levels and of different types (at the same level) leads to forms of governance, which influence and create contexts for local undertakings. From this perspective, it becomes necessary to consider the interplay amongst various stakeholders in processes of local and rural development.

The interplay of stakeholders calls for territorial and rural governance, which is dependent on the (level of) “territorial capital” in regions and localities. Within the context of regional policy, the OECD (2001) proposes territorial capital as a concept integrating social capital as one of the five types of capital: economic, human, social, cultural and environmental (see also Camagni, 2008; Davoudi et al., 2008; Stead, 2014; Sánchez-Zamora et al., 2014; Tóth, 2015). According to Davoudi et al., territorial capital is “similar to that of ‘endogenous potential’”, a “successor concept to the ESDP [European Spatial Development Perspectives]<sup>1</sup> within an overarching ‘storyline’ of a ‘competitive



Europe' (...), strongly linked to the discourse of territorial cohesion" (2008, p. 36). In this context, the rural dimension, understood as relational, both from the perspective of space and in epistemological terms, is necessarily territorial when dealing with rural development (Heley & Jones, 2012; Copus & De Lima, 2014). The concept of territorial capital is further used "to integrate environmental and human capacities when assessing rural development potentials" (Van Berkel & Verburg, 2011, p. 458). Similarly, rural development policy may be seen "as investment in territorial capital and capacity building", with the latter encompassing both human and social capital (Zasada et al., 2015, p. 179).

## History, Culture and the Regional Context for Rural Differences in Europe

The European specificities of social capital and rural development are tightly connected to the roots of European rural history, and the way people have occupied the geographical space in response to both natural, human and social challenges. Different forms of societal organisation and power structures have developed in regions and nations as a response to spaces controlled by long-lasting power relationships, and eventually by States. Historically, the decisions and the range of influence of domestic rulers developed together with people's cultures (from individuals to villages and cities and to/from overseas), following different pathways within and across Northern, Southern, Eastern and Western European countries.

Since the post-war period, comparative studies on social and political attitudes and behaviour have tried to capture this diversity, through cross-national survey data and historical analyses. Indeed, between 1948 and 2004, "more than 60 projects of cross-national surveys have taken place" (Cautrès, 2011, p. 504). These studies include "the Eurobarometer and related European Union (EU) surveys (which started in 1970), (...) the European Values Survey and the World Values Survey (1981), the International Social Survey Programme (1985), the Global Barometers (from 1990)" (ibid.).

Data from these sources have been used in recent work on social capital (Arts et al., 2003; Beugelsdijk & Van Schaik, 2005; Van Oorschot et al., 2006; Meuleman, 2008; Akçomak & Weel, 2009; Ferragina, 2012; Lasinska, 2013). Akçomak & Weel (2009, p. 545) show that “historical institutions and investments” determine different levels of social capital. While adopting diverse types of analyses, these authors commonly trace the distinct features of European countries, nations and regions, in terms of history, constitution and institutions, political traditions, dominant Christian branches and denominations, education and universities, social policies, as this diversity still structures the ways people think and act. To this we could add the different legal, administrative and planning cultures and dimensions (e.g., Larsson, 2006; Reimer et al., 2014). Thus, in most cases, the constitutions and institutions of States, which guide the life of organisations, also provide limits and opportunities for people. These differ across countries and serve to identify features for relative territorial successes or failures. Following this approach, Acemoglu & Robinson (2012) explain how “inclusive” political institutions support “inclusive” economic institutions. Conversely, “extractive” political and economic institutions lead to “exclusive” economic institutions, which “are designed to extract incomes and wealth from one subset of society to benefit a different subset” (ibid., p. 62).

Until now we have been using the term “region” broadly according to two meanings. In the first definition, regions are spaces of shared cultural values, “a medium and outcome of social practices and relations of power that are operative at multiple spatial and temporal scales” (Henderson, 2009, p. 631). This view enables us to identify European cultural patterns which frame trends in attitude and behaviour of people in urban and rural areas. At the macro level, Europe is a region for which “European values” are consistently claimed to exist alongside values at the national and regional levels. In the second definition, region refers to the statistical region represented in political and thematic maps. It is used as a proxy for spaces which share an identity and a sense of belonging, in some cases, based on a history that has shaped a common culture and language. While the “official region” is often not a very good proxy, it is a necessary tool for the quantitative comparative studies that were mentioned above.

Arguably, these types of studies can only superficially reveal information about individuals in national and regional spaces, yet, they can never show the characteristics of relationships among people, actors and organisations, and the way they interact in places and territories. Indeed, they are based on measures “of suspect reliability as indices for responses that are primarily context-driven or context-sensitive” (Tzanakis, 2013, p. 13). Therefore, the aforementioned surveys and their research products present only one side of the context which may be (and has been) explored from a perspective of local development since the 1980s. These studies consider “active territories” with variable size and configuration, including cases of network-territories. The other side of the national and regional context in terms of rural development may be provided by studies of the different tools that European States adopted for public investments in agriculture, prior to the European Community and in the early years of the EEC, in Western countries (Tracy, 1986; Moreno, 1994), Eastern countries (Slangen et al., 2004; Hagedorn, 2014) or both (Gijssels & Bussels, 2014). These studies focus on specific aspects of structures or markets. For example, in Western countries, public interventions for protecting markets (like France and Germany) or protecting people, while providing structural solutions for flexibility (like the Netherlands and Denmark), were stimulated by external drivers, mostly connected with the phases of post-war capitalism. These studies highlight how different interventions have created structural conditions which have impacts on agency.

A representation of the general conditions that shape agency could provide a rough map of the distribution of social capital across countries and regions in Europe, reproducing classical (and simplistic) divisions of North-South and West-East, which we try to challenge in this book. These divisions would be supported by prevailing trends that distinguish between two major types of territories (though nuances in each justify criticism against this type of differentiation). The first category corresponds to territories where liberal practices spread at an early phase. These practices were so deeply internalised and disseminated that they led to even greater levels of individual autonomy and territorial polycentrism, favouring plural initiatives of civil society as well as political systems and governments fit to promote the development of capitalism and democracy. It could also be argued that in these cases, conditions to

practice individual freedoms were mediated by social and political actors to address the interests of the general public. This shift involved higher public and private investment in education and urban-industrial systems, structured under Keynesian rules. The second type of territory refers to rather distinct conditions associated with late and/or more limited investment in the empowerment of people, local initiative and the multi-scale organisation of economic and social relations. This second category, related to past restrictions on freedom and current persistence of informal institutions, correlates to territories with a legacy of autocratic and centralised regimes, either within a market economy (such as Portugal and Spain) or a socialist planned economy (countries with regimes under the Soviet influence).

On the other hand, assuming different contexts for shaping agency would show a geography of social capital, or more appropriately, geographies, considering the spatial distribution of various forms of social capital across European territories. This representation would need disaggregated data which is not currently available, distinguishing within each country or region developmental and institutional conditions which support social capital. These could vary between urban and rural areas, as well as in terms of demographic, economic and relational density. However, these results would somehow contradict the “national patterns” because of their reliance on the measurement of the more intangible features which characterise social capital and governance.

## **Meanings of “Rural” in Rural Development and Social Capital**

We now focus on social capital and rural development. This requires a preliminary definition of the term “rural”, to demarcate it from the fuzzy realm of multiple functions and meanings (Bodiguel, 1986; Halfacree, 1993). These realms comprise representations of pre- and anti-modernity, sources of food and raw materials, spaces of cultural diversity, leisure and, in postmodernity, multiple uses and connotations (Woods, 2011; Silva & Figueiredo, 2013).

As a separate object of scholarly research, the “rural” is a rather recent concept. It was launched in the early 1950s, as a “child of spatial planning”, to spur reflection on the future of the countryside, “both preserving the legacy and specificities of its people and pushing them for the modernity represented by the development of the cities” (Bodiguel, 1986; cited in Perrier-Cornet & Hervieu, 2002, p. 11). The rural is assumed to be a function of the urban and, being the object of public policies (that vary across European countries), is subject to appropriation by power relationships and struggles on the appropriate means and approaches for its development. This becomes even more critical given the lack of an accepted definition, due to “various perceptions” of the concept, the “need to have a tailor-made definition based on the ‘object’ analysed or the policy concerned” and the “difficulty to collect relevant data at the level of basic geographical units” (EU–DGARD, 2013, p. 16). National specificities may mean that in some countries rural areas present an urban rather than rural character. On the other hand, based on an OECD methodology, the European approach “takes into account population density and the size of municipalities [and] argues for a comparable interpretation of urban and rural areas by distinguishing between predominantly urban and predominantly rural areas”, leaving the intermediate regions in the middle (BBSR et al., 2014, p. 10). This work, concerning the ESPON Atlas of 2013, presents a structural typology of non-urban regions, highlighting areas which have diversified their small infrastructure and mobilised territorial capital to provide and maintain access to services.

Murdoch & Marsden (1994) define four models or types of rural/countryside: (1) preserved (conservatism prevails with residential and leisure interests); (2) contested (outside the main axes, the interests of farmers and /or development remain politically dominant); (3) paternalistic (large private estates and farms dominate, but tradition has been no obstacle in pursuing the diversification of opportunities to increase income); and (4) clientelistic (remote rural areas where agriculture has been dominant but dependent on public subsidies, while concerns on employment and welfare of the local community also tend to prevail). In all cases, rural development can refer both to a “process to increase the quality of life of rural territories, including the improvement of both the

economic structure and the living conditions of people”, as well as a public policy fit for that purpose and connecting rural development, economic performance and spatial planning (Blay Boqué & Roquer, 2015, p. 171). Indeed, rural development depends on the strength of each country’s economy and public policies, which may aim to achieve effective economic, social and territorial effects (Terluin, 2003).

The Bourdieusian concepts of “field” and “habitus”, the inherent interdependence of social capital with economic and cultural capital – and thus with territorial capital – as well as evidence from specific empirical research, support the hypothesis that social capital may differ among the spaces represented by these models. The argument is further supported by acknowledging the role of different urban and rural stimuli, personal and network connections, as well as socio-economic structures and relationships and cognitive-normative values. While expectations and opportunities for individuals (with specific social positions) and organisations are often mutually dependent, they progress alongside public and private spheres, with occasions for either cooperation or conflict and struggle. These influences and relationships likely reflect the role of agency in partnerships such as LEADER (see Chapter 3).

Adjustments in European public policies – particularly the Common Agricultural Policy (CAP) and regional policy – in the context of the 1980s rural restructuring and the social constructivist and post-productivist approaches of the 1990s (Chueca & Aguilar, 2013), have changed the definition of “rural area”. Both the LEADER initiative and Agenda 2000 played a role in this change (Van Depoele, 2007). Neoliberal perspectives received greater weight, posing new challenges to institutional structures and social capital and implying new kinds of partnerships and networks, that is, alternative economies to counterweigh scarcity and loss of services and people. As pointed out in Chapter 3, the bottom-up initiative of LEADER offers key evidence of ground breaking endeavours in EU policy to build local capacities by means of community development programmes and the empowerment of local actors – factors which are at the heart of social capital.

Despite more limited outcomes since the mainstreaming of LEADER, the added value of this initiative may have been higher in the countries and regions where Europeanisation was a bigger challenge, as was the case of

Southern Portugal (Moreno, 2007). At least at the beginning of LEADER (LEADER I), higher added value was due to smaller deadweight effects in these countries and regions compared to territories with more experience and engrained democratic practices. Social capital and organisational innovation inherent in LAGs functioned as new skill centres, whereby skilled staff from urban areas facilitated a kind of integrative or hybrid democracy in some territories. A more aggregative form of democracy<sup>2</sup> lingered in other territories, creating a democratic deficit where traditional municipal powers are represented in LAGs through a somewhat “authoritarian, ‘clientele oriented’ culture with a little participation heritage” (Copus & Dax, 2009, p. 57). At the same time, Portugal indirectly benefited from European rural movements as well (Halhead, 2006). For instance, in 1993 the Trans-European Rural Network (TERN) supported the birth of Animar, the Portuguese association-network for local development, to represent the interests of a number of LAGs, as well as civic and solidary organisations and citizens in both rural and urban areas.

## Locating Research on Social Capital and Rural Development in European Countries

Beyond general and theoretical studies concerning social capital in Europe and in the rural realm, there is also work that empirically studies social capital and rural development in European countries and regions, and which can be classified by the spatial distribution of relevant topics and studies. They mostly include case studies or comparisons across specific aspects (e.g., partnerships) of interventions in LAG territories. They tackle the institutional and cultural particularities of social capital in relation to rural development and promote in-depth and contextual analyses, which differ from other more quantitative approaches.

Some publications explore local and rural development partnerships at the European level (Westholm et al., 1999; Esparcia et al., 2000), or the LEADER Programme itself (Ray, 2000). Árnason et al. (2009), Esparcia (2014) and Lee et al. (2005) present results on the role of networks and social capital in rural development drawing on cases from

six countries. Only Esparcia (2014) includes two Eastern European cases. In the context of the ETUDE research project, Horlings & Marsden (2014) analyse social capital in eight projects across six countries. This selection is drawn out of 54 projects related to domains of rural development in 15 countries from both Western and Central and Eastern Europe (CEE). Moreover, Granberg & Andersson (2016) cover evaluations of LEADER grass-roots experiences using five case studies from Western Europe, two from the CEE and one from Tunisia.

Differences also arise from both Western and CEE countries. Copus & Dax (2009) consider social capital in the context of approaches to rural development policy in EU member states alone. Other EU examples can be found in the ENRD (2012), which discusses case studies drawn from a literature screening on networking. Murray (2008), Murray et al. (2008), Marquardt et al. (2012) and Furmankiewicz et al. (2016) focus on conditions in CEE countries. Against a presumption of low levels of social capital within CEE, Murray (2008, p. 3) “questions the rationale of applying the contested ‘western’ concept” of social capital to those countries, because it is usually seen as a “dynamic entity, a form of institutional change, which leads to innovation in the existing governance structures” (2008, p. 3).

For reasons of space we do not describe further the contents and specific conclusions of each study. Instead, we focus on determining the relative weight of the territories that were studied, to assess the inequalities that can emerge in terms of a European geography of social capital and rural development research. For example, Western Europe and/or CEE cover 14% of the studied areas or cases used. Italy has been the most studied country (10 cases in 140, or 7%), closely followed by the United Kingdom (England, Wales and Scotland) and Spain, each with almost 6%. These are followed by nine countries that have between 4% and 5% of the studied cases, namely Finland, Denmark, Sweden, the Netherlands, Ireland, France, Belgium, Germany and Austria. A smaller group of countries varies from 2% to 3%, including Portugal, Poland, Greece, Lithuania, Czech Republic, Slovenia and Hungary. There are five countries that rank last with two case studies, which correspond to 1.4% of the share: Slovakia, Romania, Bulgaria, Latvia and Estonia. Finally, there is a group of smaller and/or non-EU countries, including Luxembourg, Iceland, Norway and Switzerland, each of which is represented by one case study.



Generally, the geographical distribution of analysed cases seems to reflect differentiated power in academia among European countries regarding attention to territories and rural issues. These differences affect the number and type of research projects, often carried out in cooperation and usually in English. First, there is a general advantage for early members of the European community. Second, the location of cases largely reflects the weight (or the critical mass) of countries that committed to studies on planning and development early on. The research apparatus in these countries was more prepared to support public policies. The empirical grounding of research projects in the topic gave them an advantage when facing the challenges inherent in the territorialist paradigm which followed the crisis of the 1970s. Third, in the case of Spain and Italy, well integrated research is carried out on these issues.

Finally, deeper factors generally account for these differences. We may recall that historical, cultural and socio-territorial factors shaped the institutional, economic and political conditions of different regions and countries, at different scales. A history of unequal distribution of power created different capacities to develop governing institutions and spur investments, depending on the culture and dominant values. No doubt factors include different degrees of decentralisation, personal and territorial autonomy (or relative subjugation and dependency) and the uneven expansion and impact of capitalism within different conditions of cooperation and conflict, comprising “economies of war”. Functionalist investment in education and scientific and technical knowledge had a differential impact, creating patterns of success and marginalisation across Europe. Post-war European policies, spatial planning and regional and urban development played a leading role in the context of dominant rationalities, with discourses of efficiency placed above discourses of mere legitimacy. Given the different urban networks and urban-rural relationships, the industrialisation of the countryside or the loss of human and economic resources in disadvantaged rural areas can also be considered factors that explain the uneven development of different forms of capital.

A Bourdieusian analysis may help to unravel how specific power structures and interrelationships between the diverse forms of capital (exemplified by both the investment strategies and the knowledge of the conditions

for investment) correspond to cultural and scientific representations of territories with symbolic dimensions, like the urban and the rural, resulting in their relative (de)valuation (see also [Chapter 2](#)). Where democracy led to the further development of education and training systems, universities and research became less academic and less elitist, this way benefiting rural areas, even if dominant activities were under the spotlight. Practical research – as action-research or participatory research – along with forms of rural extension and adult education benefited low density areas in this context, especially when covered by some level of public services. On the other hand, where the elitist disregard for non-urban areas prevailed, spatial inequity, associated with loss of human capital and other resources, became evident. In general, European policies have not been able to consistently reduce inequalities among regions and populations. Thus, questions arise: will the most marginalised rural areas be presented with better inclusion processes, which lead to social and territorial re-appropriation and are inherent in the partnerships and networks of the LEADER approach? What should be the role of European and national public policies, including research, in the promotion of integrative processes and better social and symbolic representations of rural areas? Will it be possible to obtain systemic gains by combining different types of capital, create new opportunities in rural areas and improve the connection between university and society in the study and promotion of social and territorial innovation?

## Conclusion

Geography compels us to observe territories from different perspectives, considering them as social-historical and political constructions. Commitment to processes of development and sectoral, regional and spatial planning steer our focus to the role of actors and institutions. If rural development is considered synonymous with territorial development, which integrates urban centres and their hinterland as well as socio-territorial structures at different scales, then rural development also involves the implementation, management and monitoring of national and European policies at the local and territorial level.

Social capital for rural development depends on both governance and the development of territorial capital (see [Chapter 5](#)). Its creation and strength thus depends on how challenges to established powers posed by changes in partnerships and networks, such as those of the LEADER Approach, may support a relationality of control and resilience. Geographers and scholars involved in rural development can contribute to the study of social capital and local development with reflexivity, through analyses that spatially represent social capital, rural development and its unequal distribution in Europe. Further analyses and interpretations are needed to better inform academics, decision-makers and stakeholders. Disciplinary and interdisciplinary dialogues still fall short of providing a better connection between academia and society, and supporting social learning that enables us to face the challenges of territorial development and sustainability. Building social capital in research and policy-making across Europe thus requires strategic effort for scholars across disciplines to promote social innovation and territorial multi-level governance.

## Notes

1. European Spatial Development Perspectives (EC/CSD, 1999) recognises the “increasing interdependence of urban and rural areas” and the development of a “new urban-rural relationship”, followed by EU-SUD (2003), and establish a “strong link between social and economic cohesion and territorial cohesion” depending on “the assets of a region – its ‘territorial capital’” (ibid., p. 6), in the context of a regional policy to gain from cross sector approaches and “factors as human resources and social capital” (ibid., p. 23).
2. According to March & Olsen, (1989), these types of democracy correspond to processes under the aggregative and integrative theories. In an aggregative process the will of the people “is discovered through political campaigns and bargaining”, which gives place to “a set of rules for governance through majority rule”. In an integrative process that will “is discovered through deliberation by reasoning citizens and rulers seeking to find the general welfare within a context of shared social

values” (*ibid.*, p. 118). So, the former process is based on the representation of citizens by delegation (the elected decide, supported by an “enlightened elite”), while the latter presupposes the (slower) building of consensus and common understanding, raising people’s awareness of existing interests before political decision are made, and regardless, accepting the formal democratic procedures. Granberg & Andersson (2016) present some hybrid situations combining both types.

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# 5

## Social Capital, Network Governance and Social Innovation: Towards a New Paradigm?

Laura Secco and Catie Burlando

### Introduction

Governance is a multifaceted concept, broadly defined as “ways of governing” (Rhodes, 1996), including ways of taking and implementing decisions which support empowerment (Kjær, 2004). Generally, it refers to the shift from state government to the inclusion of diverse actors in decision-making processes and the provision of public goods and services. Collaborative modes of interaction between government and non-government actors from the private sector and civil society are also known as network governance (Commission of the European Communities, 2001; Eberlein & Kerwer, 2004; Sørensen & Torfing, 2016). More specifically, network governance is defined as “self-organising, interorganisational networks [...] [that] complement markets and hierarchies as governing structures for authoritatively allocating

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resources and exercising control and co-ordination” (Rhodes, 1996, p. 652). In interactions among a plurality of actors, the role of the state is reconfigured and public administrations depend “upon the cooperation and joint resource mobilisation of policy actors outside their hierarchical control” (Börzel, 1998, p. 260). For the sake of simplicity, in our book we use the term governance to refer to network governance.

These (new) “ways of governing” are pluri-centric, linking actors across institutional levels and sectors through negotiation, consultation and soft law (Peters, 2000; Eberlein & Grande, 2004; Kaiser & Prange, 2004). However, traditional government structures and mechanisms are still in place, so that integration with new governance processes can be described as a kind of *continuum* between the two (Lanzalaco & Lizzi, 2008). On the one hand, network governance can determine positive effects on rural development by supporting more democratic forms of participation, access to decision-making from more marginalised groups, and overall, improvements in well-being (Mantino, 2008; MacCallum et al., 2009; Thuesen, 2010). Moreover, new governance arrangements (e.g., new cooperation systems and negotiated agreements) as well new actors’ relationships and interactions (e.g., new forms of collaboration and networks) are generally agreed to be constituent elements of social innovation (BEPA, 2011; European Commission, 2013a). Social innovation is an emerging issue in rural development in Europe (Neumeier, 2012; Bock, 2012, 2016; BEPA, 2014; Bosworth et al., 2016), characterised by new ideas (e.g., products, services, models), that address unmet social needs or societal challenges also through new social relationships or collaborations (Mulgan et al., 2007; Anderson et al., 2014; Nicholls et al., 2015). On the other hand, network governance can embody processes of state withdrawal or re-organisation, through processes of privatisation, liberalisation and deregulation (Hajer, 2003; Jordan et al., 2005). If not properly settled, the shifting of tasks over public goods (e.g., welfare, provision of ecosystem services) into private hands risks jeopardising access to resources and services, and decreasing

the accountability and legitimacy of the state to its citizens (Swyngedouw, 2005).

The LEADER Approach, based on public-private partnership structures, is a relevant example of new modes of governance in the field of rural development (see Mantino, 2008 for a review of different typologies of governance in the field). The Local Action Groups (LAGs) of LEADER operate as agents of territorial development through multi-level, multi-actor and multi-sectoral interactions. One of the hypotheses of our research is that LAGs might increase social capital and strengthen the overall governance of local territories, by improving the quality and quantity of relationships in their internal and external networks (OECD, 2006; Shortall, 2008; Pappalardo et al., 2014), linking horizontal and vertical networks and stimulating new forms of social innovation. LAGs may be considered pilot “cases”, whereby social capital, new governance arrangements and social innovation foster a forward-thinking rural development paradigm that relies on social rather than purely economic and institutional rationales. However, limited knowledge and empirical evidence exist so far on (1) how governance is related to social capital, (2) how to comprehensively evaluate the effects of collaborative public-private partnerships in rural development actions (High & Nemes, 2007; Dwyer et al., 2008; Marquardt & Pappalardo, 2014; Secco et al., 2014; Esparcia et al., 2015; Górriz-Mifsud et al., 2016) and (3) whether these elements foster socially innovative actions. This chapter begins to address these knowledge gaps. Section 2 highlights the conceptual framework linking social capital and network governance, while Section 3 identifies specific approaches to analysing governance. Section 4 conceptually identifies the key elements for assessing governance mechanisms in the LEADER Approach and explains its adoption in the evaluation method proposed in the book (see Chapters 7 and 9). Section 5 concludes by outlining how social capital and governance may support social innovation, a topic which is developed more comprehensively in relation to LEADER’s specific contribution in the final chapter of the book.

## A Conceptual Framework Linking Social Capital, Network Governance and Social Innovation

Social capital and network governance are both well-established multi-dimensional and multifaceted concepts, yet neither science nor practice has so far provided commonly agreed and unique definitions (Kooiman, 1993; Kersbergen & Waarden, 2004; Kjær, 2004; Sabatini, 2009; Bjørnskov & Sønderskov, 2013; Andriani & Christoforou, 2016). The tangible and intangible resources that facilitate cooperation and collective action (social capital) are embedded in social networks, and situated in specific historical, geographical and institutional contexts (Bourdieu, 1986; Woolcock & Narayan, 2000; Lin, 2001; Chapters in Part I of the book). These interactions remain a fertile area of research. In addition, social capital and network governance share common features: (1) horizontal and vertical networks matter; (2) relationships involve public and private actors, as individuals or formal and informal organisations and (3) institutions are not limited to formal rules such as compulsory legal frameworks, but include informal social norms. As we discuss in the present chapter, the effective coordination of actors and organisations throughout the policy cycle relies on multi-actor and multi-sector relationships embedded in multi-level networks, and norms and values embedded in both formal and informal institutions (Kersbergen & Waarden, 2004; Treib et al., 2007; Van den Brande, 2014; Górriz-Mifsud et al., 2016).

Finally, social capital and network governance are also tightly inter-related. On the one hand, social capital is seen to enhance the efficiency and effectiveness of governance systems, by facilitating decision-making processes and participation (e.g., Górriz-Mifsud et al., 2016). On the other hand, it does not always lead to positive outcomes in governance arrangements. Clientelistic or paternalistic relationships can hamper the emergence of new forms of collaboration and the more effective delivery of services (Sørensen & Torfing, 2016). Furthermore, the introduction

of new procedures and the creation of new organisations with decision-making power can improve institutional performance in terms of efficiency, or conversely, lower transparency. Because of these close interrelations, we argue that changes in governance may have a feedback loop, strengthening the endowment of social capital or weakening it, depending on the historical and institutional context as well as dynamics of local places (Bowles & Gintis, 2002; Wiesinger, 2007).

More recently, social innovation has emerged as a new element to support local development processes within the EU 2020 Strategy for a smart, inclusive and sustainable growth in Europe. As for social capital and governance, a common, unambiguous definition is yet to be agreed upon (Neumeier, 2012; Nicholls et al., 2015; see Chapter 19 for further discussion). However, institutional definitions consider networks and collaboration as key features of social innovation (BEPA, 2011). For example, as previously mentioned, “new actors’ relationships and interactions” and “new governance arrangements” are explicit elements of this type of innovation (European Commission, 2013a). Further, network governance processes can “enhance the role of both economic and social actors in the steering of social change [and] help to infuse more open, democratic practices into social steering” (Baker & Mehmood, 2015, p. 1).

In addition to networks, social innovation shares connections to the normative-cognitive dimension of social capital as well. In the social innovation theory, “the knowledge and cultural assets of communities” are valorised with a focus on “the creative re-configuration of social relations” (MacCallum et al., 2009, p. 2). Moreover, new relations and interactions are not geared at economic exchange alone, but lead to “new attitudes, values and behavior” (European Commission, 2013a). Specific components and reciprocal influences, for example, in terms of cause-effects, are yet to be addressed, with recent work beginning to explore the connections between social capital and governance (Górriz-Mifsud et al., 2016). While a detailed analysis of interconnections is out of scope, further research is needed – especially in relation to social innovation, a novel concept in the debate on rural development.

## Approaches for Understanding Governance and Its Connections to Social Capital

A common approach or analytical framework for understanding governance in a comprehensive way has not been developed yet, despite increasing adoption of the term in a variety of fields and attempts to identify its core elements (Kooiman, 1993; Kersbergen & Waarden, 2004; Kjær, 2004; Sørensen & Torfing, 2016). Arts & Goverde (2006) propose two complementary approaches for the study of governance: (1) the analytical (positive) approach, where the *components* of governance are identified, described and analysed; and (2) the evaluative (normative) approach, where the *performance* of governance is assessed in relation to pre-defined principles commonly attributed to “good governance”. In this section, we show that both types of studies can be used to identify and analyse the connections between network-based modes of governance and social capital, and draw from these connections the dimensions that specifically pertain to governance. As a conceptual clarification, it is important to note that in this book we do not analyse or compare different governance forms understood as different approaches or modes of governance. We focus specifically on one mode of governance (network-based), while other options (e.g., top-down, hierarchical-based) are not considered as they do not properly fit the structure of the LEADER Approach. Rather, we adopt the term governance forms to indicate governance arrangements in order to operationalise the analysis of the connections between social capital forms (structural and normative-cognitive) and related governance aspects, in terms of dimensions and sub-dimensions (see Part II of the book for further details).

### Connections between Governance and Social Capital in the Positive Approach

In a broad sense, governance generically refers to a “way of governing” (Rhodes, 1996) or to “the setting of the rules, the implementation of the rules and the enforcement of the rules” (Kjær, 2004, p. 10), of which the traditional, top-down and hierarchical approach to decision-making

represents one mode. An alternative narrower view proposes a conception of governance comprising “types of political steering in which non-hierarchical modes of guidance, such as persuasion and negotiation, are employed, and/or public and private actors are engaged in policy formulation” (Héritier, 2002, cited in Treib et al., 2007, p. 185). This view is predominant in governance discourses and favours consensus-oriented, multi-level decision-making processes and dynamic interactions among a plurality of actors and sectors (Rhodes, 1996; Peters, 2000; Howlett & Rayner, 2006). In this sense, governance refers also to processes of decentralisation, collaboration, privatisation, formal and informal modes of interactions and power relations between institutions and other actors (horizontal interplay), as well as interactions between different levels of administration (vertical interplay) (Kjær, 2004; Rayner, 2010).

As mentioned above, the interconnection between private and public actors, *networks*, matters for both social capital and governance. Networks, therefore, are the first main common feature between the two concepts that we consider in this book. In the analytical or positive approach to governance analysis, governance is often explored in terms of its multi-actor, multi-sector and multi-level nature (Kjær, 2004; Jänicke & Jörgens, 2006). By following these three dimensions of analysis, the first step is to identify and describe the nodes – the actors – and their connections – their relationships in terms of exchange of information, level of reciprocal trust and collaboration. Horizontal networks typically occur within the same administrative or institutional level (e.g., at the national level), to address the changing roles of the state and the public sector in relation to the private sector, markets, communities and civil society (Kjær, 2004; Lemos & Agrawal, 2006). Vertical networks are typically connected with aspects of multi-level governance, such as coordinating institutional actions among the international, national and regional or local levels (Van den Brande, 2014). Networks have strong and weak ties, which lead to bonding, bridging and linking relations (Chapter 3). These elements (i.e., multiplicity of actors within the same sector or among sectors, within the same or along various institutional levels) are used to identify the elements for assessing governance in relation to social capital in the LEADER Approach in the following section.



The second main connection between social capital and governance focuses on *institutions*, defined as both formal rules and informal norms (North, 1990). As for social capital, institutions influence and are influenced by governance arrangements through the sharing of intangible resources, such as social norms, beliefs, peer control and social sanctioning. Social norms “specify what actions are regarded by a set of persons as proper or correct, or improper and incorrect” (Coleman, 1990, p. 243). The level of congruence between institutions and shared beliefs determines their social legitimacy (Westlund & Kobajashi, 2013). Peer control and social sanctioning complement formal enforcement mechanisms by acting as *de facto* rules (Coleman, 1990; Bowles & Gintis, 2002). Norms internally defined and agreed upon regulate the functioning of associations or contractual agreements among community members, and are the basis for multi-actor governance mechanisms. Institutions thus strongly influence interactions among members of a network, supporting or ostracising certain types of behaviour, coordination capacity and collective action.

In our research, we identify the specific elements of networks and institutions (e.g., nodes, relationships within the same level or among levels, formal rules and informal social norms, including shared values and trust), which are common to the analysis of social capital and network governance when the positive approach is adopted at the local level.

## Connections Between Governance and Social Capital in the Normative Approach

The emergence of new patterns of interactions and “new public management” models based on the coordination of plural and complex state hierarchies, markets and hybrid networks has increased political and academic attention towards good governance, a normative concept first introduced in economic development by the World Bank (Kjær, 2004). The definition of good governance varies depending on the promoters, the scope of application, the reasons for assessment, as well as the historical, institutional and cultural contexts (Rotberg & Gisselquist, 2008; Rothstein & Teorell, 2008; Kaufmann et al., 2009). However, five principles generally accepted include (1) legitimacy and voice in

terms of participation and consensus orientation; (2) direction, in terms of strategic vision; (3) performance, in terms of responsiveness, effectiveness and efficiency; (4) accountability, in terms of accountability and transparency; and (5) fairness, in terms of equity and rule of law (UNDP, 1997). Despite critical views (Cooke & Kothari, 2001; Fristch & Newig, 2009), these principles have influenced and shaped the literature and development practice (e.g., Graham et al., 2003; Secco et al., 2014). While conventional approaches tend to apply these principles in relation to their contribution to perceptions of market efficiency (extrinsic value), we also stress their intrinsic value in sustaining a broader conceptualisation of development.

In the European Union, the concept of good governance has been widely adopted in public administration and public policy management to reduce inefficiencies and ineffectiveness in policy implementation and increase public participation in collective choices (Kersbergen & Waarden, 2004). Good governance refers to “rules, processes and behaviour that affect the way in which powers are exercised at the European level” regarding “openness, participation, accountability, effectiveness and coherence” (Commission of the European Communities, 2001, p. 6). These principles are not only considered as guiding public policy, but also commonly accepted as shared values and likely as guiding criteria for social norms at different levels of governance. However, preference to criteria for efficiency (rather than others such as equity) means that new public management models have also transferred procedural approaches dominant in the market to state functions to justify the retrenchment of the welfare state. As Jessop (1998) highlights, the distribution of power across networks has not been necessarily positive in terms of efficiency or accountability, requiring an overall “meta-governance”, capable of ensuring that “governance failures” do not translate into the inability to manage consequences. His reference to governance failure reflects how new governance modes are made more complex precisely because they are called upon to combine market-based procedural with substantive rationalities to demonstrate efficiency. Thus, a normative approach to governance may highlight attention to positive values, and yet, because of its embeddedness in market rationality, it may also use intrinsic values such as social norms, to support these same rationalities.

In our research, we identify the specific elements of transparency, accountability, quality of the network, quality of participation and conflict management, which are common to the analysis of social capital and network governance when the normative approach is adopted at the local level.

## **Key Elements for Assessing Governance in Relation to Social Capital in the LEADER Approach**

The hypothesis at the basis of this book is that assessing social capital and related governance aspects is key to enhancing rural development outcomes. In this section, we detail the elements that were derived from the positive and normative approaches to develop the method for evaluating the reciprocal effects of social capital and governance in the LEADER Approach. We also highlight how they are integrated and complemented in our study. We conclude with the components of governance analysis that remain outside the scope of analysis in this book.

### **Key Elements**

As we have seen in the previous sections, by adopting a positive analytical approach, social capital and network governance share common elements in terms of both structural (e.g., actors and their networks) and normative-cognitive features (e.g., institutions). By adopting a normative approach, the focus shifts to principles of good governance, which include diverse dimensions for assessing participation, accountability, transparency, efficiency, effectiveness and capacity (Arts & Goverde, 2006; Pappalardo et al., 2014; Secco et al., 2014; Górriz-Mifsud et al., 2016). Together, these two approaches allow researchers, evaluators and practitioners to analyse the structural components as well as the performance of governance in relation to social capital.

However, these general common features are not geared to the operationalisation of our evaluation method. Networks, institutions and good governance principles include various sub-components that have to be identified and unpacked for better understanding and managing LAGs in their diverse and context-specific structural and normative-cognitive social capital and related governance aspects (see Górriz-Mifsud et al., 2016 for an example of application of this approach in the forestry domain).

To identify the various sub-components of governance in relation to social capital, which are later defined as dimensions, sub-dimensions and indicators (Chapters 7 and 9), we adopt the (1) multi-actor, (2) multi-sector and (3) multi-level characters of network governance, that is, network-based decision-making processes. In the following section, the specific elements of analysis connected to this threefold character of governance are briefly outlined in relation to their importance and role in analysing LAGs and the LEADER Approach within the scope of our research.

### **Actors (Related to the Multi-Actor Governance Features)**

The structural analysis of governance first identifies how *actors* are connected within the network, in this case the LAG. Firstly, actors are embedded in *horizontal networks* through bonding. Secondly, actors may be connected through bridging, whereby groups or individuals may belong to the same group or community or to different groups, yet share the same sector and/or hold similar interests. Thirdly, they can maintain networks on the same institutional scale but at different levels, for example, national, regional or local. In this case, they would be connected through *vertical networks*. Fourthly, actors can engage in the exchange of information or become involved in cooperative or collaborative actions. Finally, multi-actor networks can be part of inter-organisational networks, whereby public authorities or other entities may play the role of local development agents or animators in rural contexts (linking). Thus, LAGs are connected through bonding, bridging and linking with different actors in the territory (see Chapter 3).

From an institutional perspective, cooperation and exchange follow both formal and/or informal rules. These rules govern (1) networking mechanisms and procedures of control; (2) contractual agreements on the creation and management of an association; (3) social norms and reciprocal trust and (4) the exchange of information and collaboration. Both formal and informal rules ensure *decision-making processes* are relevant, legitimate and accepted by both members and external actors. These rules can apply to the ways in which the LAG manages its internal organisational structure in terms of relations with its members, and how it directs processes of consultation, implementation and monitoring, related to the Local Development Strategy and the selection of projects.

### **Sector (Related to the Multi-Sector Governance Features)**

The structural analysis of multi-sectoral relations follows a similar approach as the one described previously, but actors belong to different sectors (e.g., farmers, forestry companies and other land owners, tourist agencies, social service providers). The analysis focuses on territorial networks involved in integrated development initiatives, through inter-community interactions, multi-disciplinary platforms and development projects. From an institutional point of view, actors belong to cross-sectoral policies or programmes of interdisciplinary collaboration, trans-regional collaboration projects and other initiatives involving coproduction of new norms, values and knowledge. Well-integrated organisations can benefit from participation of sectors which are representative of the local social and economic context. As a multi-sectoral organisation, the LAG relies on the integration in the territory as a key feature for insuring the effectiveness of its strategy.

### **Level (Related to the Multi-Level Governance Features)**

The multi-level analysis of horizontal networks and vertical networks focuses on a plurality of actors who belong to different institutional levels, for example, from the European to the national, sub-national and local level. This analysis focuses on (1) the logic of the value-chain or the network based on formal agreements for joint venture (e.g., consortia,

producers associations, cooperatives) if the focus is on the private sphere; (2) the logic of the network based on formal agreements for collective action (e.g., association of municipalities) if the focus is on the public sphere; (3) vertical hierarchies if the focus is on the sphere of public administration; or (4) mixed forms of networking which connect different institutional levels in a LAG (e.g., Górriz-Mifsud et al., 2016). The institutional analysis focuses on the formal and informal rules that govern interactions among various institutional, administrative and policy levels, as well as processes of decentralisation, power delegation and distribution of functions and competences based on the subsidiarity principle. The emphasis here is on the coherence and consistency of policy and interventions along the involved levels. In the case of the LAGs, leverage with vertical structures may enhance the ability of the organisation to both influence outcomes in policy and programme development, as well as have its own needs recognised and acted upon.

## **Integrating Approaches for Assessing Governance in Relation to Social Capital in LEADER**

As shown in this chapter, social capital and network governance are closely interrelated, with common elements of analysis. Keeping in mind that this book focuses on social capital in the LEADER Approach and in LAGs, we highlight hereafter the aspects of governance that can be explored by means of social capital forms.

Within European rural policy and the LEADER Approach, LAGs are specifically designed to strengthen governance at the territorial level, by improving the density and quality of economic and social networks involved in programming, project development and cooperation (EENRD & European Commission, 2014). LAGs develop a Local Development Strategy to plan resource allocation over the programme period of European Structural and Investment Funds by involving local representatives from the private and public sectors in decision-making (Regulation (EU), 1303/2013). Thus, evaluating governance in relation to the LEADER Approach implies evaluating the multi-actor, multi-sector and multi-level processes of decision-making taken by LAGs in relation to

the rural development strategy and their effects. More specifically, it first focuses on how decisions are taken, implemented and enforced, that is, who takes and realises decisions (actors), on the basis of which relationships (horizontal or vertical), and according to which power distribution (e.g., influential capacity based on the actors' reputation). Secondly, trust among actors and towards institutions, as well as the ethical and moral contents of shared values, matters. Thus, governance arrangements and institutions influence what decisions are taken, and the quality of decision-making, in terms of the LAG's capacity and performance (e.g., effectiveness) in managing networks.

In this chapter, we argue that governance of a "good quality" is related to the capacity of LAGs to embrace "good governance" principles such as transparency, accountability, participation and conflict management in their activities. In practice, this means evaluating dimensions such as the level of transparency and accountability adopted by LAGs in decision-making processes; whether their participatory processes are inclusive and thus satisfy members and beneficiaries; the level of benefits derived from the network as perceived by members and beneficiaries of the LAG; and the management of possible divergences and conflicts.

In the method developed in this book, many of these governance elements are derived from the theory of social capital ([Chapters 2 and 3](#)). More specifically, some of the LAG's network governance arrangements, drawn from the positive approach and related to relationships with members and beneficiaries (horizontal network), are analysed as part of the structural form of social capital. Shared values and trust (among the LAG's members, between the LAG and its beneficiaries, and towards institutions) are analysed as part of the normative-cognitive form of social capital. Moreover, as drawn from the normative approach, accountability and transparency are analysed as part of the structural form of social capital, while quality of participation, quality of the network and management of conflicts are part of the normative-cognitive form of social capital.

Likewise, the successful implementation of the Local Development Strategy depends not only on the elements of governance that are derived from the social capital theory (in its structural and normative-cognitive

features), but also, as we argue here, on specific aspects that derive from governance theory. In our research, the specific features of governance that can influence social capital but are not directly derived from it include (1) how *decision-making processes* are organised and managed, (2) the *efficiency and effectiveness* of the LAG in coordinating networks, (3) its *organisational culture and capacity* related to the management of the various networks it is involved in (among members and with beneficiaries), as well as (4) the quality and quantity of *vertical relations*, that is, relationships with LAGs outside the region and with the higher levels of governance linked to the activities of the LAG, and their influence. These four dimensions of governance are used to complement the evaluation of social capital and are further elaborated in Part II, [Chapters 7 and 9](#).

We are aware that a fully comprehensive study of governance arrangements in a rural territory, at the local level, would require a critical analysis of further components. For example, in addition to the vertical relations addressed in the method, institutional structures and connections outside the LAG's networks at broader spatial levels, and at higher administrative levels would need to be included. These are outside the scope of the present study, which focuses more narrowly on responses within the LAG's specific networks, by the director, members and beneficiaries.

Similarly, in terms of performance (or good governance principles) reached by LAGs in their rural development strategies and actions, the dimensions of legitimacy and voice, direction and fairness (in terms of equity, social justice and rule of law), environmental sustainability and legality are not specifically addressed (Graham et al., 2003; Kjaer, 2004). While these elements are not specifically included in our method (see [Chapter 18](#)), they deserve further research in the context of evaluating the impacts of LEADER. Finally, special attention should be devoted to the role of LAGs in promoting social innovation. As a relatively new and complex concept, forward-thinking and broader investigations will be needed in the coming years, yet, none of the basic elements of social capital and network governance have been specifically explored in relation to social innovation in the study. In the final chapter of the book, we reflect on the potential for LEADER to catalyse social innovation.



## Conclusion

In the last decade, social capital and network governance have been indirectly mentioned as drivers of the neo-endogenous approach to development and the new rural paradigm (OECD, 2006). These approaches have aimed to mobilise endogenous and local resources to increase the competitiveness of rural territories rather than sectors, by adding value to local cultural, environmental and social assets (OECD, 2006, 2014; Chapter 3). Combining efforts at the local level with funding from different levels of governance aims at achieving the goals of the European Strategy for 2020 as well as actual outcomes at the territorial level. Various elements identified in the theories of social capital (Chapters 2 and 3) and network governance support the neo-endogenous approach. The networks and institutions of trust and shared values which underlie LEADER have also been identified, more recently, as key drivers of social innovation. Indeed, while LAGs were ideated to promote innovation through bottom-up approaches and place-based governance mechanisms – a potential not always realised in practice – it is clear that 25 years after its first launch, innovation may require a further spark, based on prioritising social values, which could catalyse social innovation.

Despite the importance of social capital, network governance and social innovation in supporting new approaches to rural development, few studies have looked at aspects of social capital and governance in local development projects, while studies on their interconnections with social innovation are at a pioneering stage (European Commission, 2013b; BEPA, 2014; Bock, 2016; Bosworth et al., 2016; Chapter 19). This chapter has laid out a conceptual framework that can be adopted for the analysis of the governance aspects that relate to the evaluation of social capital. Drawing from studies in social and political science, it has described the analytical and normative approaches to the study of governance and drawn connections to the forms of social capital analysed in the book. Rather than developing a full method for the assessment of governance in rural development, it has contributed to an understanding of the connections between governance and social capital, by identifying the dimensions – actors, sectors and levels – as well as some of the good governance principles, which are adopted in the evaluation method

proposed, and described more fully in Part II of the present book. Finally, it has also contributed to strengthening the analysis of social capital by operationalising the identification and measurement of how LAGs specifically operate in their territories, in terms of decision-making processes, efficiency and effectiveness, organisational capacity and vertical linking.

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# **Part II**

**A Methodological Approach to the  
Evaluation of the LEADER Initiative**

# 6

## Evaluation of Social Capital in LEADER: What's In and What's Out?

Elena Pisani and Asimina Christoforou

### Introduction

Among the EU programmes supporting sustainable development, LEADER has politically attempted to analyse and promote the specificities and particularities of European rural areas with an innovative approach based on local capacity building, community-based initiatives, participation, partnership and co-operation by means of a new governance mode. Evidence from LEADER's evaluation reports confirm that the most relevant outcomes and impacts achieved by the programme stand for activation of long-lasting development processes; increased

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sense of identity and social cohesion in local contexts; diffusion of new knowledge by ground-breaking local level projects; and openness of rural actors to interregional and transnational cooperation (Ray, 2000; Farrell & Thirion, 2005; Papadopoulou et al., 2011; Sutherland & Burton, 2011; Teilmann, 2012).

Social identity and cohesion, knowledge and cooperation epitomise changes in social attitudes as the main immaterial contributions of LEADER (Kinsella et al., 2010; Nardone et al., 2010; Bosworth et al., 2016). To disentangle how local processes of social change can determine short-, medium- and long-term effects, evaluation activities and practices are required. As shown in Chapter 3, the theory of change practically consists of a result-chain that can help the evaluator investigate how initiatives can determine outcomes and impacts in the socio-economic arena. Consequently the research questions posed in this chapter are:

- (i) What are the requirements for evaluation stipulated in the EU Regulations on rural development, inclusive of LEADER (Regulation EC 1698/2005 and Regulation EU 1305/2013)? How has the intervention logic<sup>1</sup> been used and adapted within this evaluation framework (now system) foreseen for rural development?
- (ii) What has the European Network on Rural Development (ENRD) proposed for the evaluation of LEADER, especially in relation to social capital? Is the current ENRD evaluation able to grasp the specific elements of social capital?

The first question raises critical issues relating to the EU evaluation practice applied in LEADER from the evaluators' technical point of view. The second question investigates the conceptualisation and operationalisation of social capital in the evaluation of LEADER.

The chapter is structured as follows: the following section presents the evaluation framework proposed for LEADER within Rural Development Programmes (RDPs) in the programming period 2007–2013. The third section presents how the evaluation of LEADER has been conceptualised by the European Evaluation Network for Rural Development (EENRD). The fourth section presents the innovative elements related to the evaluation of the LEADER Approach and Community-Led Local Development

(CLLD) in the programming period 2014–2020. The chapter concludes with some final remarks.

## Evaluation of LEADER within Rural Development Programmes in the Programming Period 2007–2013

In the programming period 2007–2013 LEADER's evaluation was inserted within the monitoring and evaluation (M&E) framework of the RDPs. The Common Monitoring and Evaluation Framework (CMEF) provided common indicators, limited in number and applied to each programme (Regulation EC 1689/2005, Art. 80). The common indicators were differentiated into distinctive categories: baseline, financial, output, results and impacts. These were intended to capture specific evaluation criteria set by the framework, namely the progress, efficiency and effectiveness of RDPs in relation to their expressed objectives. Moreover the Commission allowed each RDP to use additional indicators that were specific to the programme (Art. 81.1) and responded to the requirements set by the Managing Authority (MA). The CMEF was organised at the level of each RDP measure,<sup>2</sup> specifying the hierarchy of objectives and indicators. The rationale of measures was also strictly associated with the hierarchy of indicators: baseline indicators quantified the initial situation before the intervention; input indicators normally referred to the amount of public expenditure realised;<sup>3</sup> output indicators were associated with the operational objectives; result indicators were connected to specific objectives; and, finally, impact indicators were associated with the general objective of the measure.<sup>4</sup> In the programming period 2007–2013 RDPs were subject to *ex ante*, mid-term and *ex post* evaluations, conducted by independent evaluators contracted under the auspices of either Member States or the Commission. Member States provided the human and financial resources necessary for carrying out the evaluations and organise the production and collection of the requisite data on the basis of the information provided by the monitoring system (Art. 84). Within this framework, *ex post* evaluations

assess the impact of the programmes in relation to rural development problems identified by the Member State or regions concerned.

With Regulation EC 1689/2005 the evaluation of LEADER was equated to the evaluation of other measures of RDPs. The CMEF Handbook (Annex E) methodologically detailed the evaluation of LEADER by presenting the rationale, content, target group, target area and common indicators for the LEADER measures. Measure 41 aims at implementing the local development strategies with a view to achieving the objectives of one or more of the three other Axes defined in Sections 1, 2 and 3 of the Regulation (see [Chapter 3](#) for further details).<sup>5</sup> Measure 421 implements cooperation projects involving the objective selected,<sup>6</sup> while measure 431 is for running the Local Action Groups (LAGs), acquiring skills and animating the territory.<sup>7</sup>

In relation to measure 41, the intervention logic measured by common indicators was organised as follows. The input indicator is the amount of public expenditure realised. Output indicators include the number of LAGs, the total size of the LAG area (in km<sup>2</sup>), the total population in the LAG area, the number of projects financed by LAGs (divided by Axis and type of measure) and the number of beneficiaries supported (divided by Axis, type of measure and type of beneficiaries). Result indicators are the gross number of jobs created (by on-farm/off-farm jobs, age and gender), and the number of participants that successfully ended a training activity. Finally, impact indicators include economic growth and employment creation (by age and gender). These indicators were set up to answer specific Common Evaluation Questions (CEQs) such as to what extent has the LEADER Approach contributed to (1) improving governance in rural areas? (2) mobilising the endogenous development potential of rural areas? (3) introducing multi-sectoral approaches and promoting cooperation for the implementation of RDPs? (4) the priorities of Axis 1, 2 and 3?

A closer look at these indicators and questions reveals that they do not address the relational aspects of development processes and outcomes and particularly the synergies created among individuals and groups to promote the objectives and measures of the development programme. We argue that it will be difficult to respond to evaluation questions

regarding, for instance, the improved governance of rural areas, if we do not have a clear picture of the composition and evolution of the relations among all public and private actors involved in the different initiatives at diverse levels. To this end, Social Network Analysis could be a relatively simple and useful instrument to assess the composition of these mixed networks. It could also be used to check the evolution of the network at different moments in time, allowing us to understand the real impact of LEADER on a long-term perspective (see Pisani & Burighel, 2014; Pisani, 2014; Lopolito et al., 2015). One might argue that the handbook makes it possible to restructure the intervention logic of measure 41 by using other measures of Regulation 1698/2005 in order to incorporate specific operations that fall under the umbrella of a local development strategy. But it is unclear how this can be realised. For example, let us take a measure of Axis 2 where the impact focus is predominantly on “improving the environment and the countryside”, which is determined by both economic and non-economic factors regarding the quality of life, like environmental preservation and social uses of the countryside. The question remains of how this measure will contribute to the understanding of the overall impact of a local development strategy (i.e., including also environmental and social elements), which is evaluated only on the basis of economic indicators like growth and employment.

Turning to measure 421, which focuses on cooperation projects including the transfer of best practices, the intervention logic measured by common indicators was defined as follows. Output indicators are given by the number of supported cooperation projects, and the number of cooperating LAGs (both indicators are calculated by level of cooperation – interregional and transnational – and in relation to each of the other 3 Axes). The result indicator equals the gross number of jobs created and the impact indicator measures employment creation (by on/off farm jobs, age and gender). The CEQs required were: (1) To what extent has the support contributed to promoting cooperation and encouraging transfer of best practices? (2) To what extent have cooperation projects and/or transfer of best practices based on the LEADER Approach contributed to a better achievement of the objectives of one or more of the three other Axes?

Undoubtedly, assessing the total number of cooperation projects financed is a crucial aspect of this measure. However, based on these indicators, it is difficult to see how evaluators can practically measure the transfer of best practices within cooperation projects and the effect this transfer actually had on behavioural change among actors in the territory analysed.

Finally, measure 431 that focuses on running the LAG, acquiring skills and animating the territory was assessed by means of the following indicators. Output indicators measure the number of actions supported (by type of skill acquisition and animation action) and the result indicator focused on the number of participants that successfully ended a training activity. Surprisingly, no impact indicator was mentioned. The CEQs proposed were: (1) To what extent has the support increased the capacity of LAGs and other partners for implementing local development strategy? (2) To what extent has the support contributed to increasing the capacity for the implementation of LEADER?

We argue that specifically in relation to this last measure, the value added of LAGs is missed. We doubt whether the number of participants ending a training activity (and the underlying financial contribution) can capture the complexity of processes, interactions and networking activities normally organised and promoted by LAGs. Moreover, we also wonder how evaluators can quantitatively measure the impact of the LAG if no impact indicator whatsoever has been proposed in relation to its core function, namely running the LAG and animating the territory.

We must note that the evaluation of RDPs changed after the Synthesis of the Mid-Term Evaluation (MTE) of Rural Development Programmes 2007–2013 (European Commission, 2012). The Guidelines for the *ex post* evaluation of 2007–2013 RDPs evidence that the original set of 150 CEQs of the CMEF framework was simplified and: “reduced to essential demand for knowledge from the European perspective” (EENRD and European Commission, 2014a, p. 56). As a result, the evaluation questions regarding LEADER have been re-organised within the so-called third group of CEQs that foresees the following questions: (1) To what extent has the RDP contributed to building local capacities for employment and diversification through LEADER? (CEQ no. 21, which is linked to a community strategic

priority); (2) To what extent have the LAGs contributed to achieving the objectives of the local strategy and the RDP? (CEQ no. 22); (3) To what extent has the LEADER Approach been implemented? (CEQ no. 23); and (4) To what extent has the implementation of the LEADER Approach contributed to improving local governance? (CEQ no. 24, which is linked to a community strategic priority).

Additionally, the EENRD and the European Commission specify that the evaluators have to focus on “the added value which LEADER is producing in rural areas compared to classical rural development measures in terms of improved governance, the generation of social capital, capacity building etc.” (EENRD and European Commission, 2014a, p. 73). In this regard, the Guidelines further stress that the CMEF only provides a limited number of common indicators. In fact, in relation to the CEQ no. 22 it is suggested, “in case LAGs show contributions which cannot be captured with the common CMEF indicators, RDP-specific indicators can be proposed by the MA for LAGs” (ibid.). Moreover, in relation to CEQ no. 21, 23, and 24 the Guidelines specify that: “It is obvious that the existing set of common CMEF indicators will not be able to provide sound answers which capture the results and impacts of the LEADER Approach across its full range. In this situation, space is left for the MA of the RDP to bridge this gap and develop additional indicators. [...] The MA can also consider proposing these indicators to LAGs and so linking self-assessment and evaluation of LEADER” (ibid.). This has been difficult to realise, despite recognition of the limited capacity of the CMEF indicators to capture the value added of LEADER, and the open invitation towards the MA and LAGs to properly identify additional indicators.

To understand the difficulties involved we point out two critical elements that are presented in the MTE synthesis and are specifically related to the role of social capital in LEADER. Firstly, the MTE synthesis officially recognises that the so-called seven principles of LEADER (area-based approach, bottom-up approach, local partnership, multi-sectoral approach, innovation, cooperation and networking) have not really been incorporated in the implementation of RDPs. Secondly, LEADER has been considered “in many member



states as just one more funding opportunity for rural areas” (European Commission, 2012, p. 233) so it has been equated by final users as a classical rural development measure relying on top-down interventions and public subsidies. The MTE synthesis shows that this may be due to an “administrative vision” of the MA that undermines the potential and significance of a truly area-based and bottom-up approach. Moreover in relation to social capital taking on the form of National Rural Networks the MTE synthesis highlights: “(Social) Network Analysis, for example, would have been a tool for assessing social capital between rural development actors but was never mentioned or used in the MTE. This methodological gap also limits the possibilities of drawing ‘the big picture’ of networking” (European Commission, 2012, p. 214). However, National Rural Networks are only one of the multiple sources of social capital and thus essentially constitute one of the possible values added of LEADER in comparison to classical rural development measures. Thus, we argue that SNA can become a useful and relatively simple tool to further measure social capital among local rural development actors as members of the LAG or beneficiaries of LEADER projects.

## **Proposals of the European Network on Rural Development for the Evaluation of LEADER and Social Capital**

The question of how to evaluate the contribution of LEADER to RDPs objectives is still open and not simple to achieve in practice. Grieve & Weinspach (2010) and the Helpdesk of the Evaluation Expert Network have provided methodological advice for the evaluation of both LEADER and quality of life measures. They provide a set of guidelines included in the CMEF and ENRD documents, which determine ways of understanding and operationalising both LEADER and the quality of life measures in order to inform evaluation procedures in the current programming period. For this purpose, the Evaluation Expert Network has identified seven impact categories and 14 assessment criteria. One of

these seven impact categories is social capital, for which the assessment criteria are “local identity and coherence” and “networking and openness”. Thus, the indicators proposed for social capital are based on a multi-criteria ranking tool.

These constitute considerable steps towards an alternative framework for promoting and evaluating rural development on the basis of the neo-endogenous approach. The proposed indicators recognise the importance of the non-economic dimensions of development, which stresses the use of social, ecological and cultural resources to achieve a “wealth” not only of material goods, but also of intangible goods like social and political participation. Moreover, they include concepts and measures of social capital, which emphasise the underlying social dynamics in the development process and the importance of collaborative networks and participatory governance structures and arrangements not only as a means to development but also as ends in themselves. By stressing the importance of participatory networks and governance structures, the way is paved for building social innovation initiatives in the future (see [Chapter 19](#) for an elaboration of social innovation). However, the ways in which social capital and local development are understood and measured in practice in the context of RDP and LEADER evaluations become rather problematic. First of all, there are no network-based indicators which, as argued in Part I, enable us to capture and assess multi-dimensional and contextual aspects of social capital and their impact on local development. Secondly, participatory indicators that try to measure bonding and bridging forms of social capital are ill-defined. Thirdly, evaluations of EU policies tend to be impact-oriented, which downplays the significance of social dynamics and development processes, especially of social networks and governance structures captured by social capital indicators. Finally, evaluation procedures tend to rely less on feedback from participants and stakeholders of development projects, thus underestimating a valuable source of knowledge and experience and underutilising the very social networks and governance structures of these projects.

To elaborate, under the assessment criterion “local identity and coherence”, social capital is strictly identified with bonding social capital and measured by an indicator of participatory behaviour counting “the number/composition of participants in collective

investments and projects”, and an economic impact indicator counting “the relative number/volume of business and employment arising from cooperation and network relationships” (see Question A, European Communities, 2010, p. 38). On the other hand, under the assessment criterion “network and openness” social capital is identified with bridging social capital and perceived as a determinant of economic performance, so it is measured by an indicator that counts the “number of external relationships to key stakeholders that would ensure a considerable flow of knowledge/ideas, finance, and legitimacy” (see Question B, European Communities, 2010, p. 38). However, in relation to the first assessment criterion, we should note that local identity depends not only on bonding social capital, that is, on building connections among homogeneous groups in the community. It also depends on bridging social capital, that is, on developing ties among diverse groups, which originate from different localities, sectors, genders and minority groups and represent variant interests and cultures, but are brought together to serve a common goal for social and political participation and local development. Furthermore, in relation to the second assessment criterion, we stress that improved economic performance is not exclusively associated with bridging networks, but also depends on bonding networks that enable knowledge flows among members within groups with stronger ties and interests. Moreover, whether bonding networks will actually contribute to considerable knowledge and financial flows in the locality depends considerably on contextual factors, such as governance structures and arrangements, as argued in Part I. We recall from [Chapter 3](#) that the synergy view to social capital suggests that bonding ties be combined with bridging ties in order to ensure socio-economic developmental outcomes.

More importantly, these identified impact categories and assessment criteria tend to focus on the long-term outcomes of social capital on local identity and economic performance, giving limited attention to process indicators that would explore the conditions under which the local capacity for participation, cooperation and networking can be built (e.g., network dynamics in terms of information and collaboration flows). Furthermore, by focusing on immediate economic impacts like

changes in income and employment, we reduce the significance of behavioural and institutional change (e.g., reshaping participatory and governance structures and arrangements), which requires a longer period of time to come into effect. Finally, the impact orientation of evaluation procedures fails to encourage and utilise feedback from project participants themselves. It has been argued that provisions for LAG's self-evaluation will not only enrich our knowledge of the weaknesses and strengths in all phases of the development programme in a particular context; they will also mobilise and activate collaboration of stakeholders to further enhance the locality's capacity for social learning, collaborative networks and participatory governance (RuDI, 2010; Birolo et al., 2012; Papadopoulou et al., 2012).

A further understanding of how social capital is defined and measured in EU policy and LEADER can be obtained by relevant evaluation reports. The Metis *ex post* evaluation report for LEADER+, which refers to the EU-15 in the programming period 2000–2006, provides a series of case studies across European areas based on interviews with project participants under eight evaluation themes.<sup>8</sup> Here, the term “social capital” is explicitly used under a single theme, THEME 4, concerning the impacts of LEADER programmes on the economic and non-economic capital of the Community rural areas. Though the other themes are directly associated with social capital, especially the locality's capacity to build and utilise social networks and governance structures, they make only implicit references to certain concepts and measures of social capital. However, their direct links with social capital become evident in the report, revealing the difficulties involved in enhancing social capital and local development. A better understanding of these dynamics may overcome these difficulties by constructing proper social capital indicators.

For instance, the Metis report assesses the contribution of LEADER+ to building excellence clusters by pooling local resources within an integrated partnership (THEME 8). It concludes that LEADER supported the interactions and joint actions of local enterprises with other enterprises and institutions by “unleashing bonding and bridging social capital”: the LAGs mediated the flow of material and non-material resources among local actors and the construction of wide-ranging

innovative networks (Metis, 2010, p. 163). However, the report seems to focus more on the technological and technical aspects of innovation, rather than the social aspects related to behavioural and institutional changes in citizenship values and governance structures and arrangements. Instead, civic values and governance are assessed under a separate theme (THEME 5). The Metis report attests that LEADER considerably helped local actors develop their capacities for self-organisation, by contributing to “the accumulation of social capital”, to social learning and to the creation of governance capacity at various levels (Metis, 2010, pp. 126–127). At the same time, it stresses the obstacles posed by centralised state management, heavy bureaucracy and diverse political interests and local conflicts, which challenged the autonomy and legitimacy of LAGs and thus compromised their effectiveness in these programmes (Metis, 2010, pp. 127–128). In other words, linking social capital has a considerable impact on the ways in which bonding relations can be transformed into bridging ties in the local context, and thus deserves further attention in development studies and project evaluation. This is consistent with the idea that the type and mechanisms of governance play a crucial role in determining participation and development. The issue of governance is discussed in Part I and more specifically in [Chapter 5](#).

Additional obstacles to local capacity building, collaborative networks and participatory governance are posed by social inequalities. The Metis report asks whether LEADER+ promoted a more efficient use of endogenous resources (physical, human, environmental) with special focus on building the locality’s cooperation and networking capacity (THEME 3). It observes that although LAGs encouraged people to get involved, to think more about the future and to obtain a sense of identity, in some cases they were unable to sufficiently incorporate the needs and interests of marginalised groups, like women, young people, the poor and the disabled. Notably, the social needs of vulnerable groups are key elements to be considered for assessing what is nowadays called social innovation (see [Chapter 19](#)). This outcome was, among other things, attributed to the absence of more inclusive networks (bridging social capital), and additional policy measures with equity goals (linking social capital) (Metis,

2010, pp. 92, 108–109, 111). Thus, more indicators and strategies that broaden the scope and depth of cooperation and participation are needed.

Finally, in the Metis report it is less clear how internal and external relationships (bonding, bridging and linking social capital) are distinguished in order to analyse their contribution to LEADER. For instance, under THEME 2 the report limits assessments of social capital to “Action 2 – Cooperation” and “Action 3 – Networking”, even though social capital also constitutes a central aspect of “Action 1 – Local Governance”. Moreover, in Action 2 cooperation has been confined to the “classical” policy instrument involving cooperation among rural territories (inter-territorial and transnational cooperation). Though these types of networks are truly important, they do not cover cooperation *within* a specific rural area among actors belonging to diverse socio-economic categories. Similarly, Action 3 focuses narrowly on the links established by the “National Rural Networks” and the LEADER Observatory, which diverts attention away from other crucial types of social and institutional networks within and between rural areas. Besides, there are doubts whether some National Rural Networks have promoted social capital: they are included within public institutions so they tend to have a classical institutional view that could be associated more with top-down approaches than bottom-up, public-private synergies.

Overall, the evaluation of the LEADER Approach is much more focused on analysing how the approach is relevant to the amelioration of the quality of life in rural areas. What it is not sufficiently clear, in our opinion, is the contribution of the LEADER Approach in terms of social capital promotion. As stressed in previous chapters, this calls for a qualitative and quantitative analysis of the multi-dimensional and contextual aspects of social capital – like trust, social values, power relations, social structures, politico-administrative environments – by means of network-based indicators and historical / cultural analyses in order to determine their influence on developmental processes and outcomes. Such a study would have been more consistent with references to Bourdieu’s definition of social capital that appear in both Metis and ENRD.

## Evaluation of LEADER and Community-led Local Development in the Programming Period 2014–2020

In the programming period 2014–2020, for the first time, the CMEF covers the whole Common Agricultural Policy (CAP) (Regulation EU 1306/2013, Art. 110). It explicitly aims at assessing the performance of both Pillar I (income support for farmers and assistance for complying with sustainable agricultural practice and market-support measures) and Pillar II (RDPs) in relation to the three general objectives of the CAP (viable food production, sustainable management of natural resources, climate action and balanced territorial development). More specifically, M&E of Pillar II are regulated by (1) the Common Provisions Regulation (Regulation EU 1303/2013 defining the M&E elements of the European Structural and Investments Funds) and (2) the Rural Development Regulation (Regulation EU 1305/2013). Chapter II of the Rural Development Regulation specifies that a Common Monitoring Evaluation System (CMES) shall be drawn up by the Commission in co-operation with the Member States and adopted by the Commission by means of implementing acts (Art. 67). Notably, the common framework is now replaced by a system to monitor and evaluate development programmes. The objective of the CMES is threefold: (1) to demonstrate progress and achievements of rural development policy and assess the impact, effectiveness, efficiency and relevance of rural development policy interventions; (2) to contribute to better targeted support; and (3) to support a common learning process related to M&E (Art. 68). A list of indicators shall be specified in the CMES and related to the initial situation, financial execution, outputs, results and impacts (Art. 69). Moreover, the Commission may adopt an implementing act, specifying the elements to be contained in *ex ante* and *ex post* evaluations and the minimum requirements for the evaluation plan mentioned in Art. 55 and Art. 57 of the Regulation EU 1303/2013. Additionally, Member States shall ensure that the evaluations are in accordance with the common evaluation approach specified in Art. 67

and are responsible for production and collection of requisite data provided by the monitoring system to the evaluators (Art. 76).

In the technical handbook on the M&E framework of the CAP 2014–2020 (European Commission, 2015b) and in the guidelines for the ex *ante* evaluation of 2014–2020 RDPs (EENRD and European Commission, 2014b) the elements of the new evaluation framework and system are detailed. We note that the former document was in a provisional format at the time of writing. In the current programming period, the evaluation of CAP is still based on the use of an intervention logic which is indicated in relation to Pillar I and Pillar II and determines the use of different types of indicators to assess achievements at different levels.

The CAP general objectives will be measured through impact indicators which are defined as “outcome of intervention beyond immediate effects” (European Commission, 2015b, p. 17) and “which are related to the overarching goals of the CAP” (EENRD and European Commission, 2014b, p. 86). However, these definitions are problematic, leading to controversy among experts in the evaluation practice. Impact and outcome are two different conceptual categories in evaluation. Normally impacts refer to long-term changes that are both effects and results forming an accumulation of outcomes (Morras Imas & Rist, 2009, p. 109) and more specifically they are measured in relation to direct and indirect beneficiaries. Equating impact with outcomes could signify losing the kind of changes related to indirect beneficiaries or to society as a whole.

The CAP specific objectives (Pillar I specific objectives and Pillar II priorities) will be assessed through result indicators defined as “direct and immediate effect of intervention” (European Commission, 2015b, p. 17) or “which capture the direct effect of interventions and are linked to focus areas (e.g., the amount of renewable energy produced)” (EENRD and European Commission, 2014b, p. 85) if referred to RDPs. Again this terminology could raise misunderstandings among evaluators and thus unreliable results of evaluation. Outcomes include the behavioural changes, intended and unintended, positive and negative in the target population (direct beneficiaries), which are induced by the policy or programme (depending on the level analysed). If behavioural



changes are not explicitly considered and measured in the results chain at the level of result indicators, we run the risk of going back to a traditional M&E system that focuses only on programme implementation and not on behavioural changes in beneficiaries and long-term effects on society. After the Better Regulation Guidelines (European Commission, 2015a),<sup>9</sup> the EU has specifically decided to adopt a results-based M&E, following practices set by international organisations such as the OECD and the World Bank, which compound the monitoring of implementation and the assessment of outcomes and impacts. To implement the results-based M&E, it is necessary to transpose a theory of change into an intervention logic or a result-chain (Morras Imas & Rist, 2009, p. 108). Surprisingly the Guidelines on the *ex post* evaluation of 2007–2013 RDPs fully acknowledge the critical elements expressed here by re-defining results indicators as providing “information on changes in the behaviour, capacity of performance of direct beneficiaries and are measured in physical and monetary terms” (EENRD and European Commission, 2014a, p. 38).

The CAP output indicators are placed at the level of Pillar I instruments and Pillar II measures<sup>10</sup> and specified as “activities [which are] directly realised by interventions” (European Commission, 2015b, p. 17) or “which are directly linked to the measures and operations (e.g., the number of training days provided)” (EENRD and European Commission, 2014b, p. 85). Once again we observe a possible bias in definitions as outputs are equated with activities. However, in evaluation practice outputs are the tangible products or services produced *as a result* of activities, while activities refer to tasks undertaken in order to transform inputs into outputs. In fact, in the Guidelines for the *ex ante* evaluation of 2014–2020 RDPs (EENRD and European Commission, 2014b) outputs are expressed as products, that is, “number of training days” and not as the realisation of training activities per se.

Additionally, the Commission has developed a list of 45 context indicators that “provide a comprehensive picture of the situation in which the policy is implemented and a baseline for the overall framework” (European Commission, 2015b, p. 15). The idea behind the subdivision between impact and context indicators specifies the

methodological requirement to isolate the real impact of a policy or instrument from other contextual factors, in order to capture the net impact of the policy.

In relation to Focus Area 6B which refers to LEADER/CLLD, the CEQ in this programming period is (CEQ no. 17): “To what extent have RDP interventions supported local development in rural areas?” (Regulation EC 808/2014, Annex V). The same Regulation details the indicators for this Focus Area. Result indicators correspond to percentage of rural population covered by local development strategies (R22-T21), percentage of rural population benefiting from improved services /infrastructures (R23-T22) and jobs created in supported projects (LEADER) (R24-T23). These indicators are also considered target indicators, even though not all target indicators are considered result indicators within the Regulation. Output indicators for Focus Area 6B refer to population covered by LAG (O.18); number of LAGs selected (O.19); number of LEADER projects supported (O.20); number of cooperation projects supported (O.21); number and type of project promoters (O.22); and unique identification number of LAG involved in a cooperation project (O.23). Finally, the proposed *performance framework indicators* for Focus Area 6B refer to total public expenditure for Priority 6, which refers to output indicator O.1; number of operations supported to improve basic services and infrastructures in rural areas (Focus Areas 6B and 6C), which refers to output indicator O.3; and population covered by the LAG (Focus Area 6B), which is connected to output indicator O.18. While specifications on results-target and outputs-performance indicators are clear and detailed for Priority 6B, we lack, at the moment, specifications on impact indicators for the LEADER Approach.

Regulation EU 808/2014 presents the content of RDPs in Annex I. In relation to section 9(3) regarding the evaluation plan and the evaluation topics and activities, the Regulation foresees that RDPs specify the activities needed to evaluate the contribution of each measure to the rural development objectives. This will be achieved by means of assessing result and impact indicator values, their net effect, thematic issues, including sub-programmes, cross-cutting issues related to innovation and environment, National Rural Networks and the contribution of CLLD strategies. Moreover, the Regulation stipulates that “the RDP

shall cover the planned support for evaluation at LAG level” (Annex I Part 1, 9.3.b, L 227/34). This last requirement opens a new operative capacity for the LAG which now takes active part in determining the general framework for the evaluation of the RDP. The LAG is invited to offer knowledge and information required for the evaluation activity, to support the evaluator in the operative activities and to monitor the implementation of the activities. Moreover, LAGs are required to do their evaluation as detailed in the local development strategy.

Finally, we consider what the Guidelines for the *ex ante* evaluation of 2014–2020 RDP suggest in relation to the specificities of the LEADER method. The *ex ante* evaluator verifies that the set of indicators meaningfully captures the expected added value of the LEADER Approach (EENRD and European Commission, 2014b, p. 117). Moreover, the evaluator assesses the “description of the institutional arrangements foreseen for LEADER implementation, including territorial cooperation, by examining the division of roles and tasks and the sharing of responsibilities among the MAs, intermediary bodies and the LAGs” (EENRD and European Commission, 2014b, p. 118). The according arrangements should refer to the added value of the LEADER method, “which is mainly regarded as an investment into the social capital and improved local governance capacity” (ibid.). We highlight this last sentence because it represents the first formal acknowledgment of the value added of LEADER in terms of social capital and improved local governance capacity for the programming period 2014–2020.

Of equal importance is that the *ex ante* evaluator is summoned to assess, “the capacity of the monitoring and evaluation system to capture the specific results and, insofar ascertainable, impacts of LEADER, both at LAG level, and by aggregation to programme, and subsequently to EU level. This implies the application of qualitative evaluation methods, preferably on an ongoing or at least periodic basis (which should figure in the Evaluation Plan), and an active role of the National Rural Network in this process” (EENRD and European Commission, 2014b, p. 118). Therefore, to capture the evolutionary dynamics of change processes, approaches different from the evaluation method are proposed for other RDP measures and can be used for the evaluation of

LEADER, including case studies, focus groups, repertory grid interviews and heuristic approaches. The proposal is innovative because it seeks to depict a different evaluation system that highlights the value added of LEADER. Problems can certainly arise when using different methods: for instance, aggregation at the EU level becomes difficult, compromising the comparability of data across European areas. Therefore, we propose a mixed evaluation approach which combines qualitative and quantitative data to evaluate the social capital and local governance promoted and sustained by the LAGs. If appropriately adapted (see [Chapter 10](#)), our method could be used to analyse the dynamics of local social and development processes in different European and international contexts.

## Conclusion

In this chapter we discussed the old and new concepts and indicators used to assess social capital in EU RDPs and particularly LEADER and CLLD. To this end, we consulted the guidelines set for the evaluation framework of EU rural development policy in accordance to the provisions of relevant EU Regulations and institutions throughout the various programming periods. The aim was to appraise evaluation methods and indicators in relation to their capacity to consistently and sufficiently capture the multi-dimensional and contextual aspects of social capital and to provide an adequate measure of the dynamic interrelationship between networking and the potential effectiveness of RDPs.

We show how policy-makers and evaluators at the EU level have reflected on these concepts and measures and made some progress in opening the black box of the social dynamics that influence development processes and outcomes. As discussed in [Chapter 2](#), in the past decades indicators of social participation, civic values and quality of life have been introduced in evaluation procedures to take into account the social dimensions of development. Recently, specific context indicators have been proposed to capture the influence of the broader institutional environment. This shows that experts recognise the utility of considering these factors in relation to development programmes and policies.

However, a closer look at these indicators revealed deficiencies in the conceptualisation and operationalisation of social capital which compromise the understanding and evaluation of the social dynamics that are at the core of the LEADER Approach. Briefly, we observed that (1) indicators of bonding, bridging and linking social capital are not accurately defined or measured; (2) trust indicators among actors and towards institutions are hardly considered; (3) the structure of network relationships and new modes of governance between public and private actors are not assessed, missing out on important factors like power relations, social inequalities, value systems and the cultural context; (4) the exchange of material and non-material resources among actors within network relations and governance structures and arrangements are not considered, so the potential for behavioural change and social innovation is not fully assessed; and (5) evaluation procedures remain predominantly output-oriented with a focus on economic results, offering limited attention to social processes and opportunities of self-evaluation.

Under these circumstances, it is doubtful whether it will be possible to recognise the value added of LAGs. This can only be achieved if we acknowledge and investigate the complexity of processes, interactions and networking activity normally organised and promoted by the LAGs with its members and other actors of the territory. EU authorities themselves recognise that the principles of LEADER have not really been incorporated in the implementation and evaluation of RDPs. Thus, new conceptions and indicators of social capital must be constructed to assess the capacity of social capital to promote local development and, possibly, social innovation in rural areas. In the chapters that follow we propose an alternative method that combines quantitative and qualitative approaches and assesses the multiple dimensions of social capital by introducing indicators of social capital and governance and using statistical tools such as social network analysis.

## Notes

1. The intervention logic is the logical link between the problem that needs to be tackled (or the objective that needs to be pursued), the underlying drivers of the problem and the available policy options (or the EU actions

- actually taken) to address the problem or achieve the objective. This intervention logic is used in both prospective Impact Assessments and retrospective evaluations (European Commission, 2015b, p. 72).
2. Within the framework of European rural development policy, the basic unit of programme management, consisting of a set of similar projects and disposing of a precisely defined budget. Each measure has a particular management apparatus. Measures generally consist of projects. Many measures are implemented through a process of Calls for Proposals and subsequent appraisal (European Commission, 2015b, p. 72).
  3. Expenditure realised: total amount of expenditure (EAFRD + other public) made by the Member States (it should not necessarily have been declared to the Commission) for completed operations in the reporting year and previous years of the programming period (European Commission, 2015c).
  4. See Annex E of the CMEF Handbook describing the proposed evaluation method for specifications regarding each measure of the programme.
  5. Regulation EC No. 1698/2005 Art. 62(1)(a) and Art 63(a).
  6. Regulation EC No. 1698/2005 Art. 63(a) and (b).
  7. Regulation EC No. 1698/2005 Art. 59 – ex Art. 63 (c).
  8. THEME 1 – Relevance and community added value; THEME 2 – The Actions of LEADER+ (Action 1: Integrated territorial rural development strategies of pilot nature, Action 2: Support for cooperation between rural territories, Action 3: Networking); THEME 3 – Implementation of the LEADER method; THEME 4 – Impacts; THEME 5 – Governance and rural citizenship; THEME 6 – Managing, controlling and financing systems; THEME 7 – Monitoring and evaluation; and THEME 8 – Rural activity and excellence clusters.
  9. Better Regulation means designing EU policies and laws so that they achieve their objectives at minimum cost. Better Regulation is not about regulating or deregulating. It is a way of working to ensure that political decisions are prepared in an open, transparent manner, informed by the best available evidence and backed by the comprehensive involvement of stakeholders. This is necessary to ensure that the Union's interventions respect the overarching principles of subsidiary and proportionality, i.e., acting only where necessary and in a way that does not go beyond what is needed to resolve the problem (European Commission, 2015a, p. 5).

10. Pillar I instruments are composed of (1) direct payment instruments, (2) single market organisation instruments and (3) horizontal and other instruments. The first group of instruments includes Basic Payment Scheme/Single Area Payment Scheme; Re-distributive Payment; Greening; Payment for Young Farmers; Small Farmers Scheme; Voluntary Coupled Support; Payment for Areas with Natural Constraints. The second group includes Market Measures, Producer Organisations; School Milk and Fruit Scheme; Wine Sector. The final group includes Cross compliance; Quality policy; Organic Farming; Promotion policy; Farm Advisory System. The final group applies to both Pillar I and Pillar II. Pillar II measures correspond to the six priorities of the Pillar II: (1) fostering knowledge transfer and innovation in agriculture, forestry and rural areas; (2) enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forests; (3) promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture; (4) restoring, preserving and enhancing ecosystems related to agriculture and forestry; (5) promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors; and (6) promoting social inclusion, poverty reduction and economic development in rural areas. The different priorities are subdivided into focus areas. Within priority 6, the focus area B is devoted to promoting social inclusion and economic development by fostering local development in rural areas. All the measures of the Rural Development Programme are specified in Title III, [Chapter 1](#) of the Regulation EU No. 1305/2013 Art. 13 to Art. 44.

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# 7

## Evaluation of Social Capital in LEADER: From Theory to Practice

Elena Pisani

### Introduction

The academic debate on social capital has not yet yielded an agreed-upon definition, mainly due to the multidimensional nature of the concept itself (Sabatini, 2009; Bjørnskov & Sønderskov, 2013; Andriani & Christoforou, 2016). Regardless, national statistical institutes in several countries systematically collect data on social capital and propose specific research methods on the topic. The definition used by national institutes follows that proposed by the Organisation for Cooperation and Economic Development (OECD) in Paris. Healy & Côté (2001, p. 41) define social capital as “networks together with shared norms, values and understandings that facilitate cooperation within or among groups”. This definition highlights the connections

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between social capital and related governance aspects identified in [Chapter 5](#).

In recent years, the role of social capital in the development of rural areas has garnered increasing attention (Horlings & Marsden, [2014](#); Koutsou et al., [2014](#); Tamásy & Diez, [2016](#)). This consideration has focused on the positive capacity of social capital to promote rural development by limiting the negative effects of abandonment, biodiversity loss, unemployment and social exclusion, and by contributing to the diffusion of new services, protection of natural and cultural heritage, as well as sustaining new forms of governance (in particular, network governance) and landscape management (e.g., Farrel & Thirion, [2005](#); Wiesinger, [2007](#)) and, more recently, social innovation in areas characterised by socio-economic marginality (Neumeier, [2016](#)). There are also discussions on the negative aspects of social capital regarding problems of relational embeddedness, knowledge redundancy, and the role of bonding ties that can result in poor governance or social exclusion. While heeding criticisms by Fine & Green ([2000](#)) regarding the social capital tautology, different proposals have been made to measure the accumulation of social capital in rural areas, using direct indicators, that differentiate what social capital is from what its outcomes are (Franceschetti, [2009](#); Nardone et al., [2010](#)).

Our aim is to propose an evaluation method for qualifying and quantifying the “value” of social capital in specific European rural organisations, namely the Local Action Groups (LAGs) of the LEADER Approach (LA). This is done by assessing its structural and normative-cognitive forms, and its effects on the local governance structure and arrangements. By adopting the definition of social capital by Healy & Côté ([2001](#)), the present chapter aims at analysing the structure of LAGs with a specific focus on internal and external relationships, and the social norms and values circulated within these organisations.

This chapter illustrates in Section 2 the structure of the evaluation framework for social capital and governance adopted in our research. Section 3 illustrates the levels for analysing social capital – micro, meso and macro. Section 4 specifies how these levels fit within the scope of analysis, which in our research refers to the LAG. Section 5 describes the qualitative and quantitative variables that are identified and analysed by

means of questions in a survey tailored for the director, members and beneficiaries of the LAG. Concluding remarks are in Section 6.

## Structure of the Evaluation Framework for Social Capital and Governance in the LEADER Approach

In our research, the concepts of social capital (Chapters 2 and 3) and governance (Chapter 5) are analysed by using an abstraction scale which allows to investigate general, intermediate, specific, basic and then single unit concepts (Corbetta, 2014). The abstraction scale allows to organise the evaluation method by linking forms of social capital (structural and normative-cognitive) and related governance aspects to general concepts; dimensions to intermediate concepts; sub-dimensions to specific concepts; indicators to basic concepts; and finally, variables to single unit concepts (see Table 7.1).

The variables are then linked to evaluation questions in the survey method and tailored to three different respondents: the director, members and direct beneficiaries<sup>1</sup> of measures of Rural Development Programme (RDP). The variables included in the proposed evaluation method are of different types based on how they have been constructed. Variables within the  $X_1$ ,  $X_2$ ,  $X_3$  types are based on a specific evaluation question posed to the director, members or beneficiaries. Variables within the  $X_4$  type are based on the same question posed to the director and members ( $X_{4-1}$ ,  $X_{4-2}$ ). Variables within the  $X_5$  type are based on the same questions posed to members and beneficiaries and variables of the  $X_6$  type are based on the same question posed to director, members and beneficiaries.

The evaluation method allows to operationalise a statistical method (described in Chapter 8) where the different concepts are referred to diverse levels of aggregation and measured by

- (i) *Composite indices* if referred to forms of social capital and related governance aspects (general concepts)

**Table 7.1** Structure of the evaluation framework for social capital and governance in the LEADER approach

Conceptualisation		Operationalisation	
Scale of abstraction (levels)		Statistical method (operational tools)	Intervention logic of social capital and governance
General concepts	Evaluation method (operational levels)	Composite Indices	Impact (medium- and long-term effects) <i>indicators</i>
Intermediate concepts	Forms of social capital and related governance aspects	Indices	Outcome (short-term effects) <i>indicators</i>
Specific concepts	Dimensions	Composite indicators	Output (result) <i>indicators</i>
Basic concepts	Sub-dimensions	Indicators	Activity <i>indicators</i>
Single-unit concepts	Indicators		
	Survey		
	Questionnaire 1	Questionnaire 2	Questionnaire 3
	Directors	Members	Beneficiaries
	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>
	X <sub>4-1</sub>	X <sub>4-2</sub>	X <sub>5-2</sub>
	X <sub>6-1</sub>	X <sub>5-1</sub>	X <sub>6-3</sub>
		X <sub>6-2</sub>	

Source: Own elaboration

- (ii) *Indices* if linked to dimensions of social capital and related aspects of governance (intermediate concepts)
- (iii) *Composite indicators* if connected to sub-dimensions (specific concepts)
- (iv) *Indicators* with the same wording for both the evaluation and statistical methods (basic concepts)
- (v) *Sub-indicators* if referred to the variables (or single unit of analysis)

The structure of the proposed evaluation method has the additional advantage of proposing a possible logic of intervention which is specifically tailored to capture the value added of LEADER in terms of social capital and related governance aspects, paving the way for future impact evaluations. Table 7.1 shows how the levels of the scale of abstraction, the evaluation method and the statistical method are linked to the five types of indicators used in impact studies (inputs, activities, outputs, outcomes and impacts). For a detailed presentation of these issues we refer to Chapters 3, 10, 11, and 18. For the sake of simplicity, however, in the remainder of the book, we use the general word “*indicators*” when referring to the operational tools of the statistical method, that is, composite indices, indices, composite indicators, indicators and sub-indicators, unless specified. With “*method*”, we refer both to the evaluation and statistical methods, if not differently specified.

## Levels of Analysis and Structural and Normative-Cognitive Forms of Social Capital

The analysis of social capital can be carried out at three levels: micro, meso and macro. The *micro level* focuses on individuals’ willingness to cooperate towards achieving specific goals. This attitude is associated with perceptions of individuals regarding social norms, values and the general good, which are deemed desirable for social life. Together, norms and values support collective action, and consequently mutual benefits (Uphoff, 2000). Grootaert & van Bastelaer argue that this level of analysis is usually associated with Putnam et al. (1993) in their seminal work on civic associations in Italy, and define social capital as:



“Features of social organisation, such as networks of individuals or households, and the associated norms and values that create externalities for the community as a whole” (2002, p. 2). The micro-level approach considers social capital as emerging out of cooperative strategies (organised in groups or associations) and strengthening collective capacity. At this level, attention is paid to an individual’s propensity to cooperate through association or, more broadly, through common efforts for achieving specific objectives.

At the *meso level*, analysis broadens from the individual to the group or local community. Here, social capital is neither an individual nor a collective outcome but rather a property which emerges out of interactions of individuals or groups within a specific community, and is structurally representable by a network (Wasserman & Faust, 1994).<sup>2</sup> It is important to note that while networks are necessary to the formation of social capital, they are not the only required pre-condition (Granovetter, 1985). Indeed, a network schematically represents the structure of social relations, and it is thus a tangible expression of social capital. The intangible side of social capital includes norms of cooperation, trust and shared visions, but also a flow of information across the network that is shared through the exchange of relational goods among members.<sup>3</sup> Grootaert & van Bastelaer argue that, at the meso level, the scope of analysis coincides with Coleman’s definition: “A variety of different entities all consist of some aspect of social structure, and facilitate certain actions of actors – whether personal or corporate actors – within the structure” (Coleman, 1990, p. 598, cited in Grootaert & van Bastelaer, 2002, p. 2). According to Grootaert & van Bastelaer (2002), Coleman’s definition implies a view of social capital that may privilege groups rather than individuals, and integrate horizontal associations and entities with vertical ones characterised by hierarchical organisation and imbalanced power distribution among members. The meso-level approach evaluates the instrumental value of social capital to meso development. It resembles resource mobilisation theory in that it analyses the potential of social networks to generate resources, including information and support (Burt, 2000; Portes, 2000; Lin, 2001). This approach focuses on structures that enable cooperation, for example, social or economic

networks, position of members in a group, context for interaction, resources and their circulation.

At the *macro level*, analysis focuses on interactions among informal rules and norms that along with the formal one define both the institutional framework and its related social and economic outcomes. Attention to institutions draws on the work by North (1990), which is related to the study of institutional settings and economic development. Chhibber (2000) equates “informal rules” with social capital and argues that the institutional environment, by way of appropriate incentive structures, may reduce transaction costs while improving economic performance. Grootaert & van Bastelaer (2002) follow the same argument when they state that social capital is necessarily connected to the political environment, which in turn influences social relations and the development of formal and informal norms. They argue that the scope of analysis at the micro and meso levels largely focuses on informal horizontal and vertical relations, while the macro level also includes “the more formalised institutional relationships and structure, such as the political regime, the rule of law, the court system, and civil and political liberties” (Grootaert & van Bastelaer, 2001, p. 3). The macro-level approach analyses the value of integration and social cohesion. As in institutionalist theories, the macro-level approach focuses on the political structures, which influence norms (like trust and reciprocity) and values and thus create the conditions for civil and social action and political participation. Social capital is one of the products of these structures: by supporting norms and values for cooperation, individuals will become more involved in social life and will increase social capital. From this perspective, social capital is a public benefit (Fukuyama, 1995, 2001; Putnam, 2004).

In the literature, distinctions between micro and meso levels of analysis are not univocal. While Putnam’s definition could apply to both levels, Borgatti et al. (1998) have proposed a two-variable categorisation that distinguishes between units of analysis of social capital, thus significantly contributing to this debate. The units of analysis include the actor (whether an individual or a group) and the categories of relationships analysed, which can be internal and external to the actor. According to this classification, Putnam (2004) and Fukuyama (1995) privilege collective actors and relations between them (internal relations)

in their definition of social capital, while Brass (1992), Burt (1992), Lin (2001), Lin & Erickson (2010) focus on relations external to individual actors.

While the micro, meso and macro highlight the levels for analysis of social capital, a further specification is needed to identify possible effects of social capital on economic growth and development. Influence on economic outputs and consequently on outcomes results from interactions between two distinct forms of social capital: structural and normative-cognitive (Eagle et al., 2010; Westlund & Adam, 2010; Westlund & Kobayashi, 2013). Both forms may be divided into several dimensions that can be studied at various levels of analysis. For example, trust, a normative dimension of social capital, may be analysed at the macro level in terms of generalised or systemic trust, and at the micro level as the level of interpersonal trust or generalised trust perceived by the individual.

In our research, the core dimensions of structural and normative-cognitive social capital were identified in the literature. In this regard of relevance is the conceptual framework proposed by Krishna & Shrader (1999, 2002) and adopted by the World Bank in its “Social Capital Initiative”.<sup>4</sup> Despite critical elements (Fox, 1997; Bebbington, 2004), it has acquired international relevance and has been tested in numerous studies (Franke, 2005). Krishna & Shrader identify (1) structure of horizontal networks, (2) collective decision-making processes, (3) accountability of leaders and (4) collective action as part of structural social capital. Normative-cognitive social capital, instead, refers to (1) values (e.g., solidarity and reciprocity), (2) social norms (e.g., trust), (3) behaviours and (4) attitudes.

The next section proposes how to operationalise general and intermediate concepts into a specific organisational structure, the LAG of the LA.

## Scope of Analysis: Local Action Groups

As already shown in Chapters 2 and 3, the features of the LA include (1) area-based local development planning, (2) bottom-up elaboration and implementation of strategies, (3) local public-private partnerships, (4)

integrated and multi-sectoral actions, (5) innovation and (6) co-operation (networking). All these elements render the LA particularly well suited to analysis of social capital theories, both from the structural and normative-cognitive points of view. The local development strategy, developed by the public-private partnership, is defined by horizontal and vertical relations, otherwise known as networks or structural social capital. The development of a LAG's strategy is based on the definition of common meanings and understandings that are related to social norms, values and attitudes and may be shared by members of a defined territory. Further, the day-to-day activity of LAGs, in principle based on participatory approaches and consultation processes, requires in and of itself, sharing of values, norms and visions. As a result, outputs generally generated from processes of investing in social capital relate to innovation, the strengthening of cooperative relations and the development of new connections and relationships (Marquardt et al., 2012). These show how LAGs act upon normative-cognitive social capital as well.

In our research, LAGs<sup>5</sup> are analysed following the categories of internal and external relationships developed in Borgatti et al. (1998). Internal relationships identify connections within the LAG and refer to both the director and members of the LAG. They are assessed through two surveys: questionnaire 1 is addressed to the director of the LAG, while questionnaire 2 is addressed to members of the Member's Assembly (Assembly) and the Board of Directors (see Appendices 1 and 2). External relations refer to connections between the LAG and the beneficiaries of the RDP measures, and are assessed through questionnaire 3. Beneficiaries receive funding through the LAG and include individuals and private and public legal entities (e.g., private law applies to young farmers, businesses, cooperatives and social enterprises; public law applies to research centres, municipalities and provinces). The analysis of the networks activated by LAGs should consider them multi-node rather than one-mode networks.<sup>6</sup> However, the complexity of this configuration led to the choice of an ego-centred network, enabling us to focus on a specific set of respondents and relations.

The next sections show the specific relations between the dimensions of structural and normative-cognitive social capital and governance (intermediate concepts) and the evaluation questions used in the

three surveys (single unit concepts) (see Appendices 1 and 2). The questions are coded based on the respondent, the dimension analysed and the number of the question (e.g., QDA1, where D stands for director, A for dimension A – Context and 1 for first question). When appropriate, the questions have been duly modified by type of respondent, but their use across the three types of questionnaires ensures triangulation of data.

## Structural Social Capital

Structural social capital represents the tangible side of social capital and is associated with defined roles and networks, supported by rules and procedures, which facilitate mutually beneficial collective action (Uphoff, 2000; Krishna & Shrader, 2002; Arregle et al., 2007). The dimensions of structural social capital examined here are context (dimension A); network actors (dimension B); horizontal structure (dimension C); transparency and accountability (dimension D) and reputational power (dimension E).<sup>7</sup>

### Dimension A: Context

At the meso level, the relationship between the unit of analysis and its territory of reference may be examined by (1) an analysis of the stock of relational goods within the territory; and (2) an analysis of the stock of relational goods specific to a network, as in the case of a LAG.

The first approach includes trust, reciprocity, cooperation, ability to create stable relationships over time, community spirit, common history and culture, local learning, sharing of knowledge and features of cognitive social capital, which constitute a potentially relevant factor for development in local territories (Molina-Morales & Martínez-Fernández, 2010). In other words, cognitive factors are embedded in local social and productive structures, and are commonly shared (Sabatini, 2009). The concept of *milieu* – a composite of typical characteristics which are inextricably connected to a certain territory –

expresses the impossibility of transferring cognitive factors to other realities, and thus a potential for competitive advantage (Malecki, 2012). Local knowledge is generated through collective learning and knowledge sharing at the local level, and is transferred through behaviours and procedures rather than codified in symbols and languages (Vespasiano & Martini, 2008). If the stock of relational goods in a territory was limited to knowledge outputs alone, social capital would be indistinguishable from human capital. Instead, knowledge which is intimately connected to the local environment and emerges out of relationships among diverse actors (networks) can foster economic development within a territory.

In the present research, the focus has been devoted to the second approach, namely to the analysis of the stock of relational goods *specific to a network*. This approach allows the researcher to weigh the decisions of an actor that first decides to join a network such as the LAG. Before taking a decision, the actor weighs in both economic considerations – by approximating the potential economic resources that may be exchanged within the network – and meta-economic ones – by assessing the probable and potential access to relational goods, which may be gained within a given timeframe, and provide for new economic activities.<sup>8</sup> In questionnaire 2, the members of the LAG express their personal motivation to join the network. Motivation is measured by a double-entry table, which indicates (1) “passive” when the subject is somehow hesitant to join the LAG and unclear on the relational goods that may be potentially exchanged, and (2) “active” when the subject clearly foresees the relational goods that will be exchanged and has a proactive stance towards the network. The process of joining the LAG is further detailed by considering two categories for motivation: (1) entry “by invitation” establishes a lack of proactive engagement, whereas (2) entry “by personal initiative” shows a dynamic attitude towards the LAG, considered as an ideal channel for exchanging relational goods (QMA2). This question does not assess shifts in individual motivation over time, which would highlight how perceptions on relational goods evolve.

Questionnaire 1 gathers data on the internal structure of the LAG, including year of establishment of the LAG and list of employees, with specific indication of their roles, responsibilities and time commitment

(part-time or full-time) (QDA1–6).<sup>9</sup> Beneficiaries (questionnaire 3) have a financial incentive to contact the LAG. Rather than motivation, questions focus on awareness of (1) the role and performance of the LAG (QBA1), and awareness of (2) the initiatives promoted by the LAG in the area (QBA2). This question aims to understand whether beneficiaries perceive the LAG as a promoter of development in the territory.

## Dimension B: Network Actors

Relations among actors of a network and subsequent social and economic effects can be best represented by the *theory of change* (Morra-Imas & Rist, 2009; Chapter 3). Thus Franke (2005) uses the structural and normative-cognitive forms of social capital to develop the elements that are at the root of her proposed theoretical framework. Drawing from Krishna & Shrader (1999, 2002), Franke first evidences the determinants of social capital (inputs) at the individual level (e.g., age, gender, health, attitudes, social participation, trust) and at the group level (e.g., mandate of the organisation, reputation, experienced and knowledgeable members, trust). Secondly, she distinguishes actions (activities) that lead to the creation of social networks. These actions include both static and dynamic processes, the former related to the structure of the network (e.g., size, diversity, density) and the latter to specific interactions within the network (e.g., social norms, values, behaviours and attitudes). Thirdly, she identifies the products (outputs) of social capital. They include greater access to material goods and services, information, reinforcement of positive behaviour, service brokerage and solidarity. Fourthly, she determines the effects (outcomes) that refer to improved economic and social performance (for a detailed description see Chapter 2). Broader and specific factors play an explicit role in affecting social capital and are determined by cultural, political, legal, institutional, economic, social and environmental conditions (see also Krishna & Shrader, 1999, 2002).

The framework shows how to operationalise and implement the concept of social capital by showing what social capital is and what

social capital does in practice (Franke, 2005). Specifically, it highlights the role of social networks and network-based organisations in supporting social capital, and the ways in which policy-making could more explicitly support bridging structures that seek to achieve their own goals more effectively and efficiently. In this model, LAGs may be considered bridging structures, which purposefully influence economic initiatives in specific sectors by connecting individuals, groups and society. As public-private partnerships, LAGs allocate public (European, national and regional) and private resources to support rural development, facilitating uptake by members and beneficiaries.

Drawing from Franke's model, our research analyses the network of the LAG by assessing: (1) network composition and resources, (2) members' perceptions on the capacity of the LAG to mobilise local resources for rural development and (3) beneficiaries' perceptions on the capacity of the LAG to build relationships among heterogeneous actors and foster rural development. Consequently, questionnaire 1 identifies (1) the actors of the network and their legal status (public or private, QDB1–2); and (2) resources effectively mobilised by the network (QDB3–7), including information on the economic sector and legal status (QDB7). This information is compared to responses in questionnaire 2, regarding members' perceptions on the amount of resources mobilised (QMB1), number of beneficiaries included (QMB2) and total amount disbursed (QMB3). In questionnaire 3, beneficiaries express their knowledge of other actors in the area who benefitted from LAG's funds, specifying whether their knowledge derives from the LAG (QBA2). These questions indicate the dynamism of the network, and the role of LAGs in promoting new relationships in the area.

## Dimension C: Horizontal Structure

In their seminal work on social capital, Putnam et al. (1993) extensively argued the importance of networks' structures, specifying that horizontal networks would promote social capital, whereas vertical ones would inhibit it. This argument has been strongly critiqued. Based on empirical



research in 29 countries, Knack & Keefer (1997) find that dense horizontal networks, measured as membership in groups, are unrelated to trust and economic performance. Instead, the intensity and frequency of group participation, the expansion of trust and their socio-economic impact depend on factors such as the composition of networks and their social objectives. Some studies show that while socially heterogeneous membership may be more effective at strengthening trust, homogenous networks may be less effective comparatively (Woolcock, 1998). Other studies argue that local context and informal norms of trust and cooperation within the network matter (Stolle, 1998). Consequently, the types of norms that flow in a network must be researched on a case-by-case. While Putnam gives prominence to formal networks, other authors privilege informal ones (Newton, 1997).

These discussions provide fertile ground for the identification of factors salient for the assessment of the horizontal dimension of LAGs. First, LAGs are hybrid networks which include both public and private actors. Both are treated equally, and together, bridge the exchange of relational, and thus, economic goods. Secondly, LAGs are established by European Union (EU) regulations in each of the European countries and regions rather than endogenously emerging from communities of interest for rural development. Thirdly, LAGs can play a role in local development by fostering formal and informal relations, building on strong and weak ties, and drawing from their public-private composition as set by EU regulations.

Specific questions are posed to the director to specify the number of formal meetings of the Board of Directors and the Assembly held during the period of reference (QDC1–2), the number of informal encounters with members, defining whether these are casual or public meetings, their frequency and the number of members present (QDC3). The director also assesses whether institutional or informal meetings lead to knowledge exchange (QDC4).

In questionnaire 2, the members indicate their participation in meetings of the Board of Directors, if a member (QMC1), and/or the Assembly (QMC2). Members specify whether attendance is based on personal delegation, on an established rotation basis or contingent upon availability, thus demonstrating stronger or weaker interest in

the LAG (QMC3). Members also indicate whether exchange of information occurred because of the LAG or regardless of the role of the LAG (QMC4). Responses to this question are at the basis of the square matrix, used in the Social Network Analysis (SNA). The square matrix enables one to visualise information exchange among members, as well as the capacity of the LAG to act as a broker by relating actors who did not previously know each other, thus giving value to existent structural holes (Burt, 2000).<sup>10</sup> Finally, members specify whether they collaborate in projects through the LAG or independently (QMC5).

Similar questions are posed to beneficiaries in questionnaire 3, including information on the first encounter with the LAG (QBC1), and follow-up engagement with the staff of the LAG (QBC2). This question probes into the willingness to join a new network of relationships, which can lead to access new resources. The survey further assesses the efforts of the beneficiary at seeking resources outside of the LAG (QBC3) and evaluates knowledge exchange and collaboration between beneficiaries and members of the LAG (QBC4).

## **Dimension D: Transparency and Accountability**

Transparency and accountability are tightly connected to an institutional and good governance view of social capital, whereby the capacity of social groups to act towards satisfying a collective interest depends on the quality of formal institutions (Sørensen & Torfing, 2016). Woolcock & Narayan (2000) argue that the performance of institutions may be assessed in terms of their credibility and internal organisational competence, and externally, in terms of their accountability towards civil society. This argument is generally adopted to analyse institutions at the macro level, whereby indices elaborated by international organisations with regard to “generalised trust”, “rule of law”, “civil liberties” and “quality of bureaucracy” correlate positively with economic growth and poverty reduction. It may, however, also be valuable for institutions at the local territorial level. Given that information sharing among members represents the main function of

a network, it seems particularly fit to assess members and beneficiaries' perceptions on the transparency of approaches and procedures which structure communication processes. In the survey, the director assesses whether dedicated staff responds to questions from beneficiaries (QDD7), whether observations and comments by beneficiaries are archived (QDD4), and whether resources are invested in communication (QDD6). The latter is also used to evaluate the network's efficiency (dimension O). The director is then asked about the organisation's capacity to internalise observations from different stakeholders when relevant decisions are made (QDD5). Finally, the quality of the information circulated is evaluated by analysing the main communication channels activated by the organisation, the online content which may improve perceptions of quality (e.g., information on objectives and actions of the Local Development Strategy, the organisational structure and the decisions of the Assembly) (QDD1). Similar questions are posed to members and beneficiaries to triangulate the acquired information.

## Dimension E: Reputational Power

Networks of relationships are often organised around the reputational power of specific actors. These actors may hold informal power within a network due to deliberative self-promotion, which is the ability to mobilise resources or influence the behaviour of other actors through one's own personal behaviour (Tal-Or & Drukman, 2010). Conversely, authority may reside in convictions or perceptions of other actors rather than in the power of a single individual (Leach & Sabatier, 2005; Fischer & Sciarini, 2015). The questionnaires adopt the latter interpretation by assessing reputational power after a period of interaction within the network of the LAG.

Labun et al. (2010) identify three main mechanisms for the emergence of reputational power. The first is rational imitation. Under situations of uncertainty, rational assessment on the level of power held by a single individual is closely related to perceptions of reputational power held by other actors in the group. The higher the number

of members who perceive one actor as being authoritative, the easier an individual accords power to that actor. The second mechanism relates to interpersonal bonding and is based on reciprocal trust and respect. A person that is trusted and respected by other actors whom the interviewee consequently respects is considered authoritative. The third mechanism is based upon an actor's direct and indirect strategies. Direct strategies may create or strengthen interpersonal relationships and support trust. Conversely, indirect strategies may be used to manipulate information and take advantage of asymmetric flows of information. Using indirect strategies can reduce or undermine interpersonal trust and thus reputational power.

LAGs are also subject to the dynamics of rational imitation, trust and strategy. In the survey, attention is devoted to the outcomes of relational power rather than to the ways in which it may have emerged, by building a square matrix that represents the reputational power of each member of the network. Specifically, the director details the capacity of individual members to contribute useful information to the network (QDE1), a perception triangulated with members (QME1). In questionnaire 3, beneficiaries identify the members that were most helpful in supporting their funding application process to the LAG (QBE1) and more generally, members who supported the activities of beneficiaries (name generator) (QBE2). These two questions are part of SNA and visually show the strength of the ties among members and beneficiaries, which may be then interpreted according to the personal characteristics of the actor or the organisation.

## **Normative-Cognitive Social Capital**

Normative-cognitive social capital is considered to be the least tangible side of social capital, due to its reference to norms and values that circulate in networks and strengthen cooperation for common objectives (Krishna & Shrader, 2002). The normative-cognitive dimensions of social capital provide information on the content of network interactions, this way compensating for a gap in structural social capital analysis. Two networks characterised by the same structure, but a

different set of values and norms, may lead to completely distinct outcomes: cooperation and coordination in one case, and competition and conflict in another (Adger, 2010; Rostila, 2011). The analysis of specific social values or norms that “codify” relationships among actors (i.e., the cognitive and normative values or the “software” of the network) complements the analysis of network relationships (i.e., structure of social relations or the “hardware” of the network). Values are dependent on context and local culture, but are also recognised, interpreted and eventually transformed through repeated interactions among members. The dimensions of normative-cognitive social capital examined in the survey are trust and reciprocity among actors (dimension F); institutional trust (dimension G); quality of the network (dimension H); quality of participation (dimension I); shared values (dimension L); and conflict (dimension M).

### **Dimensions F and G: Trust (Interpersonal and Institutional)**

A normative view of social capital draws from informal norms such as trust, reciprocity and solidarity. Several authors recognise the importance of trust in building economic relationships and improving performance (Knack & Keefer, 1997; Rothstein & Uslaner, 2005; Bjørnskov, 2007; Steijn & Lancee, 2011). At the micro level, interpersonal trust may reduce transaction costs, facilitate contract agreements and thus improve overall economic performance. At the meso level, trust is related to interpersonal and institutional features. At the macro level, institutional trust may be a precondition for a society’s stability, functioning of the democratic system and long-term economic growth. Well-defined public policies may influence intangible characteristics of society, such as trust, determine changes in behaviour (outcome) and, ultimately, impact economic development (Farrell & Thrion, 2005; Grieve & Weinspach, 2010; Kinsella et al., 2010). Policy evaluations have increasingly stimulated approaches that focus on intangible values (see Chapter 6).

What is trust? Mutti defines trust as: “An expectation born from experiences deemed positive by the individual, developed under conditions of uncertainty, whereby intense cognitive and emotional involvement may overcome the threshold of mere hope” (1998, p. 42).<sup>11</sup> It follows that trust strengthens expectations towards an almost certain response from others. In the case of interpersonal trust, relational exchanges between individuals may be rewarding: when individual A expects a positive response from individual B, individual B will cooperate, purposefully deciding against betrayal of such expectation. When this relationship moves beyond relationships among individuals and becomes systemic, it may turn into moral obligation. This may happen in local territorial systems as well as national ones.

Despite extensive debate, a common hypothesis on trust, whether it be a cause, a constituting factor or an effect of social capital, is missing. In Fukuyama (2001), social capital is connected to people’s ability to cooperate for common goals. Such collaborative capacity may depend on trust. Social capital and trust may be transmitted through long-term cultural processes, based on ethical and moral systems, religious beliefs and social custom. In this view, trust may be considered a product of evolving dynamics that foster cooperation and may stabilise collaborative relationships. Paldam & Svendsen (2004) argue that trust determines social capital within a community, while social norms and cooperation are its outcomes. Thus, collaborative behaviour draws from shared norms and social values within a community.

Without attempting to address this complex theoretical question, our study operationalises an approach to measuring trust in LAGs. Rosenberg’s question (1956) provides a useful starting point by seeking to measure systemic trust through the following question: “Generally speaking, do you believe that most people can be trusted, or can’t you be too careful in dealing with people?” The outcome indicator most commonly derived draws from the percentage of people responding: “It is possible to trust most people”. Uslaner (1999) critiques the question for representing an assessment of an individual’s personal level of trust rather than more general systemic trust. In response, our research adapts the question to the context of LAGs by eliciting

perspectives from the director, members and beneficiaries (QDF1; QMF1; QBF1). For example, the question “If you were unable to attend the Assembly, whom would you designate with your vote?” (QMF2) highlights key elements of interpersonal trust: subject A (the interviewee, holding an expectation of positive behaviour from another subject); subject B (the recipient of trust who should respond to it) and the exchange of a good (the right to vote in the Assembly). The assessment of trust relationships between the individual and the collectivity focuses on the general level of trust between a member and the LAG (QMF4) as well as changes in trust between a member and the Assembly over time (QMF3). Beneficiaries also rank their trust towards the LAG (QBF1). Institutional trust follows the method proposed in the literature (OECD, 2009), addressing trust in institutions such as the (sub-national) government, the parish, trade unions and professional organisations, and voluntary associations (QDG1; DMG1; QBG1).

## **Dimension H: Quality of the Network**

Despite contrasting theories on social capital, all agree that social structures are a type of capital “that can create for certain individuals or groups a competitive advantage in pursuing their ends [...] better connected individuals enjoy higher returns to their efforts and higher incomes” (Burt, 2000, p. 348). The study of networks thus entails understanding how information may be exchanged in the market for actors to draw economic advantages. When market signals are ambiguous, networks may be an effective strategy to access information and decision-making.

According to Burt (2000), four mechanisms are at the basis of information sharing: contagion, prominence, closure and brokerage. Actors may observe the decision-making process of their peers and imitate their choices (contagion). Actors may follow the behaviour of leaders or of those in power (prominence). When networks are dense (mechanism of closure), members are so interconnected they acquire information immediately and evenly. Thus, network closures facilitate peer control and

application of sanctions that radically limit or avoid free riding. Unlike closure, brokerage facilitates flow of information across networks. People belonging to different groups may not be accessing information simultaneously, and those informed early have a competitive advantage. Brokerage applies to networks with weaker ties between groups, also known as “structural holes”. Brokers use holes in social structures to mediate the flow of information, thus accruing relevant informational advantage, effectively “control[ling] the projects that bring together people from opposite sides of the hole” (Burt, 2000, p. 353).

In our research, the quality of the network refers to the identification of the perceived benefits of participating in the LAG. Members and beneficiaries weigh in opportunities for new information and exchange of knowledge. In addition to this, SNA shows different modes of knowledge transmission visually, regarding the specific variables of collaboration, trust and reputational power (described in Chapter 8). The director lists at least four benefits (QDH1), while members list the benefits of participating in the LAG network (QMH1) and their contribution to the network (QMH2). Beneficiaries express their opinion on access to relevant information (QBH2), outcomes of access to new information (QBH3) and whether the LAG is perceived as an innovator in the territory (QBH1).

## Dimension I: Quality of Participation

LEADER has been increasingly recognised as playing a major role in supporting European objectives for participation in planning and rural development (Chapter 4).<sup>12</sup> While a core element of a network, participation can be differently defined based on the indicators considered: that is, civic and social participation (Foxton & Jones, 2011), political participation and community engagement (Healy, 2004), and systemic participation (Norris & Bryant, 2003).

In our study, the Assembly is a privileged site of observation for understanding institutional dynamics at play within each LAG. Participation abides to rigorous “rules of the game”, which likewise define modes of interaction in assembly bodies. The survey first assesses



the presence of coded institutional norms, which indicate whether there is attention to participatory dynamics within the Assembly (QDI1). Secondly, given that perceived interest influences participation and vice versa, the modes of actual interaction between members in the Assembly are described as (1) simple presence at meetings, (2) few express their opinions, (3) the majority expresses their opinion or (4) all members engage in discussion (QDI2; QMI1). Thirdly, members are asked to evaluate whether participation influences the outcomes of the decision-making process (QMI3). The last question probes members' perceptions on whether and how their interests are represented by the Board of Directors (QMI4–6). Beneficiaries are asked to assess their level of proactivity towards the LAG, for example, have you ever suggested new initiatives to the LAG for the territory, or have you ever advised other actors in the area to apply for the LAG's calls for proposal? (QBI1–22). The latter question may point to individuals who act as brokers between the LAG and other actors in the area.

## Dimension L: Shared Values

Shared values represent the intangible factors that facilitate trust-building in a territory. They represent a shared cultural and traditional legacy, which can influence interactions among actors. Social norms emerge out of shared values, and enable actors to sanction those that may deviate, as an effective mechanism of self-regulation for the network. Questions on shared values are usually tailored to the context. However, due to the diversity of European territories, the study draws from the European Value Survey (2008), a commonly used assessment framework. Questions specifically refer to (1) the capacity to keep agreements, (2) truthfulness in social and economic relationships, (3) the capacity to trust others, (4) responsiveness and respect for the rule of law and (5) the capacity to avoid opportunistic behaviours or free riding (QDL2; QML2; QBL2). Furthermore, the survey focuses on (1) perceptions of changes in shared values over the last 10 years in the territory (QDL3; QML3; QBL3) and (2) the identification of actors that promote such values (QDL4; QML4; QBL4).

## Dimension M: Conflict

While not adequately analysed in the social capital literature so far, conflict is considered from widely diverging perspectives. On the one hand, conflict may reduce possibilities for cooperation, thus reducing overall social capital (Colletta & Cullen, 2000). On the other hand, bonding ties may be strengthened when external factors or events are considered a threat to the group, leading to stronger internal cohesion (Voors et al., 2012). However, no single interpretation exists yet, with recent studies on the subject mostly related to development cooperation and the application of participatory approaches (Crowfoot & Wondolleck, 2012).

In the present study, conflict is analysed in relation to the actions of the LAG. The director's perceptions on internal conflicts are examined in relation to the political and technical spheres (QDM1), the co-existence within a single entity of both private and public actors (QDM2), and the main areas of conflict within the Board of Directors (QDM3), a self-assessment on own capacity to solve those conflicts (QDM4) and an assessment of conflicts with beneficiaries (QDM5). Members further elaborate on whether the organisation has conflicts with other members of the LAG, outside of internal or external meetings. Finally, beneficiaries express their perceptions of conflict in terms of existing divergences with the staff of the LAG (QBM1), and whether the LAG favours some categories of beneficiaries at the expense of others.

## Governance and Social Capital

As described in [Chapter 5](#), a broad definition of governance refers to decision-making processes, including *how* decisions are taken, implemented and enforced, by whom, according to what rules and on the basis of what power distribution among actors. Thus, as a first step, evaluating governance implies evaluating processes. The evaluation of impacts, from decisions taken (e.g., rural development policies and programmes), can be more directly tied to the evaluation of governance *performance* with respect to principles of good governance (e.g., effectiveness). In the programming period 2007–2013, the evaluation of the LA focused more on how the approach was

relevant to the amelioration of the quality of life in rural areas, and thus favoured an evaluation of impacts rather than processes (see [Chapter 6](#)). In the 2014–2020 programming period, it is still not clear how the LA is to create, promote or ameliorate the local endowment of social capital and, consequently, the local governance system. Our evaluation method attempts to fill in part these gaps by focusing on processes and highlighting connections between social capital and governance at local level.

In [Chapter 5](#), social capital and governance (identified specifically as network governance) are strictly interrelated, especially when analysed in the context of public-private network-based, collaborative-oriented and multi-sectoral organisations such as LAGs. This interrelation means that some of the dimensions identified to analyse social capital overlap with some of those for governance, both in the positive and normative dimensions. More specifically, the structural social capital dimensions B – network actors, C – horizontal structure and E – reputational power are specific elements of the decision-making and implementing *processes* within the LAG. In terms of governance, these elements matter: *who* takes collective decisions (B – network actors); *relationships* among actors involved in taking or implementing the decisions (C – horizontal structure) and *how power* is distributed among the actors, as this can influence the decisions taken (E – reputational power). These three social capital dimensions are instrumental to understanding the governance structure.

Similarly, the structural social capital dimension D – transparency and accountability, as well as the normative-cognitive social capital dimensions F and G – trust (interpersonal and institutional), H – quality of network, I – quality of participation and M – conflict are related to the *quality* of the decision-making and implementing processes of the LAG, and how it is perceived by the actors. As we have seen in [Chapter 5](#), governance of a “good quality” is related to the capacity of the LAG to embrace good governance principles such as transparency, accountability and participation in their activities. In terms of governance, all these elements matter: *how collective* decisions are taken and implemented: whether in an accountable and transparent manner (D – transparency and accountability); in an inclusive and participatory way (I – quality of participation); perceived to provide benefits (H – quality of network) and prevent and manage divergences in opinions (M – conflict).

Moreover, *what* decisions are taken and *how* decisions are taken can also be influenced by the level of trust among actors (F – interpersonal trust), and trust towards institutions (G – institutional trust). Finally, the normative-cognitive social capital dimension L – shared values, is related to both *how* the decision-making process is organised, implemented and enforced (formal and informal norms, *institutions*, affect the governance structure and processes, and thus influence interactions among actors) and its *quality* (depending on the moral and ethical contents of shared values, the level of accountability, transparency and social control on decisions and enforcement).

While these social capital dimensions can be considered key elements for understanding governance arrangements and performance, these dimensions derive from social capital theory. However, there are additional elements of local development processes, which derive from governance theory. These elements likely affect (or are affected by) the activities of the LAG, determine both structure and quality of governance and are expected to influence (or be influenced by) social capital. In our evaluation method, these elements are clustered as a separate group of dimensions under the title “Governance and social capital” (in Part IV). These dimensions are decision-making processes; efficiency and effectiveness; organisational culture and capacity; and vertical structure. The present study investigates social capital also in relation to these four specific typical dimensions of governance. Therefore, it explores key governance dimensions of local development processes led by LAGs in rural areas, but only in relation to social capital within the LAG and its network. Other aspects of governance that are relevant at the local level (e.g., equity and social justice, environmental sustainability, legality, institutions) are outside the scope of this research and will need to be further explored in future.

## Dimension N: Decision-Making Processes

As described in [Chapter 5](#), governance refers to “the way of governing”, such as how decisions are taken, implemented and enforced (Kjær, 2004). In its network-based interpretation, governance refers to new

approaches to decision-making, based on negotiation, consultation (or participation) and soft-law, with multiple actors from the private and public spheres (Eberlein & Grande, 2004; Kaiser & Prange, 2004). This study focuses on the decision-making processes of LAGs in relation to the selection and management of local development projects. More specifically, the survey captures the internal decision-making processes by analysing the (1) criteria used in the calls for proposal and (2) the management of projects directly led by the LAG. These activities characterise the regular operation of LAGs and thus provide fresh insight into whether decision-making processes respect the following steps: (1) sharing of relevant information for decision-making, (2) formal and informal stakeholder consultation, (3) debate and discussion in the Assembly and (4) sharing of final decisions (QDN2; QMN2). A second aspect of decision-making is monitoring. The systematic collection of data shows whether the LAG monitors outcomes of its own decision-making process (QND3), the results of which could influence future decision-making processes. Finally, questions assess whether the objectives in the Local Development Strategy can be achieved within the programming period (QDN1; QMN1). Rather than asking for a simple correlation between “decisions made” and “implemented actions”, the assessment focuses on whether the decisions made have led to the achievement of the development objectives in the Strategy.

## **Dimension O: Efficiency and Effectiveness**

Efficiency and effectiveness are two crucial and common elements of good governance: they are both mentioned in the list of principles that initially inspired literature and development initiatives on this topic (UNDP, 1997). They are also included as elements for assessing governance in different regions of the world and for different scopes. In our research, the level of knowledge of the territory, the integration of the LAG in the territory, as well as awareness of potential overlap with other institutions can be used to assess the efficiency and effectiveness of the LAG. First, the LAG operates in an efficient and effective way in pursuing its own development objectives when it communicates its

role and objectives *before* adopting specific initiatives. A well-grounded understanding of its role by beneficiaries is indeed a pre-condition for reaching its objectives. For this reason, in the survey, different questions ask whether the role of the LAG is well understood by the population (QDO2; QMO2; QBO2) and whether the LAG is integrated in the area (QDO1; QMO1; QBO1). Secondly, it is possible that the integration of the organisation in the territory is facilitated when there is a general perception of efficiency and effectiveness. Finally, functional overlap with other institutions may render the organisation redundant and lead to possible confusion among potential beneficiaries (QDO3; QMO3; QBO3).

## Dimension P: Organisational Culture and Capacity

Organisational culture and capacity are two governance elements, at the local level, which refer to (1) internal competences and professionalism in carrying out assigned tasks (i.e., the LAG managing its local development process) and (2) knowledge transfer to all involved stakeholders. Good governance should allow stakeholders to learn something together since collaborative learning is based on mutual growth through information and knowledge sharing (e.g., Dillenbourg, 1999).

The director is a privileged observer for assessing the level of capacity and organisational culture within the LAG. More specifically, these refer to the capacity to (1) support professional development of the staff (QDP1–2), (2) monitor initiatives (QDP3–5), (3) communicate effectively (QDP6), (4) seek external financial resources (QDP8) and (5) support innovation within the organisation (QDP9). These questions provide information on the LAG's efforts to be prepared, well-informed, capable of capturing the needs of the territory. These factors can support the organisation's potential for supporting social innovation. Questions on the theme of social capital are also included to assess the director's level of awareness on the topic, especially on whether specific promotional initiatives are initiated, and how they are developed (QDP10). The same questions are posed to members (QMP1–3) and beneficiaries

(QBP1–2) to ascertain whether the LAG promotes social capital, more or less purposefully, in the territory.

## Dimension Q: Vertical Structure

This dimension is strictly connected with the multi-level nature of governance (see [Chapter 5](#)). Vertical interplay generally refers to interactions between different levels of administration (Kjær, 2004). In this research, the vertical structure of the LAG includes vertical linkages with the Paying Agency and the Region. Questions on the relationship with the Paying Agency and the Region focus on whether these are conflictual, neutral or collaborative (QDQ2–3). Both director and members assess their ability to comment or provide observations related to the implementation of the RDP and whether the regional authorities provide feedback (QDQ4–5; QMQ1–2). Of relevance is whether the LAG can influence the planning process of the RDP (QDQ5). Beneficiaries assess vertical structures differently, by providing information on their level of understanding of the administrative procedures (QBQ1) and whether they have developed relationships with new actors through the LAG, which have improved the implementation of their own activities (QBQ2).

Although not properly a vertical structure, we have investigated the LAG's relationships with other LAGs in the region, country and Europe by assessing the types and numbers of contracts completed, the year the partnership was established and the types of co-operation projects carried out (QDQ1). This was done in order to analyse all possible relations that might be promoted and implemented by the LAG in its development strategy.

## Conclusion

Social capital and governance are multi-faceted concepts in the social sciences. In economics, social capital is assumed to be a type of capital *owned* by individuals or groups in the form of social networks, norms of reciprocity and trust, which facilitates collective action. Solow (2000) has

argued, instead, that for cultural and social formations to be considered analogous to a concept of stock, they must be, (1) clearly measurable, (2) comparable with other forms of capital and (3) identified with investment and depreciation processes. Notwithstanding Solow's criticisms, Sabatini (2009) observes that empirical analyses quantifying social capital have substantially increased, using indicators for key dimensions such as networks, trust and social norms. As discussed in Chapter 5, the same has happened for governance, where analytical and normative approaches have been used to analyse or evaluate, typically at the country level, the various dimensions of governance. Some of these dimensions are particularly useful in highlighting the role of intangible resources like social capital in rural development. In the field of rural development, scholars have increasingly focused on the positive capacity of social capital to promote rural areas as well as pointed out possible negative sides, including entrenched power relations and inequality (Wiesinger, 2007; Westlund & Kobayashi, 2013).

This chapter lays out the foundations of the evaluation method proposed in this book, operationalised through dimensions that are considered relevant in social capital and governance. By taking the LA as a laboratory for application, this chapter also begins to fill a gap in current evaluation frameworks, currently unable to capture the intangible and immaterial features in rural development policy (see Chapter 6), and to draw out the potential connection to the intervention logic for the evaluation of social capital (developed in Chapters 10 and 11).

In this study, 15 dimensions were identified to analyse the broad concept of social capital and related governance aspects. As suggested by Borgatti et al. (1998), each identified dimension was studied at three levels of analysis: (1) relationships *external* to an individual actor (director), (2) relationships *internal* to a collective actor (members of the LAG) and (3) relationships *external* to a collective actor (LAG with beneficiaries). The triangulation of information across the different types of respondents provides a direct assessment of the role of the LAG in improving information and collaborative networks and contributing to increased cooperation among members and beneficiaries in specific projects. These outcomes are key to assess the added value of the LA, also in its capacity to improve the quality of governance in local development processes. The following chapter details the statistical approach underlying the construction of



the indicators and indices and the measurement of their value, which can be used for supporting expert evaluation, self-evaluation of the LAG, as well as comparisons across LAGs.

## Notes

1. Financial support aims at strengthening capacity to undertake development tasks for specific target groups. Direct beneficiaries are generally institutions and/or individuals who are the direct recipients of financial support. In micro-level interventions, the direct beneficiaries and the target groups are the same (UNDP, 2016). In the Guidelines for the *ex-post* evaluation of 2007–2013 RDPs: “direct beneficiaries are, e.g., farmers, foresters, food processors, micro-enterprises, or small regions (village or communes). [...] Clearly, estimating programme results necessitates the application of evaluation methodologies enabling a separation of effects of a given programme or measure from other factors that may simultaneously influence an observed result indicator at the level of direct programme beneficiary (farms, holdings, enterprises, village or community)” (EENRD & EC, 2014, p. 50).
2. The unit of analysis is constituted by relations among diverse actors developed within a network, and it is defined as: “[...] a finite set or sets of actors and the relation or relations defined in them. The presence of relational information is a critical and defining feature of a social network” (Wasserman & Faust, 1994, p. 20).
3. Relational goods refer to the interpersonal dimension of economic activity and include companionship, emotional support, social approval, solidarity, a sense of belonging and of experiencing one’s history, the desire to be loved or recognised by others (Becchetti et al., 2008, p. 345).
4. The World Bank introduced the Social Capital Initiative in 1996. Its objectives were to (1) assess how social capital increased the efficiency of projects, (2) identify cases in which “outside assistance” facilitated social capital formation at the local level, (3) develop effective indicators for monitoring social capital and (4) propose a wide range of methods to measure impacts on development outcomes (Grootaert & van Bastelaer, 2001, p. 8).
5. While the method can be adopted broadly outside of the European Union, our research focuses on the selection of a European organisation that

operates at the meso level and that abides by the following criteria. First, the organisation must be recognised and recognisable, and its mandate be defined by specific planning at regional and European levels. In the planning phase, assessment approaches are developed mandatorily to capture the efficiency and efficacy of development policies, as this is the level at which the method developed in the book aims to contribute to. Secondly, the organisation must actively promote European Union policy for rural and local development, and act within the mandates of structural policies and funds. Third, it must enhance the value of territorial resources, developing synergic relationships with a diversity of stakeholders, and linking to counterparts in other European regions. Fourth, the organisation must facilitate local development and as such, its activity may be examined according to structural and cognitive forms of social capital. Even though a broad constellation of territorial initiatives and actors exist across European rural territories, LAGs of the LA and the Community-led Local Development (CLLD) strategy display the closest correspondence to the requirements outlined above and are present across all European countries.

6. "One could even consider three- (and higher) mode networks, but rarely have social network methods been designed for such complicated data structure" (Wasserman & Faust, 1994, p. 35).
7. Hereon, each dimension will be assigned a letter of the Italian alphabet and sorted as such.
8. Consequently, the decision to participate in a network will be based upon judgement of an estimated capitalisation value. In other words, discounting at point 0 of a series of values over time, and regarding benefits and costs connected to the exchange of relational goods, represents a social net present value from investment in social capital. This assessment may support the decision to join one network rather than another, and depends on the capitalisation value of relational goods generated by the two different networks. If this approach is taken, it will have to include the following caveats: (1) identify the most adequate social discount rate; (2) assess costs and benefits associated with the exchange of relational goods; and (3) analyse their limited or unlimited nature, and if they are gained in advance or postponed. A cost-benefits analysis regarding relational goods ultimately depends on perceptions of individual utility, and as such, it must be measured with an ordinal scale rather than a cardinal one.
9. In the questionnaire, questions are coded in the following form: the first term represents the survey tool adopted and indicates questionnaire "Q";

the second term refers to the group of interviewees, so “D” is for director, “M” is for member and “B” is for beneficiary; the third term gives the letter of the dimension under study; and the fourth term gives the number of question by dimension. For example, the acronym QDA1 identifies with the first question of dimension A (context), which is posed to the director.

10. “The weaker connections between groups [...] are holes in the social structure of the market. These holes in social structure – or more simply, structural holes – create a competitive advantage for an individual whose relationships span the holes. [...] Structural holes are thus an opportunity to broker the flow of information between people, and control the projects that bring together people from opposite sites of the hole” (Burt, 2000, p. 353).
11. The quote is the translator’s version. The object of expectation may refer to the social organisation as a whole (systemic or institutional trust), or to single individual actors (personal or interpersonal trust). Systemic trust is generally defined by an expectation of stability in a given natural and social order, a confirmation of functioning rules, and continuity in behaviour associated with specific roles. It presumes that the individual internalises shared values and actively participates in the normative social order or, better yet, pragmatically accepts an order assumed to be “normal” (Mutti, 1998).
12. Regulation (EC) No. 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) establishes that: “Action by the Community should be complementary to that carried out by the Member States or seek to contribute to it. The partnership should be strengthened through arrangements for the participation of various types of partners with full regard to the institutional competences of the Member States. The partners concerned should be involved in the preparation, monitoring and evaluation of programming”.

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# 8

## Social Capital and the LEADER Approach: A Statistical Method for the Evaluation of Local Action Groups

Riccardo Da Re, Maria Castiglioni  
and Catie Burlando

### Introduction

Social capital is considered a resource that helps to develop and strengthen relational ties, through interactions in networks, allowing for cooperation and coordination within and among groups (Granovetter, 1976; Healy & Côté, 2001). It can contribute to multiple objectives, including (1) increasing awareness of local development challenges, (2) identifying possible pathways through specific

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project proposal opportunities, (3) strengthening the fund-raising capacity of local actors and (4) implementing joint initiatives that allow for local learning processes. Conversely, situations of mistrust and conflict may lead to opposite outcomes, weakening opportunities for cooperation and development in rural territories. Evaluating project development processes through the lenses of social capital may provide insights of opportunities and challenges in future initiatives.

As described in [Chapters 6 and 7](#), at the international level several methodologies and tools have been tested and adopted to qualify and quantify social capital in development processes, also in rural contexts (Knack & Keefer, 1997; Glaeser et al., 2000; Carpenter, 2002; Grootaert et al., 2004). The “Social Capital Initiative” of the World Bank aims at measuring social capital through both qualitative and quantitative approaches (World Bank, 2002). More explicitly, the surveys proposed as part of the Social Capital Assessment Tool (SOCAT) “capture” social capital at the household, community and organisational levels. Specific approaches and methods to evaluate social capital have been proposed for the evaluation of LEADER as well (e.g., Wiesinger, 2007; Cecchi et al., 2008; De Devitiis et al., 2009; Arabatzis et al., 2010; Nardone et al., 2010; Papadopoulou et al., 2012). What appears to be lacking is a single evaluation method which concretely operationalises the synergy view of social capital (Woolcock & Narayan, 2000). As discussed in Part I, the synergy view ([Chapter 2](#)) emphasises relations within and across groups by combining a network analysis with an institutional approach, and thus draws on the complementarity and embeddedness of relations among public and private members of a network ([Chapter 5](#)). The synergy view seems to be an appropriate approach to mainstream the concept of social capital in neo-endogenous local development initiatives, in this case, the LEADER Approach ([Chapter 3](#)).

The present chapter provides a statistical method for the evaluation of Local Action Groups (LAGs), which further operationalises the evaluation framework as proposed in [Table 7.1](#). It adopts a flexible set of quantitative and ordinal “indicators” (specifically sub-indicators, indicators, composite indicators, indices and composite indices)

to evaluate qualitative social issues, which are related to the activities of LAGs in the implementation of their Local Development Strategy (LDS) (Chapter 7).

The chapter is divided into four main sections. Section 2 describes the steps taken to translate the theoretical dimensions of social capital and related governance aspects already described in Chapter 7 into a level of analysis amenable to practical implementation in the context of an evaluation process. Section 3 details the strategy used to collect data, including the selection of the case study areas and the survey sampling design. Section 4 describes the statistical method proposed to create the indicators at different levels of aggregation from the results of the survey, normalise their values and aggregate them for evaluation, before concluding in Section 5.

## The Evaluation Framework: Bridging the Evaluation and Statistical Methods

An evaluation framework must be adaptable to a variety of different contexts to be implemented widely by European LAGs for their internal and external assessment. Therefore, theoretical concepts have to be subdivided into operative concepts and consequently transformed into variables allowing the construction of reliable and replicable indicators. The evaluation framework introduced in Chapter 7 has

- (i) identified the dimensions of social capital and governance
- (ii) identified the actors and their relations in the network
- (iii) developed a survey from where to derive indicators that are ultimately adopted in the proposed method.

As already described in Chapter 7, the two main forms of social capital, structural and normative-cognitive, and specific elements of governance (Chapter 5), allow to identify measurable dimensions. Specifically, structural social capital is analysed in relation to five

dimensions: (1) context, (2) network actors, (3) horizontal structure, (4) transparency and accountability and (5) reputational power. Normative-cognitive social capital is analysed in relation to six dimensions: (1) interpersonal trust, (2) institutional trust, (3) quality of the network, (4) quality of participation, (5) shared values and (6) conflict. Finally, specific elements of governance are explored in relation to four dimensions: (1) decision-making processes, (2) efficiency and effectiveness, (3) organisational culture and capacity and (4) vertical structure. The dimensions are further divided into one or more sub-dimensions. The entire structure of the evaluation method is described in more detail in [Chapter 9](#).

The identification of the dimensions is followed by the selection of actors (individuals or groups). Borgatti et al. (1998) operationalise connections among actors, by identifying their position as either internal or external to the organisation under study, in this case, LAGs. LAGs are collective actors that support local development in countries of the European Union (see [Chapters 3](#) and [6](#)). They have a policy-determined internal structure, which includes operating staff, a Board of Directors and a Members' Assembly (Assembly). Both the Board of Directors and the Assembly comprise public and private actors who are considered internal to the network. As funding organisations, LAGs also establish relationships with beneficiaries, which in this case are considered external to the organisation. Based on Borgatti et al. (1998), relations within and among actors of the LAG can be defined according to the following three categories: (1) relationships *external* to an individual actor (among the director and other actors internal or external to the LAG), (2) relationships *internal* to a collective actor (among members of the LAG) and (3) relationships *external* to a collective actor (LAG with beneficiaries) ([Chapter 7](#)). In order to operationalise these concepts, [Table 8.1](#) shows how the dimensions of social capital and governance have been further developed highlighting the different elements of analysis.

The third step consists in the development of a survey (the set of three questionnaires for internal and external actors outlined in [Appendix 2](#)), from which to collect data about the variables, and calculate the indicators. Our research proposes a draft set of 96 indicators. Before describing the specific approach used for the calculation of the indicators, in the

**Table 8.1** Dimensions of social capital and governance in Local Action Groups

Director of the LAG	Members of the LAG	Beneficiaries of the LAG
<i>Dimension A: Context</i>		
(i) Year of establishment of the LAG	Motivation of the institution for joining the LAG	(i) Features of the project financed by the LAG
(ii) No. of municipalities involved		(ii) Perceived role of the LAG and its operational activity
(iii) Total population		
(iv) Territory of the LAG		
(v) Average altitude of the territory of the LAG		
(vi) List of employees in the LAG		
<i>Dimension B: Network actors</i>		
(i) Network structure of the Members' Assembly (MA) and the Board of Directors (BD)	(i) Projects funded	(i) Knowledge of other actors in the territory (beneficiaries) that participated in projects
	(ii) Cost of the projects	
	(iii) Financing	
	(ii) Projects funded	(ii) Knowledge of other beneficiaries due to the LAG or independently of it
(iii) Cost of the projects		
(iv) Financing		
<i>Dimension C: Horizontal structure</i>		
(i) Formal and informal meetings among members	(i) Formal and informal meetings among members	(i) Identification of the broker among the beneficiary and the LAG
(ii) Objectives and frequency of the meetings	(ii) Exchange of information thanks to the LAG or independently of it	
(iii) Average number of members involved	(iii) Collaboration in projects thanks to the LAG or independently of it	(ii) Exchange of information with members
(iv) Advertising and promotion (communication channels, frequency and beneficiaries reached)		(iii) Effective collaboration with members
<i>Dimension D: Transparency and accountability</i>		
(i) Presence of relevant news on the	(i) News easily accessible on the	(i) News easily accessible on the

(continued)

Table 8.1 (continued)

Director of the LAG	Members of the LAG	Beneficiaries of the LAG
website and frequency of updates	institutional communication channels	institutional communication channels
(ii) Staff dedicated to beneficiaries	(ii) Staff dedicated to members	(ii) Staff dedicated to beneficiaries
	(iii) Perceived contribution in terms of ideas, proposals and suggestions	(iii) Evaluation of staff efficiency and effectiveness
<i>Dimension E: Reputational power</i>		
Identification of members who are most relevant in providing useful information during meetings	Identification of members who are most relevant in providing useful information during meetings	Identification of helpful members
<i>Dimension F: Trust and reciprocity among actors</i>		
(i) Interpersonal and inter-organisational trust	(i) Interpersonal and inter-organisational trust	Trust in the LAG
(ii) Variation in the level of trust as compared to a specific year of reference	(ii) Trust in the specific case of "vote delegation"	
<i>Dimension G: Institutional trust</i>		
Institutional trust with regard to: government (sub-national level), religious institutions, trade unions and voluntary associations	Institutional trust with regard to: government (sub-national level), religious institutions, trade unions and voluntary associations	Institutional trust with regard to: government (sub-national level), religious institutions, trade unions and voluntary associations
<i>Dimension H: Quality of the network</i>		
Perceived benefits of participating in the network	Perceived benefits of participating in the network and benefits brought to the LAG by the members	(i) LAG as an innovator (ii) LAG as a broker (iii) Value added of the LAG
<i>Dimension I: Quality of participation</i>		
(i) Decision-making processes	(i) Decision-making processes (implementation approaches)	Comments, suggestions and requests by the beneficiary to the LAG
(ii) Participation in formal and informal events and the level of interest perceived	(ii) Participation in formal and informal events and the level	



Table 8.1 (continued)

Director of the LAG	Members of the LAG	Beneficiaries of the LAG
(iii) Selection processes regarding members of the Board of Directors	of interest (iii) Level of representation in the Board of Directors	
<i>Dimension L: Shared values</i>		
(i) Perceived idea of community	(i) Perceived idea of community	(i) Perceived idea of community
(ii) Relationship with the territory	(ii) Relationship with the territory	(ii) Relationship with the territory
(iii) Identification of actors who promote the territory	(iii) Identification of actors who promote the territory	(iii) Identification of actors who promote the territory
(iv) Role of the LAG in promoting the territory	(iv) Role of the LAG in promoting the territory	(iv) Role of the LAG in promoting the territory
(v) Perceived shared values of the local context	(v) Perceived shared values of the local context	(v) Perceived shared values of the local context
<i>Dimension M: Conflict</i>		
(i) Conflict within the LAG	(i) Conflict within the Assembly	(i) Conflict with staff (ii) Perception of favouritism accorded to some actors
(ii) Conflict in the Assembly	(ii) Conflict between public and private actors	
(iii) Conflict between public and private actors	(iii) Conflict with other members	
(iv) Conflict with beneficiaries	(iv) Modes of managing conflict	
<i>Dimension N: Decision-making processes</i>		
(i) Capacity to reach the specific objectives of the Local Development Strategy on schedule	(i) Capacity to reach the specific objectives of the Local Development Strategy on schedule	(i) Perceived difficulty to access information (ii) Effective role of the LAG in the project proposal
(ii) Decision-making process in relation to projects	(ii) Decision-making process in relation to projects	
<i>Dimension O: Efficiency and effectiveness</i>		
(i) Specific objectives achieved, results and project budgets	(i) Specific objectives achieved, results and project budgets	(i) Specific objectives achieved, results and project budgets

(continued)

Table 8.1 (continued)

Director of the LAG	Members of the LAG	Beneficiaries of the LAG
(ii) Perceived overlap of functions with other institutions	(ii) Perceived overlap of functions with other institutions	(ii) Perceived overlap of functions with other institutions
(iii) Own perception of how the population understands the role of the LAG	(iii) Own perception of how the population understands the role of the LAG	
	(iv) Perceived capacity of the director to manage the organisation	
<i>Dimension P: Organisational culture and capacity</i>		
(i) Tasks performed by the staff and capacity building	Capacity of the LAG to promote social capital	(i) Capacity of the LAG to promote social capital
(ii) Monitoring of activities		(ii) Support received by staff from the LAG
(iii) Fund-raising capacity		(iii) Assessment of the LAG's capacities
(iv) Capacity to identify needs of the territory		
<i>Dimension Q: Vertical structure</i>		
(i) Partnerships and projects with regional, national and international LAGs	(i) Perceived relationship with the paying agency	Relationships established with institutions thanks to the LAG
(ii) Perceived relationship with the paying agency	(ii) Perceived relationship with the Region	
(iii) Perceived relationship with the Region	(iii) Lobbying capacity	
(iv) Lobbying capacity		

Note: All indicators that measure trust are *sensu* Rosenberg's question (1956).

Source: Own elaboration.

next section we present the methods for data collection, including the selection of the case study areas and the survey sampling design. The full list of indicators is described in [Chapter 9](#) and listed in [Appendix 3](#).

## Data Collection

This section describes (1) the selection of the case study areas, in terms of regions and LAGs, and the survey sampling design, and (2) the primary and secondary data collection.

### (1) Selection of the Case Study Areas and Survey Sampling Design

Nine case studies were selected to test the method in different Italian regions following a non-probability judgemental sampling (Lucas, 2014). First, the Italian regions were selected based on the following criteria: (1) geographic location (North, Centre, South and Islands); (2) number of LAGs in each region (one LAG in the mountains and one in the plains); (3) proportion of municipalities in the territories of competence; (4) proportion of population included in the LAGs and (5) budget of the LAGs. Geographic location was used to include Italian regions in the North, Centre, South and Islands. In total, five Italian regions were selected, namely Veneto (North), Umbria (Centre), Apulia and Basilicata (South) and Sardinia (Islands).

The initial idea was to select a number of LAGs proportional to the total number of LAGs in the region. However, such a criterion would have produced an unbalanced sample size due to excessive regional variation, for example, 25 LAGs in Apulia compared to only 5 in Umbria. The research team opted to select two LAGs in each region, to support comparisons within the region and between regions. The only exception was Sardinia, where data collection was not finalised, and analysis ultimately performed on one LAG alone. The criteria for selecting the LAGs in each region included (1) number of members, (2) geographic location, (3) socio-economic context and (4) historical significance of the LAG's public-private partnership. In each region, the final selection aimed at capturing the largest variability for most of the criteria identified.

In each LAG, the director, a census of members and a sample of beneficiaries were selected to analyse both internal relationships (between director and members, and among members) and external

relationships (among beneficiaries and the LAG's members and staff). The method included interviewing *all* directors and *all* the members of the LAG in order to comply with the requirements of Social Network Analysis (SNA), and a designated sample of beneficiaries. Directors and members were interviewed individually, with the opportunity in the LAGs with a large number of members to complete the questionnaire in the Assembly with the support of the interviewer. Despite efforts, not all members were available or willing to take part in the survey during the data collection period, and thus not all were interviewed. In the case of the LAG Valle Umbra e Sibillini the members who were interviewed included those of the Board of the Director and Council Board (22 out of 97 members).

A systematic sampling design was adopted to select the beneficiaries, stratified by types of projects and measures of the Rural Development Programme (RDP). The sample size of persons to be interviewed for each LAG was defined at 20 beneficiaries in order to guarantee representativeness of beneficiaries with respect to the funds allocated for the different measures of the RDP that were activated as part of the LDS.

## (2) Primary and Secondary Data Collection

Information on each LAG was collected through primary and secondary data. Whenever available, secondary data are a preferred means for the calculation of indicators because they can be easier to retrieve – if available online – and thus, less costly. The main sources of secondary data are the archives, website and official documentation of the LAG, which includes the LDS, the list of members and beneficiaries, the funding calls and amounts of funds allocated during the reference period.

However, most indicators developed for the proposed method are based on primary data collected through a survey of three questionnaires: for the director (questionnaire 1), members (questionnaire 2) and the selected beneficiaries of the LAG (questionnaire 3). The three questionnaires correspond to variables detailed in [Table 8.1](#) and allow the researcher or evaluator to triangulate the information and to obtain

data adequate for cross-analysis. The questionnaires included open-ended, binary and Likert scale questions (see [Chapter 7](#) for a detailed description of the three questionnaires by dimensions of social capital and governance). The final set of questions included a full list of members of the LAG, which was used to draw connections with members and thus to calculate the indices of the SNA. Since the list is not anonymous, a privacy statement was included to safeguard individual responses. The questionnaire for members is proposed in full in [Appendix 1](#). In [Appendix 2](#), questions are compared across the three questionnaires.

## The Calculation of Indicators and the Proposed Method for Evaluation

This section describes (1) the process that led from the survey to the calculation of indicators; (2) the calculation of indicators from SNA; (3) the normalisation techniques for converting the values of the indicators to a [0–1] range, and finally, (4) the aggregation of indicators into composite indicators, indices and composite indices. Thus, this section focuses on the analysis, calculation and use of indicators. [Appendix 3](#) lists all 96 indicators with their specific range before normalisation, the questionnaire number and the code for questions. [Appendix 4](#) lists the indicators with their normalised and non-normalised values and some related descriptive statistics. SNA was adopted to calculate 14 out of 96 indicators which qualify and quantify the specific dimensions of social capital most relevant for capturing network relationships among members and with beneficiaries.

### (1) From the Survey to the Calculation of the Indicators

The survey collected data on the different dimensions of social capital and related governance aspects and was used to calculate the indicators following the process identified in [Fig. 8.1](#). First, the value of each indicator is calculated from responses to one or more questions, as

well as from responses across one or more of the three questionnaires. Each question has its own range of responses. For example, they can vary from [0–1] in case of a [No-Yes] answer, to a [1–4] for a Likert scale or to [0–100] in the case of a rate. Each indicator is calculated from questions, regardless of the range of responses.

Pisani et al. (2014) describe the specific methodological process behind the calculation of each indicator. The authors describe each indicator following a standardised format, which includes the question or questions from where it is derived (i.e., questionnaire 1, 2, 3), possible responses with coding for each response, as well as range of responses. Indicators are derived from the calculation of a percentage, an average of the responses, or a difference between averages. Specifically, indicators can be measured as “rate” or “level”. Rate expresses a value derived from the ratio of two related quantities, whereby the numerator is a subset of the denominator, or an average of percentage values. It is adjusted to 100. Level expresses an absolute value derived from the average scores of data ranked on an ordinal scale.

In most cases, higher values are correlated with higher values of social capital. When the evaluation question focuses on “negative” elements and thus, higher values of the indicator would indicate a worse situation in terms of social capital, scores are inverted. An example of a negative indicator is M6, “favouritism in the selection of beneficiaries”. Since responses which highlight this issue would provide a high value, the values are inverted to ensure that, during analysis, a high value of the indicator corresponds to high values of social capital and not vice versa.

## **(2) The Calculation of Indices from SNA**

Some of the indicators proposed for the evaluation of social capital and governance aspects in LEADER are calculated through indices used in the SNA, an approach that has been increasingly used in a wider set of fields of application because it highlights the central role that networks play in social relations, including in the fields of social capital and

Part (a) The general scheme

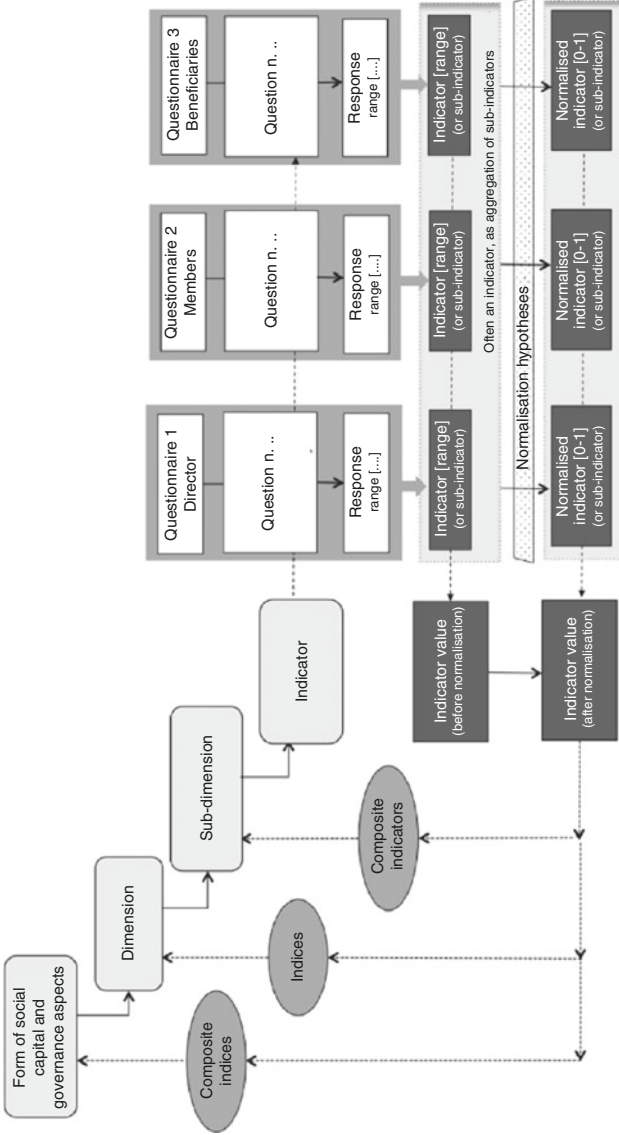


Fig. 8.1 Conceptual framework showing the connection between the question(s), the indicator and the normalisation process

Source: Own elaboration

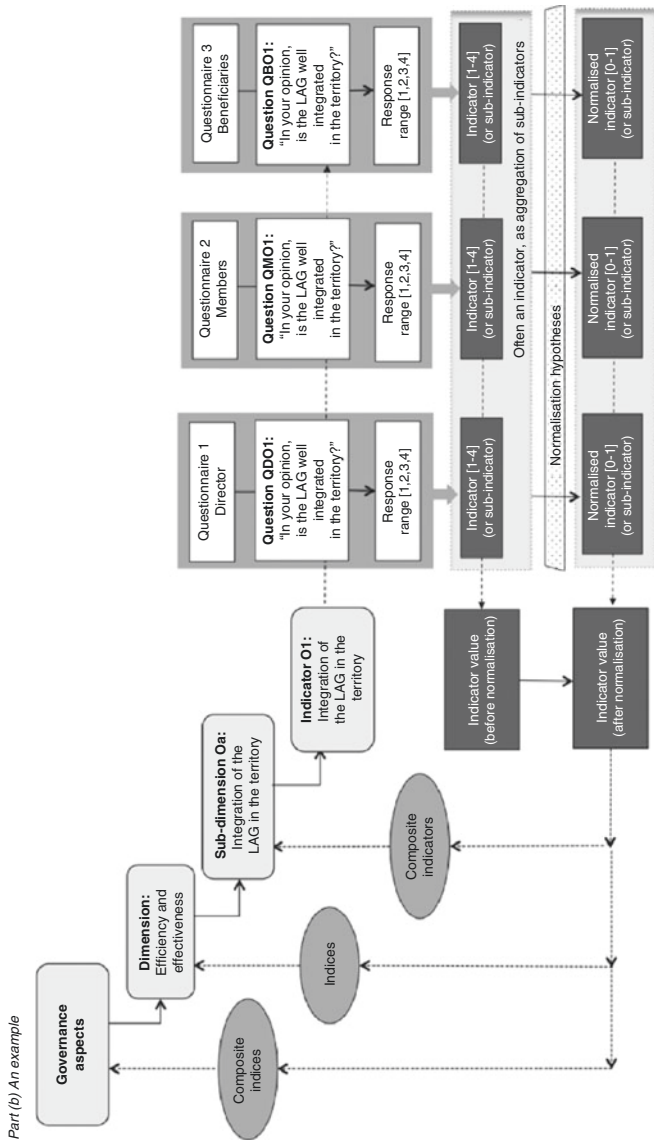


Fig. 8.1 (continued)



natural resource management (Borgatti et al., 2002, 2009; Bodin et al., 2006; Ingold, 2008; Secco et al., 2014), and in the evaluation of local development projects and programmes (e.g., Pisani & Laidin, 2016). The Mid Term Evaluation synthesis of the European RDPs (European Commission, 2012) also highlights that SNA could be used as a tool for assessing social capital among rural development actors but was never mentioned or used in the mid-term evaluations.

By measuring and visualising social relationships among individuals, groups, organisations or other institutions involved in the exchanges of information and knowledge, SNA highlights connections in networks (Wasserman & Faust, 1994; Stokman, 2004). Connections constitute the relational data at the core of SNA. As Scott (2013) explains, SNA shows how actors (points or nodes) are connected through specific relationships (lines or ties) visually, through graphs. Different types of relationships can be identified through direction and thickness of the lines. SNA also uses matrices of data that are “oriented”, “non-oriented”, binary (1 = presence of linkage; 0 = absence of linkage) or expressed through numerical values that identify the “strengths” of relationships. In addition, SNA uses indices that may be grouped as three main typologies: (1) indices which describe the whole network structure, (2) indices referred to the role of actors inside the network and (3) measures of the subgroups (Chiesi, 1999).

In the present research, SNA is adopted to analyse (1) exchange of information, (2) collaborative relationships and (3) trust among members of the LAG. Each relationship is binary (presence or absence), and non-oriented. Data is analysed with UCINET, a software package for analysing social network data developed by Steve Borgatti, Martin Everett & Lin Freeman (2002).

A key problem that analysts face when carrying out SNA is related to the node level missing data (Huisman, 2014), as in our case, when some members did not answer the questionnaire. As opposed to other statistical methodologies, missing values could bias the results of the SNA, and for this reason, imputation of missing values is complex. In our research, we decided to consider relations as undirected, and to substitute missing data with a vector of symmetrical and transposed values. A limitation of this approach is that a high proportion of missing data may generate a large bias in the descriptive statistics of the network regardless.

In the proposed method, SNA indices are used for the calculation of 14 indicators out of the draft set of 96. They are included in five dimensions and are shown in Appendix 3 with an asterisk: horizontal structure of the network (dimension C), reputational power (dimension E), trust and reciprocity (dimension F), conflict (dimension M) and efficiency and effectiveness (dimension O). The main SNA indices used in the research are density (the proportion between the number of ties and all possible ties among nodes), isolated nodes (the number of nodes which have no contacts with any node), measures of centrality (when the position of the actor is measured in relation to other actors in the network) and core/periphery analysis (the core is the sub-group with the maximum density). These indices are applied in order to measure relationships among actors depending on the dimensions considered.

SNA is costly and time-consuming, but more importantly, if used as part of an interview schedule, names are needed and it lacks anonymity. As mentioned in the previous section, a common SNA question lists all the members of the LAG name by name, and the interviewed person states his/her relationship with the other members of the LAGs. Despite these critical elements, indicators based on SNA provide a more comprehensive picture of the relational dynamics among members of an organisation, and of the LAG network in this specific case. For example in this research the survey was used to collect data on information exchange, collaboration and trust (see Part IV). However secondary data on project partnerships can be used to assess activities developed as a result of funding from the LAG. This data can be retrieved from the archives of the LAGs and can provide further insight into changes in funding and collaboration over time (e.g., Pisani & Laidin, 2016).

### **(3) Normalisation of the Values of Indicators**

As explained above, each indicator has its own specific range which is tied to the scale of measurement of the data (see the example in Fig. 8.1). The normalisation of the indicator's values is required because the scales of measurement used are, as already mentioned, different. For example,

*Beneficiaries' level of direct knowledge of the role of the LAG* (indicator A2) has a range [1–4], while *Beneficiaries level of indirect knowledge of projects supported by the LAG* (indicator A3) has a range [0–3] and *Rate of private members over total membership of the LAG* has a range [0–100]. Comparison between three indicators with three different ranges would be possible only after normalisation, which would transform indicators' values to a unique scale [0–1]. The values could then be comparable and aggregable at different levels.

In our research, data have been normalised<sup>1</sup> according to four different techniques:

- i. Normalisation through the maximum and minimum range expected in the indicator.
- ii. Normalisation through the higher and lower values observed in the distribution of data collected in all the case studies.
- iii. Normalisation by using quartiles, where maximum scores are given to values above the third quartile, a 0.5 score to values between the first and third quartile, and a null score to LAGs with values that are below the first quartile.
- iv. Normalisation by clusters, where by looking at the distribution of values obtained, case studies are divided into three clusters and normalisation assigns maximum scores to the highest cluster, a 0.5 score to the cluster in the middle, and a null score to LAGs that are in the lower cluster.

The first two normalisation techniques lead to indicators with a continuous value [0–1]. The third and fourth normalisation procedures lead to discrete values. The latter two, while highlighting the tails, flatten out differences. The fourth one is time consuming and based on the judgement of the researcher, but enables the researcher to address potential bias. This may be useful when it supports the third hypothesis of normalisation, when quartiles fail to highlight higher values among LAGs. In our research, all normalisation hypotheses were tested before selecting a final technique, deemed as the most adequate and robust for achieving the research objectives. [Chapter 10](#) reports on the results of the tests that were carried out with the four normalisation

hypotheses and that led to the selection of the second one. However, researchers and evaluators of the LEADER Community-led Local Development may choose the most suitable approach, based on the context and results of their case study areas.

#### **(4) Aggregation of the Values of Indicators**

We specify that indicators are calculated at the lower level of the aggregation phase, which means that they directly derive from the questions in the survey. At the level of sub-dimensions, dimensions and forms of social capital, we use the terms index and composite indices. Composite indices enable to quantify social capital at different levels of aggregation (see results in the Italian LAGs in [Chapter 11](#)).

During the aggregation phase, the same weight by way of a simple mean was given to each of the sub-dimensions considered, independently of the number of indicators included. This was the simplest approach to aggregation. Alternatively, evaluators and researchers may adopt multi-criteria analysis based on expert consultation and use it to differentiate the weights given to identified sub-dimensions. This technique is a decision support tool which is applicable to solving problems that are characterised as a choice among alternatives.<sup>2</sup> Further research would be needed to ascertain the impacts of different weighting techniques on results.

The next chapter describes each of the sub-dimensions and indicators, while Part III of the book reports on the results of normalisation and aggregation across the nine Italian LAGs and discusses the use of the method for the process of monitoring and evaluation in the context of the EU regulations for the 2014–2020 programming period.

## **Conclusion**

As addressed in [Chapter 6](#), our research seeks to address the lack of an appropriate evaluation framework for the role that local development organisations play in supporting intangible resources such as networks,

norms and trust, through their project-based action. As further explained in [Chapter 7](#), it also seeks to provide more clarity on how the intangible resources themselves, the actual features which characterise social capital and related aspects of governance, may be identified and operationalised by using a survey. In this chapter, we have proposed a flexible and adaptable method for evaluating social capital and related governance aspects, which can be adopted for the evaluation of LAGs in Europe as well as in other local development initiatives. While the method needs to be tested in different countries, and issues such as assigning weights need further attention, the indicators proposed in the book can contribute to create a novel method for integrating the evaluation framework recommended by the European Network for Rural Development for the 2006–2013 programming period (EENRD, 2010). The hope is for this method to provide a tangible contribution both to theoretical debates on social capital and to the concrete processes of evaluation of European local development policies in rural contexts.

There are several reasons for promoting broad adoption of the method. Firstly, it provides a list of innovative indicators that can be used to assess social capital and related governance aspects within and between LAGs. Secondly, the comprehensive assessment method is easy to use and can be applied broadly. Thirdly, the framework is based on the use of secondary data sources, which are cost effective and reasonably reliable, as well as on a structured survey for collecting and analysing primary data, which is more suitable to grasp the qualitative elements of social relations. Fourthly, for the most part, the calculation of indicators does not require specific competences. The 14 indicators based on the indices of SNA are the only exception. SNA requires skill and effort, but the results obtained are very effective in capturing the intangible aspects of relationships and dynamics among members of the LAG. Even though it is a new tool and subject to potential ethical concerns in terms of anonymity, we can envisage its increasing use, if not in evaluation processes, at least in in-depth research projects which strive to assess and measure social capital, governance and other social-related issues (e.g., social innovation) at the local level.

By using normalised indicators, the method allows researchers to compare results among different dimensions at different levels of aggregation (by dimension, sub-dimension, and form). Comparisons may be

carried out at the level of each LAG or among LAGs. Analysis at the level of each single LAG may prove to be quite relevant to the management of the LAG itself. First, the results of the analysis provide an immediate feedback to the stakeholders involved, most notably the director and members of the LAG, by highlighting specific strengths and weaknesses (see the results of the case studies in Part IV). Therefore, it can be useful also for self-evaluation procedures that might be either required to the LAGs by the European rules or simply adopted by the LAG as part of its own monitoring. Secondly, the simplicity of the method can positively contribute to consolidating an evaluation culture at the local level as well. While there is a risk of oversimplifying the evaluation, the director or members of the LAG can contextualise the results obtained based on the specificities of their territory. Thirdly, self-assessment can support the identification of planning actions ahead of the European 6-year programming cycle and contribute to setting the priorities of the RDP – a more incisive sign of how sub-regional territories may bring local concerns to the regional or national level.

Data that is comparable across different case study areas can further allow researchers to carry out analysis among different LAGs at the regional, national and European levels (see Part III). This type of analysis may support learning and knowledge exchange between directors and policy-makers on a broader scale in relation to the achievements of other territories. However, as explained in Part III, care should be taken to avoid a strict comparison between territories that operate in quite diverse social, economic, and political contexts.

Finally, while we propose a comprehensive framework and method for analysis of social capital and related aspects of governance in rural territories, we urge for additional theoretical and empirical research to address unavoidable methodological problems. These include (1) considering the endogenous dynamics of social capital and governance, (2) reducing redundancies between indicators connected to more than one key dimension and (3) assigning weights to the indicators. These challenges, as well as emergent ones, could be addressed by testing the final set of indicators in different European contexts. Endogenous dynamics of social capital – and specifically discerning endowment from outcomes in a place – can never be fully captured by the method, yet attention to

sense-making and narratives provided by interviewees can fill some of the gaps in understanding. In Part III of the book, the most robust normalisation approach and set of indicators are identified. While this approach was in line with the context of the case study areas and the results obtained, these choices may differ depending on the data gathered in other LAGs to reduce redundancy. Finally, while this study opted for assigning equal weights to the indicators, additional tests using multivariate analysis could reduce the component of arbitrariness and delete potential overlap between indicators.

## Notes

1. In statistics, normalisation can have multiple meanings. In simple terms, normalisation of ratings identifies the adjustment of values measured on different scales to a notionally common scale. In more complex cases, normalisation can refer to sophisticated adjustments where the intention is to bring the entire probability distributions of adjusted values into alignment (Dodge, 2003).
2. Multi-Criteria Decision Analysis (MCDA) problems include five components: (i) Goal, (ii) Decision maker or group of decision makers with opinions (preferences), (iii) Decision alternatives, (iv) Evaluation criteria (interests) and (v) Outcomes or consequences associated with alternative/ interest combination (Natural Resources Leadership Institute, 2011).

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# 9

## Indicators Proposed for the Evaluation of Social Capital in Local Action Groups

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### Introduction

Most scholars and practitioners agree that there are stable factors or dimensions of social capital which can be measured (e.g., Borgatti et al., 1998; Narayan & Cassidy, 2001; Burt, 2005; Sabatini, 2009; Nardone et al., 2010; Raagmaa, 2016).<sup>1</sup> Economists, political scientists as well as sociologists have proposed various types of indices and indicators to measure different dimensions of social capital (see [Chapter 2](#)).

In our research, we capture the multi-dimensional aspects of social capital in a selected sample of Italian Local Action Groups (LAGs) by

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proposing a method for obtaining a comprehensive view of the social processes underlying the implementation of the local development strategy (see [Chapters 6 to 8](#)). As part of the method, we identify the forms, dimensions, sub-dimensions and indicators of social capital which are used to highlight the strengths and weaknesses of LAGs in Part III ([Chapters 10 to 12](#)).

This chapter presents the indicators used in the method by describing their significances in relation to the sub-dimensions, dimensions and forms of social capital and related aspects of governance. The design of the indicators proposed in this chapter enables researchers, evaluators and practitioners to replicate them in the monitoring and evaluation of LAGs across Europe. All LAGs share common structural and organisational elements across Europe, while simultaneously facing different contextual as well as governance features which impact their structure and organisation in different countries and regions (see [Chapter 10](#)).

The indicators derive from the questions in the surveys used in the research and are proposed for the evaluation of LEADER within the Rural Development Programmes (RDPs) ([Chapter 8](#) and [Appendix 2](#)). In the following sections, the indicators are presented for each of the 15 dimensions of social capital, including structural (Section 2), normative-cognitive (Section 3), as well as governance (Section 4). The indicators are described in relation to the 36 sub-dimensions ([Table 9.1](#)), keeping in mind that, as explained in [Chapter 8](#), higher values are correlated with higher levels of social capital or governance capacity. The conclusions discuss the advantages of this method for the evaluation of LEADER. The full list of indicators is in [Appendix 3](#).

## **Description of Indicators: Structural Social Capital**

### **Dimension A: Context**

Dimension A is addressed by two sub-dimensions: Aa measures members' motivation for joining the LAG, that is, access to the LAG, and is

**Table 9.1** List of indicators by dimension and sub-dimension

Dimensions	Sub-dimensions	Indicators
A. Context	a. Access to the LAG	A1
	b. Knowledge of the role of the LAG	A2, A3, A4
B. Network actors	a. Knowledge of the initiatives of the LAG	B1, B2
	b. Knowledge of the beneficiaries of the LAG	B4, B5
	c. Identification of the indirect beneficiaries of the LAG	B3
C. Horizontal structure of the network	a. Internal participation	C1, C2, C3, C4
	b. Level of openness of the LAG	C5, C6
	c. Density of relations in the LAG	C7, C8
	d. Public-private relations internal to the LAG	C9, C10, C11
	e. Pro-activity of the LAG	C12, C13, C14
D. Transparency	a. Transparency in the network	D1, D2
Accountability	b. Network accountability	D3, D4, D5
E. Reputational power	a. Reputational power	E1, E2, E3, E4
	b. Level of perceived benefits derived from the LAG	E5
F. Trust and reciprocity among actors	a. Internal level of trust in the LAG	F1, F2, F3, F4, F5
	b. Beneficiaries' level of trust in the LAG	F6
G. Trust in institutions	a. Trust towards local institutional actors	G1, G2, G3, G4
H. Quality of the network	a. Benefits received through the network	H1, H2, H5
	b. Benefits brought to the network by members	E5, H3, H4
I. Quality of participation	a. Quality of participation in the Assembly	I1, I2, I3, I4, I6
	b. Quality of participation in the Board of Directors	I5, I7
	c. Pro-activity of beneficiaries	I8
L. Shared values	a. Perception of shared values in the territory	L1, L2
	b. Recognition of promoters of shared values in the network	L3, L4
	c. Identification with the territory	L5

*(continued)*

Table 9.1 (continued)

Dimensions	Sub-dimensions	Indicators
M. Conflict	a. Conflict among actors of the LAG	M1, M2, M3, M5
	b. Beneficiaries' dissatisfaction with the LAG	M4, M6
N. Decision-making processes	a. Planning capacity of the LAG	N1, N2
	b. Transparency and monitoring in the planning process of the LAG	N3, N4
O. Efficiency and effectiveness	a. Integration of the LAG in the territory	O1, O2
	b. Coordination of the LAG	O4, O5
	c. Efficiency of the LAG	O3, O6, O7
P. Organisational culture and capacity	a. Communication capacity of the LAG	P1, P5
	b. Monitoring and assessment of the LAG	P3, P4, P6, P9
	c. Innovative capacity of the LAG	P2, P7, P8
Q. Vertical structure	a. Openness of the LAG outside of its territory	Q1, Q2
	b. Vertical linking	Q3, Q4, Q5, Q6
CS. Social capital	a. Knowledge and promotion of social capital in the LAG	SC1, SC2, SC3

Source: Own elaboration

composed of one indicator, A1; Ab indicates the level of knowledge of the role of the LAG by members and beneficiaries and is measured through indicators A2, A3 and A4.<sup>2</sup>

### Sub-Dimension Aa: Access to the LAG

Sub-dimension Aa includes indicator A1 (Members' level of motivation for joining the LAG). The ways in which members join a LAG enables researchers to assess their personal or institutional level of engagement which is linked to the level of perceived utility of the LAG. Higher points are given – on an ordinal scale – to members that join pro-actively and on their own initiative rather than those who join by invitation. The latter assumes that accepting an invitation is a passive way of participating.

### **Sub-Dimension Ab: Knowledge on the Role of the LAG**

Sub-dimension Ab includes three indicators, A2 (Beneficiaries' level of direct knowledge of the role of the LAG), A3 (Beneficiaries' level of indirect knowledge of projects supported by the LAG) and A4 (Rate of private members over total membership of the LAG). The hypothesis is that beneficiaries recognise the LAG as a promoter of rural development the greater their direct knowledge of its role (indicator A2) and their indirect knowledge of projects supported by the LAG (indicator A3). The knowledge of the beneficiary in relation to A2 is assessed by the coherence between the interviewee's responses and what is defined in the EU Rural Development Regulation of the specific programming period. Indicator A3 assesses indirect knowledge on the initiatives carried out by the LAG and their relation to the macro areas of intervention in the Local Development Strategy. Both values are derived from the average responses of individual beneficiaries. The rate of private members over total membership in the LAG (indicator A4) expresses – through a proxy – the organisation's capacity to engage actors from all sectors of the local economy.

### **Dimension B: Network Actors**

Dimension B includes three sub-dimensions, which measure the effective involvement of actors in the initiatives of the LAG, by evaluating the members' level of general and specific knowledge on the initiatives and resources mobilised by the LAG (sub-dimensions Ba, with indicators B1 and B2) and the beneficiaries' capacity to widen their relationships (sub-dimension Bb, with indicators B3, B4 and B5).

#### **Sub-Dimension Ba: Knowledge on the Initiatives of the LAG**

Sub-dimension Ba includes indicators B1 (Members' general knowledge of the initiatives promoted by the LAG) and B2 (Members' specific knowledge of the initiatives promoted by the LAG). The first indicator assesses whether knowledge of the different initiatives is widespread among members (B1). The second one compares the precision between the



information provided by members and the one provided by the director (B2).

### **Sub-Dimension Bb: Knowledge on the Beneficiaries of the LAG**

Sub-dimension Bb comprises indicators B4 (Personal relationships among beneficiaries during the reference period) and B5 (Personal relationships among beneficiaries over several years). Indicator B4 measures the number of beneficiaries personally known by the beneficiary interviewed. It is expressed as the average number of beneficiaries personally known over the total number of the beneficiaries of the LAG. Indicator B5 asks for the same information over a longer period of time. It results from the average number of actors that participated in public calls during the reference period as well as in past years, and allows the researcher, evaluator or practitioner to assess more precisely the size of the network of beneficiaries for each LAG.

### **Sub-Dimension Bc: Identification of the Indirect Beneficiaries of the LAG**

Sub-dimension Bc is expressed by indicator B3 (Identification of projects favouring indirect beneficiaries). The ability to widen relationships is not limited to the number of direct beneficiaries, but can be further measured through the identification of a wider set of projects and their direct and indirect beneficiaries. Indicator B3 measures the rate (in percentage) of projects that favour indirect beneficiaries as compared to the total number of projects.

## **Dimension C: Horizontal Structure of the Network**

Different approaches can be used to analyse the horizontal structure of the networks. In this section we illustrate the five sub-dimensions utilised. The first sub-dimension Ca refers to internal participation

within the LAG (indicators C1, C2, C3 and C4). The second sub-dimension C<sub>b</sub> points out the level of openness of the LAG (indicators C5 and C6). The third sub-dimension C<sub>c</sub> specifies the density of relations in the LAG (indicators C7 and C8). The fourth sub-dimension C<sub>d</sub> refers to public-private relations internal to the LAG (indicators C9, C10 and C11) and the fifth sub-dimension C<sub>e</sub> refers to the proactivity of the LAG (indicators C12, C13 and C14).

### **Sub-Dimension Ca: Internal Participation**

Sub-dimension C<sub>a</sub> measures the level of engagement of members in the decision-making processes of the LAG. It includes indicators C1 (Average annual rate of attendance of LAG members at Board of Directors meetings), C2 (Average annual rate of attendance at the LAG Assembly), C3 (Regular attendance of LAG members at formal meetings) and C4 (Attendance at promotional meeting events of the LAG). Indicators C1 and C2 provide a quantitative measure of engagement at institutional meetings. Indicator C4 includes meeting opportunities that the LAG fosters both formally and informally. The former two are expressed as the rate of meetings attended by members of the LAG, while the latter one represents the rate of members that attend informal community meetings. Indicator C3 identifies the regular presence of members and considers their level of interest and consistent commitment. It is represented by the rate of organisations and institutions that have designated a specific person to follow the activities of the LAG.

### **Sub-Dimension Cb: Level of Openness of the LAG**

Sub-dimension C<sub>b</sub> includes indicators C5 (Implementation of communication channels by the LAG) and C6 (Outreach to new actors by the LAG). The level of openness is assessed by the capacity of the LAG to activate new communication channels (C5) and monitor the number of new audiences reached (C6). For indicator C5, the number of communication channels initiated by the LAG is compared to the total number of channels activated by all the LAGs considered in the study. Indicator

C6 applies the same approach to the number of categories of actors reached by the LAG.

### **Sub-Dimension Cc: Density of Relations in the LAG**

Sub-dimension Cc includes indicators C7 (Density of the information network of the LAG) and C8 (Density of the collaborative network of the LAG). The density of a network measured by using Social Network Analysis is computed as the number of effective relations present over the total number of possible ones, in relation to the exchange of information (indicator C7, informational network) and collaboration (indicator C8, collaborative network).

### **Sub-Dimension Cd: Public-Private Relations Internal to the LAG**

Sub-dimension Cd includes indicators C9 (Proportion of private actors in the centre of the network), C10 (Collaborative relationships among public and private actors in the LAG) and C11 (Public-private relations over total number of relations of the beneficiary). This group of indicators quantitatively assesses the typologies of relationships and exchange between public and private actors. Indicator C9 compares the percentage of private members in the “core”<sup>3</sup> of the information network with the same proportion in the Assembly. Indicator C10 measures the proportion of public-private cliques<sup>4</sup> over the total cliques of the collaborative network, while indicator C11 considers the proportion of beneficiaries’ public-private relations over the total number of beneficiaries’ relationships.

### **Sub-Dimension Ce: Proactivity of the LAG**

Sub-dimension Ce includes indicators C12 (Bridging capacity of the LAG among members and beneficiaries), C13 (Role of the LAG in building relationships among members) and C14 (Level of synergy

between beneficiaries and the LAG). Indicator C12 calculates how often two members have created a relation (tie) between them due to the activity of the LAG. The same question is asked to the beneficiary. Conversely, indicator C13 assesses the capacity of the LAG to convert potential resources among members (sharing of information), into actual resources (collaborations and projects). This value averages points assigned on the quality of the relationship: 0 when relationships are absent; 1 if there is exchange of information independently from the LAG; 2 if the exchange of information is actively mediated by the LAG; 3 if the LAG facilitates concrete collaboration in projects. Lastly, indicator C14 assesses the number and the strength of relationships between staff of the LAG and beneficiaries.

## **Dimension D: Transparency and Accountability**

Dimension D includes sub-dimensions Da and Db. They measure, respectively, the capacity of the LAG to promote actions that support collective interests (accountability) through transparent exchange of information among all network participants (transparency). It assesses the effectiveness of the online tools used for communication (indicators D1 and D2), the capacity of the LAG to adopt suggestions provided by beneficiaries and members (indicators D3 and D4) and the quality of the support offered by the staff of the LAG to members and beneficiaries (indicator D5).

### **Sub-Dimension Da: Transparency in the Network**

Sub-dimension Da includes indicators D1 (Accessibility to the LAG's online information) and D2 (Monitoring the number of times the LAG's website was accessed). In the first case, members and beneficiaries rate accessibility to the information on the website (indicator D1). Indicator D2 further identifies monitoring online access.

### **Sub-Dimension Db: Network Accountability**

Sub-dimension Db includes indicators D3 (Adoption by the LAG of suggestions made by beneficiaries), D4 (Accountability of members) and D5 (Administrative support to members and beneficiaries). Members contribute in several ways to improving the actions of the LAG by providing observations, comments and critiques, or suggesting new ideas and proposals. Adoption of these suggestions is assessed by the director (indicator D3), members and beneficiaries (indicator D4). The latter also comment on the presence of professional staff, based on the capacity to answer questions and provide responses promptly (indicator D5).

### **Dimension E: Reputational Power**

Dimension E is represented by sub-dimensions Ea and Eb. The major asset of a collaborative network lies in the perception of each other's contributions, what is generally known as reputational power (indicators E2 and E3). Indicators E1 and E4 compare the assessments of the individual with the one provided by the network, while indicator E5 focuses on the information that may be acquired through the LAG.

#### **Sub-Dimension Ea: Reputational Power**

Sub-dimension Ea includes indicators E1 (Comparison between members and director's evaluation of reputational power), E2 (Equivalence of reputational power in the Assembly and in the Board of Directors), E3 (Equivalence of reputational power in the Assembly and in the core of the network) and E4 (Comparison of individual's and others assessment of reputational power). Indicator E1 compares the evaluation by members and director on reputational power of each member based on the question "Who are the members of the LAG that are most relevant in providing useful information during meetings?" Indicators E2 and E3 measure the rate of members with high reputational power involved in the Board of Directors and the core of the network. Both are part of the institutional decision-making body. Indicator E4 compares an

individual's assessment on reputational power with that of others, evidencing differences between personal and average opinion.

### **Sub-Dimension Eb: Level of Perceived Benefits derived from the LAG**

Sub-dimension Eb is comprised of indicator E5 (Perceived benefits derived from the LAG), which asks directly about the benefits of attending the Assembly. This indicator links dimension E with dimension H and is calculated under dimension H to avoid double computation.

## **Description of Indicators: Normative-Cognitive Social Capital**

### **Dimension F: Trust (Interpersonal)**

Dimension F includes sub-dimensions Fa and Fb and captures the level of interpersonal trust and reciprocity among members and beneficiaries of the LAG (indicators F1, F2, F3 and F4) as well as changes in levels of trust over time (indicator F5). Indicator F6 measures beneficiaries' level of trust in the LAG.

### **Sub-Dimension Fa: Internal Level of Trust in the LAG**

Sub-dimension Fa includes indicators F1 (Rate of trust in the Assembly), F2 (Rate of interpersonal trust by members), F3 (Rate of isolation of members in the Assembly), F4 (Rate of trust in the Board of Directors) and F5 (Changes in trust over time among members). Indicator F1 measures the general level of trust towards members of the Assembly, as the rate of members that declare to trust their peers in the Assembly, and the level of trust declared by the director towards members. Two indicators measure trust in concrete situations, including delegating one's vote to another member (indicator F2) and

identifying the rate of members who are isolated and trusted by none in the Assembly (indicator F3). Further, the level of trust towards the Board of Directors is measured by the number of members of the Board who would receive a vote delegation over their total number (indicator F4). For example, a high level of trust is present in the Assembly when all members of the Board receive a vote delegation. Conversely, a low or inexistent level of trust is observed when only one member or none would receive such a vote. Finally, indicator F5 assesses changes in levels of trust over a period of time.

### **Sub-Dimension Fb: Beneficiaries' Level of Trust in the LAG**

Sub-dimension Fb includes indicator F6 (Beneficiaries' level of trust in the LAG), which calculates the average level of trust that beneficiaries grant to the LAG.

## **Dimension G: Institutional Trust**

Dimension G is comprised of sub-dimension Ga. Institutional trust is measured by rating members' and beneficiaries' perceptions of trust towards government institutions at the sub-national level, religious institutions, trade unions, professional organisations and voluntary associations.

### **Sub-Dimension Ga: Trust Towards Local Institutional Actors**

Sub-dimension Ga comprises indicators G1 (Level of members' and beneficiaries' trust in government institutions at a sub-national level), G2 (Level of members' and beneficiaries' trust in religious institutions), G3 (Level of members' and beneficiaries' trust in trade unions and professional organisations) and G4 (Level of members' and beneficiaries' trust in voluntary associations). All actors in the LAG, director, members and beneficiaries, express an opinion on their level of trust towards government institutions at the sub-national level (indicator G1), religious institutions (indicator G2), trade unions and professional

organisations (indicator G3) and voluntary associations (indicator G4). The results are averaged for each institutional actor.

## **Dimensions H: Quality of the Network**

Dimension H includes sub-dimensions Ha and Hb. A network is valuable when it provides competitive advantages to actors within a territory. The quality and attractiveness of a network is therefore measured through the benefits that individuals receive (indicators H1, H2 and H5) and contribute (indicators H3 and H4).

### **Sub-Dimension Ha: Benefits Received Through the Network**

Sub-dimension Ha includes indicators H1 (Congruence on perceived benefits by the executive bodies), H2 (Benefits received by members and beneficiaries) and H5 (Innovative capacity of the LAG as perceived by beneficiaries). Indicators H1 and H2 quantify contributions received from actors in a network. Indicator H1 is measured in two steps. In the first step, benefits listed by members of the Board of Directors are compared with those identified by the director. In the second step, benefits are matched with the total number identified by the director. The higher the congruence in responses, the higher the shared vision in the executive system on the actual advantages that the LAG brings to the network. Indicator H2 assesses benefits received by members and beneficiaries. Indicator H5 differs from the above, expressing instead the opinion of beneficiaries on the innovative contribution the LAG may have brought to the territory. Values for both variables are summed up (hence the value of the indicator ranges from 2 to 8 rather than 1–4 as in most other indicators). Finally, as mentioned in dimension E, indicator E5 is calculated under sub-dimension Ha to avoid double counting and capture more fully the benefits members perceive as deriving from the LAG.



### **Sub-Dimension Hb: Benefits Brought to the Network by Members**

Sub-dimension Hb includes indicators H3 (Benefits brought to the LAG by members) and H4 (Support received by beneficiaries from LAG members) and provides a self-assessment on the benefits members contribute to the LAG. Indicator H3 measures the average number of benefits that each member provided to the network. Indicator H4 calculates the number of training activities offered by the LAG to beneficiaries, and the support given by members to beneficiaries in projects.

### **Dimension I: Quality of Participation**

Dimension I includes three sub-dimensions, Ia, Ib and Ic, and directly assesses the quality of participation in the Assembly (indicators I1, I2, I3, I4 and I6), in the Board of Directors (indicators I5 and I7) and with beneficiaries (I8).

#### **Sub-Dimension Ia: Quality of Participation in the Assembly**

Sub-dimension Ia includes indicators I1 (Level of coordination within the LAG), I2 (Quality of participation in the Assembly), I3 (Level of perceived interest in the Assembly), I4 (Rate of formal participation in the Assembly) and I6 (Perception of effectiveness of personal participation). Indicator I1 identifies the number of formal and informal instruments that regulate the organisation of the Assembly. Indicator I4 measures the number of members that participated in the last Assembly (thus providing a quantitative measure), whereas indicator I2 captures the quality of participation. The latter indicator is based on different ways of participating in the Assembly, which can range from simple attendance to engagement in wide open discussion. Indicator I3 measures the level of interest towards topics addressed in the Assembly. Finally, indicator I6 measures members' perception regarding the effectiveness of their personal participation, and whether they perceive it influenced the outcomes of the

decision-making process. These indicators provide tangible elements to assess the quality of participation in the Assembly.

### **Sub-Dimension Ib: Quality of Participation in the Board of Directors**

Sub-dimension Ib includes indicators I5 (Representativeness of the Board of Directors) and I7 (Quality of relationships within the Board of Directors). Director and members of the Assembly comment on the capacity of the Board of Directors to represent their different interests, with results that can express strong or weak divergence in opinions (indicator I5). Indicator I7 assesses opinions from the members of the Board of Directors regarding the quality of relationships within the Board, which can range from conflictual to collaborative.

### **Sub-Dimension Ic: Proactivity of Beneficiaries**

Sub-dimension Ic is comprised of indicator I8 (Proactive behaviour of beneficiaries), which assesses the role of beneficiaries in sharing information with other local actors, thus promoting the LAG in the territory. It is computed as the percentage of beneficiaries realising at least one promotional action during the reference period.

## **Dimension L: Shared Values**

Dimension L includes three sub-dimensions, which aim to capture shared values within the territory. Indicators L1 and L2 identify the presence of shared values, such as the capacity to respect agreements, be trustworthy in economic and social relationships, abide by the rule of law and avoid free riding. Indicator L3 assesses whether there are actors that strongly promote shared values, and indicator L4 whether they are members of the LAG. Indicator L5 shows how members and beneficiaries identify with the territory.

### **Sub-Dimensions La: Perception of Shared Values in the Territory**

Sub-dimension La includes indicators L1 (Perception of shared values in the territory of the LAG) and L2 (Perception of changes in shared values over time in the territory of the LAG). Indicator L1 identifies the presence of values above mentioned in the territory while indicator L2 captures perception on changes in such shared values that could have occurred over a 10-year span.

### **Sub-Dimension Lb: Recognition of Promoters of Shared Values in the Network**

Sub-dimension Lb includes indicators L3 (Capacity to identify promoters of shared values in the territory of the LAG) and L4 (Promoters of shared values among LAG members). Indicator L3 highlights how many members and beneficiaries recognise actors promoting shared values in the territory, and whether they are connected to an institution. Indicator L4 further measures how many promoters are recognised as such within the membership of the LAG.

### **Sub-Dimension Lc: Identification with the Territory**

Sub-dimension Lb includes indicator L5 (Identification with the territory), which assesses whether director, members and beneficiaries identify themselves with the territory based on their connection to the values identified above.

## **Dimension M: Conflict**

Dimension M includes two sub-dimensions, Ma and Mb. This dimension measures the level of conflict among actors in the LAG (indicators M1, M2, M3 and M5) and between the LAG and its beneficiaries (indicators M4 and M6).

### **Sub-Dimension Ma: Conflict Among Actors of the LAG**

Sub-dimension Ma includes indicators M1 (Internal conflicts regarding public-private partnerships and its management), M2 (Conflict areas in the Assembly), M3 (Capacity to manage conflicts by the director) and M5 (Conflict among members). Director and members rank the frequency of conflict situations that emerge between the political and technical bodies of the LAG, and in the public and private partnerships (indicator M1). Indicator M2 identifies conflict areas within the LAG, while indicator M3 measures the capacity of the director to manage conflicts, by ranking responses on a Likert scale. Indicator M5 calculates the percentage of members that have experienced conflict with other members in the Assembly.

### **Sub-Dimension Mb: Beneficiaries' Dissatisfaction with the LAG**

Sub-dimension Mb includes indicators M4 and M6, which assess conflicts external to the LAG. Beneficiaries indicate the frequency of conflictual situations with staff from the LAG (indicator M4) and their perception on whether there are instances of favouritism (indicator M6).

## **Description of Indicators: Governance and Social Capital**

### **Dimension N: Decision-Making Processes**

Dimension N includes sub-dimensions Na and Nb. Indicators N1 and N2 show how the decision-making processes support the completion of the local development strategy within the time frame, in terms of planning capacity, and the consultation process regarding projects. Indicators N4 and N3 evaluate monitoring of projects and transparency guaranteed by accessibility to project information.

### **Sub-Dimension Na: Planning Capacity of the LAG**

Sub-dimension Na includes indicators N1 (Decision-making processes supporting the completion of the Local Development Strategy) and N2 (Coherence in the implementation of consultation processes regarding projects). Indicator N1 measures the planning capacity of the LAG by analysing whether the time frame allocated to the programming period is appropriate to achieving the development objectives. Indicator N2 considers the coherence in the implementation of the consultation processes regarding projects based on the following phases: (1) sharing of information relevant to decision-making and informal discussion, (2) formal consultation with stakeholders, (3) discussion with members and (4) sharing of final decisions taken. This includes project selection criteria and compliance with all phases of the consultation process.

### **Sub-Dimension Nb: Transparency and Monitoring in the Planning Process of the LAG**

Sub-dimension Nb includes indicators N3 (Monitoring projects) and N4 (Accessibility to project information). The director assesses the capacity of the LAG to monitor all project development phases, including conception, formulation, financing, implementation and final evaluation (indicator N3). Indicator N4 measures the capacity of the LAG to provide public accessibility to project information, specifically on the call for proposals.

## **Dimension O: Efficiency and Effectiveness**

Dimension O includes three sub-dimensions, Oa, Ob and Oc. LAGs can be efficient and effective promoters for local development when they fulfil three conditions. These are their integration and recognition as part of the territory (indicators O1 and O2), their efficiency in coordinating with other institutions and organising internal meetings (indicators O4 and O5), as well as their effective use of communication tools both internally and externally (indicators O3, O6 and O7).

### **Sub-Dimension Oa: Integration of the LAG in the Territory**

Sub-dimension Oa includes indicators O1 (Integration of the LAG in the territory) and O2 (Understanding the role of the LAG in the territory). All actors, director, members and beneficiaries state the level of integration of the LAG in the territory (indicator O1), and the level of understanding of its role in the territory (indicator O2) by using a Likert scale.

### **Sub-Dimension Ob: Coordination of the LAG**

Sub-dimension Ob is represented by indicators O4 and O5. The ability of the LAG to strengthen social capital in the area is directly tied to the effectiveness of its actions, including the level of proactive engagement of members in decision-making processes and the level of coordination of the Assembly and Board of Directors. Members comment on whether they are adequately informed before Assembly meetings (indicator O4) by answering to the question “Do you receive useful information from the LAG ahead of the meetings of the Assembly?” and rate the coordination of the Assembly and Board of Directors (indicator O5).

### **Sub-Dimension Oc: Efficiency of the LAG**

Sub-dimension Oc includes indicators O3 (Inefficient overlap among institutions in the territory), O6 (Effectiveness of the network) and O7 (Efficiency in the use of media resources). Indicator O3 expresses overlap with other institutions in the territory, a result that, if present, signifies inefficiency. Indicator O6 measures how effective is the information network, and thus the ability of members to quickly reach other members. Finally, indicator O7 measures the relationship between access to the website and amount of resources invested in its design.

## **Dimension P: Organisational Culture and Capacity**

Dimension P includes three sub-dimensions, Pa, Pb and Pc. It focuses on the capacity for communication (indicators P1 and P5), monitoring (indicators P3, P4, P6 and P9) and long-term vision (indicators P2, P7 and P8).

### **Sub-Dimension Pa: Communication Capacity of the LAG**

Sub-dimension Pa includes indicators P1 (Online information on the organisation of the LAG) and P5 (External communication capacity). The director provides an assessment on the capacity of the LAG to inform the public of its functions and actions through regular reporting. Indicator P1 verifies whether the curriculum of its professional staff is posted, while indicator P5 verifies publication and frequency of reporting.

### **Sub-Dimension Pb: Monitoring and Assessment of the LAG**

Sub-dimension Pb includes indicators P3 (Internal monitoring), P4 (Self-assessment and transparency in the LAG), P6 (Relevance of the initiatives of the LAG) and P9 (Culture and organisational capacity of the LAG). Two direct and two indirect indicators are used to evaluate monitoring efforts. The direct indicators include systematic monitoring of the results achieved (indicator P3) and the presence and use of indicators for evaluating and sharing these results (indicator P4). The indirect indicators focus on the capacity of the LAG to respond to the needs of the territory (indicator P6), and technically support beneficiaries in the formulation of projects.

### **Sub-Dimension Pc: Innovative capacity of the LAG**

Sub-dimension Pc includes indicators P2 (Competence of the staff), P7 (Fund-raising capacity) and P8 (Capacity for innovation and research). The innovative capacity of the LAG may be considered by a

commitment to more effective and new actions in the future. These include offering professional development opportunities to its staff (indicator P2), seeking funding resources outside of the budget allocated to the local development strategy (indicator P7) and by commissioning research studies (indicator P8).

## **Dimension Q: Vertical Structure**

Dimension Q includes two sub-dimensions, Qa and Qb. Networks of relationships involving the LAG extend to people and institutions that operate at different levels. The dimension captures relationships with LAGs operating in areas external to the region (indicators Q1 and Q2) and with institutions at higher levels of governance (Indicators Q3, Q4, Q5 and Q6).

### **Sub-Dimension Qa: Openness of the LAG Outside of Its Territory**

Sub-dimension Qa includes indicators Q1 (Openness in building relations external to the territory of the LAG) and Q2 (Communication channels among beneficiaries outside of the territory of the LAG) and evaluates whether the LAG can promote relationships outside of its territory, with LAGs in Italy and Europe. Specifically, it measures the existence of institutional relationships between LAGs (indicator Q1), and interpersonal relationships, based on projects and concrete experiences (indicator Q2).

### **Sub-Dimension Qb: Vertical Linking**

Sub-dimension Qb includes indicators Q3 (Vertical linking structure), Q4 (Quality in the vertical structure), Q5 (Influence of the LAG at higher levels of governance) and Q6 (Level of beneficiaries' awareness of the complexity of the LAG's planning process). Two indicators measure the level of exchange and collaboration with regional authorities responsible for the planning and implementation of the RDP,<sup>5</sup> by assessing the nature of the relationship with the Region, including through observations and suggestions (indicator Q3), and the overall influence on the



regional planning process (indicator Q5). Relationships between members, the Paying Agency and the Region may be conflictual or collaborative (indicator Q4). Finally, indicator Q6 evaluates whether beneficiaries know the institutions that are involved in the funding process and the complexity of the LAG's planning process.

## Evaluation Indicators for Social Capital

Three final indicators directly assess the level of reflection and awareness present in the LAG and its network on the concept of social capital. These include the proportion of members and beneficiaries familiar with the concept (indicator SC1 Awareness of the concept of social capital in the network of the LAG), the inclusion of the concept in the regular activities of the LAG and its clear promotion through specific initiatives (indicator SC2 Awareness of the concept of social capital among the LAG's staff) and the level of progress in increasing awareness (indicator SC3 Promotion of social capital by the network of the LAG). The latter addresses the capacity of all actors to identify concrete actions that can support social capital in the area.

## Conclusion

This chapter presented a detailed description of the sub-dimensions and indicators which were developed in the method to evaluate social capital and related governance aspects in rural development, specifically in the LAGs of the EU LEADER Approach. The sub-dimensions were developed starting from the theoretical examination of the components of structural and normative-cognitive social capital and of related aspects of governance in [Chapter 7](#). The identification of dimensions and sub-dimensions enabled the team of researchers to create a survey for the director, members and beneficiaries (Appendices 1 and 2). The questions and responses were then used to derive specific indicators (Appendix 3).

The process of deriving 96 indicators thus followed a step-wise process involving the translation of theoretical concepts into units that

could be measured, and based on progressive “disentangling” from general concepts to their practical consequences and implications (or meanings from the operational point of view).

We recognise that this process is bound to face limitations in capturing all the social, economic, political, institutional and environmental changes that may impact on how social capital is created and supported through rural development interventions. However, our method provides a comprehensive overview of the intangible factors which can enable and support an organisation such as the LAG to become effective at promoting rural development. This can happen through support for internal and external relationships with its beneficiaries, the population and higher level institutions, information exchange and collaboration, as well as trust building and shared values. This framework makes visible the strengths and weaknesses of the organisation vis-à-vis its ability to support the creation of social capital, and thus to support the intangible features which are at the basis of rural development. By doing so, it enables self-reflection and learning by staff (the director) and the members themselves, and supports more focused actions geared at building on its strengths and addressing its gaps.

Chapter 6 highlighted a critical gap in European assessments of intangible values such as social capital. The theoretical framework underpinning the method was described in Chapter 7, while the specific method used to derive the values of the indicators from interviewee’s responses was described in Chapter 8. This chapter describes the actual indicators that were developed as part of the method. In the next Part (III), we operationalise the method by demonstrating how the indicators were applied in practice (Chapter 10), how they were used to compare LAGs within and among regions at different levels of aggregation (Chapter 11), and what the significance of this process is for the practice of evaluation in neo-endogenous development interventions (Chapter 12).

## Notes

1. See also World Values Survey, Gallup World Poll, Eurobarometer, European Values Survey, Office of National Statistics UK, National

Economic and Social Forum Ireland, Policy Research Initiative Canada, Barometer of Social Capital Columbia, Index of National Civic Health, Prosperity Index.

2. The dimensions are coded in sequential order by using the Italian alphabet (Dimensions A, B, C, to Q). The sub-dimensions are coded by using an alphabetical code composed by two letters: the first one refers to the dimension of reference (in capital letter) and the second one (in lower case letter) refers the specific and sequential letter identifying the sub-dimension. Indicators are coded with an alphanumeric code, whereby the letter refers to the dimension and the number to the sequential order attributed.
3. In SNA, the core of the network is defined as the sub-group of actors that are more densely connected to each other as compared to the rest of the network.
4. “The idea of a clique is relatively simple. At the most general level, a clique is a sub-set of a network in which the actors are more closely and intensely tied to one another than they are to other members of the network” (Hanneman & Riddle, 2005, digital format).
5. These are considered at a higher institutional hierarchical level than the LAGs, and they have the direct responsibility to implement the RDP in Italy.

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# Part III

## **LEADER and Social Capital: Comparative Analysis and Discussion**

# 10

## Practicing Social Capital in Local Development: How the Method Applies to Real-World Cases

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## Introduction

The proposed method for the evaluation of the endowment of social capital in LEADER has been developed following different sequential steps. In this chapter, we show that this stepwise process can be applied to European Local Action Groups (LAGs), it can be used for comparing values across indicators for both monitoring and evaluation, and the results obtained can unveil the intervention logic of “social capital” at different steps of aggregation. As promised in the introductory chapters of the book, we show the steps taken for opening the “black box” and identify how this method fits within the 2014–2020 programming period and specifically contributes highlighting the value added of LEADER.

Firstly, based on the relevant literature, the different forms of social capital (structural and normative-cognitive) and governance were selected (Chapter 7). Secondly, 15 dimensions were identified by unpacking the forms of social capital and governance and combining them with the internal and external relations of LAGs of LEADER: 5 dimensions for structural social capital (context, network actors, horizontal structure of the network, transparency and accountability, reputational power); 6 dimensions for normative-cognitive social capital (trust and reciprocity among actors, trust in institutions, quality of the network, quality of participation, shared values, conflict); and 4 dimensions for governance (decision-making processes, efficiency and effectiveness, organisational culture and capacity, vertical structure). Thirdly, the 15 different dimensions of structural and normative-cognitive social capital and governance were disaggregated into 36 sub-dimensions: the dimensions of structural and normative-cognitive social capital were subdivided into 13 sub-dimensions each; and the 4 dimensions of governance and social capital into 10 sub-dimensions. Finally, each sub-dimension aggregates a defined set of indicators. There are cases where one sub-dimension equals one indicator and others in which one sub-dimension corresponds to the average of a defined set of indicators (maximum five). Indicators represent the measures obtained after a statistical process: raw data collected by means of surveys through direct interviews with members, beneficiaries and directors of LAGs were transformed into statistical data as described in Part II of the book. Their total number equals 96.



Based on these premises, Part III details how the proposed evaluation method has been applied in real case studies and what its implications are for research, policy and evaluation of rural development in the EU and particularly in LEADER. The case studies correspond to nine LAGs from five Italian regions distributed in the North, Centre and South of Italy (Veneto, Umbria, Apulia, Basilicata and Sardinia). In particular, this chapter describes the steps that were taken to move from indicators to indices: the selection, normalisation and aggregation processes. It also begins a discussion on the utility of this method for monitoring and evaluation of LEADER in the EU. Regional comparisons, based on normalised indicators, are provided in [Chapters 11](#) and [12](#), while the regional case studies are presented in Part IV to give a more detailed account of the method, contexts and results for each LAG included in the sample.

In this chapter, Section 2 describes the selection process. It examines the applicability of the indicators in the context of Italian regions and excludes from the aggregation process those that do not perform well by specific criteria. Section 3 shows the four normalisation processes tested on the final set of 80 indicators. This allowed to select the best performing one. Section 4 offers an example of the sequential process adopted in the aggregation process, building from indicators to aggregate indices at the levels of sub-dimensions, dimensions and forms of social capital and governance. The potential of the method, summarised in the final section, highlights the compatibility of our method with the monitoring and evaluation requirements set for the 2014–2020 programming period.

## Selecting Indicators

Before describing the selection and aggregation of social capital and governance indices, we explain the rationale behind the development of a method that can be widely applicable in the EU context as well as in the international development arena. The remainder of this section show the selection of indicators for the Italian case studies.

## General Observations in Relation to the EU Context

In each programming period, the LEADER Approach has to comply with the provisions of applicable European regulations, further detailed by the rules set by the Managing Authorities (MAs) of the Rural Development Programmes (RDPs). In the programming period 2014–2020, 20 Member States adopted a single national programme (namely Ireland, Luxembourg, The Netherlands, Denmark, Sweden, Lithuania, Estonia, Latvia, Poland, Czech Republic, Slovakia, Austria, Hungary, Romania, Bulgaria, Greece, Cyprus, Malta, Slovenia and Croatia), while 8 Member States adopted two or more (regional) programmes (i.e., 23 in Italy, 19 in Spain, 3 in Portugal, 30 in France, 15 in Germany, 2 in Finland, 2 in Belgium and 4 in the UK<sup>1</sup>).

In national programmes, the LEADER Approach shares common governance rules across the entire country, while in the regional programmes, LEADER is based on distinctive regional features set by the sub-national MAs. This situation has been present since mainstreaming the LEADER Approach in 2007. Di Napoli (2015) shows multiple ways of implementing LEADER at the sub-national level by presenting the example of Italy during the 2014–2020 programming period. Differences in governance structures depend on the roles MAs have assigned to the LAGs within the regional system. These vary based on whether LAGs were intended to operate as (1) centres for the diffusion of information related to the RDP; (2) centres of technical competence and skills; (3) autonomous local development agencies; and, finally, (4) centres of strategic competence specifically focused on innovation.<sup>2</sup>

These elements shed light on the complex governance system underlying the LEADER Approach in Europe. The indicators and subsequent indices proposed for evaluation are generally measurable in regional RDPs. However, they could be adapted to cases where LEADER is featured as part of a single national RDP. Moreover, in this method, local context matters and affects indicators. While social capital indicators may be applicable and exhibit variability in one

context, they may not show any variability in another. We have addressed this problem by proposing indicators which focus on questions regarding the performance of the LAG, an organisation with distinctive yet common features as set by EU regulations, rather than the peculiarities of local context. Local, regional and national specificities may be difficult to manage and synthesise in a set of specific and reliable indicators. Thus, focusing on the detailed features of localities could limit the reach of our proposal for a common European evaluation system for social capital in LEADER.

These premises are necessary to explain why we need to first verify whether indicators are applicable in different contexts on the basis of different criteria, before it becomes possible to designate which indicators perform well in relation to the context under study. The selection of indicators allows for the subsequent normalisation and then aggregation processes – from indicators towards indices of structural and normative-cognitive social capital and indices of rural governance. We specify these steps in the following sub-section.

## **Selection of Indicators in the Italian Context**

In the Italian context, the 96 initial indicators were initially used to describe in detail each LAG (see regional case studies in Part IV). The values of each indicator were checked across the nine Italian case studies to determine their significance, and thus their applicability (the list of indicators before selection is in Appendix 3). This first analysis enabled us to test the quality of the original set of indicators and detect those indicators that (1) could be applied homogeneously across the case study areas; (2) presented anomalies in interpretation; and (3) displayed a reduced level of variability, hampering adequate reflection and interpretation of the data. Based on these three criteria, we excluded the indicators that could not be interpreted correctly and homogeneously in the different socio-economic contexts considered in our evaluation, and had a final set of 80 indicators. Following, we explain these selection criteria.

## **The First Group of Indicators Does Not Show Better or Worse Performance in Terms of Social Capital, as Originally Hypothesised**

The nature of the first group of indicators that were excluded is mainly descriptive of the situation and they have been included for the specific operations needed to determine the final measure of other indicators. In this category we encounter indicators like rate of private members over total membership of the LAG (A4), level of coordination within the LAG (I1), awareness of the concept of social capital in the network of the LAG (SC1), awareness of the concept of social capital among the LAG's staff (SC2) and promotion of social capital by the network of the LAG (SC3).

Indicator A4 specifies the rate of private members over the total composition of the Assembly of the LAG. We cannot state, at least in the Italian case studies, that a higher private component in the Assembly (both for-profit and not-for-profit) increases social capital, as opposed to a higher public component. In some cases, the LAGs were strongly supported by public institutions which were recognised by private actors as trustworthy and reliable actors, able to address potential conflict with private interests, especially after the Local Development Strategy (LDS) was defined.<sup>3</sup> In other cases, public institutions were included due to specific regulatory requirements. In both cases, the share of private actors does not imply lower or higher levels of social capital per se.

Indicator I1 lists the number of formal and informal instruments which regulate the organisation of the Assembly, and identifies the coordination mechanisms adopted within the Assembly. This indicator was adopted to assess the potential modes of interaction in the Assembly, the "rules of the game", and specifically, whether (1) members are simply present, (2) few of them express their opinion, (3) the majority of members express an opinion and (4) all the members are engaged in the discussion. The results of the survey confirmed our initial hypothesis, that on a quantitative scale, the last mode would show levels of

social capital higher than the first one. However, we recognise that while in principle this could hold, it could be equally criticised, especially if proposed for a self-assessment of LAGs situated in different cultural contexts.

Indicators SC1 and SC2 analyse the awareness of the social capital concept among the LAG network. While these indicators assess the level of knowledge of the concept, descriptively, they do not provide any specific indication regarding the effective use of the concept in their activities. Furthermore, indicator SC3, which was envisaged to measure how much the LAG is able to promote social capital, could be criticised by the lack of data on real activities or projects implemented on the basis of a synergy approach.

### **The Second Group of Indicators Presents Anomalies in Interpretation**

The inconsistency in interpretation is determined by two main factors: the (1) need for further explanation and (2) unreliable responses. The indicators that required further explanation are: identification of projects favouring indirect beneficiaries (B3) and role of the LAG in building relationships among members (C13). These indicators were designed to assess the capacity of the LAG to promote social capital, both among members and among direct and indirect beneficiaries. Instead, the results of the survey showed that they require more in-depth analysis of information collected in the field before they can be adopted.

Indicators related to unreliable responses are quality in the vertical structure (Q4), external conflicts with beneficiaries (M4), conflict among members (M5) and efficiency in the use of media resources (O7). It proved difficult to obtain reliable responses, either because of the sensitivity of the topic (indicators Q4, M4 and M5 concerning the existence of possible conflictual relationships), or the level of expertise required from the respondent (indicator O7 regarding resources invested in internet communication).

## **The Third Group of Indicators Proved Difficult to Measure Due to Limited or Null Variability**

A third group of indicators was excluded from the analysis due to their limited contribution to knowledge and evaluation. They included quality of relationships within the Board of Directors (I7), competence of the staff (P2), self-assessment and transparency in the LAG (P4), fundraising capacity (P7) and capacity for innovation and research (P8). In all cases, responses were based on a dichotomous scale. We suggest that in future researches a Likert scale may address the problem of limited or null variability.

## **Data Normalisation**

After the selection process, we proceeded to the normalisation of the data. Due to the different scales of measurement used (i.e., nominal, ordinal, cardinal, interval and ratio scales), the normalisation process reduces the values of the indicators to a unique scale, and consequently, they are comparable. The values of the final set of 80 indicators were normalised by applying four normalisation techniques. All normalisation hypotheses were tested in order to select the most adequate and robust technique for the research purpose. These techniques were:

- (i) Normalisation through the maximum and minimum range expected in the indicator.
- (ii) Normalisation through the higher and lower values observed in the distribution of data collected in all of the LAGs that are part of the study.
- (iii) Normalisation by using quartiles, where maximum scores are given to values above the third quartile, a 0.5 score to values between the first and third quartile and a null score to LAGs with values that are below the first quartile.
- (iv) Normalisation by clusters, where by looking at the distribution of values obtained, case studies are divided into three clusters and

normalisation assigns maximum scores to higher clusters, a 0.5 score for the cluster in the middle and a null score to LAGs that are in the lower cluster.

The first two normalisation techniques create indicators with continuous values between 0 and 1, whereas the third and fourth normalisation procedures lead to discrete values for the indicators. The latter two procedures highlight tails, but they flatten out differences.

To fully understand how these different techniques perform, Table 10.1 presents the example of indicator F2 (Rate of interpersonal trust by members of the LAG) which varies between 0 and 100.

The example of indicator F2 sets the ground for the following observations. The first normalisation produces values that are closer to the data. However, this apparent advantage may become a disadvantage during the aggregation phase, when values may be flattened towards one end of the distribution tails. In the case of indicators based on Social Network Analysis, for example, when values are clustered towards the low level of the indicator, their contribution to the synthesis measures is limited; the opposite happens if values are high. The second normalisation allows us to express all values of the indicators within the [0–1] interval. The third and fourth normalisation processes are limited in that they transform continuous values into a

**Table 10.1** Normalisation of indicator F2 by using four different techniques

GAL	Observed values % [0–100]	Normalisation techniques			
		N1 [0–1]	N2 [0–1]	N3 [0–1]	N4 [0–1]
Prealpi e Dolomiti	3.0	0.03	0.14	0	0.5
Bassa Padovana	19.0	0.19	1.00	1	1
Ternano	16.4	0.16	0.86	1	1
Valle Umbra	3.8	0.04	0.18	0.5	0.5
Gargano	3.3	0.03	0.15	0.5	0.5
Meridaunia	1.4	0.01	0.05	0	0
COSVEL	9.1	0.09	0.47	1	1
Basento Camastra	3.2	0.03	0.15	0.5	0.5
Sulcis	0.5	0.01	0.00	0	0

Source: Own elaboration.

discrete scale, flattening the values, but at the same time highlighting the tails of the distribution more effectively. While the third normalisation is based on quartiles, the fourth normalisation corrects the quartiles through a reasoned choice on clusters.

In the example above, the value of the indicator F2 for the LAG Prealpi and Dolomiti is transformed from 0 (in the third normalisation) to 0.5 (in the fourth normalisation). The second option shows how its value is closer to those of other LAGs around the average, and thus more in line with the real values, rather than reduced to the lowest one. The fourth normalisation is obviously limited by the larger amount of time required to complete the analysis compared to the other normalisation processes. Additionally, it does not rely on an automatic algorithm, so the calculation process might introduce elements of subjectivity which would need to be contextualised.

It is thus possible to infer that the second and fourth normalisations are “perfectionist” practices when compared to the first and third normalisations. The complexity of calculations for the fourth one means it may prove difficult to replicate in the future. Therefore, we suggest choosing the second technique for evaluation purposes as we have done in Appendices 4 and 5. Once normalised, indicators can be aggregated into different levels (sub-dimensions, dimensions and forms of social capital and governance). They can be transformed into an index for each level of aggregation, which can then be used for different purposes: (1) internal monitoring activities undertaken by the LAG, (2) self-evaluation of the LAG or (3) external evaluation commissioned by the MA of the RDP in accordance to requirements for the evaluation of the LEADER method.

## **Monitoring and Evaluation of LEADER: How the Method Fits Within the 2014–2020 EU Regulations**

The process which we have developed in this chapter serves to concretely show how data collected through interviews with the LAG can be converted into values which are comparable across LAGs. In this section,



we show how the method proposed fits within the most recent requirements for monitoring and evaluation of LEADER. In the programming period 2014–2020, monitoring and evaluation<sup>4</sup> are compulsory for LAGs. According to Regulation No. 1303/2013 Art 34.3(g), LAGs are obliged to present an Evaluation Plan which has to be consistent with the Evaluation Plan proposed by the MA for the RDP. Furthermore, monitoring and evaluation of the LDS, which take place at the local level, have to be based on local participation. This is now considered a priority as shown by the European Network for Rural Development (ENRD, 2014). LAGs have to monitor the implementation of the activities supported under the LDS, to ensure that the projects support the objectives of the LDS. Visits to project sites, meetings, surveys and other activities are to provide members of the LAG and the staff with feedback on project implementation. The monitoring of projects will then allow *ex post* evaluators to collect qualitative and quantitative information for the evaluation activity.

More importantly, in the programming period 2014–2020, special attention could be given to the self-evaluation of LAGs, which is envisaged to involve members and staff of the LAG, intermediary and accountable bodies, as well as beneficiaries. In addition to a set of required baseline information, the LAGs and the MAs can identify specific topics and themes they want to investigate. We emphasise that the opportunity to select additional topics for the evaluation of LAGs is of paramount importance and should not be underestimated by LAG directors, MA and project evaluators. It specifically demonstrates the validity of the participatory principles of the LEADER Approach and the added value they create within the local context, and in relation to inter-territorial and trans-national cooperation. In a period of limited financial resources, stressing the value added of the LEADER Approach to EU policy-makers appears an essential task for practitioners working in rural development. At the same time, the ENRD strongly encourages the use of participatory techniques in evaluation approaches, and the use of mix-methods that can provide reliable and replicable results (ENRD, 2014).

We argue that the method proposed in this book is compatible with the prerequisites for monitoring and evaluation of the LEADER Approach

in the current programming period. Our method provides information that combines the qualitative with the quantitative and uses different tools proposed by the ENRD (2014). These include desk research, interviews, surveys and case studies among the conventional tools, and social network analysis among the more technical and sophisticated approaches. Moreover, the evaluation of social capital and rural governance represents a cross-cutting issue which appears in the ENRD Tool-kit, as

- (i) Evaluation of the “partnership principle”, which lies at the core of LEADER evaluation at the RDP level<sup>5</sup>
- (ii) Effects of using specific methods for animation, community engagement or ensuring accountability
- (iii) Diversity and profile of partners represented and engaged in LAG governance
- (iv) Extent and effects of any links developed via LEADER, like emerging networks, links between projects, links between sectors
- (v) Piloting or experimenting with new approaches of evaluation

Below we give some examples to illustrate the versatility of the method in terms of both monitoring and evaluation. For a full and detailed account of the data for the indicators, see Appendices 4 and 5.

## Monitoring

The normalisation of the indicators allows us to make comparisons among different indicators, sub-dimensions, dimensions and forms of social capital. As previously mentioned, the value of the indicators range between 0 and 1, meaning that if the value observed is closer to 1, the level of social capital promoted by the organisation is higher, the opposite when the value is closer to 0. We recall from [Chapter 9](#) that not all the questions proposed in the survey are formulated in terms of capturing the positive features of social capital. For example, questions regarding the dimension of conflict (dimension M) highlight negative elements such as critical moments in the public-private partnership, areas or topics of conflict and the existence of disputes within

and outside the organisation. These elements represent critical factors that negatively affect the social capital held by the organisation. At the same time, if correctly interpreted and properly managed, they can show possible ways to improve the organisation's social capital. For example, indicator M3 verifies the director's capacity to manage conflicts. In the method, the values that imply a negative impact on social capital were transformed into "positive" ones (at the level of indicators and indices) in order to keep the rule [0–1] needed for a consistent interpretation across all indicators and indices.

Moreover, the values of the indicators highlight weaknesses (closer to 0) and strengths (closer to 1) of the LAG, indirectly pointing to actions that the organisation may take to solve practical issues, this way increasing its capacity to promote social capital and governance at the local level. Table 10.2 shows the strengths and weaknesses in relation to the structural social capital of the LAG Prealpi Dolomiti in the Veneto Region (for data on all forms of social capital and governance, see Appendix 5). It appears that the value of 0.58 is strongly determined by low values in dimension A (Context) and specifically in the sub-dimensions Aa (Access to the LAG) and Ab (Knowledge of the role of the LAG). The low level of members' motivation ( $A1 = 0.38$ ) could be used by the LAG in directing future actions. For example, when the LAG seeks to further strengthen its partnership, it could mitigate "passive attitudes" of local stakeholders who join the organisation by widely promoting opportunities for taking an active role within the organisation. It could also focus on local actors that demonstrate a strong commitment to the LDS, or who have been on the sidelines but may acquire a role once they join the organisation as members. Moreover, attention should be given to promoting actions which enhance the direct knowledge of the LAG's role by beneficiaries ( $A2 = 0.63$ ) and widely share information to the population on the projects financed by the organisation ( $A3 = 0.01$ ).

The data also shows that the organisation has reached the highest levels of performance in relation to implementation of communication channels ( $C5 = 1.0$ ) (although it is not clear whether the information reaches beneficiaries, as implied by indicator A3), outreach of new actors by the LAG ( $C6 = 1.0$ ), density of the information network of the LAG ( $C7 = 1.0$ )

**Table 10.2** Indicators, composite indicators, indices and composite indices related to structural social capital in the LAG Praelpie Dolomiti, 2012–2013

Indicators	Sub-dimensions composite			Dimensions indices		Form composite index	
	Values	Sub-dimensions indicators	Access to the LAG	Values	Context	Values	Structural Social Capital
A1	0.38	Aa	Access to the LAG	0.38	A	0.35	0.58
A2	0.63	Ab	Knowledge of the role of the LAG	0.32			
A3	0.01		Beneficiaries' level of indirect knowledge of projects supported by the LAG				
B1	0.31	Ba	Members' general knowledge of the initiatives promoted by the LAG	0.39	B	Network Actors	0.53
B2	0.48		Members' specific knowledge of the initiatives promoted by the LAG				
B4	0.34	Bb	Personal relationships among beneficiaries during the reference period	0.67			
B5	1.00		Personal relationships among beneficiaries over several years				
C1	0.89	Ca	Average annual rate of attendance of LAG members at Board of Directors' meetings	0.66	C	Horizontal structure of the network	0.84

C2	Average annual rate of attendance at the LAG Assembly	0.92		
C3	Regular attendance of LAG members at formal meetings	0.82		
C4	Attendance at promotional meeting events of the LAG	0.00		
C5	Implementation of communication channels by the LAG	1.00	Cb	Level of openness of the LAG
C6	Outreach to new actors by the LAG	1.00		
C7	Density of the information network of the LAG	1.00	Cc	Density of relations in the LAG
C8	Density of the collaborative network of the LAG	1.00		
C9	Proportion of private actors in the centre of the network compared to proportion of private members in the Assembly	0.89	Cd	Public-private relations internal to the LAG
C10	Collaborative relationships among public and private actors in the LAG	0.77		

*(continued)*

Table 10.2 (continued)

Indicators	Sub-dimensions composite			Form composite	
	Values	Sub-indicators	Dimensions indices	Values	Index
C11	1.00	Public-private relations over total number of beneficiary relations of the			
C12	0.29	Ce	Proactivity of the LAG	0.64	
C14	0.99	Level of synergy between beneficiaries and the LAG			
D1	1.00	Da	Transparency in the network	0.53	D
D2	0.07	Monitoring the number of times the LAG's website was accessed			Transparency and Accountability
D3	0.75	Db	Network accountability	0.67	
D4	0.49	Administrative support to members and beneficiaries			
D5	0.77	Comparison between members and director's evaluation of reputational power			
E1	0.46	Ea	Reputational power of the LAG	0.57	E
					Reputational power

E2	Equivalence of reputational power in the Assembly and in the Board of Directors	0.96
E3	Equivalence of reputational power in the Assembly and in the core of the network	0.28
E4	Comparison between an individual's own assessment of reputational power and that of others	0.58

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Source: Own elaboration.

and density of the collaborative network of the LAG ( $C8 = 1.0$ ). By looking at the sub-dimensional indices, these show that the organisation scores the highest value in relation to level of openness of the LAG ( $Cb = 1.0$ ) and the density of relations in the LAG ( $Cc = 1.0$ ). Yet the overall index of dimension C representing the horizontal structure of the network reaches a level of 0.84, because it is affected by lower values for the sub-dimensions internal participation ( $Ca = 0.66$ ), public-private relations internal to the LAG ( $Cd = 0.89$ ) and proactivity of the LAG ( $Ce = 0.64$ ). These are only two examples on the potential of the method for internal monitoring, which would complement the ordinary monitoring system already in place and based on classical inputs, activities and outputs indicators. We argue that the value added of the method is represented by the quality of information produced, which provides details on the strengths and weaknesses of the LAG, and thus enriches the level of internal knowledge which can support a more informed decision-making process and action on the territory.

## Evaluation

The real value added of the method is specifically related to opportunities for both the self-evaluation of the LAG or the external evaluation, commissioned by the organisation or by the MA of the RDP. To this end, we argue that we have to redefine the meaning and means of evaluation. Evaluation should not solely be a process of collecting and analysing retrospective data, a burden of costly and time-consuming activities; it should also capitalise on the lesson learnt from past experiences to enhance the quality of future decision-making and activities. To highlight the potential of the method for evaluation, we refer to [Table 10.3](#), which provides the values of structural social capital in our sample of Italian regions, a part of the evaluation matrix from Appendix 5. On the left, it presents data on individual indicators and on the right, it records the aggregate indices of the forms of social capital and governance.

[Table 10.3](#) contributes to open the “black box” by showing social capital in the LEADER method. This is achieved by using the indicators, aggregated indicators, indices and aggregated indices related to the local development



**Table 10.3** Aggregated indicators and indices of structural social capital in selected case studies in Italy, 2012–2013

Sub-dimensions aggregated indicators	North			Centre			South			Island									
	Veneto			Umbria			Apulia			Sardinia									
	PD	BP	TE	TE	VUS	GA	ME	CO	BACA	SICC	PD	BP	TE	TE	VUS	GA	ME	CO	BACA
Aa Access to the LAG	0.38	0.74	0.70	0.70	0.62	1.00	0.00	0.59	0.19	0.66	0.35	0.46	0.64	0.80	0.81	0.00	0.59	0.16	0.48
Ab Knowledge of the role of the LAG	0.32	0.18	0.57	0.99	0.63				0.13	0.29									
Ba Knowledge on the initiatives of the LAG	0.39	0.60	0.95	0.40	0.02	0.08	0.77	0.32	0.21	B Network Actors	0.53	0.48	0.68	0.70	0.01	0.08	0.77	0.45	0.19
Bb Knowledge on the beneficiaries of the LAG	0.67	0.36	0.41	1.00	0.00			0.59	0.17										
Ca Internal participation	0.66	0.66	0.64	0.60	0.30	0.07	0.61	0.69	0.46	C Horizontal structure of the network	0.84	0.49	0.52	0.56	0.47	0.39	0.41	0.40	0.35
Cb Level of openness of the LAG	1.00	0.34	0.50	0.55	0.31	0.30	0.15	0.07	0.48										
Cc Density of relations in the LAG	1.00	0.84	0.46	0.45	0.53	0.18	0.32	0.42	0.10										

(continued)

**Table 10.3 (continued)**

	North			Centre			South			Island									
	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	
<b>Sub-dimensions</b>	<b>Dimensions</b>																		
<b>aggregated indicators</b>	<b>indices</b>																		
Cd Public-private relations internal to the LAG	0.89	0.37	0.48	0.62	0.73	1.00	0.58	0.46	0.17										
Ce Proactivity of the LAG	0.64	0.22	0.50	0.56	0.50			0.34	0.53										
Da Transparency in the network	0.53	0.42	0.86	0.74	0.00	0.08	0.02	0.18	0.42	D Transparency and Accountability	0.60	0.62	0.84	0.75	0.03	0.04	0.15	0.46	0.53
Db Network accountability	0.67	0.81	0.83	0.77	0.06	0.00	0.28	0.74	0.63										
Ea Reputational power of the LAG	0.57	0.63	0.81	0.57	0.68	0.22	0.52	0.64	0.56	E Reputational power	0.57	0.63	0.81	0.57	0.68	0.22	0.52	0.64	0.56

**Source:** Own elaboration

process and located at different levels of the “social capital and governance” intervention logic. The intervention logic unfolds as we examine social capital and governance at the level of indicators, sub-dimensions, dimensions and forms. Indicators and indices at different levels of aggregation correspond to the evaluation indicators for activities, output and outcomes

- Indicators allow us to measure as well as suggest specific actions or activities that need to be implemented in order to address the weaknesses of LAGs. In the evaluation process they correspond to *activities indicators* of social capital and governance.
- Sub-dimensions allow us to understand the specific outputs that can be achieved in terms of social capital and governance by means of different activities. In the evaluation process they correspond to *output indicators* of social capital and governance.
- Dimensions allow us to understand the objectives that are pursued in relation to social capital or governance. In the evaluation process they correspond to *outcomes indicators* of social capital and governance.
- Finally, forms allow us to understand the impacts that are produced in terms of enhanced structural and normative-cognitive social capital or improved rural governance. In the evaluation process they correspond to *impact indicators* of social capital and governance.

In [Table 10.3](#), the evaluation results for structural social capital demonstrate the high performance of the LAG Ternano in the Umbria region and the poor performance of the LAG Meridaunia in the Apulia region. For the detailed evaluation and interpretation of indicators we refer the reader to [Chapters 11](#) and [12](#) and to the regional case studies in [Chapters 14](#) and [15](#).

## Conclusions

Since the 1990s, the definition and measurement of social capital have been strongly contested as ill-defined and tautological, present in every observed development outcome. Taking cues from these criticisms, our

study proposes a new methodology to assess the value of social capital in LAGs, which are specific rural development organisations related to the LEADER Approach in Europe. Our results, based on a sample of nine LAGs in Italy (pilot case studies), include (1) an analytical description of the values of the various indicators and indices (grouped into sub-dimensions, dimension and forms of social capital and governance) for each LAG, (2) a comparison among all the indicators to underline the strengths in each level of the intervention logic which is behind the evaluation of social capital and governance and (3) an aggregation process from single indicators to composite indices to highlight the specific and detailed elements related to the strengths and weaknesses of each LAG.

On the basis of this ground-breaking experience with the nine LAGs, we showed that the method is applicable to any type of LAG, and can thus be replicated in other European contexts once adjustments are made to adapt it to the specific governance structures of the RDP. We believe that this method could also be used for analysing other types of public-private partnerships or multi-actors networks in the EU and in other national and regional contexts where development policies rely on participatory networks and governance structures.

## Notes

1. Admittedly, the UK constitutes a peculiar case in the post-Brexit referendum era.
2. In the first case, the LAG has a very limited decisional role and a limited set of duties and responsibilities as defined in the RDP. Tasks are limited to the selection of a limited number of measures and a reduced possibility to propose innovative interventions within the LDS. In the second case, the LAG has specific capacities to manage different administrative procedures but it still has limited autonomy in determining local trajectories for development, limiting the impacts of its strategic intervention. In the third case, the LAG has full capacity and role in decision-making processes – as clearly envisaged in the European legislation – and is

- completely autonomous in the definition of the LDS. Practically speaking, a higher level of technical competences allows the LAG a higher level of devolution of administrative and control functions by a MA. In the fourth case, the MAs grant LAGs opportunities to develop innovative strategies based on new and untried projects, while specific measures of the RDP are designed to suit the needs of the LAG (Di Napoli, 2015).
3. The EU advocates different functional roles for local public institutions and, in the case of LEADER, calls for a public-private partnership where neither the private nor the public has a dominant decisional role within the Assembly. Consequently, the classical top-down approach of public institutions based on command-control instruments are reshaped in the case of LEADER by using a more democratic stance supported by a bottom-up approach, and by promoting horizontal relations with local stakeholders.
  4. The evaluation is defined as the “judgement of interventions according to their results, impacts and needs they aim to satisfy. The main purposes are as follows: to contribute to the design of interventions, including providing input for setting political priorities; to assist in an efficient allocation of resources; to improve the quality of the intervention; to report on the achievements of the intervention (i.e., accountability)” (European Commission, 2007). The evaluation results are expected to be used by policy-makers and planners in order to reform the existing interventions, to support their choices in the next strategic orientations, and in the allocation of budgetary resources. These last elements enlighten the importance of the evaluation process that is – in other words – an information process based on key questions to be answered in a clear, concise and reliable way and in a timely manner. Indicators are a central part of the evaluation process, and their accurate definition and precise measurement help in the evaluation of the intervention logic and its ability to reach improvements in the quality of life.
  5. This refers to the public-private partnership inherent in LAGs, how partners are involved and how LAGs make decisions and work. The way the partnership principle is applied by LAGs at the RDP or LDS levels can be worth investigating further through monitoring and/or evaluation.

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# 11

## Evaluation of Structural and Normative-Cognitive Social Capital and Related Governance Aspects at Different Levels of Aggregation Across Regions and LAGs

Catie Burlando, Elena Pisani,  
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### Introduction

In this book, we propose a qualitative and quantitative method and a set of indicators for evaluating social capital and related governance aspects in European Local Action Groups (LAGs). The method uses indicators

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and a normalised set of indices (range of values [0–1]) at different levels of aggregation to evaluate and compare the performance of LAGs in terms of social capital and governance. As [Chapter 10](#) shows, this stepwise process can represent a contribution for explaining the intervention logic needed to operationalise social capital in LEADER. Nardone et al. (2010), Lopolito et al. (2011) and Teilmann (2012) have argued that measuring social capital in LEADER could help Managing Authorities of the Rural Development Programmes as well as the LAGs to regularly monitor and evaluate these intangible resources across the European local and rural areas where they operate. [Chapters 6](#) and [10](#) also emphasised the value for LAGs in using this method to monitor their own activities and self-evaluate social outcomes and impacts on their territories. The present chapter provides the results in terms of quantitative measures for social capital and related governance aspects in nine Italian LAGs, comparing their performance at different levels of aggregation, and thus, at different levels of the intervention logic.

Our method has three key objectives. Firstly, as stated, it aims to provide LAGs as well as other agencies implementing local development initiatives with a useful tool to monitor their activities and evaluate their points of strength and weakness in the field of social capital and related governance aspects. Secondly, it also seeks to show that the heterogeneity that exists both within LAGs that are located within the same region, as well as among regions, does not conform to stereotypical North-South divisions (see studies on this issue by Putnam et al., 1993; Helliwell & Putnam, 1995; Leonardi, 1995; Bigoni et al., 2016). Thirdly, it contributes to shift the evaluation culture from a short-term perspective focused on inputs, activities and outputs of development projects to a medium- and long-term perspective focused on development processes and impacts of development strategies. For example, monitoring regular outreach communication with the public through online media may be a simple activity in the method proposed. Yet, it can foster a more active role in promoting information, collaboration and trust, spur reflection on the strengths and weaknesses of the LAG, and thus, contribute to the adoption of a medium–long-term vision to territorial development (Ray, 2006; High & Nemes, 2007; Dax & Oedl-Wieser, 2016).

[Chapter 10](#) described how the values of the indicators were first normalised, and then aggregated into composite indicators (sub-dimensions), indices (dimensions) and composite indices (forms of social capital and governance aspects). The most robust normalisation technique was chosen and adopted to convert all values to a [0–1] range to enable aggregation as well as inter-regional and intra-regional comparisons. Finally, the aggregation process was explained as unveiling the intervention logic of social capital and governance by proposing operative tools for impact evaluations, whereby indicators measure specific actions (activities indicator), sub-dimensions indicate specific outputs (output indicators), dimensions point to the specific objectives in relation to social capital and governance (outcomes indicators) and forms correspond to general objectives measures (impact indicators).

In this chapter, we start the discussion from the highest level of aggregation (forms of social capital and related governance aspects), to offer a bird's eye view of the impacts that may be produced, by the actions of LAGs, in terms of enhanced structural and normative-cognitive social capital or improved governance across territories. We then analyse the values of dimensions and sub-dimensions – the richer substratum of the black box of social capital – to uncover outcomes, outputs and processes more specifically. Thus, Section 2 presents the values obtained by forms of social capital and governance aspects, Section 3 discusses results by dimension, while Section 4 delves into sub-dimensions. While indicators are not specifically treated in this chapter (see Part IV for a more detailed analysis and Appendix 5 for the full list of values), the different levels of analysis ([Chapter 7](#)) provide the LAG with indications on how it could address potential weaknesses. The chapter concludes with recommendations for policy-makers, evaluators and practitioners (LAG members and staff).

## **A Bird's Eye View: Impact Indicators for Social Capital and Governance**

In the evaluation process, the impact indicator captures the effects produced by the actions of local development organisations in terms of

enhanced structural and normative-cognitive social capital and governance. The composite indices, which represent impact indicators, are summarised by three values, which are derived from the mean of the dimensions comprising the forms of social capital – structural and normative-cognitive – and related governance aspects (Table 11.1). As explained above, the values range from 0 to 1. The principal utility of composite indices lies in the possibility to quantify the forms of social capital and governance in the areas of study and compare these results within and across LAGs and regions. These values can provide a “quick” glance at (1) the overall structure of the organisation (structural social capital); (2) the ways in which the local culture, as norms, rules and values, has “translated” the structure of the LAG into a territorial organisation (normative-cognitive social capital); and (3) the governance processes that have emerged in terms of decision-making processes, efficiency and effectiveness, organisational culture and capacity, and vertical structure.

In terms of composite indices of structural social capital, Table 11.1 shows how, of the LAGs analysed in the study, the LAGs in Umbria (Centre) have higher values, followed by the LAGs in Veneto (North), Basilicata (South), Sardinia (Island) and, finally, Apulia (South), where the lowest value is found. One possible explanation for this is the existence of network structures which provide the two LAGs in Umbria with a strong impetus for implementing the local development strategy, and lend support to the view that Central Italy regions are inclusive and endowed with strong social cohesion (Picciotti et al., 2014). We highlight that these are first findings based on selected case studies, which do not represent the entire population or regions. To verify this hypothesis a widespread analysis involving a representative sample of Italian LAGs is required, as well as longitudinal studies to verify how different elements evolve over time.

In terms of composite indices of normative-cognitive social capital, the same pattern seems to occur, with LAGs in Umbria leading the way, LAGs in Apulia at the opposite extreme, and Veneto (North), Basilicata (South) and Sardinia (Island) in the middle. Intra-regional differences also emerge: while Umbria has the LAG with the highest value (0.64 for the LAG Ternano), it also has a LAG with the third lowest value (0.49 for the LAG Valle Umbra e Sibillini). Veneto has the LAG with the

**Table 11.1** Composite indices of structural social capital, normative-cognitive social capital and governance for the selected Italian LAGs, 2012–2013

LAG	Structural SC	LAG	Cognitive SC	LAG	Governance
Ternano	0.70	Ternano	0.64	Sulcis	0.68
Valle Umbra e Sibillini	0.68	Bassa Padovana	0.61	COSVEL	0.62
Prealpi e Dolomiti	0.58	Basento Camastra	0.60	Basento Camastra	0.61
Bassa Padovana	0.53	COSVEL	0.56	Ternano	0.60
COSVEL	0.49	Sulcis	0.52	Valle Umbra e Sibillini	0.58
Basento Camastra	0.42	Prealpi e Dolomiti	0.51	Prealpi e Dolomiti	0.51
Sulcis	0.42	Valle Umbra e Sibillini	0.49	Bassa Padovana	0.49
Gargano	0.40	Meridaunia	0.48	Meridaunia	0.35
Meridaunia	0.14	Gargano	0.10	Gargano	0.32

*Notes:* According to the NUTS regional classification system of the EU, the LAGs Bassa Padovana and Prealpi e Dolomiti are in Veneto in the North, while the LAGs Valle Umbra e Sibillini and Ternano are in Umbria, in the Centre. The LAGs Gargano and Meridaunia are in Apulia and the LAGs COSVEL and Basento-Camastra in Basilicata, which are located in the South. Finally, the LAG Sulcis, Iglesias, Capoterra, Campidano di Cagliari (Sulcis) is located in Sardinia (one of the islands of Italy)

*Source:* Own elaboration

second highest value (0.61 for the LAG Bassa Padovana) as well as the LAG with the fourth lowest value (0.51 for the LAG Prealpi e Dolomiti). In Basilicata, both LAGs are similar in value (0.60 for the LAG Basento Camastra and 0.56 for the LAG COSVEL). While the two LAGs in Apulia in the South of Italy present the two lowest values of the study, the LAG Meridaunia (0.48) has quite higher values than the LAG Gargano (0.10), with a value that is much closer to that of the LAGs Valle Umbra e Sibillini in the Centre and Prealpi e Dolomiti in the North. Though Putnam, Leonardi and Nanetti praised the North for its relatively richer stock of social capital, in terms of group membership and civic values (Putnam et al., 1993), here we find that some areas in the Centre and in the South portray high values of structural and normative-cognitive forms of social capital. This reflects a potential for expanding participation and development in these regions.

Patterns differ for the governance dimensions analysed in the method. Contrary to commonly held perceptions about the relatively poor institutional performance in Southern Italian regions, the LAGs with the highest values in terms of governance are found in the South: Sardinia and Basilicata, followed by Umbria, Veneto and Apulia. In this regard, it is important to highlight that governance is a broad issue and, as discussed in [Chapters 5](#) and [7](#), it includes elements of institutional performance, which specifically refer to the capacity of the LAG to select projects (related to the decision-making process for this specific activity), its efficiency and effectiveness, organisational culture and capacity as well as capacity to develop relations vertically and with LAGs outside the region. An overall assessment of governance, therefore, would need to account for the inclusion of other aspects, including transparency and participation, which are explored as elements of social capital. Unlike normative-cognitive social capital, governance portrays similar values within each region. Most values are also located within a 0.32–0.68 range, showing therefore a smaller spread than in the structural and normative-cognitive forms of social capital, and thus more similar perceptions on the achievements in this area across the different LAGs.

The composite indices analysed in this section allow us to have a bird's eye view on the general impacts that may be produced by the activities of the LAG in each of the forms considered, and how these may diverge among and

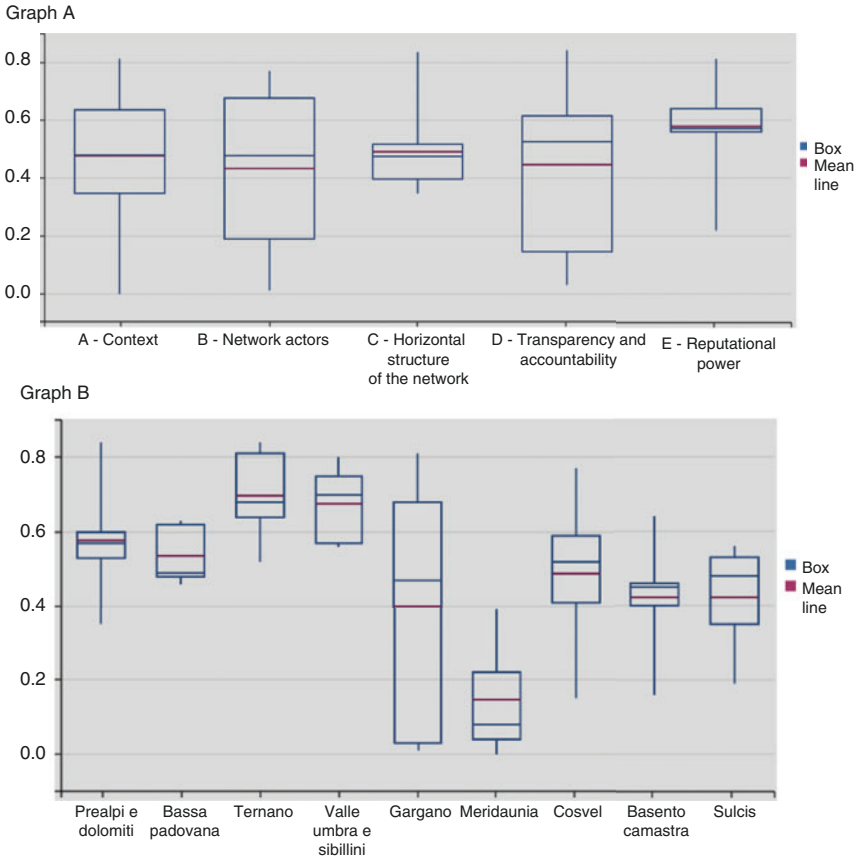
within a single region. In this sense, it is possible to show how, overall, the LAG Ternano in Umbria (Centre) achieved the highest values in terms of both structural and normative-cognitive social capital as well as positive ones in terms of governance. The values for the LAGs in Apulia (South) fared among the lowest, and yet the patterns were different: an average situation for the LAG Gargano in terms of structural social capital and governance, but low for normative-cognitive social capital; and the opposite for the LAG Meridaunia, with low values in terms of structural social capital, but average in terms of normative-cognitive social capital and governance. However, for the purposes of evaluation, this analysis is purely indicative of underlying patterns. For a more detailed treatment, we now turn to the analysis of dimensions of social capital and governance aspects.

## From Form to Dimension: Digging Deeper into the Role of Dimensions

While composite indices enable evaluators to quickly identify regions and LAGs with a diverse endowment of social capital, they do not point to the specific outcomes achieved by the LAGs through their activities. Indices may be analysed for each of the 15 identified dimensions to specify overall trends – not only by LAG, but also by the actual dimensions of the various forms of social capital and governance considered in the present study.

### Structural Social Capital by Dimension

Structural social capital includes five dimensions, A – Context, B – Network actors, C – Horizontal structure of the network, D – Transparency and accountability and E – Reputational power. [Figure 11.1](#) shows the boxplot representing the distribution of values around the median and the mean and the different quartiles for each dimension of structural social capital (graph A) and for each LAG (graph B). That is, it portrays the dispersion, the skewness and the outliers, through the spaces between the quartiles of each distribution. Moreover, boxplot graphs allow the comparison among the



**Fig. 11.1** Structural social capital by dimension (graph A) and by LAG (graph B)

Source: Own elaboration

distribution (LAGs in graph A, dimensions in graph B). The analysis of the dimensions (graph A) can indicate the ones where *generally*, the LAGs share common trends, from those where LAGs may diverge quite significantly. For example, in graph A, dimensions A – Context, B – Network actors and D – Transparency and accountability show the largest variability in our sample, with values ranging from 0.01 to 0.84. Thus, the outcomes at this level are quite different among LAGs, with values showing a large spread at



the level of the single LAG (see the example of the LAG Gargano below). Conversely, dimensions C – Horizontal structure of the network and E – Reputational power have a smaller spread in values. This means that LAGs *generally* share common trends and are closer in values for those dimensions, with no situations showing critically low values. For example, the range for Dimension C varies between the LAGs Sulcis (0.35) and Prealpi e Dolomiti (0.84).

If we look at the data from the perspective of each LAG (graph B), the LAG Ternano in Umbria (Centre) shows the highest average value in terms of structural social capital (0.69). An analysis of values by dimension shows values higher than 0.5 for all cases: D – Transparency and accountability has the highest value (0.84), followed by E – Reputational power (0.81), B – Network actors (0.68) and A – Context (0.64), while C – Horizontal structure of the network has the lowest value (0.52). This shows that in the LAG Ternano, individuals appear to give merit to the transparency and accountability of the organisation and its members, as well as to their reputation. The LAG Meridaunia in Apulia (South) shows an opposite pattern in terms of faring last, and having its maximum value equals to 0.39. The dimensions with the highest values are C – Horizontal structure of the network (0.39) and E – Reputational power (0.22), while all other dimensions are below 0.1. While the next sections show positive areas as well, the results for the LAG Meridaunia need to be analysed with care, because of the low rates of responses from beneficiaries (20%) and members (47%) (see [Chapter 15](#) for a detailed analysis of the LAG).

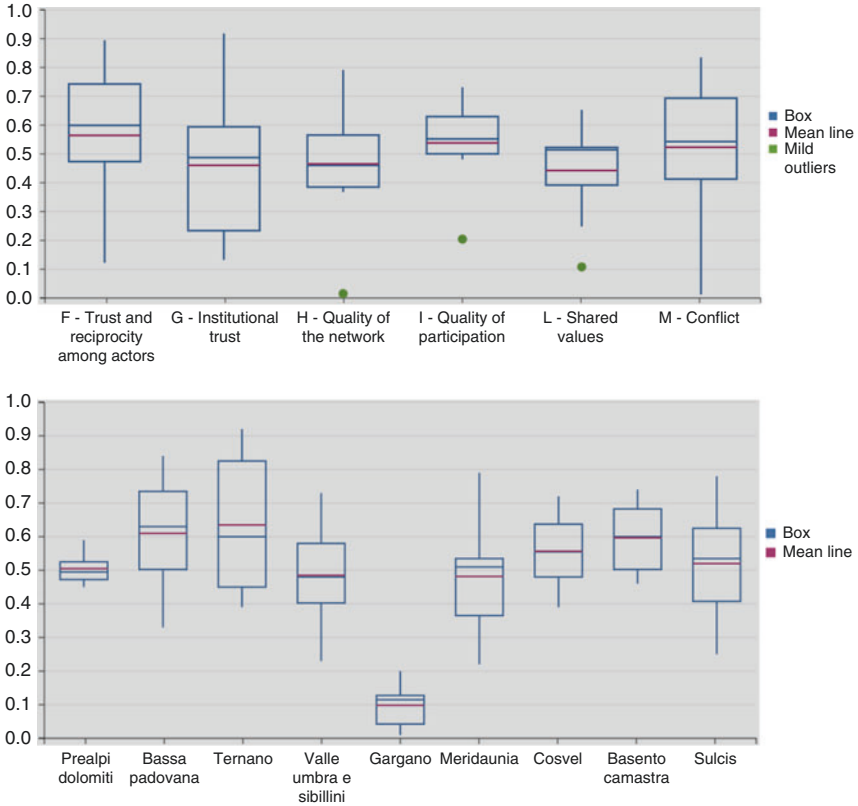
As mentioned above, the LAG Gargano, in Apulia (South), shows the most striking pattern, with a large spread of values (min 0.01 and max 0.81). The LAG Gargano has the highest value for dimension A – Context (0.81), defined here as a combination of the overall motivation of members to join the LAG (proactively rather than by invitation), and the direct and indirect knowledge of the role and projects supported by the LAG. However, the lowest values belong to the dimensions B – Network actors (0.01), that is, members' awareness of the initiatives of the LAG and its beneficiaries, and D – Transparency and accountability (0.03), that is, attention to suggestions by beneficiaries and administrative support. Despite these unfavourable conditions, values for

dimensions E – Reputational power (0.68) and C – Horizontal structure of the network (0.47) paint a more positive picture, implicating potential areas of strength in the organisation, for example in attendance at meetings and reputation of the director and the members of Board of the Directors, which could be leveraged to continue building structural social capital. Generally, given the proactive motivation in joining the membership, the LAG Gargano may point to a case in which, as the proverb goes, “the spirit is willing, but the flesh is weak” and perhaps the spirit can become a powerful source for change.

## Normative-Cognitive Social Capital by Dimension

Normative-cognitive social capital includes six dimensions, F – Trust and reciprocity among members, G – Institutional trust, H – Quality of the network, I – Quality of participation, L – Shared values and M – Conflict. The analysis of normative-cognitive social capital shows a seemingly “moderate” situation. This is demonstrated in Fig. 11.2 which provides values of normative-cognitive social capital by dimension (graph A) and by LAG (graph B). Similarly to structural social capital, the average for all dimensions is between 0.44 and 0.56 (Fig. 11.2, graph A) and the values are located between 0.01 and 0.92. Dimension F – Trust and reciprocity among actors, which includes internal levels of reciprocity among actors as well as beneficiaries’ level of trust in the LAG, has the highest median (0.60) and mean values (0.56). Dimension G – Institutional trust, towards local institutional actors, has the highest value (0.92).

On the one hand, Fig. 11.2 (graph B) shows how the LAG Gargano in Apulia (South) fares worse compared to other LAGs in relation to the normative-cognitive dimensions of social capital. All values, in terms of interpersonal and institutional trust, quality of the network and participation, shared values and conflict, are below 0.2. Chapter 15 describes this situation as heterogeneous, whereby results show very low rates of interpersonal trust, as shown by vote delegation, and yet overall positive levels of trust in the Assembly. The LAG Meridaunia has the highest value for dimension H – Quality of the Network (0.79). However, values for



**Fig. 11.2** Normative-cognitive social capital by dimension (graph A) and by LAG (graph B)

Source: Own elaboration

dimensions F – Interpersonal trust and reciprocity among members (0.32) and G – Institutional trust (0.22) are quite low. This may suggest that while people’s expectations and/or contributions to the network seem to be positive, more work can be done in building trust, both among members of the LAG and towards local institutions. Chapter 15 explains how this effort is under way.

On the other hand, while the LAG Ternano in Umbria (Centre) produced the highest results in terms of overall normative-cognitive

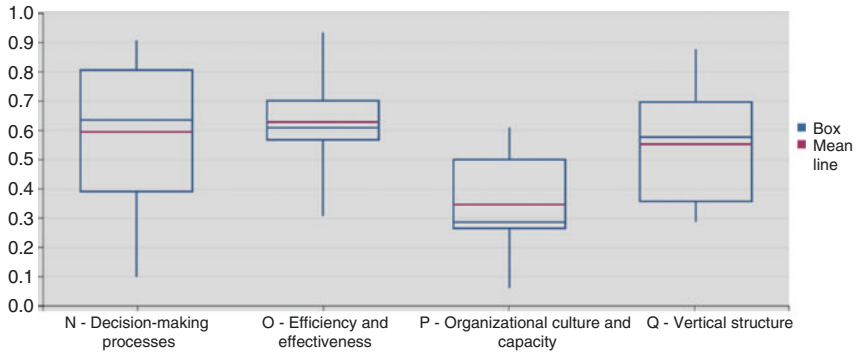
social capital, a more careful analysis shows a larger spread among the different dimensions. Trust levels are very high for trust, both as dimensions F – Interpersonal trust and reciprocity among members (0.89) and G – Institutional trust (0.92). However, dimensions L – Shared values (0.39) and M – Conflict (0.41) are at the lower end. This may imply a situation currently characterised by a high degree of goodwill, but, as described in [Chapter 14](#), possibly at risk, due to the scarce identification of shared values and a general perception that they have worsened over time, and unless more work is done towards improving the mechanisms for participation and the internal proactivity of members.

## The Dimensions of Governance

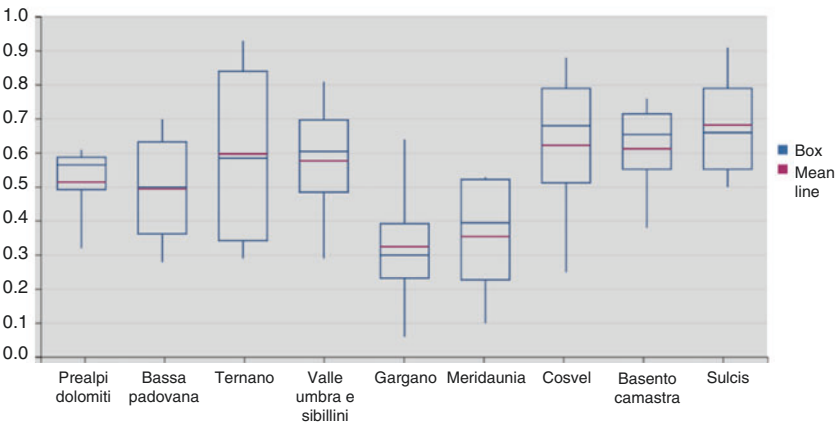
Governance includes four dimensions, N – Decision-making processes, O – Efficiency and effectiveness, P – Organisational culture and capacity and Q – Vertical structure. [Figure 11.3](#) portrays values for governance aspects related to social capital by dimension (graph A) and by LAG (graph B). The median for dimension P – Organisational culture and capacity is 0.29, while for all other dimensions, N – Decision-making processes is 0.64, O – Efficiency and Effectiveness is 0.61 and Q – Vertical structure is 0.58. This suggests that overall, communication and monitoring of the Local Development Strategy may have to be improved across all LAGs – only the LAGs Valle Umbra e Sibillini, Basento Camastra and Sulcis have values above 0.50 for dimension P. However, planning capacity, integration in the territory, efficiency and effectiveness and integration with higher levels of governance are points of strengths across the LAGs, from where to continue building collaborations within and outside the network.

The analysis by LAG shows that averages and medians range from 0.30 (Gargano) to 0.68 (COSVEL). The LAG Sulcis in Sardinia (Island) has the highest value for dimension N – Decision-making processes (0.91). The LAG Gargano in Apulia (South) has for dimension P – Organisational culture and capacity a very low value (0.06), which may be indicative of the

Graph A



Graph B



**Fig. 11.3** Governance aspects by dimension (graph A) and by LAG (graph B)

Source: Own elaboration

struggles it faces in terms of communicating and monitoring its actions effectively. The higher values for decision-making process (0.64), however, may be indicative of the efforts it is carrying out in consultation processes and the selection of projects. It is often argued that designating a clear set of rules and procedures for decision-making within the organisation can encourage trust-building and the creation of participatory networks and governance structures (see, for instance, Ostrom, 2003).

The LAG Ternano in Umbria, located in central Italy, has the highest value for dimension O – Efficiency and Effectiveness (0.93) and the second highest for dimension N – Decision-making processes (0.81). Yet it is less prepared in terms of dimensions P – Organisational culture and capacity (0.29) and Q – Vertical structure (0.36). Furthermore, this is the LAG that is highly endowed with interpersonal and institutional trust. The favourable conditions set by most dimensions of social capital and governance can be used by the LAG to strengthen its communication and monitoring capacity, build more effective connections to LAGs outside its territory and influence vertical structures more effectively.

## **From Dimension to Sub-Dimensions and Indicators: The Black Box Is a Mosaic**

The highest level of aggregation enabled us to compare LAGs within and between regions in terms of their impacts on enhancing structural and normative-cognitive social capital as well as governance. The analysis by dimension helped us to describe and graphically illustrate specific outcomes of social capital and related governance aspects for each LAG in our sample. We now turn to the analysis of sub-dimensions, which enables researchers, evaluators and practitioners to assess the outputs of social capital and related governance aspects by measuring more concretely the different components and by determining which are stronger or weaker at the level of the LAG. By way of a reminder, each sub-dimension has a code that starts with the uppercase letter of the dimension, followed by a lowercase letter indicating the position of the sub-dimension. The sub-dimensions are described in detail in [Chapter 9](#).

### **Structural Social Capital by Sub-Dimensions**

Generally, the data across LAGs in terms of structural sub-dimensions produce a more variegated picture than at the level of the dimensions, one that resembles a mosaic and makes visible strengths and weaknesses

more effectively. Dimension A – Context includes two sub-dimensions, Access to the LAG (Aa) and Knowledge of the LAG's role (Ab). In terms of Access to the LAG (Aa = 1.0), the LAG Gargano shows that 100% of the members of the LAG were motivated and joined proactively, a result of the interest of participants in the LEADER+ initiative and the communication campaign led by the LAG (see [Chapter 15](#)). While the data for the LAG Meridaunia merits some care due to a very low rate of responses, the sub-dimension shows that none of the members joined proactively (Aa = 0.00). The LAG Valle Umbra e Sibillini has a high value in relation to Knowledge of the LAG's role by beneficiaries (Ab = 0.99). Conversely, the LAGs Basento Camastra (0.13) and Bassa Padovana (0.18) score quite low on this sub-dimension, while the LAGs Meridaunia and COSVEL had no responses to the corresponding question in the questionnaire.

Dimension B – Network actors includes two sub-dimensions, Knowledge of the LAG's initiatives (Ba) and Knowledge of the LAG's beneficiaries (Bb). In Umbria, the LAG Ternano has the highest value for Knowledge of the LAG's initiatives (Ba = 0.95), but a lower value for Knowledge of the LAG's beneficiaries (Bb = only scores 0.41). In the LAG Valle Umbra e Sibillini, Knowledge of the LAG's initiatives (Ba = 0.40) is lower than Knowledge of the LAG's beneficiaries (Bb = 1.00). This may suggest that while members of the LAG Ternano had an overall good knowledge of the LAG's initiatives, they did not develop personal relationships with the beneficiaries themselves, the exact opposite of the situation in the LAG Valle Umbra e Sibillini. Values below 0.1 or no values (meaning no responses) for both sub-dimensions, are found in the LAGs Gargano, Meridaunia and COSVEL. This can be indicative of poor network relations among both members and beneficiaries in these LAGs, an issue which may need greater attention if the core principles of LEADER are to strengthen network-building and partnerships.

The dimension C – Horizontal structure of the network includes five sub-dimensions, Internal participation (Ca), Level of openness of the LAG (Cb), Density of relations in the LAG (Cc), Public-private relations internal to the LAG (Cd) and Proactivity of the LAG (Ce). The LAG Prealpi e Dolomiti has the highest values for three of them, including Level of openness of the LAG (Cb = 1.00), Density of

relations in the LAG ( $C_c = 1.00$ ) and Proactivity of the LAG ( $C_e = 0.64$ ). The Level of openness suggests that the LAG activated all possible communication channels and reached all possible categories of actors reached by the other LAGs. It also shows that the LAG had the highest possible density of both information and collaborative relations among members ( $C_c$ ). Finally, the LAG also had the highest number of linkages between members and between beneficiaries ( $C_e$ ). The values for Internal participation are higher for the LAG Basento Camastra ( $C_a = 0.69$ ), indicating a good response in terms of average annual rate of attendance to the meetings of the Board and the Assembly. Public-private relations internal to the LAG for the LAG Meridaunia is the highest ( $C_d = 1.00$ ), showing that the LAG had the same share of private actors in the centre of the network and in the Assembly, and collaborations always involved both private and public actors. At the same time, the LAG Meridaunia shows low values for Internal participation ( $C_a = 0.07$ ), indicating a lack of regular attendance of members at formal meetings. The lowest values for Level of openness of the LAG ( $C_b$ ) are found in Basilicata, for both LAGs Basento Camastra (0.07) and COSVEL (0.15). Finally, the LAG Sulcis shows the lowest values for both Density of relations in the LAG ( $C_c = 0.10$ ) and Public-private relations internal to the LAG ( $C_d = 0.17$ ). The lack of density and diversity of networks may need to be addressed in order to support the creation of a more inclusive and participatory organisation.

Dimension D – Transparency and Accountability has two sub-dimensions, Transparency in the network ( $D_a$ ) and Network accountability ( $D_b$ ). The LAG Ternano has the highest value for Transparency in the network ( $D_a = 0.86$ ), while LAGs Gargano (0.00), Meridaunia (0.08) and COSVEL (0.02) have the lowest values. This stresses the importance of utilising communication channels which may activate actors. The LAG Ternano also has the highest value for Network accountability ( $D_b = 0.83$ ), followed by the LAG Bassa Padovana (0.81). The LAGs Gargano (0.06) and Meridaunia (0.00) have the lowest values, both in terms of the adoption by the LAG of suggestions made by beneficiaries and administrative support to members and beneficiaries.

Dimension E – Reputation power includes only one sub-dimension, Reputational Power of the LAG ( $E_a$ ). As was pointed out in the



analysis of dimensions, Reputational power of the LAG (Ea) is on average 0.6 for all LAGs, with the LAG Ternano showing the highest value (0.81) and LAG Meridaunia the lowest (0.22). The LAG Gargano fares very well (0.68), with high values in terms of the equivalence of reputational power in the Assembly and in the core of the network and in terms of the comparison between an individual's own assessment of reputational power and that of others. Together with the maximum value obtained for the members' motivation for joining the LAG (Aa = 1.00), they show a high degree of goodwill towards the organisation.

### **Normative-Cognitive Social Capital by Sub-Dimensions**

The sub-dimensions for normative-cognitive social capital are: Internal level of trust in the LAG (Fa); Beneficiaries' level of trust in the LAG (Fb); Trust towards local institutional actors (Ga); Benefits received through the network (Ha); Benefits brought to the network by members (Hb); Quality of participation in the Assembly (Ia); Quality of participation in the Board of Directors (Ib); Proactivity of beneficiaries (Ic), Perception of shared values in the territory (La); Recognition of promoters of shared values in the network (Lb); Identification with the territory (Lc); Conflict among actors of the LAG (Ma); Beneficiaries' dissatisfaction with the LAG (Mb).

The LAG Ternano shows the highest values for the three sub-dimensions of trust (Fa = 0.87, Fb = 0.92 and Ga = 0.92). The LAG Gargano shows the lowest values for all sub-dimensions save for Proactivity of beneficiaries (Ic = 0.49) and Recognition of promoters of shared values in the network (Lb = 0.23). The LAG Meridaunia has the highest values in terms of Benefits received through the network by members (Ha = 0.87) and in the Perception on a positive change of shared values in the territory of the LAG (La = 1.00), meaning that its members may be aware of the potential of the organisation. The other LAGs in Basilicata and Sardinia have values that are within average, except for the LAG Sulcis, where the value for the Recognition of promoters of shared values in the territory is the lowest (Lb = 0.00).

The LAG Bassa Padovana shows the highest values in terms of Benefits brought to the network by members ( $H_b = 0.85$ ), Quality of participation in the Assembly ( $I_a = 1.00$ ) and Conflict among members ( $M_a = 0.71$ ). This situation seems to indicate a very active and dynamic membership, sustained participation and personal perception of one's contributions, as well as ability to address conflicts among members. These qualities provide a good basis for addressing weaknesses in other areas. For example, the LAG Bassa Padovana has the lowest value in terms of the Proactivity of beneficiaries ( $I_c = 0.00$ ), meaning that the beneficiaries never suggested a project to the LAG or a call to another beneficiary. Nonetheless, these results could point the LAG towards encouraging more active participation and awareness on behalf of beneficiaries. Finally, while the perception of shared values in the territory of the LAG Prealpi e Dolomiti is quite low ( $L_a = 0.06$ ), the identification with the territory by members, beneficiaries and director is the highest of all LAGs ( $L_c = 1.00$ ). This means that the LAG network could play a more decisive role in defining and supporting shared values through their actions. As indicated in Part I, the intangible sources of social capital, norms, values and trust, strongly influence the quality of the network itself, the tangible aspect of social capital. The sub-dimensions discussed in this section specifically point out the outputs that LAGs could improve.

## Governance by Sub-Dimensions

The sub-dimensions of governance are: Planning capacity of the LAG ( $N_a$ ); Transparency and monitoring in the planning process of the LAG ( $N_b$ ); Integration of the LAG in the territory ( $O_a$ ); Coordination of the LAG ( $O_b$ ); Efficiency of the LAG ( $O_c$ ); Communication capacity of the LAG ( $P_a$ ); Monitoring and assessment of the LAG ( $P_b$ ); Openness of the LAG outside of its territory ( $Q_a$ ); Vertical linking ( $Q_b$ ). The sub-dimensions for governance allows us to more carefully analyse how LAGs have interpreted and translated EU directives into decision-making processes, efficiency and effectiveness, capacity and relations with vertical structures.

The LAG Prealpi e Dolomiti has the highest value for Planning capacity of the LAG ( $N_a = 1.00$ ), given by strong decision-making processes which support the completion of the Local Development Strategy and the coherent implementation of consultation processes regarding projects. However, Transparency and monitoring in the LAG's planning process ( $N_b = 0.10$ ), and Monitoring and assessment of the LAG ( $P_b = 0.19$ ) are low, thus suggesting two specific areas where the LAG may wish to improve the effectiveness of its actions. Conversely, LAGs Ternano and Sulcis have the highest values for Transparency and monitoring in the planning process ( $N_b = 1.00$ ). However, while the LAG Ternano is also highly effective in terms of Efficiency of the LAG ( $O_c = 1.00$ ), it is quite deficient in terms of Communication capacity ( $P_a = 0.16$ ), due to limitations in external communication.

The LAG Bassa Padovana has the highest value for Coordination of the LAG ( $O_b = 1.00$ ), which results from efficiency in the organisation of the Assembly and internal coordinating capacity. However, it is quite low in Monitoring and assessment of the LAG ( $P_b = 0.20$ ), similarly to the LAGs Prealpi e Dolomiti (0.19), Gargano (0.12) and COSVEL (0.00). Except for the LAG Gargano, all LAGs in the Centre and South of Italy are well Integrated in the territory ( $O_a$ ), with the LAG Meridaunia displaying the highest value (0.95), followed by LAGs Basento Camastra (0.88) and Sulcis (0.88). Most LAGs are also relatively well Coordinated internally ( $O_b$ ), given that the lowest value is for LAG Gargano (0.34), followed by the LAGs Bassa Padovana (0.39) and Prealpi e Dolomiti (0.42).

The LAGs with the highest value for Communication capacity ( $P_a$ ) are Valle Umbra e Sibillini, COSVEL and Basento Camastra ( $P_a = 0.50$  for all three LAGs). This shows that communication is an area where more work is needed across all LAGs. Furthermore, with the exceptions of the LAGs Sulcis (0.68), Basento Camastra (0.72) and Valle Umbra e Sibillini (0.60), all LAGs have values for Monitoring and assessment ( $P_b$ ) below 0.5. Conversely, apart from the LAGs Ternano (0.25), Valle Umbra e Sibillini (0.00) and Gargano (0.33), most LAGs are open to building relations outside of their territories ( $Q_a$ ). Finally, all LAGs show values higher than 0.20 for Vertical linking ( $Q_b = 0.24$  for the LAG Gargano is the lowest value). This

sub-dimension, however, comprises relations with LAGs (which would be properly analysed as horizontal relations) and with the higher regional authorities, as well as awareness by external beneficiaries of the planning process. In this case, a more rigorous reading by indicator and by LAG would be necessary to understand the quality of vertical relations, the degree of influence at higher levels of governance and the degree of awareness of the complexities of the LAG's planning process by beneficiaries.

Overall, all LAGs have the highest value in one or more of the sub-dimensions analysed. This means that LAGs can dig deeper under the surface of social capital, identifying and measuring the specific outputs in which they excel and the specific weaknesses which they need to address. These sub-dimensions enable evaluators and practitioners to assess the outputs of social capital and related governance aspects. A detailed analysis at the level of the indicators would enable LAGs to further evaluate the activities (activities indicator) which need to be addressed in order to improve impacts in their territories. The regional chapters in Part IV provide a detailed qualitative and quantitative analysis at the level of indicators.

## Conclusion

The analysis of social capital and related governance aspects in nine Italian case studies can be carried out at different levels of aggregation, to identify indicators for activities, outputs, outcomes and impacts of the intervention logic. Thus, the analysis proposed can guide the evaluation of social capital and related aspects of governance for the LEADER Approach and other neo-endogenous approaches. By identifying strengths and weaknesses in relation to the LAG's capacity to enhance social capital and governance, the method provides LAGs as well as other local agencies with a useful tool to introduce or change activities that will improve their outputs, outcomes and enhance overall impacts in the long run. Generally, an analysis of these factors suggests that LAGs can improve the impacts of their actions if they shift from a focus on the outputs of the activities carried out, to considerations of social processes – the intangible resources which support development programming.

These can include promoting opportunities for relationship-building (information and collaboration exchange) with members, beneficiaries, but also with the wider public through regular communication and other initiatives. This analysis also suggests that LAGs can adopt a deeper awareness of the principles of the LEADER initiative and the rationale behind the regulations which support territorial development, rather than remaining simple recipients of funds. The sub-dimensions investigated, such as Knowledge of the LAG's role and initiatives (Ab and Ba), Internal participation (Ca), Proactivity of the LAG (Ce) may seem rather disparate when the LAG's focus is on activating "tangible" interventions and actions. Yet, they serve to spur reflection on how their actions already may support collective action and foster intangible resources, such as Internal trust (Fa) and Proactivity of beneficiaries (Ic). In this regard, the approach proposed here – which is applicable to both external and internal monitoring and evaluation – supports the long-term development of the organisation and thus its relevance, and value added, to the territory in which it operates.

The results proposed in this chapter do not explain why certain values may be high or low. As we further discuss in [Chapter 12](#) and in Part IV, interviews in each LAG also provide qualitative data that can be used to explain context specific patterns. One might argue that these suggestions can only apply to certain LAGs or regions in Italy, limiting the utility of this method to the specific spatial and historical context. However, as a European-led initiative for rural development, LAGs carry the vision of the EU at the local level and thus share key features which are common throughout Europe ([Chapter 3](#)). These features enabled the research team to develop a method which could be applicable across the EU (see Part II and [Chapter 10](#)). Furthermore, though the method was constructed for the purposes of assessing rural development in the EU, it can be applied for monitoring and evaluation in other national and regional contexts where social capital, development agencies and participatory projects are involved in rural planning and implementation ([Chapters 6 and 10](#)). Therefore, it is particularly relevant to contexts where rural development research and policy adopt the neo-endogenous approach which is endorsed by the LEADER Approach, and is based on public-private and multi-sectoral partnerships.

The method has three major characteristics, especially in Europe, which render it feasible for broader application. Firstly, the method represents a bridge between the quantitative and qualitative divide and can thus be used by researchers or evaluators, as well as by policy-makers and practitioners, to support quantitative measures that are qualitatively assessed. This is specifically relevant in a field such as social capital, where no single metric can represent the actual complexity of the social and economic systems, but can only cover various relational aspects of the system. As the chapter demonstrates, the levels of aggregation enable us to dig deeper into these complexities by moving from a simple composite indicator to a set of forms, dimensions and sub-dimensions of social capital and governance which help to uncover and understand the sources of possible strengths and weaknesses in the actions of the organisation.

Secondly, by focusing on an organisation which is context-specific and yet shares common features across all EU countries, the method allows us to identify how the organisation has interpreted, translated and implemented its actions from the perspective of social capital and related governance aspects. LAGs introduce new languages, territorial planning logics as well as requirements for accountability, which may be novel depending on the countries involved. The introduction of new practices reshapes path dependencies which may characterise territories and leads to forms of hybridisation which are not exogenously given. In the case of Italy, the analysis showed that different regions within the Northern, Central and Southern parts demonstrated strengths and weaknesses in different aspects of social capital, defying clear-cut divisions based on geography. This hybridisation means that researchers, practitioners and evaluators cannot assess the impacts of LEADER merely from the perspective of path dependency, but must embrace approaches which capture the specificities of policy implementation in place. The method also offers researchers and evaluators the means to detect and track these changes at different levels of aggregation, and thus at different levels of the intervention logic, in order to capture the dynamics at the core of development processes and the ways they influence developmental outcomes and impacts. It thus provides a privileged and step-by-step view into the impacts of the EU's attempt at shifting consolidated institutions and systems of governance through a neo-endogenous approach to development.

Thirdly, the results presented in the book were shared and discussed with the directors of the LAGs who participated in the study, a process which can help to change the culture of monitoring and evaluation from an external to an internal process. Consulting with directors offered a way to get first-hand information regarding gaps as well as best practices in the LAGs, and collecting feedback on the method itself. The detailed analysis using indicators and indices showed a heterogeneous “landscape”, which allowed directors to discuss with the research team the opportunities and challenges that differentially affected the conditions and possibility for change within the organisation. In some cases, when the first two years of the LEADER funding were adopted as the reference period, difficulties with starting up the programme showed quite negative values for indicators, which were not necessarily reflective of the potential of the LAGs over the full programming cycle. These results were carefully considered by the LAGs so that they could be addressed in the remainder of the programming period. The regional chapters in the next part of the book (Part IV) further clarify the quantitative results, providing a case by case explanation of the context and results obtained in each LAG.

The method proposed in this book thus begins a conversation for measuring social capital in different local contexts where neo-endogenous approaches to development are implemented. While we have focused on a quantitative assessment of values at different levels of aggregation (and thus at different levels of the intervention logic), the next chapter introduces qualitative specifications of context. Attention to the peculiarities of place is needed to break through the acceptance of deterministically-defined hypotheses connected to path dependence and lock-in, such as perceptions of the North-South divide that are dominant in Italy and elsewhere.

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# 12

## Regional Comparisons: A Discussion on Social Capital and Local Development

Asimina Christoforou, Elena Pisani  
and Catie Burlando

### Introduction

In the previous chapter we analysed various indicators that measure and assess social capital in its multiple forms and at different levels of aggregation. Data was derived from a set of Local Action Groups (LAGs) operating in the rural regions of Italy to fulfil their responsibilities under the EU-funded LEADER programme. This is the first comprehensive attempt to assess the value of social capital activated by LAGs of the LEADER Approach in Italy, allowing comparisons at national level based on composite indices that can be progressively

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disaggregated from specific dimensions of social capital and good governance to sub-dimensions, and to indicators. These indices provide a relatively simple and useful instrument to evaluate the performance of LAGs (see [Chapters 7](#) and [8](#)). They comprise a method that tries to capture the multiple and contextual dimensions of social capital in order to delve deeper into the core processes of development, that is, the dynamics of social relations that considerably influence project effectiveness, social change and local development. The neo-endogenous approach to rural development stresses the importance of network relations, cooperative norms and participatory governance (see [Chapters 3](#) and [5](#) for a detailed treatment). However, these aspects of rural development have received limited attention in research, policy and evaluation, and continue to remain a black box. In [Chapter 10](#) we have proposed ways to open the black box in the LEADER Approach.

To remedy this loophole, the method offers both qualitative and quantitative assessments of social capital and integrates network and civic participation approaches of social capital by bringing together the two traditions of Putnam and Bourdieu. It contains a set of indicators that identify the structure of networks, the normative-cognitive aspects of social relations and the role of governance. By examining network relations in the context of the institutional environment within which they are embedded, our study follows the synergy view to social capital. It will help us unveil the nuances of social capital across type and space, which are influenced by complex, context-specific factors and determine developmental processes and outcomes in rural areas (see also [Chapter 4](#)).

The purpose of this chapter is to engage in a comparative study of findings across LAGs and regions and discuss the main issues emerging from this analysis. Though our discussion here is not conclusive, it allows us to make some preliminary assessments and recommendations to be considered for future research and policy. We focus on those issues that we consider most important for the purposes of this book. Therefore, [Section 2](#) summarises the inter-regional and intra-regional differences observed in our data and discusses their implications for the territories' capacity to build relations of trust, social networks and participatory governance structures for local development. [Section 3](#) presents the alternative meanings and applications of evaluation

underpinning this method. Here we speculate on the ways the method brings to our attention the rather understudied domain of the core processes of development that are associated with the principles of LEADER and stress the social embeddedness of the economy and policy. Section 4 takes a first step at tackling the long-standing question of how the “economic” interacts with the “social”, particularly how a territory’s social capital affects local development. The present study focuses mainly on social capital and its relationship with governance to further support the implementation of territorial development. The specific mechanisms that determine the interplay between social capital and local development in LEADER and in rural areas of Italy and Europe remain to be studied. Yet the method proposed here can provide some insights for future research and policy. The chapter closes with some concluding remarks.

### **Combining Concepts and Indices of Participation with Network Relations and Institutional Context**

The method proposed here considers structural and normative-cognitive forms of social capital, as well as dimensions of governance, to examine a territory’s capacity for social capital across regions and LAGs in the context of the LEADER programme. In this section, we present some implications regarding the differences observed across and within regions in relation to various forms, dimensions and sub-dimensions of social capital and related governance aspects. We stress that conclusions drawn here are provisional and depend on further investigation and evaluation across Italian and European LAGs. Yet they can become very useful in obtaining a deeper understanding of perceptions and practices at the core of developmental processes which have till now received limited attention in research and policy.

In [Chapter 11](#) we observed that corresponding indicators and indices had different values across the Italian regions of our sample. Though regions with higher values of one form of social capital tended to coincide with regions with higher values of other forms of social capital, the correlations between structural social capital, normative-cognitive

social capital and governance are less than perfect.<sup>1</sup> This means that various locations can be highly endowed with one form of social capital and governance structures and arrangements, but not with others, and this has differential impacts on participation and development in the territory. In particular, we observe that Umbria, a region of Central Italy, scores highest in the two forms of social capital. The regions scoring highest in relation to governance are found in Basilicata, which is located in the South, and in Sardinia, which is one of the country's islands with socio-economic conditions similar to those of southern regions. The northern region of Veneto ranks second in relation to social capital, and third in relation to governance.

These findings challenge the widely accepted view of the North-South divide. According to this view, northern regions are invariably endowed with richer stocks of social capital and southern regions are inexorably characterised by weak and ineffective governance institutions. The divide comes as a result of a long history and deep culture of civicism in the North and familism in the South. This view was reinforced by studies in the Putnamian tradition that influenced researchers and policy-makers and maintained a deterministic approach to change in networks, norms and governance, condemning the South to a future of lower levels of trust and development. Yet an alternative conception of social capital that recognises and measures its multi-dimensional and contextual features begs to reveal otherwise.

Of course, this does not mean that regions in the South are free of socio-economic problems, or that regions in the North cease to provide bright examples of cooperation and solidarity. It may imply that the North can also have deficiencies, which impair participation and development, and that the South can have its own niches of vibrant synergies and social innovation, which set the example for other regions within and outside Italy.

In our sample, the relative positions of regions are due to intra-regional differences among the LAGs included in the study. The LAG Ternano seems to be the driving force behind Umbria's relative position in relation to both structural and normative-cognitive social capital. At the same time, it scores rather high in relation to governance, following the LAGs of Sardinia and Basilicata. If we look at the dimensional breakdown of

structural social capital we can see that the LAG Ternano owes its high values more to transparency and reputational power, and less to the horizontal structures of networks. Its high values in normative-cognitive social capital are sustained more by interpersonal and institutional trust than by shared values and limited conflicts. This might imply that certain aspects of the LAG's social capital must be addressed to grasp its full potential and avoid future decline. Despite its exceptionally high levels of trust and its good relations with regional agencies, the LAG Ternano displays a lower capacity to build relations external to the territory and to influence policy, as well as lower awareness of beneficiaries on the complexity of the regional planning structure.

On the other hand, the relative position of Sardinia and Basilicata in relation to governance is determined by the LAGs Sulcis, COSVEL and Basento Camastra, all three of which take the lead compared to all other LAGs in the sample. This is counter to what one might expect in light of the strong bonding networks based on family ties often documented in these areas.<sup>2</sup> By delving into the dimensions of governance we discover the driving forces behind these scores for each LAG. For instance, the LAGs COSVEL and Basento Camastra outshine all other LAGs in relation to communication capacity and influence at higher levels of governance, prompting higher values for composite indices of governance. The LAG Sulcis scores highest in decision-making processes compared to all the LAGs in the study. The analysis of sub-dimensions shows further that the LAG Sulcis, similarly to the LAG Ternano, scores highest in transparency and monitoring in the planning process. The LAG Sulcis also does very well in all other dimensions, namely efficiency and effectiveness, organisational culture and vertical structure, though the LAG Ternano does not fare so well, leading to relatively lower overall values in governance. As we discussed in Part I, if we accept that the institutional environment and particularly governance structures play a crucial role in creating as well as destroying social capital, then the shortcomings observed in the LAG Ternano must be addressed with care to maintain its richer stock of structural and normative-cognitive social capital. On the other hand, in the LAG Sulcis governance structures can be utilised to support the creation of social capital.

However, care must be taken to ensure that external interventions, especially those of public institutions, do not curtail the autonomy of bottom-up initiatives. We return to this issue later in the chapter.

Finally, it is worth noting that the LAG Gargano does not fare well in terms of composite indices of social capital and governance, influencing how Apulia ranks among other regions. Deterministic approaches of social capital may hastily attribute these results to poor civic participation and weak underlying motivations for cooperation and trust, making it look like a “lost cause”. Yet a dimensional and sub-dimensional analysis shows that the LAG Gargano has exceptionally high values for indicators capturing the degree of members’ pro-active motivation to join the LAG, as well as their direct and indirect knowledge of the LAG’s role and projects. Perhaps this implies that the LAG has something to fall back on, that is, people’s willingness to collaborate and make a difference in their territory. However, these bottom-up initiatives can often face constraints that must be properly addressed. According to our analysis, for the LAG Gargano these constraints are to be found mostly in the dimensions of normative-cognitive social capital (i.e., trust, the quality of network relations and participation, shared values and conflict) and governance structures (i.e., decision-making processes, organisational culture, efficiency and effectiveness and vertical structure).

On a final note, results of contextual analyses based on case studies may be difficult to generalise. However, we purport that methods like these can provide a general “grid” to capture, measure and assess the various facets of social capital, its strengths and its weaknesses, across time and space. For example, networking relations, communication channels and organisational culture are aspects of social capital and governance that, despite inter-regional and intra-regional variation, seem to be lacking across LAGs and regions in Italy, compared to other dimensions and sub-dimensions, and they merit further attention. Yet it seems that building new networks, organisations and channels, which bring people together to determine and promote the means and objectives for local development, otherwise called social innovation, has become the critical issue in all of Europe and the global economy in these times of change (BEPA, 2011; see also [Chapter 19](#)). The idea is supporting social relations that promote generalised interests and trust,

participatory networks and governance structures across groups and at all levels of governance.

## Alternative Meanings and Applications of Evaluation

A key incentive for developing this book was to create an alternative method for evaluating the effectiveness of LAGs in LEADER projects across Europe. The method is innovative in that it focuses on the social dynamics that take place at the core of development processes and creates indicators and indices to monitor and evaluate these dynamics and their impact on LEADER via the concept of social capital. Even though research and policy have come to recognise the importance of the social dimensions of development, these remain a “black box” in evaluation procedures. As mentioned in [Chapter 3](#) and discussed more extensively in [Chapter 6](#), current regulations, procedures and guidelines that determine the general framework for the evaluation of development projects in the EU display certain shortcomings in relation to the assessment of social networks, norms and governance structures, which lie at the core of the LEADER Approach. Briefly we recall that in the present framework: definitions and measures of bonding, bridging and linking social capital used in past evaluations of LEADER appear to be rather ambiguous; concepts and indicators of interpersonal and institutional trust are lacking; and evaluation procedures adopt an output-oriented rather than a process-oriented approach and thus give limited attention to the social dimensions of development.

The method applied in this study contributes to opening the black box of the social dimensions of development and is able to show the intervention logic in the move from indicators, to sub-dimensions (composite indicators), dimensions (indices) and forms (composite indices) (see [Chapters 7, 8 and 11](#)). It treats development as a long-term process, which is associated with changes in behaviour and institutions, and relies upon networks, trust and awareness. Furthermore, it sees evaluation not only as a way to fulfil obligations towards funding agencies, but also as a way to reflect, and for LAGs, to self-reflect, on the effectiveness of



development projects and policies and assess whether they helped regions overcome their problems of development. The idea is clearly expressed in an old English proverb: “You don’t know where you’re going until you know where you’ve been”. In the context of LAGs, an assessment of the strengths and weaknesses they portrayed in relation to social capital can offer us insights on the territory’s capacity to re-build and strengthen participatory networks and governance structures. This information can then be used to carry out development policies more effectively by tapping into the resources that are available in the area in order to overcome the weaknesses and expand the area’s social capacities.

This can be achieved by a detailed analysis of the multiple dimensions and sub-dimensions of social capital within and across regions. The method in this book attempts to do precisely that by singling out the stronger and weaker aspects of social capital and governance in the territory and by showing researchers and policy-makers the specific forms of social capital and governance that are deficient and need to be restored by means of the resources that are already available to local actors. Notably, the method is able to provide some general recommendations applied to multiple contexts with similar socio-economic conditions, as well as specific recommendations in response to the peculiarities that different contexts portray. Some general recommendations were provided in the previous chapters ([Chapters 10](#) and [11](#)). Here we highlight the specific recommendations that emerge from our analysis of Italian LAGs and regions.

For example, in the previous section it becomes evident that the LAG Ternano, despite its exceptionally high values in relation to structural social capital and normative-cognitive social capital, performs less well when it comes to the horizontal structures of networks and governance, indicators of trust, shared values and conflicts. These weaknesses can only be revealed by means of a disaggregated analysis and an investigation of the dimensions and sub-dimensions of social capital and governance. More importantly, they should be regarded as a wake-up call to researchers and policy-makers concerning potential risks in the long-run development of the LAG and the region. For the LAG to continue portraying high levels of social capital and governance in order to sustain participation and development within the organisation and within the area, attention must be given to the

hierarchies and conflicts that may threaten the LAG's capacity to support social capital and local development.

On the other hand, Sardinia and Basilicata portrayed rather low levels of structural and normative-cognitive social capital. Apparently, this is more or less in line with many empirical studies on social capital in Italy following Putnam et al. (1993) and dating back to Banfield (1958), which produce evidence of the South's poor performance in civic participation, trust and governance institutions.<sup>3</sup> However, thanks to the LAGs Sulcis, COSVEL and Basento Camastra, Sardinia and Basilicata rank the highest in relation to governance compared to the other regions included in the sample. The dimensional and sub-dimensional analysis specifically reveals that the LAGs COSVEL and Basento Camastra tend to outperform all other LAGs in relation to communication capacity and influence at higher levels of governance, while the LAG Sulcis scores highest in decision-making processes, especially in regard to transparency and monitoring in the planning process, achieving scores as high as those observed in the LAG Ternano. Put simply, these LAGs and territories can be considered as having a "comparative advantage" in these specific aspects of governance, which researchers and evaluators could tap into to restore other aspects of social capital and enhance participation in the organisation and in the area. According to Uphoff (2000) and Ostrom (2003), various forms of social capital and governance interact. Thus putting in place the rules and procedures for decision-making processes, as well as horizontal and vertical communication channels, potentially enhances structural and normative-cognitive social capital by shaping network relations, creating shared identities and managing conflicts.

Finally, as we discussed previously, the LAG Gargano does not fare well in terms of aggregate indices of social capital and governance. However, the dimensional analysis revealed that in the LAG Gargano members are pro-active and have direct and indirect knowledge of the LAG's role and projects. Therefore, instead of endorsing deterministic approaches of social capital and quickly considering this organisation as a "lost cause", researchers, policy-makers and practitioners need to find ways to translate these people's pro-active motivations and their willingness to collaborate for a collective cause into participatory networks

and governance structures and arrangements in order to help the territory re-build its local capacity for social capital. In this case, they should not overlook the constraints that local populations face and derive not only from their social capital and institutional environment, but also from external factors, like the unfavourable economic, social and political conditions at the national and European levels, resulting from the current crisis.

Indeed, re-building a system of behavioural values and governance institutions based on participatory principles and structures takes time, a recurrent topic throughout the interviews. There are many problems to hurdle. Nonetheless, we must recall that “where there’s a will, there’s a way”. As stated by a member of the LAG Gargano, “*Greater knowledge of the development plans, greater integration among programmes and public entities in charge, joined by greater awareness of one’s strengths by economic actors and the local population and a determined decision on one’s future: this is all we need*”.

Clearly, a bottom-up approach does not mean that local populations in areas with unfavourable socio-economic conditions are left to their own devices, absolving market agents and state officials of their responsibilities. In fact, the approach proposed here calls upon local populations to mobilise and raise awareness in order to claim their rights to local development and to a quality of life, by making markets and states responsive and accountable to social demands. It also stresses that local actors can achieve these goals when they work in synergy with actors in the public and private spheres.

Last but not least, we introduce the topic of self-evaluation, that is, the capacity of local actors who participate in development projects and policies to reflect upon the inputs they possess and invest in projects, the activities and processes they engage in, and the outputs and results they achieve. As discussed in [Chapter 6](#), in the current programming period, according to relevant EU regulations, LAGs are required to adopt an evaluation system in their local development programme. Though it is still unclear how these systems will be applied in practice at the local level and how they will be incorporated in the external evaluation procedures registered by national and supranational officials, they constitute an important step in the implementation and evaluation of

development projects. As argued in [Chapter 10](#), self-evaluation is not only useful for providing a rich pool of information from the standpoint of those directly involved in development projects; it is necessary for fulfilling key principles of LEADER, namely participatory structures and bottom-up initiatives. Virtually, self-evaluation offers ways to expand the participatory dimensions of development and democracy and motivate individuals and groups to take bottom-up initiatives. It makes them aware that ultimately they are accountable to themselves and younger generations rather than some impersonal entity that lies outside of people and nature. In the present study, results showed that directors, members and beneficiaries were pro-active and took part in networks, meetings and websites. This can be used as a starting point to further participation and interaction within a self-evaluation system. Notably, the LAG Sulcis has decided to use this method as a self-evaluation practice in the new programming period.

More importantly, the present study was not far from a self-evaluation process. Directors, members and beneficiaries were invited by the research group to discuss results at the end of the survey, to express their views, share their experience and describe the opportunities and difficulties they encountered in all the stages of project implementation. In this way, the study provided not only a pool of additional information on the dynamics of development processes and the potential for participation and development; it also gave participants a chance to help co-design projects and genuinely participate in development programmes and policies in order to increase their well-being and change their lives, enabling them to implement the principles of LEADER.

## **A Step Closer to Unravelling the Connections Between Social Capital and Local Development**

The present analysis focuses mainly on identifying and measuring the different forms of social capital and governance which are associated with local development according to the relevant literature discussed in Part I of the book. The precise mechanisms whereby these forms of social capital influence developmental outcomes in LEADER and

specifically in our sample of Italian LAGs remain to be studied. However, further investigation into the relationship of social capital with local development is imperative not only to test the hypotheses and policies that emanate from the articulation and implementation of the neo-endogenous approach, but also to combat the chronic as well as deepening structural problems and socio-economic deterioration observed in rural areas across Europe, especially in the post-crisis period. Indeed, in our sample of Italian regions, the recession that followed the 2008 global crisis limited the possibility for recovery in regions of the South, and reversed the favourable socio-economic conditions in regions of the North and Centre, or worsened trends in areas facing delocalisation of the industrial base. Local development has been a critical issue not only in the Mediterranean, but also in many other rural areas across Europe. Studies from Southern Europe may provide important lessons for combating these problems.

A brief overview of the economic data may show deteriorating conditions in the Italian regions under study. Indicatively, during the period 2000–2014 GDP per capita (in PPS as a share of EU average) in Apulia was 78 and fell to 63, in Basilicata it was 87 and fell to 69, and in Sardinia it was 84 and fell to 72. In other words, reductions ranged from 15% to 20%. In the North and Centre conditions were no better: during the same period, in Veneto GDP per capita was 136 and fell to 108, while Umbria was above the EU average in the year 2000 with a per capita GDP of 116 which fell to 87 in 2014. Thus, reductions ranged from 20% to 25%. Unemployment rates increased drastically in the post-2008 era almost doubling in the North and Centre: in 2015 it was 7.1% in Veneto and 10.4% in Umbria. Changes were not as striking in the South and on the Islands, though in these regions we must consider outward migration flows. Youth unemployment rates in 2014 were particularly disheartening ranging from 24.6% in Veneto to 56.4% in Sardinia. These values are close to the average of the broader regional categories within which Veneto and Sardinia are situated, namely the North-east region and the Island regions of Italy, respectively.<sup>4</sup>

If we return to the analysis of the LAG's impacts on territories, past *ex post* evaluation reports of LEADER assess the impact of LAGs by means of case studies and project reports. They observe that in certain

cases LAGs were able to enhance social capital and thus provide the organisation and the territory with an important social resource for development. For instance, the Metis report for LEADER+ (for EU-15 in the programming period 2000–2006) considers social capital as one of the major developmental objectives. Social capital encourages trust and reciprocity among people and enhances the willingness and capacity of local people to mobilise and cooperate. The report documents a number of projects across regions in which LEADER appeared to be successful in promoting economic activity, protecting the environment and creating social capital. Most LAGs agreed that LEADER+ helped to create sustainable partnerships between different stakeholders in different sectors: municipalities, NGOs, enterprises or individual citizens. However, only a small proportion of activities incorporated or targeted marginalised groups, especially ethnic minorities. The report also observes that the most positive and valuable result of LEADER+ lies in the process of setting up LAGs that greatly contributed to the accumulation of social capital and social learning, the creation of governance capacity at various levels, and the development of local actors' capacities for self-organisation (Metis, 2010, pp. 118, 124, 126–127). However, as argued in [Chapters 3](#) and [6](#), evaluation procedures must incorporate multi-dimensional and contextual conceptions and measures of social capital and governance, in order to better understand the contribution of LAGs to social capital and local development.

To obtain some understanding of how social capital and local development may have been affected by LAGs in our sample, we tap into the information provided by interviewees in open questions regarding the benefits that LAGs brought to the territory. Notwithstanding the difficulties involved in interpreting individual statements, our exploratory investigation of open questions in our sample of Italian LAGs and regions enrich our insight on how people's perceptions, expectations, identities and actions are shaped in relation to LEADER and Regional Development Programmes in general, and how we can re-shape development research, policy and evaluation in the EU to better understand the multi-dimensional and contextual facets of social capital and local development and respond more effectively to the participatory principles of these projects.

In our sample of Italian LAGs, members often stressed the economic benefits that arise from these projects. They point to the inflow of external funds that support the local economy, as well as the increases in income and job opportunities that come from the expansion of economic activities across sectors beyond agriculture. In fact, some members claimed that LAGs supported the integration with non-agricultural sectors and the introduction of innovation to attract new demand within and without the region. These responses are consistent with one of LEADER's key features, namely support for a multi-sectoral approach. Among the non-agricultural sectors, tourism seemed to dominate but, according to some responses, was associated with cultural and environmental activities. On the other hand, traditional sectors of agriculture expanded into areas of organic production, according to other responses. Apparently, some members stated that LAGs supported local small-medium businesses, while others emphasised that LAGs also lent their support to large-scale projects targeted at larger areas of intervention and a greater number of partners. In one case, an interviewee explicitly referred to the significant contribution of funding and external financial support, especially in times of crisis. In a number of cases, members stated that LAGs contributed to the "promotion and visibility of the territory" and to "a long-term vision of the territory".

Furthermore, many responses focused on the benefits derived from the exchange and expansion of immaterial resources. Members often mentioned that LAGs enhanced knowledge and information flows within the territory regarding: the planning and implementation of projects; the calls for proposals, the submission of applications, the allocation of funds and the coordination of projects; land management and territorial development; know-how, technical assistance and training; new opportunities for development; international experience; and generally, the territory's capacity to utilise and combine various economic, social, cultural and environmental resources in order to expand its potential and promote local participation and development. According to some responses, LAGs had achieved the exchange of information between public and private entities which was considered particularly important in obtaining local knowledge and enhancing project effectiveness.

Perhaps the flow of material and non-material resources was possible because LAGs created what we call here social capital. Actually, the term “social capital” does not appear in members’ responses. Yet they often referred to elements that identify with the concept of social capital when asked about the benefits that LAGs brought to the territory. For instance, in many cases members stated that LAGs contributed to creating and sustaining “networking relations”, “shared objectives”, “a social base”, “collective thinking”, “business networks”, “contracts with other parties”, “relationships with stakeholders”, “public-private networks and synergies”, “relations with companies, banks, other associations and bodies”, “collaboration with neighbouring municipalities, other regions and foreigners”, “participation in policy measures”, “participation in development planning and programming”, “roundtable discussion and open debate with different actors, sectors, areas and institutions” and “exchange of views, opinions and options for regional development and cooperation”. These observations are in line with the participatory principles promoted by the LEADER Approach.

Though governance is not explicitly discussed by members in their responses,<sup>5</sup> the emphasis on the contribution of LAGs to participation in policy measures and development programming reveals that the door is opening to bottom-up initiatives in areas that were conventionally determined by top-down interventions. Moreover, some members claim that LAGs are the only entity with territorial governing authority that can support concrete actions and undertake the management of the territory. However, only one LAG member explicitly referred to the benefit of creating a “government of local economies”, which could be considered as the closest reference to the idea of self-organisation and governance at the local level, but still far from a system of multi-level governance. These findings may show how difficult it is to change perceptions of governance, especially in societies with a history of centralised government. If so, then more needs to be done to visualise and realise new governance structures and arrangements.

Some members used the word “learning” to describe one of the benefits brought by LAGs to territories, particularly learning about: local potentialities and international conditions; local actors and other partners within and without the region; synergies across the private-public divide; and



regional, national and EU policy initiatives, measures and programmes in rural areas. In some case, they used the words “new relationships” and “new opportunities” to describe benefits. In one case, an interviewee stressed the shift of focus on the “territory”. This could be indicative of a shift to a “territorial-based approach”, which centres on local resources, needs and problems and calls upon local actors to mobilise to promote local development in synergy with private and public entities. In this way LAGs seemed to contribute to social learning and social innovation, which are at the core of the LEADER Approach. The fact that these responses were less frequent or more implicit compared to others may indicate that more work needs to be done to improve people’s understanding of these concepts, inclusive of LAGs, researchers and policy-makers.

To have a balanced view, we must also make note of the responses in which members stated that no one in the territory benefitted from the LAG. These negative responses are concentrated in two LAGs in the South. We speculate that interviewees’ assessments could have been affected by prevailing conditions in the region and LAGs during the time that the data was collected. For example, factors such as local political changes and delays in the activation of projects could have critically impacted the structure of partnerships and the results achieved by the LAGs.

Also there is one case in which an interviewee made a particularly categorical statement by claiming that at present nobody has benefitted from the LAG and explains this by saying: “*Unfortunately, the LAG is too politicised and biased, the largest share of social capital is held by people who mostly have interests that do not concern small businesses and therefore society’s perception of the LAG is very low*”. The statement above could summarise a situation that is common in a number of regional and local contexts inside and outside Italy where bottom-up initiatives are constrained, among other things, by powerful political interests, favouritism and clientelistic networks. This is in line with evidence produced by past *ex post* evaluation reports and case-by-case research studies of LEADER. For example, the *ex post* evaluation report for LEADER+ documents a number of cases in which innovation and development were hampered by the dominant presence of public authorities, excessive bureaucratic procedures and controls, dysfunctional financial flows, political interferences and political conflicts (Metis, 2010). Furthermore, based on a

series of European case studies, Ray (2000) argues that the differential impact of LAGs on implementing LEADER, reshaping governance structures and promoting social innovation, was partially affected by central government bodies which sought to preserve their own political and bureaucratic interests and power against trends of European integration and national decentralisation. However, we can still say that public authorities play an important role in coordinating deliberative processes and protecting their democratic legitimacy, provided they ensure the autonomy of LAGs at the local level (Metis, 2010, pp. 87, 91).

In any event, what all this means is that there are positive prospects for LAGs to support participation in (sustainable) local development pathways and become vehicles for social innovation in local territories. This topic is taken up in the final chapter of the book where social innovation is linked to social capital, two concepts that have co-existed for some time now, especially in EU policies, but have not yet been fully “brought together”, even though they both stress the social embeddedness of development and the need for social change to promote a quality of life via new forms of participation and governance. Thus, we still have distance to cover in order to grasp the dialectic interactions between social capital and local development.

## Conclusion

Generally, we observe differences across Italian regions and LAGs in diverse aspects of social capital and governance. Results show that inter-regional as well as intra-regional differences exist, and that simple North-South dichotomies tend to hide the richness of diverse experiences and possible pathways. They not only point to the deficiencies of LAGs in certain forms of social capital, which may adversely affect the local actors' capacity to re-build social capital and promote development in the territory. They also reveal the strengths of these LAGs, which may be utilised in the short-run to make up for the deficiencies they have and in the long-run to replace them by enhancing the forms of social capital they were poorly endowed with. A more detailed account of the LAGs

included in our study is provided in the following chapters of Part IV, which contain the regional case studies and engage in a deeper analysis of the methodologies, contexts and results.

Our results confirm the importance of studying social capital in various forms and at a more disaggregated level. As discussed in [Chapters 2 and 3](#), earlier studies on social capital focused on cross-country analyses and civic participation à la Putnam and provided individualist and deterministic interpretations of social capital, overlooking the role of contextual factors like social inequalities and power relations and ruling out the possibility of social and institutional change. The aim in the present study is to shed light on the multi-dimensional and contextual aspects of social capital and the specific ways they affect local development. Though this study centres mainly on the dimensions of social capital, it constitutes a first step into conceptualising and operationalising social capital for development and evaluation purposes. It proposes a method that enables researchers and evaluators to reflect on their findings and re-assess concepts and indicators, making it a really practical way to assess social capital and local development.

In closing, we stress that our observations and recommendations are subject to further research across Italian and European LAGs in order to specify the dimensions of social capital and governance and the ways they impact local development. Our basic conclusion here is that there is a need for bringing together the “social” and the “economic”, “theory” and “practice”, and thus for transcending what Bourdieu calls “false dichotomies” in order to understand the relational reality of the economy, development and policy.

## Notes

1. A simple Pearson’s correlation coefficient reveals a positive, rather weak, correlation: the coefficient is approximately 0.3 between the two forms of social capital, and around 0.6 between each form of social capital and governance. Only for the variables normative-cognitive social capital and governance is the coefficient statistically significant at the 5% level and equal to 0.68.

2. Banfield (1958) argues that the low levels of trust and development in Southern Italy are a result of the dominance of bonding social capital in the form of stronger family relations over bridging ties created across diverse groups. He calls this phenomenon “amoral familism”, a term that has often been cited in the literature and used in other contexts where family bonds crowd out motivations and opportunities for broader participation in the community and in the public sphere.
3. Some of these studies include Leonardi (1995), Sabatini (2005) and Crescenzi et al. (2013). It is worth noting that in some cases they question the deterministic North-South divide hypothesis that appears in Putnam’s work. For instance, by using concepts of bonding and bridging social capital and data of participation in the family and in social organisations they evidence that the situation in the North may not be as bright.
4. Data was derived from EUROSTAT regional data (<http://ec.europa.eu/eurostat>). All socio-economic indicators in this passage have been calculated at the regional – NUTS 2 – level. According to EUROSTAT, GDP or gross domestic product is an indicator of the output of a country or a region. It reflects the total value of all goods and services produced less the value of goods and services used for intermediate consumption in their production. Expressing GDP in purchasing power standards (PPS) eliminates differences in price levels between countries. Calculations on per capita or per inhabitant basis allow for the comparison of economies and regions significantly different in absolute size. GDP per capita in PPS is also the key variable for determining the eligibility of NUTS 2 regions in the framework of the EU Structural Policy. The regional unemployment rate represents unemployed persons as a percentage of the economically active population (i.e., labour force or sum of employed and unemployed). The indicator is based on the EU Labour Force Survey. Unemployed persons comprise persons aged 15–74 who were (all three conditions must be fulfilled simultaneously): (1) without work during the reference week, (2) currently available for work and (3) actively seeking work or who had found a job to start within a period of at most 3 months. Youth unemployment includes unemployed persons aged 15–24 and is a central topic in EU Employment Policy and Cohesion Policy.
5. LAG directors mentioned most of the economic and social benefits described above, but did not make explicit references to governance.

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# Part IV

## LEADER and Social Capital: Regional Case Studies

# 13

## LEADER and Social Capital in Veneto: The Case Studies of Prealpi e Dolomiti and Bassa Padovana Local Action Groups

Riccardo Da Re, Giorgio Franceschetti  
and Elena Pisani

### Introduction

Social capital and rural governance are central elements in the evaluation of development projects based on the neo-endogenous approach to local development. Scientific analysis has devoted considerable efforts at overcoming measurement problems of social capital and governance. [Chapter 7](#) described the dimensions and sub-dimensions used in the present study to give shape to social capital and related governance aspects in participatory local development processes, while [Chapter 9](#) further explained how the use of indicators could facilitate the qualitative and quantitative evaluation of these concepts. The next step was to define the method and select case studies to test it, tasks which were taken up in [Chapter 8](#). By using the method described in Part II, the objective of this chapter is to measure both

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quantitatively and qualitatively the endowment of social capital in two Local Action Groups (LAGs) in the Veneto Region (North of Italy): the LAG Prealpi e Dolomiti and the LAG Bassa Padovana.

The Veneto Region was one of the five regions selected for the analysis. In Veneto, LAGs benefit from a range of instruments designed to achieve the objectives of the participatory Local Development Strategy (LDS): (1) projects connected to calls for proposals of the Rural Development Programme (RDP); (2) projects where the LAG plays a coordinating role; (3) projects directly managed by the LAG; (4) inter-territorial and transnational cooperation projects; and more recently (5) key projects. These instruments enable LAGs to strengthen the exchange of information, collaboration and cooperation among local private and public actors, thus creating or enhancing the endowment of local social capital.

The chapter is organised in four sections. Following the introduction, Section 2 describes the features of the territories of the LAGs and presents the applied method for data collection and analysis, highlighting its local contextual applications. Section 3 discusses the results obtained by analysing the different indicators of social capital (structural and normative-cognitive) and related governance aspects, and by comparing the types of network (information, collaboration and trust) of the two LAGs. Section 4 closes with some concluding reflections.

## Case Studies and Methodological Approach

During the 2007–2013 programming period, the Veneto Region selected 14 LAGs for the implementation of the LEADER Approach, two for each of the seven provinces, after a public competitive process linked to the implementation of Axis 4 of the RDP. For the present research, the criteria used to select the LAGs included: number of members of the LAG, geographic location, socio-economic context and historical significance of the public-private partnership of the LAG. In the specific case of Veneto, the membership criterion was not significant because the number of members was restricted as compared

to the other case studies at the national level. In relation to geographic location, the choice was to include the LAG Prealpi e Dolomiti in the Belluno Province and the LAG Bassa Padovana in the Padova Province.

Both LAGs represented two different areas of the region, with different social and economic backgrounds. The LAG Prealpi e Dolomiti had a long partnership history, dating to the late 1990s when it was first established. It included 26 municipalities in a large, but fragmented, mountain territory. In the territory of the LAG there are the Dolomiti Bellunesi National Park, 19 Natura 2000 sites (covering about 36% of the area), eight national natural reserves and two regional reserves. Its territory is still considered a rural area affected by socio-economic marginality. Although the situation is evolving, agriculture and livestock are separate from the driving economic sectors, namely manufacturing and tourism. The LAG Bassa Padovana was established in the 2007–2013 programming period, in a territory where traditions connected to cooperative planning among institutions were missing. The LAG is located in a flat area in the Southern part of the Padova Province and includes 30 municipalities. Its territory is quite diverse, with a rich naturalistic, historical and gastronomic heritage. It is characterised by historical towers and castles from the medieval period as well as elegant villas built during the Republic of Venice. Unlike the LAG Prealpi e Dolomiti, the potential for tourism has not yet been fully realised.

The method described in [Chapter 8](#) established that all members of the selected LAGs would be interviewed. In the LAG Prealpi e Dolomiti, 23 out of a total of 25 members were interviewed, while in the LAG Bassa Padovana, 11 out of 12. Hence, a total of 34 out of 37 interviews with members, and 2 interviews with the directors, were carried out in both LAGs. In the case of missing responses, either (1) respondents declined to respond, were absent for a prolonged period or (2) their responses were not analysed when inconsistent and contradictory. In addition, 20 beneficiaries were selected through systematic random sampling, stratified by geographic location, types of projects and measures of the RDP (see [Chapter 8](#)). Stratification enabled researchers to substitute respondents who declined the invitation for an interview with beneficiaries who shared similar characteristics. In both LAGs, the

overall majority of beneficiaries was from the private sector and this share was maintained in the selected sample as well.

The questionnaires were administered through structured, face-to-face interviews (see Appendix 1 for the interview schedule for members and Appendix 2 for a comparison across the three questionnaires). Data collection took place at the LAG Prealpi e Dolomiti between September 2012 and January 2013, and at the LAG Bassa Padovana between December 2012 and January 2013. A letter of presentation signed by the director of the LAG was first sent to all potential interviewees, followed by a phone call to set up a meeting for the interview. The interviews generally lasted between 20 and 30 minutes. All interviews were carried out in the office of the interviewees.

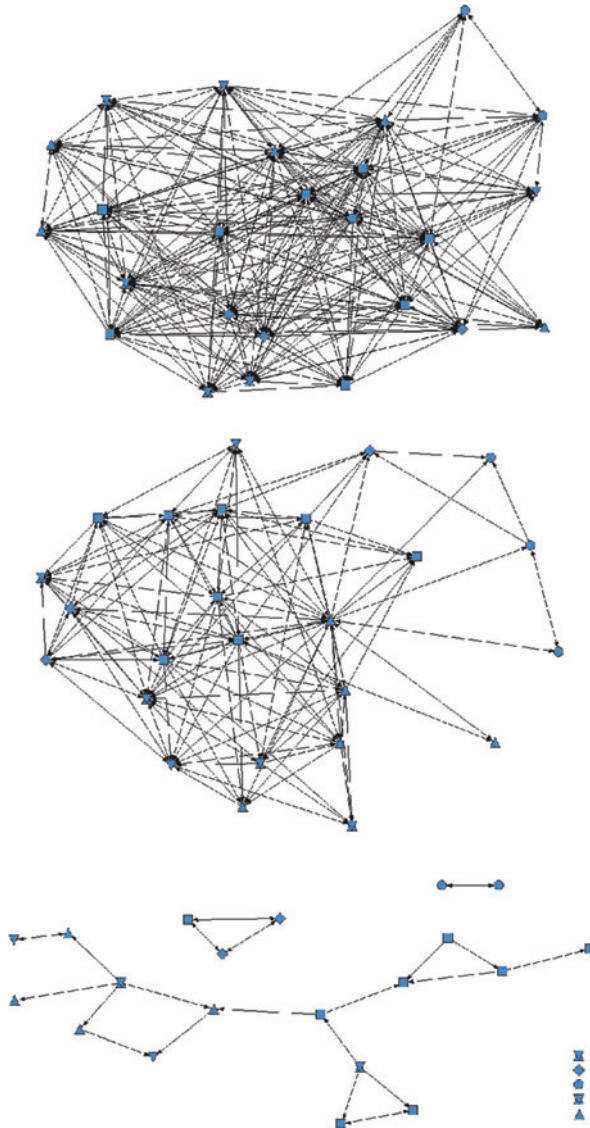
The reader can consult chapters in Part II (specifically [Chapters 7, 8, and 9](#)) for a brief presentation of how the indicators and absolute values were derived. The complete list of indicators by dimension and sub-dimension is included in Appendix 3, while the range of values for each indicator and the values obtained for the LAGs are in Appendix 4. The graphs in [Figs. 13.1 and 13.2](#) were developed with the UCINET software (Borgatti et al., [2002](#)).

## Results

The present section examines the results obtained from the analysis of interviews with the director, members and a sample of beneficiaries from both LAGs. Results are presented for the dimensions of social capital (structural, normative-cognitive) and related governance, and are followed by a discussion on the most important results and their implications for social capital in the LAGs.<sup>1</sup>

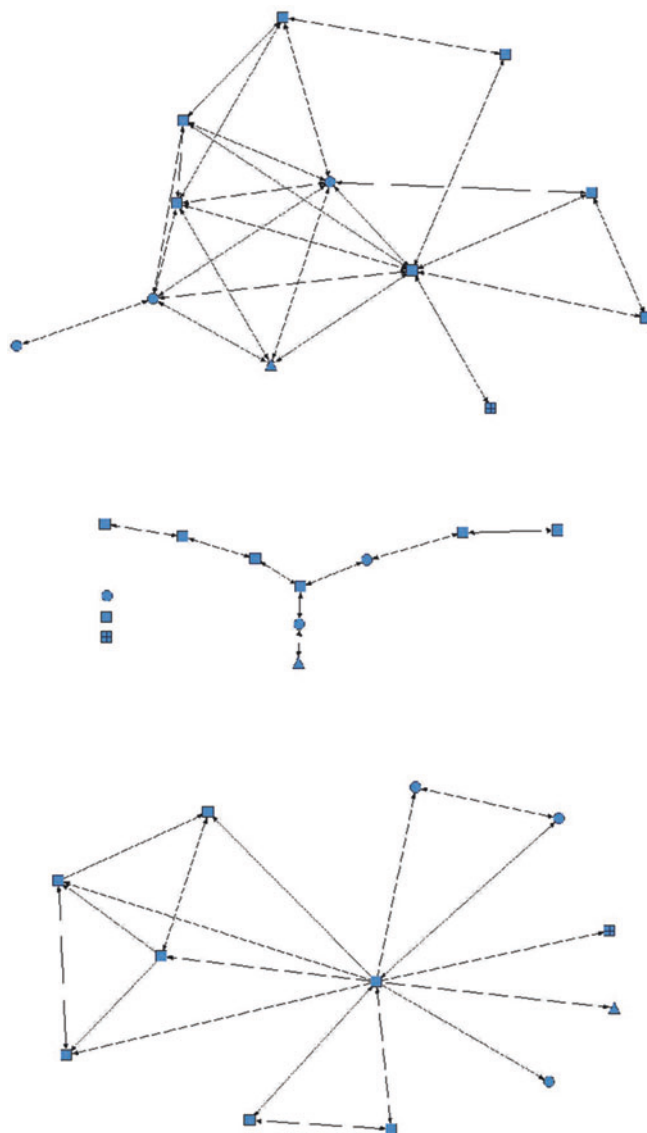
### Structural Social Capital

The partnership of the LAG Prealpi e Dolomiti was established in 1997 to participate in the LEADER II European Initiative (dimension A – Context). It included 25 members, 14 of whom were private (indicator



**Fig. 13.1** LAG Prealpi Dolomiti: information (top), collaboration (middle) and trust networks (bottom), 2012–2013

*Source:* Own elaboration



**Fig. 13.2** LAG Bassa Padovana: information (top), collaboration (middle) and trust networks (bottom), 2012–2013

*Source:* Own elaboration

A4 = 56%) and included representatives from the trade unions active in the local economy. The 11 public members included institutional bodies operating at levels higher than the municipality, such as the Mountain Unions, the Province of Belluno, the Chamber of Commerce, the Dolomiti Bellunesi National Park and the Union of Municipalities of the Lower Piave. Members joined the LAG with different motivations (indicator A1 = 2.22): (1) the majority (82%) was invited to join, as key actors from the territory, while (2) 18% joined proactively, aware of the potential inherent in the emerging organisation.

The LAG Bassa Padovana was quite atypical when compared to other cases in Veneto. It was established in 2007, from the partial inclusion of the LAG Patavino, which had already operated in the territory, and was organised around a limited number of members (nine were private and three were public) to increase the efficiency of the decision-making processes and collaboration. The majority of the members, trade unions and professional associations *in primis*, actively supported its creation. Since the beginning, they saw the organisation as a strategic opportunity to address more directly the problems of the local rural areas, by differentiating the needs of the hills from those of the planes. Members joined the LAG (indicator A1 = 2.82) (1) by invitation (58.3%) or proactively (2) 41.7%. Thus, a larger percentage of members was aware of the potential of the emerging organisation.

The LAG Prealpi e Dolomiti directed numerous funding measures to a wide variety of beneficiaries. Interviewees' knowledge of the role of the LAG was mixed depending on the sector considered. On the one hand, small private companies considered the LAG a promoter of local economic development, and more directly, a way to support their business activities. On the other hand, public institutions saw the LAG as the organiser of an integrated strategy for local development, and held they should contribute to it effectively. Direct knowledge of the role of the LAG was overall satisfactory (indicator A2 = 2.94), since the majority of respondents provided at least one technical definition of its role. However, beneficiaries were not able to identify concrete actions that the LAG had carried out in the territory (indicator A3 = 0.88, on a 0–3 range).

In the LAG Bassa Padovana, the combined value of indicators A3 and A4 was rather low. One possible explanation could be due to the

difficulties the partnership faced in trying to reach potential beneficiaries in the territory. On the one hand, the latter preferred to communicate directly with their trade unions and professional associations, with whom they already had well-established and consolidated relationships. On the other hand, trade unions and associations may have failed to properly communicate and advertise the role of the LAG in providing funds to potential beneficiaries, leaving them with a vague idea of the role of the LAG instead.

To support achieving the objectives of the LDS, the LAG's role is to mediate among members and beneficiaries, and enhance relationships among different categories of participants (dimension B – Network actors). Results show that 43% of members in the LAG Prealpi e Dolomiti and 79% in LAG Bassa Padovana had a general knowledge on the initiatives of the LAG (e.g., calls for proposal), participating beneficiaries and the allocation of financial resources (indicator B1). While the values are above the national average, their knowledge was superficial (indicator B2). In fact, only 17% of the members in the LAG Prealpi e Dolomiti and 15% in the LAG Bassa Padovana provided precise and detailed information concerning the number of beneficiaries, the number of calls issued and the amount of funding assigned. These results show how, for the most part, members' perception of the LAG as an influential and effective institution in the territory had not matured yet. However, in both LAGs, there was a small group of members that was sufficiently informed, and that could play a more active role in steering the network and extend relationships to include diverse sectors.

Beneficiaries' direct knowledge of other beneficiaries was assessed by measuring and averaging the number of personal contacts known by each interviewee. On the one hand, the data has quite low values for both LAGs (indicator B4 = 4.90 and 4.97 for LAG Prealpi e Dolomiti and LAG Bassa Padovana, respectively) despite the local dimension of the development strategy. This could show the limited network of relationships developed among beneficiaries. On the other hand, personal relationships with beneficiaries who had participated in calls of the LAG Prealpi e Dolomiti during the previous programming period (indicator B5 = 4.53) was the highest among the national case study areas. Furthermore, the ability of beneficiaries to identify the effects that

their projects had on indirect beneficiaries (indicator B3), provides insights into the potential impacts of the financed initiatives on the larger community. The proportion of projects, which impacted indirect recipients, was 44% in the LAG Prealpi e Dolomiti and 26% in the LAG Bassa Padovana. In the LAG Bassa Padovana, almost all private beneficiaries were single entrepreneurs who acquired goods such as agricultural machines rather than participating in collaborative projects. It seems that the focus of their initiatives was on increasing physical capital rather than social capital, increasing productivity in farms while maintaining a “business as usual” system of relationships with other entrepreneurs. This means that there is still a ways to go in order to reach the multi-sectoral initiatives promoted by the LEADER Approach.

As highlighted in [Chapter 7](#), the creation of horizontal networks (dimension C – Horizontal structure) can lead to an increase in social capital, especially when these networks are internally diverse. This applies to LAGs, who include both private and public actors and lead to new governance structures and local-level interactions. Network relations are vital to the life of a LAG, and specific measures are needed to capture the participation of LAG members in the life of the organisation.

The LAG Prealpi e Dolomiti appeared to be a positive example with average annual rates of attendance at the meetings of the Assembly (indicator C2 = 76.1%) and the Board of Directors (indicator C1 = 75%) among the highest nationally. A high percentage of regular attendance at meetings (indicator C3 = 78.3%) also highlighted interest in the benefits that may derive from the network. The organisation of informal promotional meeting events can further foster initiatives and a sense of belonging to the organisation and its network. Even though the LAG Prealpi e Dolomiti did not organise events outside of the institutional meetings (indicator C4 = 0%), it systematically used a range of different communication channels to promote the LAG, including social media, activities in schools, regional broadcasting networks, local newspapers, the circulation of regular bulletins and the creation of widely accessible documentaries about the local territory. The LAG activated 78% of all the possible communication channels made evident *ex post* by the present study at the national level (indicator C5), the highest result nationally. The LAG also reached 67% of



different types of actors by differentiating its communication activities (indicator C6).

In a mountainous province, such as Belluno, characterised by territorial discontinuity, the LAG was able to involve actors to exchange information and collaborate. [Figure 13.1](#) shows a high density (the highest values compared to other LAGs) of information exchange (indicator C7 = 42%) and of collaboration among members (indicator C8 = 15%). The LAG was proactive in the territory (indicator C14 = 2.13, on a 0–3 range) and able to create horizontal networks outside of the organisation itself. [Figure 13.1](#) highlights not only the density of the network, but also relationships among single actors. The results show that the proportion of public and private members was maintained unaltered in the centre of the network (indicator C9 = 94%), with over 77% of the collaborative partnerships featuring mixed partnerships (indicator C10). Furthermore, beneficiaries and members of the LAG seem to have overcome barriers that are common in public-private partnerships, such as different interests and knowledge, since 76% of beneficiaries related to LAG members regardless of their public or private nature (indicator C11). Finally, the capacity of the LAG to introduce actors of the territory, both members and beneficiaries, who did not previously know each other or did not commonly share information or collaborate, is the second highest among the national case studies (indicator C12 = 10.82%). To elaborate, C12 represents a measure of the relational outcomes determined by the LAG. The higher its value, the higher the levels of local social capital, and thus the higher the value added of the LAG as a rural development organisation. This is consistent with the synergy view of social capital which stresses the bridging and linking aspects of social capital and places value on network relations between diverse groups that can be assessed by Social Network Analysis (SNA). If we analyse the variables in relation to the specific subsets of members and beneficiaries, we observe that the LAG Prealpi e Dolomiti increased information sharing and collaboration in projects among members to 4% (indicator C12-2) and 18% among beneficiaries (indicator C12-3) ([Fig. 13.1](#)).

The LAG Bassa Padovana adopted a different approach. The LAG created four Permanent Consultation Tables on specific topics such as

governance, economy, finance and tourism in order to increase connections between the Assembly and other actors of the territory. These Tables supported consultation on topics relevant to the design and implementation of the LDS. They were so important that members attended them more frequently than the Assembly meetings, attendance which was the lowest at the national level (indicator C1 = 10%). Conversely, attendance at the Board of Directors meetings was amongst the highest at the national level (indicator C2 = 62.5%). Collaboration among members was supported by the regular participation of a designated person to the Assembly (rather than on a rotation basis) (indicator C3 = 83.3%), while participation in promotional event was amongst the highest at national level (indicator C4 = 100%). However, the LAG appeared to activate 33% of all the possible communication channels (indicator C5), and reached about 33% different types of actors (indicator C6). The choice to reduce the partnership to 12 members greatly influenced the horizontal structure of the network, with positive effects felt on relationships among partners. The exchange of information within the network (indicator C7 = 38%) and within the collaborative network (indicator C8 = 12%) was dense, overcoming many of the barriers that generally exist between public and private actors (Fig. 13.2). In fact the results show that the proportion of public and private members was the same in the centre of the network (indicator C9 = 91.7%), while the percentage of members that were able to establish new collaborations (indicator C12-2 = 0.5%) and the percentage of beneficiaries who were able to create new contacts through the LAG (indicator C12-3 = 1.5%), was very low. Consequently, the relational outcome of the LAG has been very low in terms of its capacity to enhance local social capital (indicator C12 = 1%). The analysis of relationships between the LAG and its beneficiaries showed that the latter rarely contacted the staff of the LAG (indicator C14 = 1.16, on a 0–3 range). As already mentioned, farmers preferred to seek funding via their own professional associations with whom they share regular contacts rather than with the LAG (Fig. 13.2).

Actors exchange information efficiently in a network when exchanges are transparent and monitored responsibly (dimension D – Transparency and accountability), tasks which are routine in a LAG. One of the best means to assess transparency is through the internet site, and indeed both

LAGs hosted internet sites which were informative, up to date and clear (indicator D1-1 = 5 for both the LAGs), according to the members and beneficiaries who utilised them (indicators D1-2 = 4 for both LAGs; D1-3 = 4 and 3.6 for LAG Prealpi e Dolomiti and LAG Bassa Padovana, respectively). Furthermore, the LAGs accurately analysed the site visits to evaluate their use over time (indicator D2). Accountability of an organisation should include all levels, from the technical to the administrative staff, from members to beneficiaries. In both LAGs, interviewees claimed that the staff carried out their tasks with due diligence, based on their capacity, professional level and technical preparation in responding to solicitations from members and beneficiaries. Administrative support (indicator D5) had values of 5.30 for the LAG Prealpi e Dolomiti and 5.7 for the LAG Bassa Padovana (on a 2–8 range), both of which were the highest values nationally. Accountability of members (indicator D4) was 4.9 in the LAG Prealpi e Dolomiti and 5.9 in the LAG Bassa Padovana (on a 1–8 range). Accountability to beneficiaries was quite low for the LAG Prealpi e Dolomiti and almost absent in the LAG Bassa Padovana (indicator D3 = 2.12 and 1.66 for LAG Prealpi e Dolomiti and LAG Bassa Padovana, respectively, on a 0–4 range).

Network dynamics often depend on the evaluation of information provided by single members to the organisation (dimension E – Reputational power). This can be evaluated by comparing the information provided by members who play a formal role in the LAG, such as in the Board of Directors, with the information provided by natural leaders who at the centre of the information network. Haugaard (2010) argues that the efficacy of the decision-making process is tightly connected to an overlap between natural and formal leaders, which in the case of the LAGs would include members of the Board of Directors. In the LAG Prealpi e Dolomiti, 57% of the members with a higher degree of reputational power overlapped with those at the centre of the information network, while in the LAG Bassa Padovana the overlap reached 67% (indicator E3).

Participation in the LAG contributed significantly to information exchange among all members. By comparing members' own assessment on their information contribution to the network, with the assessment of the other members and director (indicator E4), it was possible to connect

high correspondence with correct assessments. In the LAG Prealpi e Dolomiti, the value was 1.99, while in the LAG Bassa Padovana it was 2.12, on a 0–3 range. Finally, the reputational power of the LAG (indicator E5), was quite high for both, with 2.70 in the LAG Prealpi e Dolomiti, and 3.36 in the LAG Bassa Padovana, on a 0–4 range.

## Normative-Cognitive Social Capital

As described in [Chapter 7](#), cognitive social capital can be manifested through social norms such as interpersonal and institutional trust. In terms of interpersonal trust (dimension F), the two LAGs had different levels of trust. In the context of the LAG Prealpi e Dolomiti, members had difficulty responding on behalf of the institution or organisation they represented, and recounted instances of personal distrust. Based on the standard question of generalised trust used in the social capital indicator (Rosenberg, 1956), those who trusted the Assembly (indicator F1) were 63% in the LAG Prealpi e Dolomiti and 92% in the LAG Bassa Padovana. Furthermore, based on SNA, density was quite low when comparing trust among members ([Fig. 13.2](#)): 3% in the LAG Prealpi e Dolomiti and 19% in the LAG Bassa Padovana (indicator F2). In the LAG Prealpi e Dolomiti, 32% of the members were isolated in the Assembly, while no member was isolated in the LAG Bassa Padovana (indicator F3 = 68% and 100% for LAG Prealpi e Dolomiti and LAG Bassa Padovana, respectively). In terms of institutional trust (dimension G), both LAGs had relatively low levels of trust towards government institutions at the sub-national level (G1 = 2.06 and 1.88 for LAG Prealpi e Dolomiti and LAG Bassa Padovana, respectively) and trade unions (G3 = 2.67 and 2.54 for LAG Prealpi e Dolomiti and LAG Bassa Padovana, respectively), while they attested very high levels of trust in voluntary associations (G4 = 3.60 and 3.27 for LAG Prealpi e Dolomiti and LAG Bassa Padovana, respectively).

Benefits received from a network can be used to measure the competitive advantage of belonging to a network of contacts, which may create social capital (dimension H – Quality of the network). In the LAG Prealpi e Dolomiti, beneficiaries recognised the benefits (indicators H2-

2 = 1.78, on a 0–4 range and H2-3 = 2.85) received from the LAG in terms of facilitating the development of new projects. In addition, members recognised the value added of the organisation because it fostered a shared territorial management through a participatory and encompassing LDS. The LAG was seen as singularly effective at promoting actions of territorial governance. Moreover, it was seen as a professional information broker able to provide knowledge on “practical aspects” of the European Union policies, programmes and projects.

In the LAG Bassa Padovana, members perceived the value of the network in bringing together diverse actors from the territory. By participating in the Permanent Consultation Tables and providing access to funds, members were able to contribute to the development strategy connected to the specific needs of a territory. For example, they created a marketing tool for their territory demonstrating to different economic entrepreneurs (both farmers and professionals in the tourism sector) that it was possible to create a positive advantage by growing together and collaborating. For agriculture and tourism, access to funds was a significant opportunity in a period of recession and economic crisis, while the long-term vision of collaboration provided a yard stick for achieving the objectives of the LAG.

Congruence on perceived benefits by the executive bodies (members and director) was 50% in the LAG Prealpi e Dolomiti (indicator H1), a high percentage when compared to the other case study areas. This result offers a strong indication of the capacity of the LAG to attract actors who shared a common vision of territorial development. While members in the LAG Prealpi e Dolomiti did not view their contribution to the LAG as sufficient (indicator H3 = 1.22, on a 0–4 range), they agreed that their participation as representatives of different economic sectors guaranteed a more comprehensive perspective on the needs of the territory. The external assessment of the beneficiaries on the quality of the network recognised only in part the innovative features of the LAG (indicator H5 = 5.08, on a 2–8 range), perhaps because they felt that they had received little support during the formulation phase of projects (indicator H4-1 = 0 and indicator H4-2 = 26.1%).

In the LAG Bassa Padovana, the members’ view of the benefits they received was only partially shared by the director. Members perceived

that the LAG and the professional associations had the technical capacity required to follow the beneficiaries during the formulation phase of projects. The director did not share this view, suggesting instead that more collective training opportunities had to be developed in the territory to enhance the local capacity to present good projects. Beneficiaries confirmed this statement, as they perceived that the benefits in applying to the calls of the LAGs were limited to economic benefits. Despite the specific characteristics of the funding process promoted by the LAG when compared to the one promoted by the RDP, the LAG was not yet seen as a truly innovative actor in the territory. For example, beneficiaries, often farmers, observed that the LAG would achieve better results if the organisation directly shared a common strategy with private owners and entrepreneurs, rather than passing through the trade unions or professional associations that weakly represented the interests of their members.

As highlighted in [Chapter 7](#), the quality of participation (dimension I) is key to European rural planning, and the LAGs are called upon to define mechanisms that facilitate interaction among members. While the LAG Bassa Padovana did not have formal mechanisms of coordination, the LAG Prealpi e Dolomiti had a statute with written rules and ensured notes were taken by a secretary during meetings (indicator I1 = 2 and 0 for LAG Prealpi e Dolomiti and LAG Bassa Padovana, respectively, on a 0–5 range).

In the LAG Prealpi e Dolomiti, a Board of Directors limited to five members (as it happened in a number of other LAGs across the country), increased efficiency, yet it also decreased the level of overall participation. The majority of members limited their participation to simple attendance, and only a few expressed their opinions during formal meetings (indicator I2 = 2.24). At the same time, the reduction in levels of participation was compensated by a high degree of trust in the Board of Directors. The Board was seen to represent the interests of the Assembly appropriately (indicator I5-1 = 3.27, on a 0–3 range), align with the ideas of its members (indicator I5-2 = 2, on a 0–3 range), foster collaborative relationships (indicator I7 = 3, on a 1–3 range) and take into account the opinions of all members during the decision-making process (indicator I6 = 2.95).

Conversely, in the LAG Bassa Padovana, the quality of members' participation within the organisation was very high. Discussions in the Assembly engaged all members and opinions were seen to concretely influence the outcomes of the decision-making process, thus leading to high values for perceived interest and attendance to meetings. Conversely, beneficiaries were mostly passive. Less than half of those who accessed funding (about 40% in the LAG Prealpi e Dolomiti and 21% in the LAG Bassa Padovana) was conscious of the importance of the LAG, providing suggestions on potential projects and actions, as well as suggesting funding calls to other economic actors in the territory (indicator I8).

With regard to shared values (dimension L), there was a high level of identification with the territory (indicator L5 = 3.83), and with its local values (indicator L1 = 2.91) of the LAG Prealpi e Dolomiti. These included the capacity to keep agreements, trust others, act responsibly and avoid opportunistic behaviours or free riding (indicator L2 = 1.92, on a 1–3 range). This result could be indicative of shared values rooted in the territory and in the resident population. Several interviewees were able to identify individuals who promoted shared values (indicator L3 = 1.5, on a 0–5 range), even though less than half were members of the LAG (indicator L4 = 45.8%). When analysing the variable from the perspective of beneficiaries, only 25% of them believed that a member of the LAG promoted shared values.

The results in the LAG Bassa Padovana were markedly different. The majority of respondents identified themselves with the territory, yet found it challenging to identify actors who promoted shared values in the territory, including within the LAG. Generally speaking, respondents had quite a negative perception on the presence of shared values that would facilitate the creation of social capital among economic actors. Private beneficiaries were quite adamant about the actual loss of shared values over time and the lack of strong reference points for citizens among institutions.

Conflict (dimension M) within the LAG Prealpi e Dolomiti was almost absent: relationships between the public-private partnership and the political and technical spheres appeared to be positive (indicator M1 = 3.45). This result shows how individuals holding key positions in the management of the LAG facilitated dialogue and fostered consensus-building

among different perspectives. In the Assembly few areas of conflict emerged (indicator M2 = 75%) and were limited to the management of internal resources. The director was able to manage any potential conflict (indicator M3 = 3.43), while the rate of internal conflicts among single members was also limited to few and context-specific situations (indicator M5 = 96%). Even the relationship with beneficiaries was considered to be positive (indicator M4 = 3.83), with conflict mainly due to the latter's perception that the LAG favoured some areas of the territory rather than others (indicator M6 = 63.6%). Yet, the analysis of data on funding allocated to the different areas proved this perception to be inaccurate.

Likewise, in a period rife with challenges for small businesses, the LAG Bassa Padovana was able to facilitate the co-existence between public and private members by centring its policies on locally relevant issues. Internal conflict was almost inexistent, and it was only during its initial establishment that conflict emerged, regarding the decision on the municipalities that would be included in the territory of competence. There were no conflicts between beneficiaries and the LAG, and almost all respondents agreed that the LAG never created conflicts as a result of its actions in the territory.

## Governance and Social Capital

The decision-making processes and the organisational structure of the LAG are considered key aspects of governance that influence its impacts on the territory, and thus, its capacity to create social capital (see [Chapters 3](#) and [5](#)). Following are the results that emerged from the analysis of the indicators on governance for the two LAGs.

In terms of decision-making processes (dimension N), both LAGs considered the planning period more than adequate to achieving concrete results in the territory (indicator N1 = 94.1% and 75% for Prealpi e Dolomiti and Bassa Padovana, respectively). Unlike the LAG Bassa Padovana, the LAG Prealpi e Dolomiti faced no difficulties in coordinating actors internally and implementing consultation processes, ranging from the sharing of information to the communication of decisions (indicator N2 = 7 and 0 for Prealpi e Dolomiti



and Bassa Padovana, respectively, on a 0–7 range). Both LAGs were able to provide technical assistance to beneficiaries during their funding application process (indicator N4 = 3.19 and 3.56 for Prealpi e Dolomiti and Bassa Padovana, respectively), yet were not able to properly monitor the implementation phases of funded projects (indicator N3 = 1 for both LAGs, on a 0–5 range).

In order to evaluate the effectiveness of an institutional body (dimension O – Efficiency and effectiveness), the first step is to understand the perception of beneficiaries. Although the majority of the population had a limited understanding of the role of the LAG (indicator O2 = 1.85 and 1.74 for Prealpi e Dolomiti and Bassa Padovana, respectively), interviewees claimed that both LAGs were well-integrated in their respective territories (indicator O1 = 3.07 and 3.12 for Prealpi e Dolomiti and Bassa Padovana, respectively). The LAGs also coordinated the Assembly and the Board of Directors effectively (indicator O5 = 3.93 and 4 for Prealpi e Dolomiti and Bassa Padovana, respectively) and created a compact network among members (indicator O6 = 63.1% and 67.2% for Prealpi e Dolomiti and Bassa Padovana, respectively).

As described in the section on the horizontal structure of the network (dimension C), the LAG Prealpi e Dolomiti was very efficient in its use of communication channels (indicator O7). Conversely, beneficiaries still saw it as potentially overlapping with other institutions present in the territory. The economic actors of the territory had a positive perception of the role of the LAG Bassa Padovana. They appreciated both its level of specialisation and its internal efficiency (indicator O3 = 3.33).

With regard to their capacity and organisational culture (dimension P), the LAGs diverged in their ability to communicate effectively with the majority of the population mainly because of their choice of communication channels (see description in dimension C). The LAGs did not monitor their activities on a regular basis (indicator P3 = 1 for both) and did not use indicators for self-assessment (indicator P4 = 0 for both), limiting the overall perception of beneficiaries on key aspects of the capacity and organisational culture of the LAG (indicator P9 = 3.11 and 3.13 for Prealpi e Dolomiti and Bassa Padovana, respectively).

The vertical structure (dimension Q) of the LAGs included the Paying Agency, “*Agenzia Veneta per i Pagamenti in Agricoltura*”

(AVEPA), and the Veneto Region. Unlike LAGs in other Italian regions, beneficiaries from both LAGs knew about the functions of the planning structure, the complexity of the planning process and the origin of the funds, which were allocated to LEADER through the RDP (indicator Q6 = 2.13 and 1.94 for Prealpi e Dolomiti and Bassa Padovana, respectively, on a 1–3 range). This level of understanding was a significant finding in the Italian case studies. Relationships between the LAGs, the Region and AVEPA were overall collaborative (indicator Q4 = 2.5 for both, on a 1–3 range), despite a general perception by members that the suggestions, observation and critiques were rarely formally addressed at the higher level (indicator Q3 = 0.74 and 0.70 for Prealpi e Dolomiti and Bassa Padovana, respectively, on a 0–2 range). The capacity of the LAGs to influence the planning process of the RDP seemed to be quite low compared to the other Italian LAGs (indicator Q5 = 2.5 and 1.7 for Prealpi e Dolomiti and Bassa Padovana, respectively), even though there were discordant responses. For example, some members argued that the Region, aware of the complexity of the bureaucratic structure, was still very open to requests from the LAG. They saw administrative difficulties in their relationship with AVEPA, due to complex and unclear procedures. Other members argued that the LAG was limited in its ability to shape its own calls, and that regional decision-making processes led to a loss of capacity to understand territorial specificities.

Finally, LAGs develop relations external to the territory through common projects with other LAGs at the regional, national and international level in order to exchange ideas and experiences and enrich their actions in their territory. The LAG Prealpi e Dolomiti led an inter-territorial cooperation project and participated in a transnational one (indicator Q1 = 5, on a 1–15 range). These projects enabled beneficiaries to promote their activities through the LAG and develop relationships with other actors operating in the same sector but in a different geographical area. However, communication across different territories was still quite low and mostly limited to relationships with public entities (indicator Q2 = 0.56, on a 0–3 range). The LAG Bassa Padovana invested in two inter-territorial cooperation projects and two

transnational ones aimed at adding value to the specificities of the territory and its typical products for tourism development. However, none of the projects had yet supported contacts between beneficiaries of different territories ( $Q1 = 9$ , on a 1–15 range, and  $Q2 = 0$ , on a 0–3 range).

## Conclusion

The objective of this chapter was to measure quantitatively and qualitatively the level of social capital that the two LAGs developed in the territory by using the method described in Part II. The detailed data on the qualitative and quantitative aspects of two LAGs from the Veneto Region are not representative of the region as a whole. However, the analysis showed that a consolidated partnership history, combined with the effective and efficient delivery of high-quality projects, concurred to increase the levels of social capital in the LAGs over time, even though through different paths.

Furthermore, including diverse economic actors in the network to build a common strategy and facilitate in this way the development of the territory was a key result. Even though the significance of social capital was not yet fully understood, the strength of the LAG lies in its focus on participation, and this aspect must not be lost. Despite the limitations found, some of the decisions were quite progressive and the consultation tables that were activated were certainly a good starting point for future planning processes.

With regard to the governance of rural development, the data confirmed the hypothesis that LAGs are acquiring a role of authority, with ongoing discussions on shifting their role from a “simple” action group to a more structured development agency. This change implies the need for continuous effort and improvement in the quality of their actions.

The research also highlighted that the evolution of the LAG towards implementing more effective actions in the territory is connected to its capacity to bridge between stakeholders (internal relations) and local governance systems (external relations). In this sense, all actions geared at creating new linkages and new norms of reciprocity and cooperation

in the territories of the LAG will favour the creation of functional economic networks, and thus, social capital.

Finally, the research provided the LAGs with a tool to self-assess their points of strength and weakness in relation to internal organisation and actions in the territory, and thus, with a tool to identify where further work could be carried out in future planning processes and in relationships with members, beneficiaries and higher levels of governance.

## Note

1. As described in Part III, it was useful to normalise the values of indicators for aggregation and comparison. In this chapter, the values of the indicators have not been normalised, unless otherwise stated. Also the values of the indicators are expressed as a (1) percentage or (2) range. Various ranges have been used in the study depending on the indicator. In the chapter, the range will usually vary from 1 to 4, unless otherwise specified.

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# 14

## LEADER and Social Capital in Umbria: The Case Studies of Valle Umbra e Sibillini and Ternano Local Action Groups

Biancamaria Torquati and Giulia Giacchè

### Introduction

It has long been recognised that social relations, norms, shared values and trust have an impact on social and economic development (Dasgupta, 2000; Antoci et al., 2007; Peiró-Palomino & Tortosa-Ausina, 2015). Of a more recent conceptualisation, however, is the idea that these same social dimensions may constitute a distinctive form of capital, and as such, are capable of influencing local development processes in a relational economy (Distaso, 2015). Social capital became relevant to the field of rural development once the specific features of local social contexts and the role of social and immaterial and non-market-based

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resources were recognised to co-determine the choices of economic subjects, along with the other forms of capital (human, cultural, institutional, economic, financial, physical, and environmental). Research has therefore aimed at understanding its role in economic and local development, starting from the hypothesis that availability of economic and social resources – including networks – influence economic choices (Bagnasco et al., 2001; Trigilia, 2001; Evans & Syrett, 2007; Westlund & Kobayashi, 2013).

The present chapter contributes to this debate by analysing the actions and initiatives of two Local Action Groups (LAGs) in Umbria, a region located in central Italy. The objectives of the paper are (1) to apply and test a method of analysis for the evaluation of social capital as presented in Part II in the two LAGs and (2) to highlight the strengths and weaknesses of the two LAGs, based on different indicators of social capital and governance, and make suggestions on how to improve the social impact of LAGs in their territory.

The chapter is organised in four sections. Following the introduction, Section 2 describes the features of the territories of the LAGs as well as the specific features of the organisation of the two selected LAGs, and presents the applied method for data collection and analysis, highlighting its local contextual applications. Section 3 discusses the results obtained by analysing the different indicators of social capital (structural and normative-cognitive) and governance and by comparing the types of network (information, collaboration and trust) of the two LAGs. Section 4 closes with some concluding remarks.

## Case Studies and Methodological Approach

In the programming period 2007–2013, the Umbria Region selected five LAGs. For the purpose of this research, two of the five LAGs were chosen based on their representativeness of the socio-economic characteristics of the two provinces in the Region. The LAG Valle Umbra e Sibillini is located in the Province of Perugia, while the LAG Ternano is located in the Province of Terni. The local territories, which pertain to two different administrative and institutional environments, are for the

most part characterised by a rugged orography, with high hills and mountains, and suffer from infrastructural problems and isolation. They also include highly densely populated and urbanised valleys, with relatively higher economic development. Consequently, the two case study areas present distinct contexts and diverse social and economic challenges. Likewise, the institutional history of the two LAGs was quite different, partly influencing their functioning and development trajectories.

The LAG Valle Umbra e Sibillini resulted from an integration process that took place in 2002 and brought together two previously established LAGs, namely the LAG Valle Umbra (1992) and the LAG Sibillini Umbria (1996). Both were active since the LEADER II (1994–1999) programming period, and each one represented diverse territorial and social-economic contexts. The territory of the LAG Valle Umbra e Sibillini is located in the east and south-east part of Umbria, which is quite heterogeneous in terms of economic activities and the urban-rural divide. It includes 23 municipalities and covers a total surface of 2,233 km<sup>2</sup> in the Apennine areas. It is essentially sub-divided in three areas: (1) the urbanised area surrounding the municipality of Foligno, which is part of a larger economic district along the valley connecting Foligno to Spoleto, where the tertiary sector is highly developed; (2) the foothills of the Spoleto-Foligno transect, which is rich in small and medium industrial enterprises; and (iii) the mountain area spanning from Nocera Umbra to Valnerina, which has well-developed mountain agriculture. The previous LAG Valle Umbra was located in the first area and partly in the second area mentioned above, characterised by urban economic activity, mainly in the industrial and tertiary sectors. On the other hand, the LAG Sibillini Umbria was located in the third (mainly mountainous) and partly in the second area, and was thus characterised by rural economic development. This is noteworthy because the original sub-division revealed problems that were not solved following the aggregation of the two LAGs in the LEADER 2007–2013 Programme.

In terms of demographic dynamics, the territory of the LAG Valle Umbra e Sibillini has over the past two decades enjoyed a fairly stable resident population. While the mountain area has witnessed trends of population loss, these have been partly compensated by a net positive immigration trend of foreign workers in the valley centres. The axis



Foligno-Spoleto is an attractive urban pole, and together, the two municipalities include over 50% of the population of the area of the LAG Valle Umbra e Sibillini. The total population of the LAG corresponded to 155,191 inhabitants and the density coincided with 69.4 inhabitants per km<sup>2</sup> (ISTAT, 2011). The local territory, characterised by ancient towns and historical villages (Foligno, Spello, Spoleto and Norcia), presents well-consolidated productive systems including traditional artisan manufacturing, which is high in value. Moreover, the agro-food industry is well distributed along the territory and connected to typical Umbrian products such as olive oil, wine, cheese and cured meats or cold cuts, well known also beyond the region. Despite these strengths, the limited dimensions of the companies and scarce inter-sectorial integration constitute a weak side of the productive system. Over the past few decades, production has also seen a shift towards the tertiary sector. Even though the number of employees in agriculture is quite significant (8.6%) compared to data at the regional and national levels (7.5% and 7.7%, respectively), the labour force employed in the industrial sector in the area (34.7%) is less significant compared to regional and national levels (36.5% and 35.6%, respectively).

The LAG Ternano has a more recent history because it started operating in 2000, at the beginning of LEADER+. Its territory includes all the 20 municipalities of the Province of Terni, which covers a total surface of 1,163 km<sup>2</sup>, with a total population of 179,099 (ISTAT, 2011) and a density of 97.5 inhabitants per km<sup>2</sup>. The territory of the LAG shows a fairly stable population trend, attesting increased population in the inter-census period. The territory coincides with the provincial territory, which is strongly connected to a common identity and shared cultural roots. As we discuss later, this contributed to enhancing normative-cognitive social capital in the area. The territory is mostly hilly, with 48% of the area between 250 and 600 m.a.s.l. The Nera River crosses the province from east to west, while the western boundary is marked by the Tiber River, the river that traverses the city of Rome and thus has been an important historical channel for commerce and trade. Similarly to the territory of the LAG Valle Umbra e Sibillini, the territory of the LAG Ternano can be sub-divided into three areas: (1) the valley of the Nera River, Valnerina, which is rich in natural attractions and where

energy production systems are well-established; (2) the Conca Ternana, which includes the larger settlements of the province (Terni, Narni and Sangemini), with Terni and Narni having generated a complex urban system favouring industrial development, while Sangemini having developed a more residential feature; and (3) the Amerino area, which comprises a network of small urban areas developed around their Medieval centres. From an economic standpoint, the points of strengths include a well-developed communication infrastructure; the presence of a multifunctional agriculture system characterised by low environmental impacts and high-quality agro-food products that are closely connected to the specificities of the local territory; and high potential in terms of rural tourism development. Conversely, the local economy has been negatively affected by (1) the structural decline of the Terni steel industry, which was one of the largest Italian productive sites, contributing to the Italian industrialisation after the Second World War, and exporting all over the world; and (2) low national and international competitiveness of the small and medium enterprises specifically in the agricultural and traditional artisan sectors.

We now focus on the specific organisational features of the two LAGs at the time of the study. The LAG Valle Umbra e Sibillini had a technical structure with five full time employees. They included a coordinator, an administrator, an accountant and three employees charged with the management of the calls for proposals. More specifically, three employees worked in Foligno, while two in Norcia. Further, the structure operated thanks to the support of a part-time employee who was responsible for information and communication. The LAG presented an organisational structure, which was different from the other Italian LAGs, but similar to other European ones. The Members' Assembly (Assembly) nominated the Board of Directors, and both of them nominated the members of the Council Board. The Council Board acted as a steering committee and it brought together 22 members, 10 of which were public. The Board of Directors was composed of 11 members, 5 of whom were public. In both Boards, the relative composition of public and private members was similar. The Assembly was composed of 97 members, 69 of whom belonged to the previous LAG Valle Umbra and 28 to the previous LAG Sibillini Umbra. Both

LAGs had participated in the LEADER II and LEADER+ planning periods, and had achieved good results in terms of financial efficiency (relationship between commitments and effectively allocated resources) and effectiveness (achievement of the specific objectives as set out in the Local Development Plan). Further, the LAG Valle Umbra participated in cooperation projects and led a temporary consortium to implement the integrated territorial plan “*Alla scoperta dell’Umbria Antica*” (Discovering Ancient Umbria). It also participated in projects with sister municipalities in France.

The LAG Ternano presented a technical structure composed of three persons, two full time employees, the coordinator and the local facilitator, and a part-time one in charge of administration. The LAG had a Board of Directors, which included 15 members, 8 of whom were private, and an Assembly, which included 34 members, 24 of whom were public. While the Board of Directors presented a balanced participation of both public and private members, the Assembly was mainly composed of public actors. The LAG participated only in the LEADER+ programme and in the LEADER Approach in 2007–2013.

The method proposed in Part II was applied to these two LAGs. During the first phase, documents were analysed including the Local Development Strategy (LDS), the calls activated by the LAG and the approved projects. The second phase focused on the surveys. The surveys were carried out by using specific questionnaires across three levels (see [Chapter 7](#)): the first level referred to the decision-making process of the LAG (questionnaire 1 for the director); the second focused on the internal context of the LAG (questionnaire 2 for the members, see also [Appendix 1](#)); and the third focused on the external context by interviewing the beneficiaries of LAG initiatives (questionnaire 3 for beneficiaries). Data collection aimed at interviewing the directors, all members and a representative sample of beneficiaries between October 2012 and June 2013 (for a detailed description of the methods, see [Chapter 8](#)). The number of beneficiaries interviewed in each LAG was based on the total number of beneficiaries and the types of measures of the Rural Development Programme (RDP). Even though the number diverges from the  $n = 20$  as set out in the method of the study, they were chosen to be as representative as possible.

In the case of the LAG Valle Umbra e Sibillini, the 22 members of the Council Board were interviewed, 7 of whom were also part of the Board of Directors and 2 members of the Board of Directors who did not belong to the Council Board. Only members who belonged to the Board of Directors and Council Board were interviewed, because of their strong connection to the new LAG. Of the 35 total beneficiaries during the reference period 2010–2011, 24 were interviewed (four more than the number set out in the method). Of the seven possible measures available to LAGs through the RDP of the Umbria Region, the LAG Valle Umbra e Sibillini selected the following ones: diversification into non-agricultural activities (311), encouragement of tourism activities (313), basic services for the economy and rural population (321), conservation and upgrading of rural heritage (323) and integrated area projects for environmental protection. The sample was selected based on representation in each of the activated measures. During this period, there were 58 calls for proposals, 32 of which were coordinated by the LAG, 11 were directly managed by the LAG and 15 were public calls. Among these calls, there were 35 final funded projects, 10 of which were coordinated by the LAG, 1 was directly managed by the LAG and 24 were public funding calls. The beneficiaries selected included 11 environmental and cultural associations, 6 public bodies, 3 artisans while the final 4 belonged to different categories.

In the case of the LAG Ternano, all 34 members of the Assembly were interviewed, even though 33 were ultimately completed. With regard to beneficiaries, 17 of the 19 total number of beneficiaries were interviewed. The total number of calls was seven, all of which were public calls. The projects accepted for funding were nine while the number of beneficiaries was 19 over a total of 25 submissions. As in the previous LAG, during the reference period 2010–2011, the only measures to have been activated were conservation and upgrading of rural heritage (323) and integrated area projects for environmental protection.

Once the data from the questionnaires was collected, the indicators were calculated (they are categorised by dimension and sub-dimension as described in [Chapters 7 and 8](#) and listed in Appendix 3). The results of the calculation of each of the 96 indicators are presented in the following

three sections by (1) structural social capital, (2) normative-cognitive social capital and (3) governance and social capital. The values for each of the forms of social capital are compared across the two LAGs (Appendix 4).

## Results

A preliminary analysis of the LDS, the LAG funding calls and the list of approved projects shows that during the period of reference (2010–2011), the LAG Valle Umbra e Sibillini invested quite significantly in a diverse range of beneficiaries. Of the total amount of funding, 43% was allocated to private actors, 37% to associations and 20% to municipalities. Conversely, the LAG Ternano delayed the funding calls on account of technical problems. The actions focused more narrowly on the conservation and the upgrading of rural heritage. For the most part these actions benefitted churches and municipal governments, which, as local actors, are also members of the LAG. Further, unlike the LAG Valle Umbra e Sibillini, the LAG Ternano required public entities to submit a project in partnership with a private partner. In the following sections, we present the results of the survey.<sup>1</sup>

### Structural Social Capital

Structural social capital was analysed through five dimensions, including context, actors of the network, horizontal structure of the network, transparency and accountability, and reputational power.

With regard to context (dimension A), the level of engagement of members was positive in both LAGs, and the overall attitude towards the LAG was deemed as proactive by members. However, in the LAG Ternano, 83% of the members were invited to join, and initially most members, including several municipalities, adopted a passive attitude (indicator A1 = 2.76). Nonetheless, over time and due to the capacities of the LAG, the general attitude became more proactive. In both LAGs, the actors of the network (dimension B) had a good knowledge of the

structure and activities of the organisation (indicator B1 = 95.7% and 75% for Ternano and LAG Valle Umbra e Sibillini, respectively). However, in the LAG Valle Umbra e Sibillini, members were not always able to provide specific information, for example, on the number of funding calls over the previous two years, the number of beneficiaries or total funding awarded (indicator B2 = 2.78%). Even though beneficiaries had a clear perception of the direct and indirect benefits and fallouts that their projects could generate at the territorial level, they were quite unaware of other beneficiaries in the territory (indicator B4 = 3.86% and 12.15% for Ternano and Valle Umbra e Sibillini, respectively).

With regard to the horizontal structure of the network (dimension C), both LAGs had a well-consolidated level of attendance at the Assembly meetings, even though in the LAG Valle Umbra e Sibillini the average annual rate of attendance at the meetings of the Board of Directors and Council Board was rather low due to the dual behaviour of members (indicator C1 = 38.54% and C2 = 50%). Specifically, while 48% of the members had participated in only 2 of the 13 meetings organised during the period, 52% participated in almost all meetings. In addition, the information network of the LAG Valle Umbra e Sibillini was not quite as dense as the one of the LAG Ternano (indicator C7 = 38.64% and 24.51% for Ternano and Valle Umbra e Sibillini, respectively). The LAG Ternano had a denser network and a significant number of active connections. Few actors were found in peripheral positions. Despite the number of active linkages in both LAGs, shifting from exchange of information (indicator C7) to collaboration was limited (indicator C8 = 1.34% and 6.32% for Ternano and Valle Umbra e Sibillini, respectively).

Both LAGs were, however, quite attentive to transparency and accountability (dimension D). This was demonstrated, first, by the level of accessibility to information (indicator D1), which both members and beneficiaries considered to be high (D1-2 = 3.5 and 3.44, D1-3 = 4 and 3.42 for Ternano and Valle Umbra e Sibillini, respectively). Secondly, both LAGs monitored the number of times the website was accessed (indicator D2 = |25,000| and |30,000| for Ternano and Valle Umbra e Sibillini, respectively), the effective support it provided to

members and beneficiaries (indicator D5 = 5.62 and 5.20 for Ternano and Valle Umbra e Sibillini, respectively, on a 2–8 range), and the times it responded adequately to their needs. In addition, the LAG Valle Umbra e Sibillini activated a system for archiving suggestions and observations from beneficiaries (indicator D3 = 1.5 and 2.84 for Ternano and Valle Umbra e Sibillini, respectively, on a 0–4 range). Both director and beneficiaries considered that suggestions were taken in due account during the decision-making process. In the LAG Ternano, beneficiaries claimed the opposite. Therefore, while the LAG Valle Umbra e Sibillini demonstrated the capacity to internalise observations by different stakeholders when decisions were made, this did not happen in the LAG Ternano. Finally, reputational power (dimension E), considered to be the perception that different actors have of others' contributions to the network, had quite average values in the case of the LAG Valle Umbra e Sibillini and high values in the LAG Ternano when compared to the other regional case studies.

## Normative-Cognitive Social Capital

Normative-cognitive social capital is based on the assessment of trust among actors and in institutions, the quality of the network and the quality of participation, shared values and levels of conflict. The level of actors' trust towards the LAG (dimension F) and towards institutions (dimension G) was positive in both cases, yet presented higher values in the case of the LAG Ternano. This result may have derived from the mixed membership of the LAG Valle Umbra e Sibillini as well as from the inclusion of two territories which still appear to be quite distinct from one another.

In both LAGs, results for the quality of the network and the quality of participation are positive, but there is room for improvement. The quality of the network (dimension H) was measured primarily as the benefits from participation in the network. Both members and beneficiaries agreed that they received more from the LAG (indicator H2-2 = 1.45 and 1.75; H2-3 = 3.73 and 3.11 for Ternano and Valle

Umbra e Sibillini, respectively) than they themselves contributed to it (indicator H3 = 1.23 and 1.21 for Ternano and Valle Umbra e Sibillini, respectively). Beneficiaries claimed to have benefitted equally from the funding of their projects, while members mentioned the information given by the LAG to the local actors in relation to funding calls. Not all members contributed actively to the LAG (indicator H1 = 13.33% and 17.50% for Ternano and Valle Umbra e Sibillini, respectively). However, some members in the LAG Valle Umbra e Sibillini participated by bringing in ideas for projects and initiatives.

With regard to the quality of participation (dimension I), both LAGs showed quite positive results in terms of the quality of participation in the meetings of the Assembly and Board of Directors. The LAG Ternano presented two weak points: (1) the mechanisms for facilitating participation seemed to be limited to the content of the statute of the association (indicator I1 = 1, on a 0–5 range) and (2) the low rate of internal proactivity among members (indicator I3 = 3.44) and among beneficiaries (indicator I8 = 33.33%).

In terms of shared values (dimension L), all actors of the LAG Valle Umbra e Sibillini agreed that there was a positive level of shared values in the territory (indicator L1 = 2.74) that had remained quite similar over the past 10 years (indicator L2 = 2.02, on a 1–3 range). Conversely, actors in the LAG Ternano recognised a scarce presence of shared values in their territory, stating that over the last 10 years they had worsened. Further, while in the LAG Valle Umbra e Sibillini members were sufficiently able to identify promoters of shared values (indicator L3 = 2.35, on a 0–5 range), identifying a relatively high number of promoters within the LAG itself (indicator L4 = 76.2%), in the LAG Ternano, actors were rarely able to identify promoters in the territory, and only recognised a few within the LAG.

Conflict (dimension M) was limited or absent in both LAGs, and both directors were seen as effective in solving conflicts (indicator M3 = 3.33 and 3.86 for Ternano and Valle Umbra e Sibillini, respectively).



## Governance and Social Capital

The relationship between governance and social capital is analysed according to four dimensions: decision-making processes, efficiency and effectiveness of the LAG, organisational culture and capacity, and vertical structure. In both LAGs, decision-making processes (dimension N) and efficiency and effectiveness of the actions of the LAG (dimension O) were points of strength even though improvements were still possible in terms of communication. The actors of the network saw the LAGs as well integrated in the territory (indicator O1 = 3.25 and 3.06 for the LAG Ternano and the LAG Valle Umbra e Sibillini, respectively). Yet, they also underlined the need for increasing awareness of their role among the population of the LAG (indicator O2 = 2.51 and 2.20 for the LAG Ternano and the LAG Valle Umbra e Sibillini, respectively). At the same time, in both cases the LAGs were not seen to overlap with other institutions in the territory (indicator O3 = 3.59 and 3.4 for the LAG Ternano and the LAG Valle Umbra e Sibillini, respectively), managing instead to coordinate local development initiatives in the territory. Members were convinced that the effectiveness of the decision-making process derived from the capacity to inform members adequately ahead of the Assembly meetings, thus enabling them to make decisions with the best information available (indicator O5 = 3.93 and 3.63 for the LAG Ternano and the LAG Valle Umbra e Sibillini, respectively). In addition to this, the capacity to adequately coordinate the Assemblies and the Board of Directors was also recognised (indicator O4 = 100% and 75% for the LAG Ternano and the LAG Valle Umbra e Sibillini, respectively).

In terms of organisational culture and capacity, both LAGs presented low values for operational (indicator P4 = |0| for both LAGs), and monitoring capacity (indicator P3 = |0| and |4| for Ternano and Valle Umbra e Sibillini, respectively, on a 0 to  $\infty$  range). This indicates the need to improve the monitoring and evaluation of their activities, which could be done by identifying criteria and objective indicators of reference.

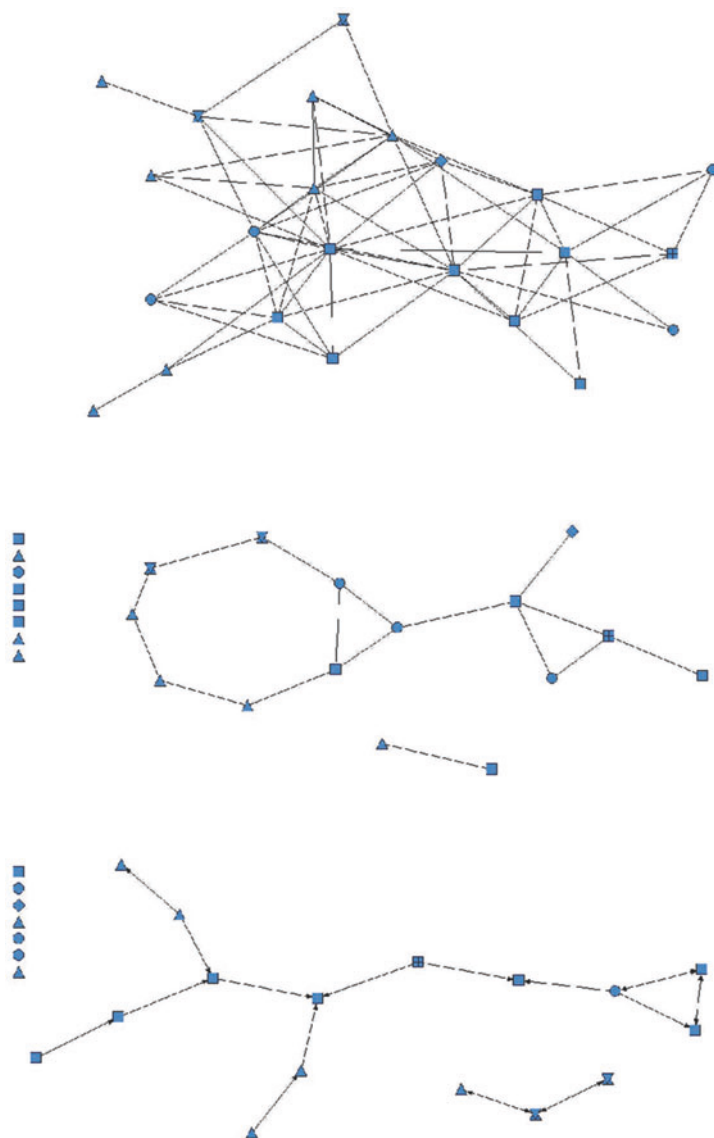
Finally, with regard to vertical structure (dimension Q), it appears that the LAGs lacked connections to other LAGs outside of their territory

(indicator Q1 = 3 and 0 for Ternano and Valle Umbra e Sibillini, respectively, on a 1–15 range) and had a moderate capacity for vertical linking (indicator Q3 = 1.25 and 1.00, for Ternano and Valle Umbra e Sibillini, respectively, on a 0–2 range). Both LAGs provided observations and critiques to the regional bodies of reference in relation to procedures or aspects of implementation of the RDP. However, they both considered their influence to be very limited in the determination of regional planning (indicator Q5 = 2.16 and 2.47 for Ternano and Valle Umbra e Sibillini, respectively).

To visually demonstrate the characteristics mentioned above, the output of the Social Network Analysis, including the information, collaborative and trust networks of the LAGs, are shown in [Figs 14.1](#) and [14.2](#).

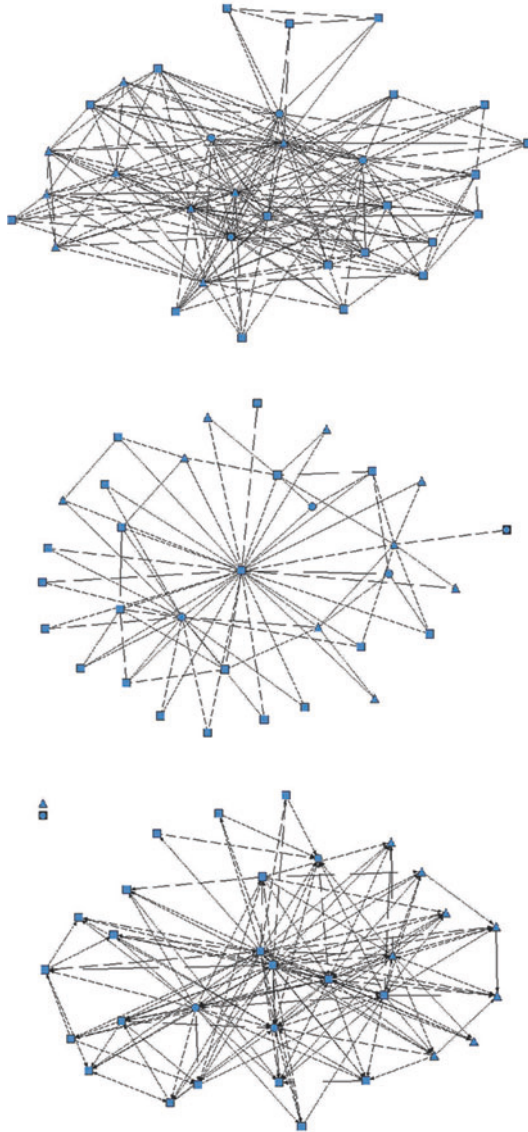
The information network of the LAG Valle Umbra e Sibillini was not very dense, showing a modest exchange of information among members of the LAG. All interviewees, save for one, participated in the exchange of information, but their contribution was heterogeneous. The number of connections activated by each actor ranged from a maximum of 14 to a minimum of 1 for actors in a peripheral position. The actors that participated in the collaborative network were much less dense. Only 15 actors participated in the network and activated a total of 15 active connections – with a maximum of two for each actor. The analysis of the diagrams shows that the passage from exchange of information to project collaboration reduced the number of active connections and increased the number of actors that were not connected to the network. Seven out of 16 members did not belong to the trust network and did not enjoy anybody's trust. Conversely, seven actors had the trust of one or more actors in the network.

The informational network of the LAG Ternano was quite dense, with a consistent number of active connections and few actors located in peripheral positions. All interviewed actors participated in the informational network with at least four active connections. When compared to the LAG Valle Umbra e Sibillini, the informational network was quite denser and participation higher. The collaborative network, on the other hand, was less dense than the informational network, and had a lower number of connections. However, all actors cooperated with one of those located in a very central position and activated connections with almost all of the actors



**Fig. 14.1** LAG Valle Umbra e Sibillini: information (top), collaboration (middle) and trust networks (bottom), 2012–2013

Source: Own elaboration



**Fig. 14.2** LAG Ternano: information (top), collaboration (middle) and trust networks (bottom), 2012–2013

*Source:* Own elaboration

belonging to the network. Only two of the members did not belong to the network, while all others belonged to the trust network and enjoyed the trust of at least three members. There were seven members who were located in a central position of the network and seemed to enjoy the trust of the majority of the actors present in the network.

## Conclusion

The research shows that both LAGs were recognised as playing an important role in the local development of their territories, and through their activities, became a reference point for small and medium enterprises, as well as local institutions. The historical background, including the merger of two LAGs in the case of the LAG Valle Umbra e Sibillini, and the social context, such as the predominance of public members in the LAG Ternano, influenced the activities of each LAG. However, the organisational structure allowed them to reach shared objectives. Most notably, they were able to valorise the resources of the territory, add value to the local supply and strengthen the local cultural identity. Both LAGs can thus be considered economic organisations that were able to stimulate a network of relationships within the territory in which they operate. Both LAGs specifically enhanced the informational network while the limited collaborative network was a weakness. Statements from beneficiaries and members regarding the quality of participation revealed a low collaborative spirit. More specifically, they showed that private objectives could often override collective objectives. Communication and participation could be improved to address these weaknesses.

To improve communication, a first step could entail introducing methods to evaluate the actions of the LAGs – with special attention to the various dimensions of social capital. A second step could entail improving discussions on the theme of social capital and the quality of the social capital promoted. To enhance the quality of participation, the LAG Valle Umbra e Sibillini should ensure that members influence the decision-making process, whereas the LAG Ternano should also improve the mechanisms for coordination to favour participation. In both cases, it would be important to

support beneficiaries to become more proactive, for example in interacting with the LAG and providing suggestions on best practices and approaches. By improving communication mechanisms and participation, the LAG Ternano could start promoting information exchange and foster collaboration for local development. This may improve horizontal collaboration among members and beneficiaries, increase the level of trust, and possibly, enhance the economic impact of the LAG in the territory.

The LAGs could adopt some of the indicators analysed in the present study to self-assess the points of weakness identified above. The actors of the network could select the indicators that are most appropriate to this task. This could raise the awareness of members and beneficiaries on their own actions and the activities of the LAG, and enable them to directly monitor changes and evaluate impacts.

## Note

1. As described in Part III, it was useful to normalise the values of indicators for aggregation and comparison. In this chapter, the values of the indicators have not been normalised, unless otherwise stated. Also the values of the indicators are expressed as a (2) percentage or (2) range. Various ranges have been used in the study depending on the indicator. In the chapter, the range will usually vary from 1 to 4, unless otherwise specified.

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# 15

## LEADER and Social Capital in Apulia: The Case Studies of Gargano and Meridaunia Local Action Groups

Antonio Lopolito and Roberta Sisto

### Introduction

As detailed in the introductory chapters, social sciences and economics have identified social capital, along with economic, human, cultural and environmental capital, as one of the forms of territorial capital that can explain and promote development dynamics at a regional and local level (Coleman, 1990; Putnam et al., 1993; Keefer & Knack, 2008; Camagni, 2009). The inclusion of social capital in economic thinking has profoundly changed the ways of conceptualising development policies in a pro-social and innovative way by promoting relations among local actors

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as a specific area of intervention (Woolcock, 1998; Shucksmith, 2000; Doria et al., 2003; Pylkkanen, 2006; Yamaoka et al., 2008).

These changes have implications for the monitoring and evaluation of the effectiveness and impacts of the EU Rural Development Policy and specifically of the LEADER Approach now converging into the Community-Led Local Development (CLLD) Approach. They are mainly related to the need of measuring the effects of the social capital developed by Local Action Groups (LAGs), the development agencies funded by the Rural Development Programmes (RDP), which support rural development initiatives based on a local partnership strategy.

The objective of this chapter is to measure both quantitatively and qualitatively the endowment of social capital within two LAGs from the Apulia region, Gargano and Meridaunia. The chapter is organised in four sections. Following the introduction, Section 2 briefly describes the socio-economic and geographical contexts of the LAGs, highlighting how the specific and relevant methodological aspects fit into the territory. In Section 3, the results of measuring social capital are presented and described for both case study areas, while in Section 4 some concluding remarks and policy implications are discussed.

## Case Studies and Methodological Approach

The case studies considered for the Apulia Region, popularly called “the heel of the Italian boot”, are the LAGs Gargano and Meridaunia. The LAG Gargano is located in the north-western part of the Province of Foggia and coincides almost exactly with the geographical area of the Gargano promontory (the spur of the boot). Its territory extends for 1,700 km<sup>2</sup> and includes 14 municipalities. It is characterised by high-valued natural environments, recognised at the European level and protected by the Gargano National Park. The rural area has witnessed negative demographic trends and hosts a population of 100,000 people. Most of the added value produced in the territory of this LAG comes from the tertiary sector (80%, year 2012). However, the distribution of the added value is quite heterogeneous among the different

municipalities: the contribution of the tertiary sector to the local economy is higher in the coastal areas than in the hinterlands, where agriculture prevails instead, and the income per capita produced in the area of the LAG is almost everywhere lower than the average of the Province. The LAG Gargano included 61 members, 20 of whom were public and 41 private. It was established in the LEADER+ programming period and had to overcome problems of distrust from the local community resulting from a previous negative experience. Only with LEADER + it was possible to bring together a new partnership, actively brokered by National Park and the Mountain Union and legitimised by the local community.

The territory of the LAG Meridaunia is also located in the Province of Foggia. It extends for 2,275 km<sup>2</sup> and includes 30 municipalities. This LAG faces similar challenges to those encountered by the LAG Gargano, but in Meridaunia they result from infrastructural underdevelopment, isolation and critical socio-economic trends. The level of isolation of the territory is testified by the low population density (43 inhabitants per km<sup>2</sup>), which is lower than the density of LAG Gargano (74 inhabitants per km<sup>2</sup>). Distance from the main development trajectories has led to a gap in development, most acutely felt by the slow depopulation trends in the territory, with the demographic decay ranging from -2.7% for Gargano to -4.3% for Meridaunia in the period 2006–2012 and high levels of unemployment 17% (ISTAT, 2012). The LAG included 85 members, 35 of whom were public, and included the municipalities of the territory, a public research centre and the local Chamber of Commerce.

Data collection was carried out in both LAGs between November 2012 and March 2013. The data collection methods included interviews based on structured questionnaires submitted to the directors, all partners of the LAG and a representative sample of 20 beneficiaries for each LAG. The targets were fully achieved within the allocated time frame for the LAG Gargano. Conversely, a number of difficulties emerged for data collection in the case of the LAG Meridaunia, where membership was much larger (85 members compared to 61 in Gargano) and not all the members were willing to collaborate in the collection of the data. As a result, the 45 respondents included the director, 40 members (out of 85) and only 4 beneficiaries (out of 20). Notwithstanding numerous

attempts, the response rate was only 47% for members and 20% for beneficiaries due to refusal to respond or to absence for a prolonged period. The incomplete data collection requires a cautious interpretation of the indicators in relation to the LAG Meridaunia. This is evidenced on a case-by-case basis in the next section.

## Results

The indicators measured for each LAG are described in the following three sub-sections, namely (1) structural social capital, (2) normative-cognitive social capital and (3) governance and social capital. The reader is referred to [Chapters 7 and 8](#) for the details on the dimensions and the statistical method applied, and to [Chapter 9](#) for a detailed description of the indicators by dimension and sub-dimension. Finally, the whole list of indicators is presented in [Appendix 3](#).<sup>1</sup>

### Structural Social Capital

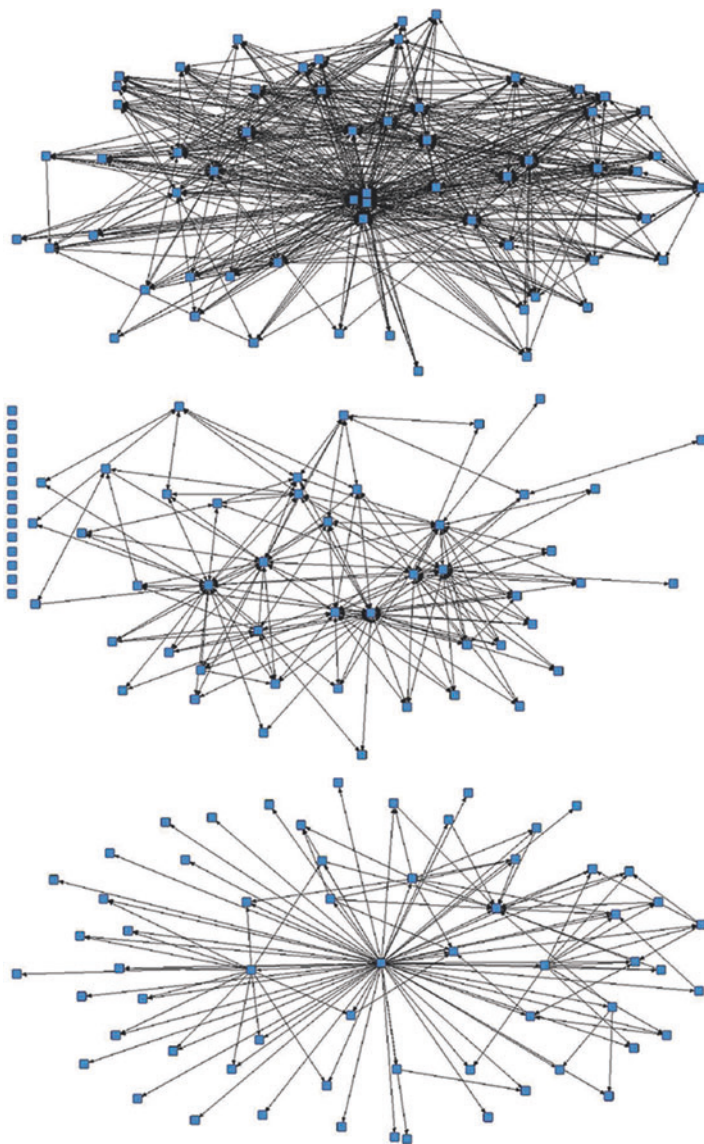
The results show that in the case of the LAG Gargano, one of the most important aspects of structural social capital, captured by the five dimensions (A–E), was the strong motivation of its members to join the LAG partnership in a proactive way. For Context (dimension A), the members' level of motivation was high (indicator A1 = 3.26), indicating that participants expected utility from associating with the organisation. The majority of them declared they had a proactive approach to participation and joined the organisation on their own initiative. Indeed, since the introduction of LEADER+, the LAG Gargano has attracted the interest of many private actors, representing the LAG with the highest private participation rate in the Apulia Region (indicator A4 = 72.13%). In addition, the LAG implemented a very successful communication strategy. In terms of the Horizontal structure of the network (dimension C), the LAG activated a number of innovative communication channels (indicator C5 = 30%) that reached a number of social categories present in the territory (indicator C6 = 33.33%). The

convergence of members' expectations in the LAG as a network that would lead to positive economic effects, translated into a broadly shared interest in the promotion of the organisation itself. Both average annual attendance at the meetings of the Members' Assembly (Assembly) (indicator C2 = 47.92%) and regular attendance (indicator C3 = 61.4%) highlighted a discrete level of participation of members (almost 50% in the first case) and a good rate of continuity. Indicators C7–C12 capture the structural characteristics of the network and were elaborated by using Social Network Analysis (SNA). The assessment focused on two types of relationships among the members and beneficiaries of the LAG: information exchanges and collaborative relations (Fig. 15.1).

The indicators show that the information network was quite dense: almost 30% of all possible relations were activated (indicator C7 = 27.54%), while only 7% of the collaboration relations was activated (indicator C8 = 7.49%). The SNA further shows that the quality of the network was satisfactory, with a mixed participation of public and private actors at the centre of the network (indicator C9 = 99.06%), and no sign of polarisation between public and private members. These results were quite different when relations among beneficiaries were considered. Though collaboration among beneficiaries should be the real added value of the LAG, in the context of the Gargano, integration was very poor.

In terms of the network (dimension B), the number of personal relationships among beneficiaries (indicator B4 = 1.23%) shows that very few beneficiaries seemed to know each other personally. On average, each beneficiary only knew 1.2% of the total number of beneficiaries. This could be indicative of a high rate of disconnection. Of the relations identified among beneficiaries, 67% were due to the specific actions undertaken by the LAG (this value is captured by specific variables that focus on beneficiaries and are used for the elaboration of indicator C12, also related to the bridging capacity of the LAG – see Chapters 7 and 8). Indicator C12 summarises the LAG's role as a broker in terms of information and collaboration, highlighting how the LAG contributed to 35% of the existent relations among local actors.

As noted in the previous section, the indicators for social capital in the LAG Meridaunia must be carefully interpreted, since the data collected



**Fig. 15.1** LAG Gargano: information (top), collaboration (middle) and trust networks (bottom), 2012–2013

*Source:* Own elaboration

was incomplete due to the low response rate of members (<50%) and the limited number of beneficiaries who accepted to participate in the interviews. These limitations are themselves a critical finding of the analysis. On the one hand, the membership of the Meridaunia was the largest (85 members) and this increases the probability of missing responses; on the other hand, in this LAG, the response rate was low compared to other LAGs. This result may be indicative of a sense of distrust towards the survey. However, it is possible that this sense of distrust may not have been necessarily due to a low level of social capital, but could be a symptom of “network closure” which, according to Coleman (1990), may be considered as a productive factor of social capital itself. To elaborate on this, we analyse some of the salient features of the social structure of the LAG. In terms of Context (dimension A), Meridaunia was mostly composed of private members (indicator A4 = 60%) who were less actively motivated to join the LAG, at least for the majority who was interviewed (see the low level of indicator A1 = 1.58). This passive approach was confirmed by low levels of attendance at the meetings of the Board of Directors (indicator C1 = 13.33%) and the meetings of the Assembly (indicator C2 = 18.18%) (dimension C – Horizontal structure). On the one hand, the members that regularly attended at the Assembly meetings were generally public entities, with private participation limited to the specific meetings in which the LAG would communicate information on the funding processes. Limited participation was combined with a low level of both general and specific knowledge of the LAG’s role across the majority of the members (indicators B1 = 32.19% and B2 = 0%). On the other hand, public entities played a driving role and the LAG demonstrated capacity in engaging and animating the local community, which ultimately led to positive results in terms of interest from private members and beneficiaries. The director commented on the LAG’s capacity to communicate and engage actors effectively by describing how actors from the territory responded to its own funding calls:

Meridaunia is the LAG in Apulia with the highest level of participation in the calls for proposals, way over the availability of resources. In my modest

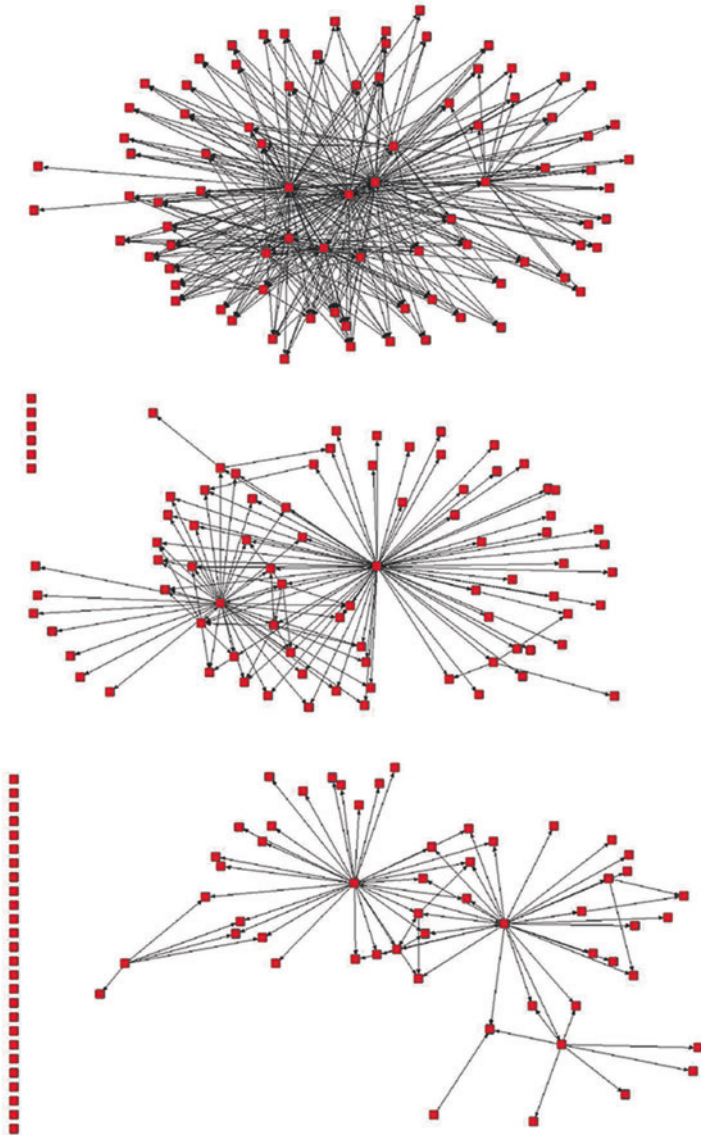
opinion, this means that besides a very effective communication, the social context is quite attentive to what Meridaunia does.

Relational data on the LAG (indicators C7–C12) must also be analysed and interpreted with caution due to the low response rate already mentioned. The data shows that the density of the information and collaborative networks was relatively low (indicators C7 = 4.54% and C8 = 6.32%; see Fig. 15.2). What emerges as an interesting result, which merits further research and analysis, is the higher density of the collaborative network as compared to the information one. This was a unique result, if compared to the other LAGs where the collaborative network was generally limited to a sub-group of the information one. The characteristic of this LAG was effectively summarised by the director: “We are a technical entity . . . We do what they ask us to do: [that is], to promote this territory”, and seemed to focus on “doing” rather than “saying”. Though unique in the Italian cases studies analysed, this result was in line with an entrepreneurial spirit of the community that emerged from the interviews.

## Cognitive-Normative Social Capital

The data analysed for this form of social capital in the LAG Gargano shows a rather heterogeneous situation. On the one hand, the rate of trust in the Assembly (indicator F1 = 50%) and the Board of Directors (indicator F4 = 44.44%) of the LAG was close to the average trust values found in the other case studies at the national level. On the other hand, members did not seem to trust each other (dimension F – Trust and reciprocity among actors), as shown by the very low values of interpersonal trust assessed through the vote delegation question (indicator F2 = 3.25%; see Fig. 15.1). And yet, when analysed in relation to the rate of isolation of members, over half of the members were considered trustworthy (indicator F3 = 55.74%). Changes of trust over time highlighted an increased level of trust in the Assembly (indicator F5 = 2.10, on a 1 to 3 range), showing that the majority of the members trusted the overall actions of the LAG. Trust in institutions (dimension G), which included trust in government institutions at the sub-national level, religious





**Fig. 15.2** LAG Meridaunia: information (top), collaboration (middle) and trust networks (bottom), 2012–2013

Source: Own elaboration



institutions, trade union and voluntary associations, shows that all values were close to the average Italian sample and similar across the three different types of respondents.

With regard to the Quality of the network (dimension H), close to 11% of interviewees belonging to the executive bodies (director and members) listed the benefits gained from the LAG Gargano (indicator H1 = 11.11%). However, members considered that the benefits they brought to the network were low (indicator H3 = 0.51, on a 0–4 range). The assessment of the decision-making processes (dimension I – Quality of participation) shows a “moderate” situation for almost all indicators, except for (1) the rate of formal participation in the Assembly (indicator I4 = 65.57%), which was high; (2) the quality of relationships within the Board of Directors (indicator I7 = 3, on a 1–3 range), which had the highest value; and (3) the proactive behaviour of beneficiaries (indicator I8 = 38.24%), which was conversely medium-low.

Finally, an important yet delicate issue in the evaluation is related to internal Conflict (dimension M). The indicators used to measure this dimension provided discordant results depending on the kind of interviewee and the object of conflict considered. Members perceived a moderate level of conflict within the public-private partnership of the LAG (indicator M1 = 2.38), but not among members (indicator M5 = 95%). Furthermore, interviewees agreed on the very low level of conflict between beneficiaries and the LAG (indicator M4 = 3.5). In fact, beneficiaries were on average satisfied with the process for the selection of projects (indicator M6 = 52.94%).

In the case of the LAG Meridaunia, the levels of trust were generally high or medium, with the exception of interpersonal trust among members (indicator F2 = 1.4%), which was very low. However, the rate of isolation of members (indicator F3 = 62.35%) shows that over 60% of the members could be trusted and thus, enough trust was available to connect the majority of the members (Fig. 15.2). This means that low interpersonal trust did not necessarily lead to low internal collaboration as confirmed by other indicators. Trust in the Assembly was positively rated (indicator F1 = 85.37%) as was the trust in the LAG from members and beneficiaries (indicator F6-2 = 3.46). These results were coherent with the history of the Meridaunia territory.

During the 2007–2013 LEADER programming period, 13 municipalities joined the already large membership of the LAG Meridaunia. They were located in a territory where “previous attempts to implement a LEADER Approach had been disastrous, and people identified the LAG with the most abject and marked form of favouritism”, as the director of the LAG Meridaunia affirmed. When referring to current levels of internal trust, the director stated that, “In just a few years we have recovered much of the credibility that LEADER had, and we have gained the trust of the private constituency by challenging ourselves every day”.

The network’s trust towards the local institutional context ranges from medium values for sub-national institutional levels of government (indicator G1 = 2.71), religious institutions (indicator G2 = 2.50), trade unions and professional organisations (indicator G3 = 2.43), to higher values for voluntary associations (indicator G4 = 3.08). These results seem to indicate a need for renewing the institutional context, one in which civil society could play an important role. Finally, a decisively positive element for Meridaunia derives from the analysis of conflict. Indeed, the capacity to manage conflicts had the maximum value (indicator M3 = 4) and the level of conflict among members (indicator M5 = 87.5%) was extremely limited. The director identified the conditions that effectively led to the emergence of such a positive balance:

Conflict among members or between them and the executive body (organisation, director, Board of Directors and President) is absent. There is a continuous dialogue with those who have worked over the years in the interest of the territory. We may be the only LAG who never outsourced any of our activities to our members, be they representative of collective or individual interests (both within the structure – management, staff, consultants – and among beneficiaries). This translates into total independence in management . . .

## **Governance and Social Capital**

Indicators related to the dimensions of governance provided valuable information. In the LAG Gargano, all respondents thought that the

decision-making process (dimension N) followed the appropriate methodological steps: the completion of the local development strategy (indicator N1 = 75%), coherence in the implementation of the consultation processes (indicator N2 = 4, on a 0–7 range), monitoring (indicator N3 = 3, on a 0–5 range) and accessibility to project information (indicator N4 = 3.56), rated medium to high values. Conversely, low levels associated with efficiency and effectiveness (dimension O) indicated that the LAG was not yet well-integrated with the local territorial context (indicator O1 = 2.22) and more work needed to be done in order to increase the general level of understanding of its role and activities. One might argue that this reveals a certain level of “closure” of the LAG. This is actually confirmed by the low values of the vertical structure and a lack of relationship-building with other LAGs and higher-tier governance institutions (dimension Q). Finally, all data on the organisational culture and capacity of the LAG (dimension P) originated exclusively from the director. Limited results were due to the absence of specific internal activities, including the promotion of the organisation of the LAG via the website (indicators P1-1 = 0, on a 0–2 range and P1-3 = 2.75; P5 = |0|) and the development of an internal system of indicators for monitoring and self-assessment (indicators P3 = |1| and P4 = |0|).

The dimensions of governance in the LAG Meridaunia were almost opposite to those found in the LAG Gargano. In Meridaunia, despite issues with the internal coordinating mechanisms for implementing the strategy (dimension N), there was a clear understanding of the organisation by external actors (dimension O – Efficiency and effectiveness). For example, all indicators related to the internal decision-making processes were low or close to zero. However, they also revealed a clear demand by the LAG to reorganise planning approaches and improve coherence in the implementation of consultation processes and the sharing of information. These limitations were not always a result of internal challenges, as expressed by the director when describing the characteristics of the organisation:

We have a vertical structure. The Board of Directors is at the top and is presented by the President. The Board of Directors determines the

strategies and provides direction for the development policy. The structure implements them through the coordination efforts of the director. This is quite clear to all of those who operate with the LAG. [...] In consideration of the huge territory of competence and our small capacities, we opened a new office that operates alongside the 'historical' office in Bovino. For the past year and a half, we have been in Lucera to be closer to the 13 new municipalities and to the citizens of Lucera. This means quite an effort when compared to our modest capacities. Staff from Bovino [...] three times a week guarantees [...] the operations of the new office, where many people – citizens, youth, companies, administrators, trade union representatives and others – come daily to ask for information, promote discussion and seek to understand.

Given the tremendous efforts put in by the director of the LAG Meridaunia, limitations in efficiency and effectiveness (dimension O) could have depended mostly on external elements, that is, a planning period tied to regional rules. This was balanced by external recognition, which is clearly a strong aspect of the LAG and is consistent with its history. Indeed, since the planning activity carried out for LEADER II, the LAG Meridaunia has reached a well-defined and identifiable position in the local context. In addition to being well integrated in the territory and with other local institutions (indicator O1 = 3.38), the LAG fostered initiatives to promote its role in the territory (indicator O2 = 2.63), without overlapping with other local institutions (indicator O3 = 3.29). In relation to the organisational culture and capacity (dimension P) and vertical structure (dimension Q), the LAG promoted effective exchanges and relationship-building activities despite its internal limitations, thus showing an evolving internal organisational culture. For example, the internal limitations included the lack of a detailed description of its organisation on the website (indicator P1-1 = 1) and the lack of effective procedures for monitoring and self-assessment (indicators P3 = |1| and P4 = |1| respectively). On the other hand, the LAG Meridaunia was quite effective in fostering networking activities with actors external to the LAG (indicator Q1 = 9, on a 0–15 range) and developing high-quality connections with institutions at higher levels

(indicator Q4 = 3, on a 1–3 range). These factors contributed to building social capital in the territory.

## Conclusion

One of the most significant results that emerged from the case studies was that the social capital of the LAGs is an “idiosyncratic” resource, very closely related to the characteristics of the organisational system producing it. While the two LAGs were located in the same province and shared quite similar socio-economic conditions, they produced different forms of social capital in terms of quantity, quality and combination of different dimensions. The second relevant result is that the adopted method allowed us to conduct an in-depth analysis of social capital in each LAG, thus helping to identify their distinctive traits, weaknesses and strengths, upon which the LAG could plan future steps and strategies for development.

For example, in terms of policy recommendations, the LAG Gargano could intensify activities to facilitate internal interactions, and organise informal meetings that go beyond the institutional activity. The lack of attendance at promotional meetings (indicator C4) was one of the most critical limitations to the enhancement of structural social capital in the LAG. It also shows that the participation of members to formal meetings alone was simply insufficient in providing detailed knowledge and awareness on the concrete activities of the LAG, that is, types of funding calls, total amount of resources allocated, and types of beneficiaries. Indeed, less than 2% of the members had specific knowledge on the initiatives of the LAG (indicator B2). For the LAG Meridaunia, the most critical area of intervention was related to internal informational exchange, which members identified as paramount for the reorganisation of planning approaches and information sharing.

More generally, the results analysed in the present case studies, and the method used to measure social capital through the indicators hereby identified, can be used by individual LAGs as well as by the European Union to identify best practices for planning and development at the local level.

## Note

1. As described in Part III, it was useful to normalise the values of indicators for aggregation and comparison. In this chapter, the values of the indicators have not been normalised, unless otherwise stated. Also the values of the indicators are expressed as a (1) percentage or (2) range. Various ranges have been used in the study depending on the indicator. In the chapter, the range will usually vary from 1 to 4, unless otherwise specified.

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# 16

## LEADER and Social Capital in Basilicata: The Case Studies of COSVEL and Basento Camastra Local Action Groups

Alba Distaso

### Introduction

The present chapter assesses the structural and cognitive forms of social capital and related governance aspects in two rural areas of the Region of Basilicata. As shown in Part I, the theory of social capital highlights how physical and human factors, but also relational factors, like social capital, can drive economic development at the local level (Gui & Sugden, 2005; Donati, 2007).

The complexity of the elements that constitute social capital renders the identification of its dimensions a necessary first step, followed by the identification of a suitable measurement approach. The present research draws from the structural and cognitive forms of social capital to highlight issues seldom considered in the economic literature. Normative and cognitive social capital focuses on the role of trust, shared values and

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cultural identity in the promotion of development initiatives. Structural social capital, on the other hand, focuses on the role of social networks, in supporting the economy of a local community. Furthermore, structural social capital captures horizontal (bonding and bridging social capital) and vertical social networks (linking social capital) that are most relevant in the construction of social and economic relations within local communities (Granovetter, 1985). One of the characteristics of local development may be the production of collective goods (Trigilia, 2005). If we accept this hypothesis, higher levels of social capital will be correlated with the production of higher levels of collective goods.

The objective of this chapter is to measure both quantitatively and qualitatively the endowment of social capital of two Local Action Groups (LAGs) in the Region of Basilicata by using the method described in Part II. The method adopted in the present case study is based on the use of indicators and indices, derived in part from Social Network Analysis, and elaborated from structured interviews with members and beneficiaries of the two LAGs considered, namely the Consortium for Local Economic Development (COSVEL) and Basento Camastra. The results obtained in terms of strengths and weaknesses of social relations enabled us to formulate policy recommendations, which are meant to increase the level of trust and collaboration among members over the medium and longer terms.

The chapter is organised in four sections. Following the introduction, Section 2 describes the features of the territories of the LAGs and presents the applied method for data collection and analysis, highlighting its local contextual applications. Section 3 discusses the results obtained by analysing the different indicators of social capital (structural and normative-cognitive) and governance and by comparing the types of network (information, collaboration and trust) of the two LAGs. Section 4 closes with some concluding remarks.

## **Case Studies and Methodological Approach**

The LAG COSVEL and the LAG Basento Camastra were selected as case studies for the assessment of social capital in the Basilicata Region (Distaso, 2015). The LAG COSVEL in the Province of Matera was

established in 1995 for the European Community Initiative LEADER II and later co-financed by the EU for LEADER+. It included 32 members, 9 of whom represented municipalities in the Province of Matera, while 23 were private members. The territory of competence includes the Basso Sinni and the Metapontino, an area which is predominantly hilly (average altitude is 354.5 m.a.s.l.) and crossed by the three major rivers of Basilicata (Basento, Agri and Sinni). The territory has benefitted from the presence of water courses used primarily for irrigation purposes, and which historically sustained the agricultural economy of the Metapontum plain. The total population in the area is 55,772, attesting a decreasing percentage of  $-3.6\%$  in the period 2001–2011, while population density is equal to 60 inhabitants per  $\text{km}^2$  (ISTAT, 2012).

The LAG Basento Camastra in the Province of Potenza is a private consortium with a limited liability. It was established in 2003 by a private public partnership. It included 33 members, 19 of whom were municipalities and public institutions (such as Mountain Unions and the Chamber of Commerce of Potenza), while 14 were private members. The territory covers  $769 \text{ km}^2$  and has a total population of 42,478 (ISTAT, 2012), with a density of 55 inhabitants per  $\text{km}^2$ , spanning across 19 municipalities, which are settled at an average altitude of 850 m.a.s.l. The mountain area situated between the high valley of Basento and its affluent Camastra characterises the local economy, based on extensive livestock.

Data was collected between December 2012 and June 2013. The data was based on structured interviews (the questionnaires are in Appendices 1 and 2) with the directors, members of the two LAGs and a stratified random sample of 20 beneficiaries per LAG. All interviews were carried out according to schedule for the LAG Basento Camastra. Conversely, it was not possible to carry out interviews with beneficiaries from the LAG COSVEL because the calls for proposals were issued at the beginning of August 2013, with an extreme delay if we consider that it was almost at the end of the programming period.

The questionnaires were carried out through face-to-face interviews in the majority of cases, and through group interviews in the case of members. The interviewer presided the group interviews, so that each interviewee would fill in the questionnaire independently. Each LAG had its own specificities. For example, in the LAG COSVEL, only 28 out of

the registered 32 members in the Members' Assembly (Assembly) were actual members. Of these, 24 responded to the questionnaire. In the LAG Basento Camastra, of the 33 registered members, 18 public institutions and only 3 private members responded to the questionnaires, showing little interest in participating in the evaluation initiative taking place. Scarce participation in the life of the LAG was also demonstrated in the results. The beneficiaries selected were 20, 16 of whom responded to the calls. The calls were related to measures that supported the creation and development of micro-enterprises in the sectors of traditional and local products, the conservation and upgrading of the rural heritage and the reintroduction of endangered animal species. The calls were issued at the beginning of 2013, and thus the reference period is 2012–2013.

## Results

The present section examines the results obtained from the analysis of interviews with the director, members and a sample of beneficiaries from both LAGs. The analysis and relative discussion follow each of the dimensions described in [Chapter 7](#), and the most important results for the indicators are chosen.<sup>1</sup> The complete list of indicators by dimension and sub-dimension is included in Appendix 3, while the range of values for each indicator and the values obtained for the LAGs are in Appendix 4.

### Structural Social Capital

In terms of Context (dimension A), in the LAG COSVEL, while 88.9% of the members were private members, the interviews showed that it was mostly driven by public members (indicator A4). Most members were invited to join the LAG and this method of engagement proved to be relevant, as members who had been invited started to play a dynamic and proactive role once they were included (indicator A1 = 2.57). This

way, they became aware of how the LAG could potentially support relations in the territory.

In the LAG Basento Camastra, 41% of the members were private (indicator A4). Notably, private members were highly heterogeneous and included mainly social, cultural, civil and environmental associations. They were however a minority within the LAG and played an overall marginal role, participating only rarely in the Assembly meetings. The funding calls issued by the LAG Basento Camastra mostly benefited small farmers and small business owners, who appeared to know little about the role of the LAG (indicator A2 = 1.83). All others were poorly informed about the initiatives of the LAG and considered it solely as a funding institution or as an intermediary for the distribution of resources.

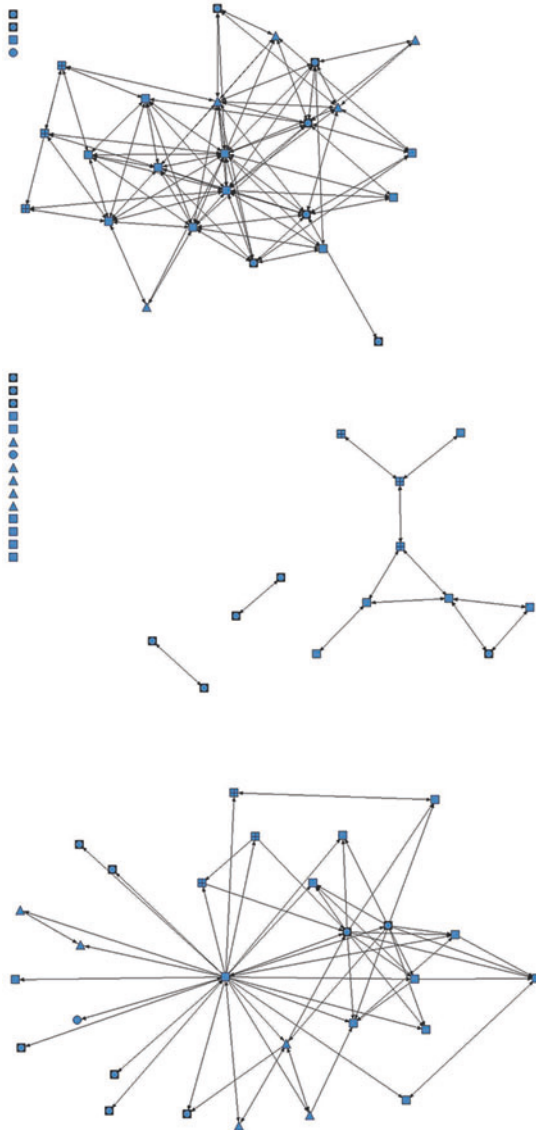
With regard to the Network actors (dimension B), in both the LAG COSVEL and the LAG Basento Camastra, members had quite low rates of general and specific knowledge of the initiatives promoted by the LAG. Nonetheless, these values were higher compared to other case studies in Italy. This was mostly the outcome of a “not so intensive participation” of members in the life of the organisations, and members’ reduced interest in “being kept updated by the director on different initiatives”. More specifically in the LAG COSVEL the rate of members’ general knowledge – measured by questions on beneficiaries, calls and funds allocated – was equal to 61%, while the rate of members’ specific knowledge of different issues related to calls for proposals fell to 36% on average. The LAG Basento Camastra did not perform as well, since the rates of general and specific knowledge were not very high: 44% of members generally knew about different issues related to the operative life of the organisation, while only 11% were able to provide specific information on the calls (indicator B2).

A diverse Horizontal structure (dimension C) fosters active participation in activities and initiatives. From this perspective, both LAGs did well. The LAG Basento Camastra did exceptionally well: it had the highest levels of participation in meetings of the Board of Directors (indicator C1 = 83.33%) and the Assembly (indicator C2 = 82.5%) compared to the other Italian LAGs considered, and had regular attendance of members at formal meetings (indicator C3 = 73.33%).

Similarly, the LAG COSVEL was above the national average for the first two indicators of dimension C ( $C1 = 53.33\%$ ,  $C2 = 56.82\%$ ) but performed better in relation to regular attendance ( $C3 = 87.5\%$ ).

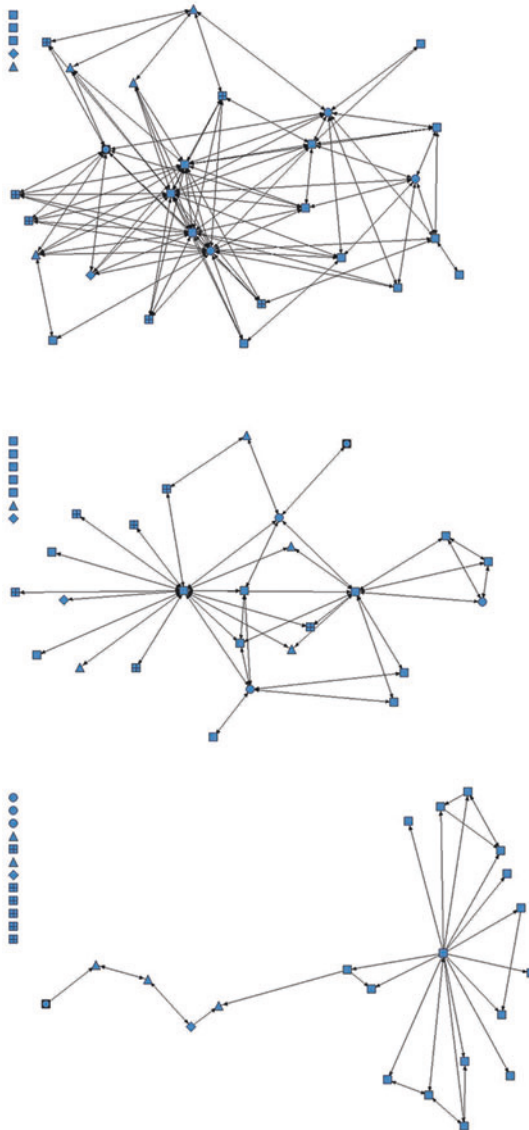
With regard to the density of the information and collaboration networks, in the LAG COSVEL the number of relations effectively established was quite limited, 24% for information and 3% for collaboration (Fig. 16.1). This shows a low capacity of members to create networking ties with other members and was possibly related to their low rate of participation. Exchanges were denser among municipalities (which are at the centre of the network) and between municipalities and private members. However, the information and collaboration exchanges would have occurred regardless of the LAG since the bridging capacity of the LAG in the exchange of information among members was very low (indicator  $C12-2 = 2.25\%$ ). The lack of collaboration and information exchange among members and beneficiaries was due to substantial delays in the publication of the funding calls, in the sharing of information, and consequently, in addressing the needs of beneficiaries.

In the LAG Basento Camastra, the density of the information network was much higher (19%) than the collaborative one (8%), a trend that was similar to the other Italian case studies (Fig. 16.2). Yet density appears to be low within the sample of case studies conducted in this research if we consider that the LAG Basento Camastra had exceptionally high levels of participation at formal meetings as well as a good performance in the continuity of participation. Moreover, by observing the exchange of information in the LAG Basento Camastra, the proportion of private actors in the centre of the network of the whole LAG as compared to that of the Assembly was higher. This result shows that even though private actors had a minority role in the Assembly ( $A4 = 40.63\%$ ), they were more effective in sharing information at the centre of the network (indicator  $C9 = 67.07\%$ ). Moreover, the sub-networks characterised by a public-private composition corresponded to 37% of the denser sub-networks within the network (indicator  $C10$ ). The LAG network also shows rather good connections with beneficiaries since 50% of the beneficiaries were related to another member of the LAG (indicator  $C11$ ). However, collaborative



**Fig. 16.1** LAG COSVEL: information (top), collaboration (middle) and trust networks (bottom), 2012–2013

*Source:* Own elaboration



**Fig. 16.2** LAG Basento Camastra: information (top), collaboration (middle) and trust networks (bottom), 2012–2013

Source: Own elaboration

relationships between the LAG and the beneficiaries were few and characterised by difficulties in the exchange of information (indicator C12 = 6.4%). This was the case in spite of the presence of professional figures, like the director, who were considered attentive to the needs of beneficiaries.

In terms of Transparency and accountability (dimension D), in the LAG Basento Camastra both beneficiaries and members rated positively the website and its use (indicator D1-2 = 3.26, D1-3 = 3.32), as well as the quality of the professional administrative support (indicator D5 = 5.58, on a 2–8 range).

In the case of the LAG COSVEL, the website did not provide information on the objectives and the actions of the Local Development Strategy and the internal organisation of the LAG; did not have a calendar with deadlines and events; and did not include a list of consultancies. Furthermore, there was no monitoring system for online access, which would have helped track changes over time. Despite these weaknesses, members gave an overall positive evaluation because they were able to find the information needed relatively easily. Beneficiaries also stated that their suggestions were usually taken into account during decision-making processes (indicator D3 = 1.75). The same was said of the members, who represented an active and dynamic part of the LAG (indicator D4 = 5.43, on a 1–8 range).

Reputational power (dimension E) represents interviewees' beliefs regarding which LAG members obtain access to useful information. If members provide positive assessments of others' reputational power, then they can be considered to have a well-established network of relations. In the LAG Basento Camastra, only 50% of members in the Board of Directors had a reputational power that was relatively high, and only 55% of these belonged to the centre of the network where relations were denser (indicator E3). In the case of the LAG COSVEL, the municipalities, which were the majority in the Board of Directors (60%), were held in high regard. In both LAGs, the benefits of belonging to the network were quite low, meaning that participation in the network did not bring any significant information to its own members (indicator E5 = 2.08).



## Normative-Cognitive Social Capital

Cognitive social capital is generally expressed through Trust and reciprocity among actors (dimension F). However, in the LAG Basento Camastra, the level of interpersonal trust among members (indicator F2) was quite low, only 3%. Furthermore, 60% of the members were isolated from the centre of the network (indicator F3). [Figure 16.1](#) shows a relatively less dense trust network when compared to the information and collaborative networks. Yet relations among members had improved over time, showing that the role of the LAG had positive outcomes in the territory (indicator F5 = 2.14, on a 1–3 range).

The LAG COSVEL made explicit efforts to represent the interests of all members equally, whether private or public. In this case, the level of trust was high towards the Board of Directors, but more significantly, both members and beneficiaries expressed high levels of trust towards the LAG itself. [Figure 16.2](#) shows one of the densest networks among all other case studies conducted in Italy.

In both LAGs, the Quality of the network (dimension H), was quite low and was expressed by the level of benefits received from the network (indicator H2-2 = 1.67 and 1.29, for COSVEL and Basento Camastra, respectively, on a 0–4 range) and brought to the network (indicator H3 = 1.13 and 0.86 for COSVEL and Basento Camastra, respectively, on a 0–4 range). A possible explanation is that the actions supported by the LAG were limited to the promotion of cultural and tourism activities and not oriented towards increasing the added value in the territory.

The Quality of participation (dimension I) was analysed in relation to participation in the Assembly, representativeness of the Board of Directors and proactivity of beneficiaries. In both LAGs, the quality of participation in the Assembly was not as high as would be expected given the level of satisfaction of members participating in the Assembly (indicator I2 = 3 and 3.14 for COSVEL and Basento Camastra, respectively), even though members who participated appeared to be quite satisfied (indicator I3 = 3.22 and 3.09 for COSVEL and Basento Camastra, respectively). In general, the results show that members

trusted their Board of Directors (indicator I5-2 = 2.33 and 2.94 for COSVEL and Basento Camastra, respectively, on a 0–3 range) and rated the Board's choices and actions positively when (1) the mandate of the Assembly was respected and (2) the Board of Directors managed to balance everybody's contributions to the decision-making process through collaborative relations. Finally, beneficiaries in the LAG Basento Camastra felt they could provide specific suggestions on projects (indicator I8 = 44.44%). It is important to highlight that the same beneficiaries recommended the calls to other actors in the territory, themselves becoming promoters of local development processes.

The dimension of Shared values (dimension L) includes (1) the perception of shared values in the territory, (2) recognition of promoters of shared values in the network and (3) identification with the territory. Both LAGs identified strongly with the values of the territory (indicator L1 = 3.03 and 3.04 for COSVEL and Basento Camastra, respectively), showing concern and attention to the needs of the territory (indicator L5 = 3.5 and 3.28 COSVEL and Basento Camastra, respectively). There was an overall sense that there were well-rooted and consolidated shared values which had been maintained over time (indicator L2 = 2.35 and 2.33 for COSVEL and Basento Camastra, respectively, on a 1–3 range), including the capacity to keep agreements, truthfulness in social and economic relationships, capacity to trust others, responsiveness and respect for the law, capacity to avoid opportunistic behaviours or free riding. In both LAGs, over 50% of the members and beneficiaries identified the LAG as a promoter of shared values, whereas less than 50% was able to attribute this same capacity to the municipalities or other public institutions, trade unions and voluntary associations (indicator L3 = 1.96 and 1.39 for COSVEL and Basento Camastra, respectively, on a 0–5 range).

Both LAGs generally showed lack of Conflict (dimension M) between the public and private spheres (indicator M1 = 2.8 and 3.32 for COSVEL and Basento Camastra, respectively). Indeed, members suggested there was a healthy and collaborative environment within the LAG. The few conflicts were usually managed by the director (indicator M3 = 3.67 and 3.71 for COSVEL and Basento

Camastra, respectively) before they reached the Assembly. When addressed in the Assembly, they were marginal and limited to the selection of projects and the allocation of funds (indicator M2 = 83.33% and 66.67% for COSVEL and Basento Camastra, respectively). Conflict among members was also marginal and largely traced to single episodes. Relationships with beneficiaries were quite positive within the LAG Basento Camastra as very few conflicts had been reported (indicator M4 = 3.79). This was probably due to the role of the LAG as an impartial (*super partes*) institution, whereby planned actions were balanced among the different areas of the territory.

## Governance and Social Capital

The capacity to enhance the endowment of social capital within an organisation relates to the decision-making processes and organisational structure of the LAG as well. In order to assess the governance of the LAG, the implementation of the decision-making processes was analysed (dimension N). In both LAGs, director and members considered the planning period long enough to achieve their stated objectives (indicator N1 = 73.68% and 62.5% for COSVEL and Basento Camastra, respectively), which seems to underestimate the enormous delays in the publication of the regional calls of the RDP. Monitoring projects presented different results in the two LAGs (indicator N3 = 4 and 0 for COSVEL and Basento Camastra, respectively, on a 0–5 range). The LAG COSVEL monitored its own projects, save for a few cases when there was no response from the members interviewed. In the LAG Basento Camastra, beneficiaries were provided extensive technical support ahead of submitting their applications for funding. However, the LAG did not follow up by monitoring the project development cycle or follow up on the implementation of consultation processes regarding projects, from sharing information to disseminating final decisions.

In relation to efficiency and effectiveness (dimension O), it was clear that both LAGs were considered to be well integrated in the territory (indicator O1 = 3.16 and 3.1 for COSVEL and Basento

Camastra, respectively), even when their role was not well known by the local population (indicator O2 = 2.17 and 2.73 for COSVEL and Basento Camastra, respectively). Internal organisation, measured by the quantity and quality of information that members received before Assembly meetings was ranked high, similarly to LAGs in other regions (indicator O4 = 91.67% and 100% for COSVEL and Basento Camastra, respectively). Both LAGs had high levels of efficiency in terms of their capacity to coordinate the Assembly and the meetings of the Board of the Directors (indicator O5 = 3.68 and 3.55 for COSVEL and Basento Camastra, respectively).

Organisational capacity and organisational culture (dimension P) contribute to building social capital. Communication capacity (indicator P1), competence of the staff (indicator P2) and internal monitoring (indicator P3) are concrete examples of this. For example, the LAG Basento Camastra had higher values in communication and monitoring capacity when compared to the LAG COSVEL (P1-1 = 0 and 2, on a 0–2 range; P2 = |1| and |0|; P3 = |0| and |1|, for COSVEL and Basento Camastra, respectively). The LAG COSVEL did not have access to resources beyond those of the LEADER Approach (indicator P7 = 0% for both the LAGs), it did not commission internal or external research studies and showed an overall lack of approach to innovation (indicator P8 = |0| and |1| for COSVEL and Basento Camastra, respectively). The lack of an internal system to monitor projects and an instrument for self-assessment could have weakened its organisational capacity. On the other hand, the LAG Basento Camastra carried out *ad hoc* context analyses to assess the needs of beneficiaries and respond more effectively (indicator P6-3 = 3.7). As a result, beneficiaries had a good perception of the culture and organisational capacity of the LAG (indicator P9 = 3.71), despite the overall absence of regular monitoring of its own initiatives and use of instruments for self-assessment.

In terms of vertical structure (dimension Q), both LAGs were evaluated as active in building relationships with other LAGs at the regional, national and international levels (indicator Q1 = 10 and 9 for COSVEL and Basento Camastra, respectively, on a 0–15 range), more so in the LAG COSVEL. While the LAG COSVEL had collaborative relations with the Agency of the Basilicata Region for Agricultural

Payments, the LAG Basento Camastra had more conflictual relations (indicators Q4 = 1.5 and 2.5 for COSVEL and Basento Camastra, respectively, on a 1–3 range). Furthermore, beneficiaries were not aware that payments for LEADER were disbursed by the Agency itself (indicator Q6 = 0.9 for LAG Basento Camastra, on a 1–3 range).

## Conclusion

The analysis of the data collected in the LAGs COSVEL and Basento Camastra shows that there were similar points of strength and weakness between the two LAGs, despite social, institutional and economic differences.

One of the shared characteristics was the role that public institutions played in the life of the LAG. In both organisations, public institutions were the most active, even though they did not represent the majority in the Assembly, especially in the LAG COSVEL. This negatively affected the development of the information and collaborative networks among private members. Both LAGs also shared fairly weak standards for transparency and accountability. However, these weaknesses were compensated by positive results in other dimensions of structural and normative social capital. For example, both LAGs had very high levels of participation at formal meetings and the LAG Basento Camastra also had a higher level of regular attendance at the Assembly meetings. While the LAG COSVEL had a denser trust network, the level of trust in the Assembly was highest in the LAG Basento Camastra.

The results obtained in the two case studies show how specific programme interventions carried out by the LAGs may enhance trust and collaboration among members, and between members and beneficiaries over time. However, because building social capital requires time, the relationship network could have been much denser and stable had the actions been shared more widely and inclusively with the target population.

Finally, it is important to highlight the relevancy of the regional institutions which provide continuity and innovation in setting new policy directions. We think that the policy guidelines aimed at increasing

social capital in Basilicata should take into consideration the fact that during this programming period, other structural funds may also fund the LEADER Approach. Thus, involving different institutional and non-institutional bodies could be strategic to enhancing social capital and the participatory dimensions of development. In this way, different actors and levels of governance could take initiatives in a synergistic way to respond to the needs of the population and promote shared objectives for development at the regional level.

## Note

1. As described in Part III, it was useful to normalise the values of indicators for aggregation and comparison. In this chapter, the values of the indicators have not been normalised, unless otherwise stated. Also the values of the indicators are expressed as a (1) percentage or (2) range. Various ranges have been used in the study depending on the indicator. In the chapter, the range will usually vary from 1 to 4, unless otherwise specified.

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# 17

## LEADER and Social Capital in Sardinia: The Case Study of the Sulcis Iglesiente Capoterra E Campidano Di Cagliari Local Action Group

Raffaella Di Napoli and Fabio Muscas

### Introduction

As described in Part I of the book, the key features of the LEADER Approach – bottom-up, participatory, integrated, multi-sectorial and territorially based approaches – are positively related with the formation of social capital at the territorial level (Shucksmith, 2000; Nardone et al., 2010; Secco et al., 2011; Pollermann et al., 2014). According to many scholars that specialise in the field, social capital enables local actors to act more efficiently in seeking to achieve shared objectives (Lee et al., 2005; Shortall, 2008; Pierce et al., 2016).

These characteristics are routine in an organisation such as the Local Action Group (LAG). LAGs strengthen ties within multiple social networks through project activities with both local institutions and beneficiaries; they define and shape norms and rules that govern interactions

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among members of these networks; they are shaped by and shape the local and civic values of the broader social and institutional context within which they are situated; and they pursue the principles of the LEADER Approach.

The objective of this chapter is to measure both quantitatively and qualitatively the endowment of social capital of a LAG in Sardinia: the LAG Sulcis Iglesiente Capoterra e Campidano di Cagliari (Sulcis in short). The chapter is organised in four sections. Following the introduction, Section 2 describes the features of the territory of the LAG and presents the applied method for data collection and analysis. Section 3 discusses the results obtained by analysing the different indicators by forms of social capital (structural and cognitive-normative) and related governance aspects. Section 4 closes with some concluding remarks about the performance of the LAG and LEADER projects in Sardinia.

## Case Study and Methodological Approach

The analysis of social capital in the Region of Sardinia was conducted with the LAG Sulcis, covering a territory located in the south-western corner of the island, overarching the provinces of Cagliari and Carbonia Iglesias. Geographically, the territory of 19 Municipalities is diverse from the environmental, socio-economic and demographic perspectives. It covers a surface of 1,479.26 km<sup>2</sup> and has a population of 63,320 inhabitants. With a population density of 43 inhabitants per km<sup>2</sup>, the LAG has the highest population density of all other LEADER territories on the island.

From an environmental and geomorphological point of view, the area is characterised by three different ecosystems. The southern coast has extensive sand beaches and low cliffs. The western coast is characterised by jagged and sheer cliffs. The forest of the Sulcis is located in the internal area, comprising Mount Arcosu and leading to the vast plains formed by alluvial soils and covered by seasonal rivers (the Cixerri and Basso Sulcis).

The natural beauty of the area as a whole is represented by 20 Sites of Community Importance, which include the lacustrine and mountainous

forest systems, as well as the geo-mineral wealth that characterised the local economy until recently. As a result of the deep crisis affecting the mining industry, the local economy relies, for the most part, on the service and agricultural sectors. Besides being one of the most disadvantaged and poorer areas of Italy, economic conditions have worsened and led to significant out-migration, mostly outside of the area, and only to a small degree towards the coastal areas of Sulcis.

The LAG is a Consortium with Limited Liability, created during the LEADER II programming period. During the 2007–2013 programming period, it completely re-organised the structure of its partnership. It developed and managed the Local Development Strategy (LDS) under the name “Integrated Rural System of the Sulcis: Production, Sea, Environment” and included actions supported by public funding for a total of €13,156,006.

At the time of the research, the LAG included the Members’ Assembly (Assembly), the Board of Directors and the administration. The Board of Directors was the highest decision-making body, and during its first planning period included seven Councillors and a President. The Director coordinated the implementation of activities included in the LDS and was responsible for the technical and administrative-financial units. The technical unit directly oversaw the implementation of the LDS and worked with two community facilitators with specific expertise on local development policies, inter-territorial and transnational cooperation and communication. The administrative-financial unit included the Administrative and Financial Officer and a secretary in charge of coordinating the activities of the membership of the LAG, as well as managing and accounting for actions in the LDS.

Interviews for data collection started in February 2013 with the director of the LAG and continued through June with 20 beneficiaries of the Measures 311 “Diversification into non-agricultural activities”<sup>1</sup> and 313 “Encouragement of tourist activities”.<sup>2</sup> The two measures were the only ones which were activated during the reference period of the study (2010–2011). Data collection coincided with an intensive period of restructuring for the LAG partnership, also due to impending administrative elections in the region. Both factors challenged the ability of the surveyors to complete interviews, which were limited to 28 members

(the partnership was composed of 25 public actors and 51 private ones) and 17 beneficiaries (of the 20 identified in the sample).

## Results

At the time of the study, the LEADER programme was still at the beginning of the implementation phase, and the rules, procedures and timetables for the realisation of LEADER at the regional level were being released. The Region greatly supported broad participation in the development of the partnership, a criterion that was strongly emphasised by the Region in the call for proposals for the selection of LAGs. However, the Region delayed significantly the process of defining and selecting the operational procedures, while the Paying Agency delayed setting up the required information systems, which ultimately set back the activation of projects by the LAG. All these factors strongly impacted on the results of the LAG. Moreover, the data collection coincided with a critical moment of local political change that affected the structure of the partnership. These issues influenced the responses of the interviewees and thus the results of the present research. Thus, a cautious interpretation of the results is required, especially in relation to members.<sup>3</sup>

## Structural Social Capital

The process of establishing the partnership of the LAG Sulcis started with the publication of the first regional call for the measure 413 (Local Development Strategies, Quality of Life /Diversification)<sup>4</sup> of the Rural Development Policy (RDP) of the Sardinia Region. The LAG started a consultation process, which saw the participation of 284 stakeholders, of which 25 were public (8.8%) and 259 were private actors (91.2%). Young participants (below the age of 40) were 35.5% (92 in number), while women 34% (88 in number). During the period between January and June 2009, the 284 stakeholders participated in 15 meetings, each meeting comprising an average of 55 participants, with a maximum of

81 and a minimum of 34. During the meetings, participants were asked to contribute actively to the process. Each meeting was posted on the website of the LAG and was extensively advertised through the mailing list, fax and phone messages. It was also printed in local newspapers.

As a result of the consultation process, the partnership of the LAG included 76 members (27% of the initial number of stakeholders), including 51 private actors and 25 public ones. Private actors thus comprised 71% of the total membership (indicator A4) and featured mainly single businesses, companies and the trade unions representing the local economic sectors. Private members spanned all economic activities in the area: 31% belonged to the service sector, 29% to the agricultural sector, 20% to civil society organisations (the so-called third sector), while artisans and commercial activities were 12% and 8% respectively. Public partners included the municipalities of the two Provinces where the LAG is located. Following the departure of three members, the Assembly comprised 73 members, while the Board of Directors was reduced to five Councillors.

The LAG carried out an intensive process of promotion and information in the territory to support the creation of the public-private partnership. This alone was quite instrumental in stimulating broad participation, especially for the identification of the LDS. The analysis of indicators for Context (dimension A) shows how the motivation to join the LAG Sulcis was seen as a way to engage both public and private actors more actively. In other words, it was seen by local actors as an opportunity to create networks that would support a path towards a balanced and sustainable development in their territory, rather than an opportunity for individual economic gain (indicator A1 = 2.69). Also beneficiaries identified the LAG and the principles which inspire its actions, as promoting local development and supporting collective interests (indicator A2 = 2.88). The level of indirect knowledge of the LAG's actions was different and beneficiaries were not aware of ongoing projects (indicator A3 = 0.88, on a 0–3 range). This result was due to the recent implementation of the LDS, which was delayed by the challenges encountered by the Region in defining the operative procedures, and by the Paying Agency in structuring the information system.

In terms of Network actors (dimension B), the delay in implementation influenced members' general knowledge of the LAG's initiatives and the amount of resources it mobilised. A relevant number of members knew about the general characteristics of the initiatives carried out by the LAG, including the number of beneficiaries, the amount of funds allocated, and the number of calls promoted (indicator B1 = 42%). On the one hand, few were able to describe the activities in detail (indicator B2 = 4.63%) and recognise how positive externalities for indirect beneficiaries and spin-off effects were created by projects on the territory. On the other hand, the organisation played an important role in building the Horizontal structure of the network (dimension C). The LAG created the conditions for strengthening the network of local relations among beneficiaries effectively. This was not simply due to its financial contributions, but rather to the intense promotion and communication efforts which were carried out during the development of the strategy. That this role was taken seriously is evidenced by a number of indicators, including: regular attendance of LAG members at formal meetings (indicator C3 = 83.87%); outreach to new actors (indicator C6 = 50%); level of synergy between beneficiaries and the LAG (indicator C14 = 2.06, on a 0–3 range); and recognition of the LAG as a vehicle and promoter of actions supporting collective interests. The active role of the LAG was also shown by other indicators such as: accessibility to the LAG's online information (indicators D1-1 = 4.0, on a 0–6 range; D1-2 = 3.26; D1-3 = 3.53); monitoring access to the website (indicator D2 = |11,470|); adoption by the LAG of suggestions made by beneficiaries (indicator D3 = 1.62, on a 0–4 range); accountability of members (indicator D4 = 4.86, on a 1–8 range); and administrative support to members and beneficiaries (indicator D5 = 5.49, on a 2–8 range).

As described in [Chapter 7](#), network dynamics often depend on the evaluation of information provided by members to the organisation (dimension E – Reputational power). This can be evaluated by comparing the information provided by members who play a formal role in the LAG, such as in the Board of Directors, with the information provided by “natural leaders” who are “located” at the centre of the information network. In the LAG Sulcis, 40% of the members

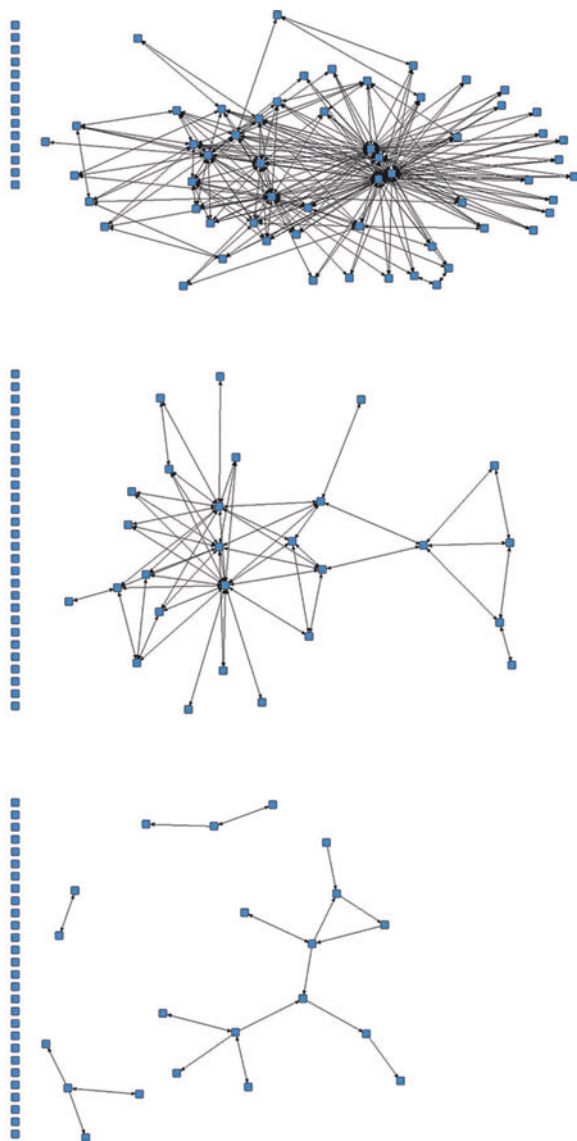
with a higher degree of reputational power overlapped with those at the centre of the information network (indicator E3 = 40%). This corresponds to the lowest value of the Italian case studies considered. The evaluation is totally different if we consider the equivalence of reputational power in the Assembly and in the Board of Directors (indicator E2 = 83.33%): in this case the value was the highest among the Italian case studies considered.

By comparing members' own assessment on their information contribution to the network, with the assessment of the other members and director, we observe a high value (indicator E4 = 2.18, on a 0–3 range). Moreover, the perceived benefits derived from the LAG show a good performance (indicator E5 = 2.92, on a 0–4 range) and were above the median (2.79) and the mean (2.65) of the Italian case studies considered. [Figure 17.1](#) shows that the information network is indeed much denser than the collaborative one.

## Normative-Cognitive Social Capital

The results of the indicators on normative-cognitive social capital provide further insight regarding the quality and content of interactions within the LAG network. They allow us to verify whether and how the LEADER Approach actually produces change and/or strengthens the immaterial aspects of local communities, for example, interpersonal and institutional trust, cooperation and collective interest, which are key to building social capital.

Indicators for Trust and reciprocity among actors (dimension F) were positive, both towards the Assembly (indicator F1 = 67.57%) and the Board of Directors (indicator F4 = 66.67%). However, the rate of interpersonal trust among members was rather low (indicator F2 = 0.47%). [Figure 17.1](#) and the rate of isolation of members in the Assembly (indicator F3 = 27.78%) highlighted three clusters in the Assembly: two included private members exclusively, one of which was mostly represented by agricultural enterprises; and the third one was entirely composed of public actors, dominated by the municipalities from the southern coastal area of the LAG.



**Fig. 17.1** LAG Sulcis: information (top), collaboration (middle) and trust networks (bottom), 2012–2013

Source: Own elaboration

However, changes in trust over time among members (indicator F5 = 2.55, on a 1–3 range) highlight the best performance of the LAG Sulcis among the case studies considered at the national level. This underlines the role of the LAG in contributing to reciprocity among local actors, within a very complex local context where interpersonal trust was the lowest among the case studies considered at the national level. These results are particularly significant considering the level of mistrust, expressed by all actors of the LAG, towards the public institutions active in the territory. For example, the director, members and beneficiaries seemed to have the least trust towards public institutions ( $G1 = 2.49$ ), compared to religious institutions ( $G2 = 2.84$ ), trade unions and professional associations ( $G3 = 2.88$ ) and voluntary associations ( $G4 = 3.20$ ).

In relation to dimension H (Quality of the network), we observe the moderate congruence on the perceived benefits by the executive bodies (director and Board of Directors) (indicator H1 = 16.67%). Moreover, the members perceived that the benefits they received (indicator H2-2 = 1.25, on a 0–4 range) were higher compared to the benefits they brought to the LAG (indicator H3 = 0.58 on a 0–4 range). Additionally, the beneficiaries positively assessed the high innovative capacity of the LAG (indicator H5 = 6.76, on a 2–8 range).

The values for the indicators on the Quality of participation (dimension I) further confirm values for the Quality of the network (dimension H). Despite low turn-out at the last Assembly meeting, members considered the quality of participation in the Assembly highly (indicator I2 = 2.78), together with the level of perceived interest in the Assembly (indicator I3 = 3.09) and the perception of effectiveness from personal participation (indicator I6 = 2.34). Likewise, the members of the Board expressed a positive opinion on their level of internal collaboration (indicator I7 = 3.0, on a 1–3 range).

Despite deep socio-economic, environmental and cultural heterogeneity, members and beneficiaries of the LAG identified themselves with the territory (indicator L5 = 3.3), recognising Shared values – dimension L (indicator L1 = 2.74) such as the capacity to keep agreements, truthfulness in social and economic relationships, capacity to trust others, responsiveness and respect for the rule of law, and capacity to avoid opportunistic behaviour or free riding. Thanks to the LAG, these



seem to have been kept over time (indicator L2 = 1.99, on a 1–3 range). Most interviewees held some, albeit abstract, perception of the presence of shared values in the territory, but they found it difficult to identify who promoted those values in the area (indicator L3 = 0.64, on a 0–5 range). Once the question was referred to the members of the LAG, 19% of them believed that the LAG and its members promoted those values (indicator L4 = 18.91%).

Low levels of internal and external Conflict (dimension M) signal an element of cohesion within the organisation and the territory. It appears that conflict represented a very critical issue in the LAG Sulcis and was generally related to the process of establishing the funding calls, the selection criteria of beneficiaries, and the dynamic interactions between public and private actors in the Assembly. This becomes evident in indicators of internal conflict regarding public-private partnerships and its management (indicator M1 = 2.28), conflict areas in the Assembly (indicator M2 = 100%), external conflicts with beneficiaries (indicator M4 = 3.94), as well as conflict among members (indicator M5 = 72.21%). The director, however, was seen as quite capable of managing conflicts between public and private members in the Assembly (indicator M3 = 3.67). Furthermore, though beneficiaries referred to instances of divergence with the organisation, they claimed that the LAG worked to avoid possible criticism resulting from acts of favouritism in the selection of beneficiaries (indicator M6 = 94.12%).

## **Governance and Social Capital**

The case of the LAG Sulcis highlights some of the complexities that emerge in the implementation of the LEADER Approach. Developing rules of reciprocity and civic engagement may facilitate the sharing of cooperative and trustworthy behaviour, but time is needed to develop these shared values. At the same time, the LAG must be put in a position where it can act promptly and support cooperative responses and the actions of individuals effectively. For example, delays and long waiting times in issuing calls for the selection of beneficiaries, or in disbursing financial contributions can weaken positive efforts and increase a sense

of mistrust towards the actors involved. These elements are considered in the dimension N – Decision-making processes.

Even though the LAG depended on the Region and the Paying Agency with regard to timetables and procedures, in and of itself the organisation was able to follow all phases of development and project management, from the initial consultation and discussion with stakeholders, up until the sharing of the final decision-making outcomes (indicator N2 = 7, on a 0–7 range). This effort, guided by a high level of methodological rigour in the monitoring of projects (indicator N3 = 5, on a 0–5 range), rendered the LAG a reference point for beneficiaries, who relied on its support during the entire process of applying for funds, from the submission of the proposal, to the implementation of the projects. Moreover, accessibility to project information attested a high score (indicator N4 = 3.79) compared to the Italian case studies considered.

In terms of Efficiency and effectiveness (dimension O), members considered the LAG as a well-integrated and recognised organisation in the territory (indicator O1 = 3.15). Its functions were not seen to conflict or overlap with those of other institutions operating in the area (indicator O3 = 3.18). It was efficient in the organisation of the Assembly (indicator O4 = 88.57%), and in its internal coordination capacity (indicator O5 = 3.21).

With regard to Organisational culture and capacity (dimension P), the LAG was a well-established actor in the local governance system. It presented, however, some critical elements which could impact the future capacity of the organisation to respond promptly and effectively to the needs of the territory. These included limited in-depth research on the specific needs of the territory (indicator P6-3 = 3.47), lack of fundraising efforts through venues other than those of the LEADER programme (indicator P7 = 0%), and limited capacity for innovation and research as assessed by the organisation itself (indicator P8 = |0|). Despite these limitations, the perception of beneficiaries in relation to the organisational capacity and culture of the LAG was very positive (indicator P9 = 3.79).

The Vertical structure of the LAG Sulcis (dimension P) demonstrated openness in building relations external to the territory by means of

inter-regional and trans-national cooperation with other LAGs in Italy and Europe (indicator Q1 = 12, on a 0–15 range). Relationships between the LAG and the regional Managing Authority were collaborative even though the prevailing opinion was that suggestions provided by the LAG to the regional Managing Authority were not always taken into account (indicator Q3 = 0.68, on a 0–2 range), thus limiting the level of influence of the LAG on higher levels of governance (indicator Q5 = 2.66). In any case, the LAG seemed to play a positive role in building relations with the Managing Authority, the Paying Agency (*AGEA*)<sup>5</sup> and the Region of Sardinia (indicator Q4 = 2.5, on a 1–3 range). Beneficiaries were not, however, well aware of the complex institutional bureaucracy and did not know who the institutions were, where the funding came from and what was the level of complexity behind the LAG's planning process (indicator Q6 = 0.47, on a 1–3 range).

Overall, the LAG seemed to play a positive role with regard to social capital, given that both members and beneficiaries were familiar with the concept and recognised its importance in development processes. For example, three out of four interviewees had heard references to social capital. This level of theoretical awareness, however, was not implemented by the LAG itself in its actions (indicator CS2 = 0.72, on a 0–2 range).

## Conclusion

The analysis of the LAG Sulcis, Iglesiente, Capoterra, Campidano di Cagliari highlighted points of strength and weakness related to the increase in social capital, spurring reflection on the capacity of the LAG to build an informational and collaborative network in the territory.

Even though members and beneficiaries were not well aware of the LAG's role, the organisation represented a reference point and an innovative element in the territory. The internal and external relationships built, however, were not well cohesive, showing clusters which were connected to either public or private actors, and bounded geographically. Nonetheless, the LAG appeared as a preferential “place” for creating and developing social capital.

Overall, while the initial consultation phase and the development of the LDS were fundamental to share key principles of action, they were not sufficient in leading to change. The delays in the mechanisms for the implementation of LEADER, which involved a number of actors from the national to the regional level, risked nullifying the promotion and consultation processes carried out with local stakeholders during the preparation phase.

This case shows how the procedures developed as part of the complex framework of the RDP and its implementation guidelines can play a strategic role in determining the role and functions that are ultimately assigned to a LAG. A concrete example derives precisely from the role that the Region played in guiding the selection of the LAGs by favouring those which devoted the most effort to engaging local actors and stakeholders. However, support and attention to participatory events must be adequate and regular over all phases of implementation of the local development strategies, if the participatory approach is to become routine practice both for public and private local actors. In this regard, the competence of the staff is essential in both relational (animation and communication) and technical-administrative activities. Continuing to support training and updating of the staff, as well as self-monitoring and evaluation of the activities carried out are steps in the right direction.

## Notes

1. Regulation EC No. 1698/2005 Art. 53.
2. Regulation EC No. 1698/2005 Art. 55.
3. As described in Part III, it was useful to normalise the values of indicators for aggregation and comparison. In this chapter, the values of the indicators have not been normalised, unless otherwise stated. Also the values of the indicators are expressed as a (1) percentage or (2) range. Various ranges have been used in the study depending on the indicator. In the chapter, the range will usually vary from 1 to 4, unless otherwise specified.
4. Regulation EC No. 1698/2005 Art. 62–63.
5. AGEA stands for “Agenzia per le erogazioni in agricoltura”, that is, Agency for Payments in Agriculture.

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# Part V

## Conclusions and Policy Recommendations

# 18

## Innovative Elements of the Proposed Evaluation Method and Indications for Improving Monitoring and Evaluation Activities in Rural Development Policy

Elena Pisani, Asimina Christoforou, Laura Secco  
and Catie Burlando

### Introduction

In this book we have gathered to offer an integrated, multi-disciplinary approach to the measurement of social capital in LEADER. This approach combines qualitative and quantitative analyses, and defines the various manifestations of social capital in order to shed light on the general and specific factors that affect economic and social processes of

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local development, particularly social inequalities, power relations and governance structures.

Since its inception in the 1990s LEADER was intended to be an innovative method or a laboratory to promote the development of strategies at a sub-regional level and meet the specific challenges of European local territories (Chevalier & Dedeire, 2014). LEADER represented the effectual enactment of the EU subsidiarity principle (Smith, 1995; Ray, 2000; Borrás & Jacobsson, 2004) with an open method of co-ordination and a new governance pattern strengthened by tools of participation, partnership and collaboration.

The LEADER approach embodied a novel path compared to classical European policies for regional and agricultural development of the 1980s by supporting a bottom-up approach in which local territories were delegated the power to define their own development strategy by means of public-private partnerships, inter-sectoral linkages and ground-breaking initiatives of inter-territorial and trans-national cooperation.<sup>1</sup> During that time, the LEADER Approach as well as other distinctive European initiatives based on cooperation (e.g., INTERREG Programme, International Cooperation, ERASMUS Programme, EU Research Framework Programmes) contributed to the diffusion of a positive perception of European institutions able to meet the needs of citizens and local territories in a more effective way compared to classical policy promoted by national governments. According to Teld and Magnette (2001), the European Union was internationally acknowledged “[...] as a laboratory in which Europeans are striving to implement the values of justice and solidarity in the context of an increasing global economy” (p. 85).

Despite the positive attitudes towards EU initiatives, in 2010 the Special Report No 5 of the European Court of Auditors (ECAs) regarding the implementation of the LEADER Approach for rural development pointed out that “compared with traditional methods of funding, the Leader approach involves higher costs and risks, owing to an additional layer of implementation, and giving the control of the EU budget to a multitude of local partnerships (LAGs: Local Action Groups). The justification for Leader’s additional costs and risks is the added values that should flow for the bottom-up and partnership approach – such as better identification of local needs and local solutions, more engagements on the part of local

stakeholders and greater scope for innovation” (European Court of Auditors, 2010, p. 6). After examining the performance of the Local Action Group (LAG) during the programming period 2000–2006, which coincides with the LEADER+ programmes, the Court observed that (1) the bottom-up approach was limited in the LAGs which gave the majority of the grants to their own organisation (rather than external beneficiaries), (2) the potential added value of the partnership was not achieved where local authorities dominated the decision-making processes and (3) few LAGs could demonstrate innovation or interaction between different sectors in their strategy or projects.

In response to the ECAs’ Special Report, the European Commission (EC) observes that “[t]he Common Monitoring and Evaluation Framework (CMEF) is focusing on the Leader added value, notably in relation to its impact. The impact of Leader is however more difficult to measure since it mainly relates to local capacity-building (social capital) and is driven by the local development process” (European Court of Auditors, 2010, p. 70).

This book ponders over the issues raised by the EC and ECAs regarding the specificities of the LEADER Approach and ways they have been understood and operationalised. It observes that funding and decision-making bodies at all EU levels have not explicitly assessed the role of social capital in promoting rural and local development, despite the pressing needs that arose with the recent economic and financial crises and the inspirational EU initiatives proposed. As we discuss in [Chapters 3](#) and [6](#), the evaluation framework for LEADER and other EU development projects gives limited attention to the multiple and complex dimensions of social capital, namely its structural and normative-cognitive aspects, and thus overlooks contextual features of the locality, like social inequalities, power relations and governance structures, which differentially affect the locality’s capacity for development and change. In this book, we argue that this must be remedied if we wish to enhance the effectiveness of LEADER and improve the institutional and economic performance.

To this end, we develop a method for monitoring and evaluation of social capital in LEADER ([Chapters 6](#) to [9](#) of Part II) that could be incorporated in the regular activities carried out by the Managing Authorities of the Rural Development Programmes funded by the

European Agricultural Fund for Rural Development – EAFRD (Regulation EU No. [1305/2013](#)), but also by other Structural Funds using the Community-Led Local Development (CLLD) approach such as the European Social Fund – ESF (Regulation EU No. [1304/2013](#)), the European Regional Development Fund – ERDF (Regulation EU No. [1301/2013](#)), the Cohesion Fund – CF (Regulation EU No. [1300/2013](#)) and, also, the European Innovation Partnership (EIP). The technical details of this method were described in Part II and put to the test in the real world in Parts III and IV, where a group of LAGs across Italy were chosen to assess their endowment of social capital and its relationship with governance structures.

The scope of this chapter is to present a synthesis of the innovative elements of the method proposed in this book and to provide some indications for improving monitoring and evaluation activities in Rural Development Policy (RDP) in the programming period 2014–2020. Consequently the chapter is organised in four sections. After the introduction, Section 2 presents the innovative elements of the proposed evaluation method; Section 3 proposes some indications based on the results already evidenced in Parts III and IV. Finally, we close with some concluding remarks.

## **Innovative Elements of the Proposed Evaluation Method**

The method used in this book for the evaluation of social capital in LEADER highlights different sequential steps. Firstly, based on the relevant literature, the different forms of social capital (structural and normative-cognitive) and governance have been selected. Secondly, 15 dimensions of internal and external relations prompted by LEADER LAGs have been identified: five dimensions of structural social capital (context, network actors, horizontal structure of the network, transparency and accountability, reputational power); six dimensions of normative-cognitive social capital (trust and reciprocity among actors, trust in institutions, quality of the network, quality of participation, shared values, conflict); and four dimensions of governance (decision-making

processes, efficiency and effectiveness, organisational culture and capacity, vertical structure). Thirdly, the 15 different dimensions of structural and normative-cognitive social capital and governance have been disaggregated into 36 sub-dimensions: the 5 dimensions of structural social capital have been subdivided into 13 sub-dimensions; the 6 dimensions of normative-cognitive social capital into 13 sub-dimensions and the 4 dimensions of governance and social capital in 10 sub-dimensions. Finally, each sub-dimension aggregates a defined set of indicators. There are cases where one sub-dimension equals one indicator and there are cases in which one sub-dimension corresponds to the average of a defined set of indicators (maximum five). The indicators, 96 in total, represent the measures obtained after a statistical process: raw data collected by means of surveys through direct interviews with members, beneficiaries and directors of LAGs were transformed into statistical data as described in Part II of the book.

As previously mentioned, according to the EC, despite difficulties, the measure of social capital within LEADER remains a crucial issue in order to capture and assess the impacts of the programme. As argued in Part I of this book, multiple official documents and research studies have surfaced pointing out the role of social capital in LEADER. However, few studies propose a set of distinctive concepts and measures for the evaluation of social capital in LEADER, probably due to the difficulties connected to the measurement of immaterial and soft factors affecting local development processes. In order to achieve this relevant objective, the method proposed and applied in this book presents key innovative features.

### **Element 1: The Method Takes Stock of Both Scientific Literature and Evaluation Reports**

By analysing the scientific literature we have seen that the measurement of social capital is a complex question (see our discussion in [Chapter 2](#)). In this regard, some authors (Fine, 2001; Sobel, 2002; Durlauf & Fafchamps, 2004; Teilmann, 2012) have argued that social capital is replete with conceptual ambiguities and measurement problems.

Despite these criticisms Sabatini (2009) has observed that, in the last decades, empirical analyses on social capital have substantially increased and authors measure social capital by using different indicators based on its key dimensions, such as networks, trust and social norms. Yet very few studies have attempted to integrate the various types of social capital that interact and affect cooperation and local development. Some Italian contributions (Nardone et al., 2010; Lopolito et al., 2011) that focus on rural areas have tried to measure the accumulation of social capital by using direct indicators. Yet the ways in which LEADER creates, promotes or ameliorates social capital and governance structures at the local level remain an open question in the scientific debate.

Moreover, in the Mid-Term Evaluation (MTE) synthesis of Rural Development Programmes (European Commission, 2012), the external evaluators have recognised that the so-called seven principles of LEADER have not really been incorporated in the implementation of RDPs and that LEADER has been considered “in many Member States as just one more funding opportunity for rural areas” (European Commission, 2012, p. 233). Therefore, LEADER has been equated by final users as a classical rural development measure relying on top-down interventions and public subsidies. The MTE synthesis has evidenced that this may be due to an “administrative vision” of the Managing Authority, undermining the potential and significance of a truly area-based and bottom-up approach. Additionally, the MTE synthesis has highlighted that certain techniques such as Social Network Analysis (SNA) would have been a useful tool for assessing social capital among rural development actors, but was never mentioned or applied in the MTEs. In Chapter 6, we further analysed the old and new concepts and indicators used to assess social capital in EU rural development programmes and particularly LEADER and CLLD and we observed that (1) indicators of bonding, bridging and linking social capital were not accurately defined or measured; (2) trust indicators among actors and towards institutions were hardly considered; (3) the structure of network relationships and new modes of governance between public and private actors were not assessed, leaving out important factors like power relations, social inequalities, value systems and the cultural context; (4) the exchange of material and non-material resources among actors within

network relations and governance structures was not considered, so the potential for behavioural change was not fully assessed; and (5) evaluation procedures remained predominantly output-oriented with a focus on economic results, offering limited attention to social processes and self-evaluation.

In this book we have opened the black box of social capital in local development by proposing a method that combines a set of indicators, aggregated into indices, allowing us to understand how to quantify and qualify the social, immaterial features which are significant in local development processes. Consequently, the broad concept of social capital was analysed according to 15 dimensions. Each identified dimension was studied at three levels of analysis: (1) relationships among individual actors (relations among actors outside the LAG); (2) internal relationships of the collective subject/actor (within the LAG, i.e., members of the LAG); and (3) external relations (LAG and beneficiaries of the LAG). One of the main outcomes of this method once applied in longitudinal studies will be a direct assessment of the role of the LAG in improving the information and collaborative networks and contributing to increased cooperation among its members in specific projects.

These assessments can be applied not only by researchers and policy-makers. They can also be used by LAGs themselves for the purposes of self-evaluation, which is proposed in the current programming period where LAGs are invited to participate in the evaluation activities and suggest their own indicators for evaluation (see [Chapter 10](#)). Overall, the method tries to quantify qualitative aspects of social capital to assess the complex dynamics of participation and development, and therefore provides composite indices that are easily understood and applied by practitioners, funding agencies and policy-makers.

## **Element 2: The Method Bridges the Gap Among Scholars, Practitioners and Policy-Makers**

Our idea for this book emerged when we observed how EU practitioners were trying to assess the relationship between LEADER (at EU level) and social capital by using concepts, indicators and methods that did not

respect the connection from theory to practice as argued in [Chapter 6](#). Thus in our book we have tried to balance theoretical and technical approaches and analyses precisely to bring together scholars, practitioners and policy-makers. In this way, we transcend the “false dichotomies”, as Bourdieu has put it, between theory and practice, and we uncover the relational realities that determine social dynamics in local development.

We began our analysis by delving deeper into the theory of social capital in local development ([Chapters 2 and 3](#)) in order to propose an operational framework for the evaluation of social capital ([Chapter 6](#)), which was then translated into a method to be potentially employed by an organisation to assess social capital and boost local development (Parts II–IV). In this way our wish was to restore the link between theory and measurement, which, according to authors like Sandefur & Laumann (1998) and Adam & Rončević (2003), is not observed in the literature, leading to the use of questionable indicators of social capital. Our theoretical reflection allowed us to explore alternative perceptions of social capital, which have been largely ignored, like that of Pierre Bourdieu, and apply conceptions of social capital that look into the relational dimensions and structures of networks and their effect on the exchange of resources and development. We also aspire to bridge the gap between scholars, practitioners and policy-makers by enhancing the exchange of scientific knowledge that provides a conceptual understanding of social capital and development, as well as the exchange of hands-on experience that offers practical knowledge of the opportunities and obstacles in the development process and particularly of the social dynamics that take place and affect developmental outcomes and policies. Separating the two would leave both in the dark, and the pressing problems of development unresolved.

### **Element 3: The Method Is Specifically Tailored to the Organisational Features of LAGs – And Not Only**

The LAGs have a clear and well-defined structure, according to EU Regulations.<sup>2</sup> This is in line with the 25 years of experience already

realised with LEADER (1, 2, PLUS and the LEADER Approach). In our method we assessed the social capital promoted by the LAG based on (1) its organisation and operative features and (2) its network of relationships (information sharing, collaboration and trust). These structural and relational elements have been common for all the European LAGs. At the same time, we took heed of the contextual aspects affecting the LAGs' endowment of social capital. Some of these contextual elements lie in the differences in the application of the RDP (and consequently of LEADER) in different EU countries, as a result of the "decentralised" or "centralised" management of the programmes.<sup>3</sup> Our evaluation method enables us to cope with both situations.

Our method also incorporated considerations of historical and political factors that affected the networks within LAGs and governance structures within managing authorities, as well as the interaction between them (see [Chapters 13 to 17](#)). Our main concern in this regard was that although the operative and financial requirements and capacities of LAGs will increase following recent reforms in the EU RDP, their technical capacity to measure the value added of LEADER is still lagging. In the programming period 2007–2013 the evaluation of the LEADER Approach relied more on "classical" evaluation criteria related to effectiveness (in reaching specific development objectives by means of results) and efficiency (in producing outputs in a cost-effective way and respecting the proposed and well-defined deadlines). These criteria were indifferently applied across regions without taking into account the local context of social capacities to design, manage and implement these projects, which differentially influences the effectiveness and efficiency measures. With this book we hope to give innovative insights for the evaluation of LEADER in the new programming period by suggesting a method that can be applied in various LAGs across Europe and, at the same time, takes into account the contextual factors that specifically affect LAGs in different areas. It is worth noting that this method can be adapted to other types of community-based and network-based organisations, especially public-private partnerships and development agencies, which promote the bottom-up initiatives and participatory principles of the neo-endogenous approach. The method is based on a clear explanation of



dimensions, sub-dimensions and above all indicators, which shed light on developmental processes and can be activated if needed in evaluation procedures by any network-based organisation to uncover its strengths and weaknesses at the local/territorial level.

#### **Element 4: The Method Uses Alternative Techniques such as Social Network Analysis**

Some of the indicators derived in our study are calculated through SNA. This approach has rarely been used in the social capital literature. However, it has recently received increased attention because it highlights the central role that networks play in social relations (Borgatti et al., 2009). It has also been introduced in the field of social capital and governance (Secco et al., 2013), and it has been adopted in the evaluation of local development projects and programmes (e.g., Pisani & Laidin, 2016).

By measuring and visualising the social relationships that develop and evolve among individuals, groups, organisations or other institutions for the exchange of information and knowledge, SNA offers evidence regarding the connections among actors and the flow of resources within networks. SNA uses matrices of data that are oriented and non-oriented, binary or expressed through numerical values that identify various aspects of links between actors, such as the strength of their relationships. In the present research, SNA was adopted to analyse collaborative relationships, the exchange of information and trust among members in the LAG (Chapter 8). The application of SNA analyses has revealed power relations, the extent of bonding and bridging ties, and clusters of relations (Chapters 13 to 17). Specifically, it gives us the opportunity (1) to use secondary data and (2) to show the temporal dimensions of how LAGs operate and may evolve to become more inclusive and participatory and thus increase their value added over time (Christoforou & Pisani, 2016). Overall, SNA offers specific tools to quantify the qualitative dimensions of social capital. It also responds to suggestions by the MTE Evaluation to look into alternative tools of analysis including SNA.

## Element 5: The Method Highlights Strengths and Weaknesses of the LAGs and Allows for Comparisons

LAGs are compared on different sub-dimensions, highlighting the strengths and weaknesses, as well as the distribution of the composite indicators' values. There could be specific concerns for the effects of scaling and weighting in the construction of indices. The normal practice – in national and international comparisons based on a dimensional approach to the measurement of Social Capital (SC) – does not propose weighting the different dimensions (see World Bank in its social capital measurement instrument and OECD as observed by Healy & Côté 2001).

In our method, we propose that the evaluator – at a regional or national scale – suggest a weighting procedure. In our vision, the indicators are going to express only the performance of the LAG in relation to different measurable or perceived features connected to social capital, but the interpretation of values has to consider the peculiar features of the local contexts, allowing the evaluator to better understand and interpret the results. The weighting procedure could be based on agreed criteria among local experts and/or stakeholders or on participatory multi-criteria approaches. This is why we have decided not to use a pre-defined weighting procedure, but only to normalise the values of the different indicators. The normalisation is performed to get a concise and clear measurement for each social capital dimension, providing an evaluation tool for institutional decision-makers. But this does not exclude the application of a weighting system.

Ultimately, by comparing LAGs and uncovering inter-territorial dynamics, the method seeks to go beyond simple dichotomies of place (North-South). The Putnamian approach that typically relied on measures of civic participation often led to a deterministic interpretation of the distribution of social capital, which failed to explain the vicious cycle of low social capital and to suggest ways to reverse this trend (see also Chapters 3 and 4). However, applications of SNA and comparisons across LAGs can reveal the “comparative advantage” of certain organisations and localities, that is, dimensions of social capital which are relatively stronger and can help them overcome weaknesses in other aspects of participation (see Chapters 11 and 12). In this way, our

method stresses the possibility for local actors to reflect on and change conditions that are unfavourable to development via social mobilisation, political participation and social learning.

## **Element 6: The Method Paves the Way for Social-Related Research Beyond Social Capital**

As we argued in Part I, governance structures constitute a very important feature of the locality's context that differentially affect participation and development, but seldom have been systematically studied in empirical analyses of social capital and local development. The method presented in this book highlights the importance of measuring principles of good governance at the local level. Though the method studies governance specifically in relation to forms and dimensions of social capital, it is, to our knowledge, one of the few attempts that addresses these issues at the local level and in rural areas. Yet further dimensions of governance can be incorporated, such as legitimacy, equity and the inclusion of disadvantaged groups, in order to enrich our method and our understanding of governance and its relationship with social capital and development (see [Chapter 5](#) for a detailed treatment of the issue of governance). Thus, the method is also an operational tool to refine and improve the analysis of these issues and provide evidence of governance performances that might be useful for scholars, practitioners and policy-makers.

Furthermore, the method paves the way for further research on social innovation. Social innovation, as the creation of participatory networks and governance structures, is inextricably related to social capital as the building block to new relationships. However, these two concepts have rarely been studied together. Our method can expand to incorporate these dynamics by consulting EU policies on social innovation and state-of-the-art research emerging in this field (see [Chapter 19](#) for a more detailed treatment of social innovation as possible steps for future research and methodological analyses).

Overall, our method can contribute to building theoretical and practical knowledge on novel topics by anticipating the trends that are taking place also within current European evaluation approaches and by capturing the

frontier demands expressed by local development agencies (which are becoming increasingly aware of the challenges they face).

## Some Indications for Improving Monitoring and Evaluation Activities in Rural Development Policy

In the programming period 2014–2020, the CMEF covers Common Agricultural Policy (CAP) in its entirety (Regulation EU No.1306/2013, Art. 110). More specifically, for Pillar II (rural development programmes) monitoring and evaluation are regulated by (1) the Common Provisions Regulation (Regulation EU No. 1303/2013) and (2) the Rural Development Regulation (Regulation No. 1305/2013). Chapter II of the rural development regulation specifies that a Common Monitoring Evaluation System (CMES) shall be drawn up by the Commission in co-operation with the Member States and adopted by the Commission by means of implementing acts (Art. 67) (Chapter 6).

In relation to LEADER, the Common Evaluation Question (CEQ) in this programming period is only one (CEQ no. 17): “To what extent have RDP interventions supported local development in rural areas?” (EC Regulation No. 808/2014, Annex V). The answer to this question should be given by using output, results and target and impact indicators already identified.

In this system, LAGs should offer knowledge and information required for the evaluation activity, support the evaluator in the operative activities and monitor the implementation of the activities. Moreover, LAGs should be required to do their self-evaluation as detailed in the Local Development Strategy. At the time of writing, further specifications were still required.

In the Guidelines for the *ex-ante* evaluation of 2014–2020 RDP it states that the added value of the LEADER method “is mainly regarded as an investment into the social capital and improved local governance capacity” (EENRD & European Commission, 2014, p. 118). Moreover, the same Guidelines specify the need “to capture the specific results and,

insofar ascertainable, impacts of LEADER, both at LAG level, and by aggregation to programme, and subsequently to EU level. This implies the application of qualitative evaluation methods, preferably on an ongoing or at least periodic basis (which should figure in the Evaluation Plan), and an active role of the National Rural Network in this process” (EENRD & European Commission, 2014, p. 118).

We are aware that problems could arise when using a carnet of different methods: for instance, aggregation at EU level becomes difficult which compromises the comparability of data across European areas.

The value added of the method proposed in this book is precisely linked to its capacity to open the black box of social capital and related governance aspects both at LAG level, and by aggregation to programme, and subsequently to EU level if the method was applied in all the European LAGs. This is achieved by using the different indicators and indices which are related to the local development process and are collocated at the different levels of the “social capital and governance” intervention logic (Chapters 7, 9 and 10).

The intervention logic unfolds as we examine social capital and governance at the level of indicators, sub-dimensions, dimensions and forms. Indicators and indices at different levels of aggregation correspond to different evaluation indicators (activities, output and outcomes).

Indicators allow us to measure as well as suggest the specific actions or activities to be implemented in order to deal with the weaknesses of LAGs. In the evaluation process they correspond to *activities indicators* of social capital and governance. Sub-dimensions allow us to understand the specific outputs that can be achieved in terms of social capital and governance by means of different activities. In the evaluation process they correspond to *output indicators* of social capital and governance. Dimensions allow us to understand the objectives that are pursued in relation to social capital or governance. In the evaluation process they correspond to *outcomes indicators* of social capital and governance. Finally, forms allow us to understand the impacts that are produced in terms of enhanced structural and normative-cognitive social capital or

improved rural governance. In the evaluation process they correspond to *impact indicators* of social capital and related governance aspects.

There is always room for improvement. As mentioned above, the method can benefit from incorporating issues of governance and social innovation. Furthermore, it could also expand its focus on inter-territorial dynamics and processes of devolution in order to assess their impact on conditions of social capital and local development, especially the need for new governance institutions at various levels of administration to coordinate the competition between localities and regions for resources and funds, and to minimise the spatial inequalities in opportunities of participation and development. It can strengthen the ability to study the economic, social and political context of localities by consulting alternative methods of qualitative research (e.g., historical analysis, narrative analysis) and combining different tools and results from quantitative and qualitative research. This way we would further transcend the “false dichotomies” between social science disciplines and fields of research to gain a holistic view of social and developmental dynamics. Finally, it is worth noting that though the method may not provide concrete “recipes” for tackling unfavourable economic, social and political conditions in certain localities, it stresses the need for looking into the social dimensions of development and implementing participatory approaches for seeking and promoting solutions, which scholars, practitioners, and policy-makers can assess by activating this tool for evaluation. In other words, it aids local actors in finding the solutions that they themselves will render appropriate according to their own needs and priorities, by enhancing their capacity to build social networks, norms and trust.

No doubt the method faces challenges. To conduct these studies money, time and knowledge are needed which raises costs. In-depth interviews with directors, members and beneficiaries of LAGs, the collection and processing data, and the interpretation of results, with the collaboration of scholars, policy-makers and practitioners require considerable funds and scientific expertise. Yet we strongly believe in the considerable benefits produced by any evaluation method that captures the social dynamics that are at play and uncovers the connections and exchanges among local actors in order to single out “good practices” in the implementation of participatory principles. This kind of evaluation

can provide an impetus for directors and members to change the culture of evaluation and see it as a way to strengthen their position vis-à-vis their capacity to influence their regions. This is crucial at a time when sweeping economic and political forces seem to take from local actors the power to determine their own fates and visions of development in favour of their own individual and social welfare.

## Conclusion

This is the first book that attempts to design and implement the evaluation approach of social capital in an EU policy instrument – such as the LEADER Approach – in order to determine its effects (not only in relation to efficiency and effectiveness). It builds on an approach that distinguishes among the various forms and dimensions of social capital and tries to assess how they combine to determine the effectiveness of local development projects and particularly that of LEADER. In this way the book aspires to incentivise researchers, development practitioners and project evaluators to broaden their focus beyond impacts, results and outcomes of funded projects and look deeper into the social processes that underpin private-public networks and governance structures, and promote participation and development. This challenges the deterministic assumptions and path-dependency lies that are often used to explain the perpetuation of low stocks of capital in certain regions and reflects on the local possibilities for regeneration of generalised trust and cooperation and the achievement of developmental benefits for the wider population. The ultimate objective is to make a better assessment of rural regions' potential for development and to improve the allocation and effectiveness of funds. The results produced via this method not only allow us to study social capital in different national and international contexts and derive richer information on the role of social capital in LEADER. They provide those involved in evaluation and policy-making with better tools for assessing the effectiveness of these development programmes and communicating results to the general public. They can also be useful for the self-evaluation of LAGs. Ultimately, this is the point of the analysis: to inform

administrative bodies and policy agencies of the developmental processes and outcomes of these programmes to enhance social welfare.

## Notes

1. As highlighted in the New Rural Paradigm (OECD, 2006), innovations that reshape local development strategies and place-based policies were developed not only within the OECD countries. Examples were present in Latin and Central America through the Pilot Experiences of Rural Development in Latin America (EXPIDER project) in the mid-1990s; the *Programa de Desarrollo Rural* (PRD programme) in Costa Rica in 2003; the Central American Development Programme for Frontier Areas in Central America (CABEI programme) co-financed by the European Union in 2004; Morocco which launched the “Morocco 2020 Rural Development Strategy” in 2003; India with the “Andhra Pradesh District Poverty Initiatives Programme” (APDPI programme) in the mid-1990s; Indonesia with the “Kecamatan Development Programme” (KDP) in the mid-1990s; and Thailand with the “One-Million-a-Village Fund” in 2001.
2. Article 34 (Regulation EU No. 1303/2013) Local action groups. (1) Local action groups shall design and implement the community-led local development strategies. Member States shall define the respective roles of the local action group and the authorities responsible for the implementation of the relevant programs, concerning all implementation tasks relating to the community-led local development strategy. (2) The managing authority or authorities responsible shall ensure that the local action groups either select one partner within the group as a lead partner in administrative and financial matters, or come together in a legally constituted common structure. (3) The tasks of local action groups shall include the following: (a) building the capacity of local actors to develop and implement operations including fostering their project management capabilities; (b) drawing up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50% of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by written procedure; (c) ensuring coherence with the community-led local development strategy when selecting



- operations, by prioritising those operations according to their contribution to meeting that strategy's objectives and targets; (d) preparing and publishing calls for proposals or an ongoing project submission procedure, including defining selection criteria; (e) receiving and assessing applications for support; (f) selecting operations and fixing the amount of support and, where relevant, presenting the proposals to the body responsible for final verification of eligibility before approval; (g) monitoring the implementation of the community-led local development strategy and the operations supported and carrying out specific evaluation activities linked to that strategy.
3. In some countries (e.g., Italy, Germany, France, Spain, Portugal) the management of the majority of funds has been delegated to regional managing authorities; the other countries have a single managing authority at the national level.

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# 19

## What Future for LEADER as a Catalyst of Social Innovation?

Laura Secco, Elena Pisani, Catie Burlando  
and Asimina Christoforou

### Introduction

This book has demonstrated how Local Action Groups (LAGs) can support social capital and related governance aspects through specific actions and practical activities. In this chapter, we hypothesise that LEADER is well placed to support social innovation as well (Bosworth et al., 2016; Dax et al., 2016). While social innovation has not been a central focus of the evaluation method developed in this book, this chapter delineates paths for future research that would provide a better understanding of the role of

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social capital and its related governance aspects in LEADER by connecting it to perceptions and policies of social innovation.

Innovation is often a stated aim in development strategies and projects. The same applies to LEADER, which was specifically designed to support innovation in rural development. The EU 2014–2020 regulations for Community-Led Local Development (CLLD) reiterate the role of LEADER in “includ[ing] innovative features in the local context, networking and, where appropriate, cooperation” and in the local development strategy (Regulation (EU) 1303/2013, Arts. 32 and 33, L347/355–356).

The global crisis and some of the limitations of Schumpeterian and technological innovation approaches to address new and unmet social needs and challenges have led to renewed interest in social innovation rather than innovation alone. In international policy settings, social innovation is considered an effective approach to develop novel solutions, make better use of scarce resources, promote an innovative and learning society, and support the EU2020 Strategy for smart, sustainable and inclusive growth (BEPA, 2011, 2013). Despite emergent attention towards this concept by academics and policy-makers, an unambiguous definition is still missing. To delineate paths for future research on the role of LEADER as a catalyst for social innovation, the chapter is structured as follows: Section 2 describes various meanings of the term in rural development. Section 3 outlines the key internal features of LEADER which may support social innovation, while Section 4 reflects on some of the opportunities that LAGs may use or promote to support social innovation. Section 5 discusses potential challenges and limitations while Section 6 draws some concluding remarks.

## **Social Innovation: Where Are We and Where Should We Go?**

While there are multiple meanings for social innovation, a clear and uniquely accepted definition has not been agreed upon (e.g., Moulaert et al., 2013; Nicholls et al., 2015). Neumeier states that “the different

ways of defining social innovations constitute a broad and inconsistent range of meanings – descriptive, heuristic, voluntaristic or normative” (Neumeier, 2012, p. 54). In this section, we focus on the most common understandings of the term as used in the literature on rural development and in the context of the EU policy. Researchers highlight how social innovation is “innovation in needs-revealing processes, forms of cooperation, communication and good governance” (Moulaert & Nussbaumer, 2005, p. 58) and “an opportunity to do something better, to create social value and to respond to local circumstances” (Bosworth et al., 2016, p. 5). It “improves the macro-quality of life or extends life expectancy” (Pol & Ville, 2009, p. 882) and refers to “new ideas manifested in social actions leading to social change and proposing new alternatives and new social practices for social groups” (Cajaiba-Santana, 2014, p. 44). In practice, social innovation can manifest itself through (1) new institutional environments and arrangements such as formal or informal rules and new administrative procedures; (2) decision-making processes based on new public and private governance arrangements; (3) new fields of activity comprising social entrepreneurship and social enterprises; and (4) new actors’ relationships and interactions, which may be enshrined in new collaboration and networks, and new attitudes, values and behaviours.

Even in absence of a clear and commonly agreed definition, it has been argued that, in the face of declining or insufficient support from the welfare state, social innovation involves the introduction and mobilisation of novel ideas, the reconfiguration of institutional and governance arrangements, as well as creativity in social and entrepreneurial practice and action (Neumeier, 2012; Moulaert et al., 2013; Nicholls et al., 2015). These changes do not occur in a vacuum. Instead, social innovation relies on cooperation and collaboration across sectors and levels, shared values and vision, as well as on the capacity to overcome and reshape stratified power structures, by proposing creative initiatives that allow individuals and groups to challenge path dependency and institutional, economic and social constraints. As this book has sought to demonstrate, collaborative action is key to building and strengthening social capital, and social capital itself has been identified as one of the



roots for social innovation (see [Chapters 3 and 5](#)). However, while social capital is the social substratum required for innovative social ideas to take shape, it does not constitute a sufficient pre-condition. Other factors facilitate and constrain how actors may engage in collective action around novel ideas, including governance structures and arrangements.

Part of the conceptual ambiguity in understanding and analysing social innovation derives from a policy-driven (institutional) interpretation of “. . . innovations that are social in both their ends and their means”, defined as “new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. They are innovations that are not only good for society but also enhance society’s capacity to act” (BEPA, 2011, p. 7). This twofold meaning implies that, from the perspective of policy-makers, social innovation might occur as a process, outcome or both. Supporting and evaluating social innovation and its impacts will therefore require attention to both processes and outcomes. As this book has demonstrated, the proposed evaluation of social capital has brought together diverse theoretical strands for analysing the tangible structures and intangible resources and processes which lead to collective action, and developed a conceptual approach to operationalise the assessment of these resources, processes and outcomes in local development. The method proposed could therefore contribute to shed light on some of the issues in the context of the evaluation of social innovation processes and/or outcomes – an interdisciplinary process currently under study.<sup>1</sup>

Researchers and practitioners have focused on both processes of change, as well as effective and equitable outcomes (Moulaert et al., 2013; Bosworth et al., 2016; Katonáné-Kovács et al., 2016; Neumeier, 2017). From a process-based perspective, social innovation may emerge out of the interplay between actions of individuals and groups seeking to address specific social needs, and the institutional structures and social systems in which these changes are sought (Cajaiba-Santana, 2014). Outcomes relate to new practices, changes in social context, and new ways of knowing and valuing. These “immaterial” effects may be driven by diverse moral and ethical values, worldviews and knowledge systems,

and may be institutionalised in new social arrangements, governance structures and entrepreneurial activities (Moulaert & Nussbaumer, 2005; Neumeier, 2012; Baker & Mehmood, 2015).

European policy-makers, while not yet agreeing on a specific definition for social innovation, also acknowledge attention to both process and outcomes: “[s]ocial innovation relates to the development of new forms of organisation and interactions to respond to social issues (the process dimension). It aims at addressing the following outcomes: social demands that are traditionally not addressed by the market or existing institutions and are directed towards vulnerable groups in society” (e.g., elderly, youth, women, people with disability, immigrants); societal challenges in which the boundary between “social” and “economic” becomes blur, and which are directed towards society as a whole; the need to reform society in the direction of a more participatory arena where empowerment and learning are sources and outcomes of well-being (BEPA, 2011, p. 43). Common social demands by vulnerable groups include work placement, social inclusion, health services and care, and diverse educational opportunities in both rural and urban areas. Examples of urgent or emerging societal challenges include climate change, ageing and migration flows. Finally, the need to reform society stems from the State (as the public authority) having to develop a new relationship with other actors who are representative of more vulnerable segments of society (social enterprises may be considered as both “business” and “community”), without relinquishing responsibility for citizen welfare to the private sector and community associations. Thus, the state may shift from traditional top-down approaches to a network governance approach (see also Chapter 5), but this shift should increase the quality and quantity of social services. Social innovation “should [...] concern innovative approaches and outcomes that provide more than the baseline level of services. These approaches should also be centred on community engagement and participation at a local level” (Bosworth et al., 2016, p. 5). Bock suggests that “innovations should be ‘social’ in the sense of socially acceptable, relevant and ethically appropriate” and that the innovation of society “is underlined by the purpose of creating a better society with more equality, social inclusion and social justice” (Bock, 2016, p. 3).

As with complex concepts such as sustainability and governance, “social innovation” risks becoming a fuzzy and catch-all term. Indirectly, these interpretations lead to assumptions that social innovation can (very likely) be activated just by involving the community and thinking in a novel way; and further, that any social innovations per se is positive. However, we perceive a risk of a new system rhetoric in descriptions of social innovation, which highlight its positive connotations. In our opinion, these assumptions should be verified by detailed assessments, which define the term and distinguish between the processes that determine (or are) social innovation from its possible outcomes. While we posit potential in the use of this concept, not the least because we suggest LEADER could play a role in spurring initiatives under this rubric, we also call for further studies on the concept and its application, especially when referring to rural areas.

## How Can the Key Features of LEADER Support Social Innovation?

Since its introduction in the early 1990s, the LEADER Approach has sought to foster novel ideas in rural development initiatives, funded by the European Structural and Investment (ESI) Funds, and implemented by locally driven territorial development processes (Ray, 2006; Shucksmith, 2010; Dax & Oedl-Wieser, 2016; Dax et al., 2016). Within a multi-pronged European rural policy environment, LAGs have provided on-the-ground support for territorial actors (see Chapters 3 and 4). Despite the promise for LEADER to promote innovation, previous programming periods led to fragmented results, with innovation outcomes generally limited, both in terms of process and outcomes (Pollermann et al., 2013; Navarro et al., 2015). However, in this section we argue that the LEADER Approach and its LAGs have a significant potential for enhancing and restoring *social* capital and thus (likely) also supporting *social* innovation, as evidenced by the burgeoning interest in the topic (Dargan & Shucksmith, 2008; MacCallum et al., 2009; Neumeier, 2012; Bock, 2016; Bosworth et al., 2016; Dax et al., 2016; Katonáné-Kovács et al., 2016; Neumeier,

2017). Dargan & Shucksmith state that “in the practical experience of LEADER [...] [innovation] is more likely to be understood by local actors in terms of social innovation (encouraging local linkages and collective learning cultures) and cultural innovation (improving the rural milieu) rather than in the sense of science policy and technological innovation... that dominates national policy discourses” (2008, p. 274).

Since the beginning, LEADER initiatives have been characterised by key features which can support social innovation. They include (1) area-based approach, (2) bottom-up approach, (3) local action group (public-private partnership), (4) innovative approach, (5) integrated and multi-sectoral approach, (6) network and (7) cooperation (European Communities, 2006).<sup>2</sup> On the one hand, LEADER supports those structural elements of social capital, that is, partnerships and inter-sectoral collaborative networks, which may enable the emergence of novel ideas, practices and arrangements in the territory. As Pollerman et al. state, “A general assumption in the context of LEADER is that the networking and cooperation of stakeholders from different sectors play an important role in creating new ideas and advancing innovations” (2013, p. 112). On the other hand, LAGs may also purposefully use their social capital or network governance capacity to strengthen a culture of social innovation. By fostering dialogue for project development, both internally among its members, and externally with beneficiaries and other territorial actors, they may be able to identify opportunities for social innovation that address unmet and emerging needs. First, LAGs could devote specific attention to the process dimension of social innovation, by supporting social learning in their networks (High & Nemes, 2007; Sol et al., 2013). By bringing together public and private actors from different sectors, LAGs could support the identification of needs and opportunities for actors who hold diverse perspectives, knowledge, values and interests; build trust and vision around common social demands and challenges; and foster commitments for collective action. Second, LAGs could support specific criteria as part of the assessment and selection of potential initiatives and beneficiaries which address social inclusion (Shortall, 2008). Third, LAGs could invite representatives of more disadvantaged economic and social sectors to join the membership, providing guidance and direction on the implementation of the local development strategy, pointing out emerging needs, suggesting

possible resolutions and identifying opportunities and trade-offs in programme priorities, funding criteria and selection of beneficiaries (Navarro et al., 2016).

So far, these opportunities have been suggested but not demonstrated by enough empirical evidence. Yet, among the EU programmes for local development, LEADER may be best suited to foster social innovation because of the sharing of common features across the EU, as well as its territorially specific implementation. Of course, key questions for future research remain. These may include attention to the drivers and conditions for fostering social innovation through LEADER, in terms of the types of policy intervention (if any) which would likely nurture conditions for its emergence, while limiting those which would constrain it. Other key questions would ascertain the impacts of social innovation: “what social value is created?”, “for whom is it created?” and “to what extent can it deliver enduring change beyond?” (Bosworth et al., 2016, p. 14). Overall, for LAGs, shifting from innovation to social innovation may mean shifting from a focus on criteria for profitability and commercial development to criteria for well-being and social value generated by new and innovative entrepreneurial activities. This may mean a shift in attention from economic initiatives focused on the growth of a specific economic sector or value chain, to the social and environmental relations that underpin development activities in a determined local context. We now turn to an examination of the ESI funding measures and approaches which support the creation of networks, a key feature for enhancing social capital and likely social innovation.

## **Reflecting on Possible Opportunities for Supporting Social Innovation Through LEADER**

The previous section identified the internal characteristics of LEADER and LAGs, such as partnerships and inter-sectoral networks, which may support processes of social innovation. LAGs may also promote or activate as part of their local development strategy other opportunities

such as new funding measures, contractual agreements or other legal instruments to foster network building and collaboration. These opportunities support network governance, a specific form of governance which favours novel modes of collaboration among economic, social and environmental actors, across the public and private spheres, and through horizontal and vertical linking (Chapter 5), which represents the backbone of social innovation. Specifically, the Measures for Cooperation (Art. 35) and LEADER (Art. 42) established in the EU Regulation 1305/2013 are designed to facilitate the creation or consolidation of collaborative and network-based relationships among actors working in rural areas. The Measure for Cooperation supports cross-sectoral cooperation approaches, clusters and networks, as well as the European Innovation Partnerships (EIP) (EU Regulation 1305/2013, Art. 35.1). More specifically, it supports “the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors”, horizontal and vertical cooperation for the development of short supply chains, joint action for mitigating or adapting to climate change, agro-environmental initiatives and drawing of forest management plans, as well as the “diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food”, key themes in social innovation (Regulation (EU) 1305/2013, Art. 35.2.k, L 347/516).<sup>3</sup> Depending on the Rural Development Programme (RDP), partnership development may include a first preparatory animation phase to create the partnership and a second phase to deliver on the commonly identified actions. While only an *ex-post* evaluation and more in depth research assessment can draw conclusions on the impacts of current measures and tools, the relationships created may support local players who are ready to socially innovate, even if regional (or national) institutional organisations may still be following more rigid command and control approaches and tools.

LAGs may also use their Local Development Strategy or promote to their beneficiaries different legal instruments which lead to the creation of cooperation groups. For example, in Italy, network contracts were

introduced in legislation in 2009 to address the reciprocal interests and benefits of members on a step-by-step process, through (1) a common management body, (2) an asset fund and (3) a clear procedure for collective decisions (Abatangelo et al., 2016). Network contracts have been identified as a tool that can be adopted flexibly and can greatly simplify the contractual obligations of partners by focusing exclusively on common goals and agreed upon activities.

Moreover, there are other tools, such as group certification schemes, or collective forms of land tenure, which support networks and collective action, and thus, enhance social capital and (likely) social innovation. For example, in the forestry sector, the third-party certification scheme of the Forest Stewardship Council has introduced, since 1997, a “group certification” option for small and community producers that qualify for certification in small or low-intensity managed forests, to reduce their certification costs (FSC, 2016). The forest certification scheme of the Programme for Endorsement of Forest Certification (PEFC) later extended the same option to forest owners. In Spain, legislative proposals have encouraged the re-utilisation of long abandoned or unproductive lands, as well as collective forms of land tenure where farmers cooperate and agree on commitments negotiated with the public administration. Territorial management contracts of this type have been used as a tool to enhance the sustainability of farming practices in sloping and mountainous areas (Rocamora-Montiel et al., 2014).

These examples were innovative when they were first introduced. Attention to social innovation may help to re-evaluate the role that these instruments initially had, by fostering reflection on the continuous role of collective action and shared values in further promoting social innovation. LAGs may be able to vehicle these and other opportunities towards promoting social innovation if they are appropriately organised, managed and targeted, and the intangible factors underlying social capital, network governance mechanisms and social innovation are recognised and implemented locally. In the next section, we discuss the limitations and the ways forward for LEADER to catalyse social innovation in rural territorial development.

## Limitations and Ways Forward in Adopting Measures for Social Innovation

As argued above, there are promising conditions for supporting social innovation through LEADER, due to its flexibility, its network-based structure and opportunities offered through, for example, the Cooperation Measure and legal instruments described in the previous section. However, some limitations are already evident and may practically emerge during implementation. For example, as already studied for the 2007–2013 programming period, conventional command and control style of public decision-making and hierarchical administrative structures, or, conversely, risk-averse and cautious organisational cultures of administration, may work against cross-sectoral and multi-level governance arrangements, constraining the ability of LAGs to support processes which seek to address emerging needs (Pollermann et al., 2013; Navarro et al., 2016). Legal and institutional frameworks, which place an increasing role on bureaucracy rather than fostering creativity, may endanger cooperation and innovation initiatives. Moreover, closed systems lacking mutual awareness, communication, networking and trust, and associated with pre-existing clientelistic power relations may also hinder social innovation in rural development. Other factors may include reduced institutional trust and collective action, limited horizontal and vertical coordination among actors implementing activities which may be related to social innovation within the policy domain, and limited skills, resources and infrastructures. As evidenced in this book, these features strongly relate to the availability of social capital in a territory and the governance capacity in operationalising networking.

Bottom-up processes, which are frequently promoted by non-traditional business organisations and usually start from a limited size, often characterise socially innovative initiatives. And yet, these same characteristics may not be perceived as self-sustainable and/or replicable (as their business-driven counterparts) and may therefore fail to attract the necessary interest. The ideas and practices of both citizens and entrepreneurs may also be ahead of public policy and funding priorities and criteria, proving that rather than a specific funding tool, the institutional culture



lies at the basis of any required change. Furthermore, insufficiently stable and sustainable funding throughout the stages of the innovation cycle; lack of specific funding policy for social innovation in the rural development sector; and reduced public funding for local development may also hinder novel initiatives. Limitations in the bureaucratic system, including strict requirements without attention to early phase innovative experimentation, may simply dissuade otherwise socially oriented actors from applying for funding. Pollermann et al. (2013) explain how in the 2007–2013 programming period, innovative ideas stalled before being implemented. They observe that “(a) the possibilities of funding experimental or innovative projects via LEADER depend very much on the extent to which the RDPs are able to provide a suitable framework to fund projects outside the standard menu of measures; and (b) with the mainstreaming of LEADER; compared to the former funding periods the beneficiaries face many administrative obstacles” (Pollermann et al., 2013, p. 116). Finally, the concept of what social innovation is and how it can be evaluated may pose difficulties for adoption by the same LAGs, who may invest in efforts to promote cooperation and thus (likely) social innovation, yet lack instruments for understanding and assessing social innovation as a process of social change. More work is needed to understand how the added value of LEADER as a generator of social innovation can be assessed and thus recognised.

What are the elements, then, which may help change LEADER, as a neo-endogenous approach to development, from a potential to a real catalyst of social innovation? While research on this role needs to be greatly expanded, we suggest three factors which are derived from the results of analysing social capital and governance in the book. Firstly, real and open-ended collaboration between public and private actors and across vertical and horizontal levels may be paramount, signalling willingness to forego long-standing relations of power in favour of decentralisation and a shared vision for actual change (Terluin, 2003; Scott, 2004). We recognise that this may be a challenge in the case of LAGs where clientelistic and entrenched power relations dominate. However, as this book has sought to demonstrate for the case of social capital, partnership-based governance structures, which are connected and multi-layered, engage and facilitate coordination among actors and

institutions at multiple levels, and support local decision-making bodies, may also support social innovation.

Secondly, the context of the territory matters. Territories where formal and informal networks are already present and active in informational exchange, collaboration and trust may display higher levels of social capital. These factors may be connected to a higher propensity for experimenting with novel ideas and practices that respond to specific social needs or societal challenges, as well to a changing role of the public authorities in relation to private actors. As Cajaiba-Santana argues, “what underlies the path of social innovation is not a social problem to be solved, but the social change it brings about” (Cajaiba-Santana, 2014, p. 44).

While the book has not focused on the dimensions of leadership for fostering social capital, we posit that a third factor of relevance may relate to the role of the leader or innovator in proposing, supporting, legitimising as well as scaling up novel and untried ideas (Moore & Westley, 2011; Horlings, 2012). They may be capable, charismatic, creative and committed leaders as well as entrepreneurial people who inspire others (Raagmaa, 2001; Moore & Westley, 2011; Cajaiba-Santana, 2014; Horlings, 2015). They may draw from a combination of different knowledge forms, such as technical and expert knowledge with local and lay knowledge, a well-developed network and interpersonal trust to mobilise others and lead to change. Agency may derive from any actor within the network, the territory or, as shown in some cases, from actors external to the territory (Scheffran et al., 2012). The question of whether the neo-endogenous approach is most suited to the analysis of situations in which actors inside and outside the territory play the role of innovators remains still open. In the literature, Bock (2016) introduces new theoretical hypotheses and suggests the opportunity to shift towards a nexogenous approach, to address also the role of the (external) innovator in rural development initiatives. However, leaders capable to innovate can also be expressed by the local community. Thus, by supporting leadership and sense-making on the processes of social change and their impacts on well-being, LEADER could become an enabling institution for social innovation.

Taken together, these factors are unlikely to address the core drivers and the deep folds of uneven development. However, by helping to steer new visions, networks and practices, as well as new values, they may lead to changes at the heart of local rural development practices. We are only at the pioneering stage of putting light on this topic in European rural contexts, and further research is needed.

## Conclusion

This chapter discusses how key features of LEADER – most importantly its actor and cross-sectoral network-based approach – could support social innovation, contributing to foster further research and development strategies in this emergent policy field. It suggests possible routes for future research, policy and evaluation for assessing the core features of development processes in the context of LEADER and rural development programmes in general. Thus, it offers ways to enrich the method presented in this book by incorporating emerging concepts such as social innovation.

However, a few words of caution are needed. First, despite an early focus on innovation (European LEADER Observatory, 1997), LEADER has not always lived up to expectations for supporting innovation. As recent research has sought to demonstrate, LEADER could probably provide a much sturdier platform for supporting social innovation, but this is yet to materialise. Therefore, we need to carefully assess whether LEADER can live up to possible expectations as a catalyst for social innovation and avoid raising expectations too high in this regard. A second consideration lies with the factors that affect the processes behind the creation of social innovation. LEADER is embedded within a rigid funding structure which may be inadequate to sustain the dynamics of social innovation. The criteria, timing and funding allocated through the measures of the RDP, combined with a rigid institutional culture and resistance to change by public institutions, may well clash with social innovation dynamics, which depend on environments favouring creativity and change. In addition to these internal and external drivers, in the European context, an evaluation

framework capable of capturing the richness of processes, social interactions and practices, acquired knowledge and skills, which specifically derive from promoting partnerships, networks and collaborations for social innovation, has not been fully developed (see [Chapter 6](#); EENRD & European Commission, 2014). The evaluation question for LEADER is yet to capture the more intangible features of increasing social capital and even more so social innovation. At present, evaluation criteria for projects may be able to assess “adaptive, problem-solving initiatives but they are much less likely to capture more creative, opportunity-led developments” (Bosworth et al., 2016, pp. 14–15).

For these reasons, researchers, evaluators and practitioners more broadly need to look deeper into the social processes that underpin private-public partnerships and governance structures to understand how local actors act collectively to organise the economy and pursue development through social innovation. This book develops a theoretically informed and field-tested method to assess social capital and related governance in neo-endogenous rural development institutions such as the LAGs of the EU LEADER Approach. In doing so, it provides a tool for researchers, practitioners and evaluators to assess how social networks and intangible norms and values may support social capital, network-based forms of governance and rural development. The book stresses that LAGs can support social capital by adopting a systematic and systemic approach to the way in which they lead their initiatives and design their development strategies. By doing so, the book has also laid the ground for moving forward on how we understand and utilise the capacity of organisations such as LAGs to catalyse innovative pathways in order to address emerging needs – especially in the social, but also in the interconnected environmental and economic spheres – and to foster purposeful action and attention to intangible resources such as networks and a culture of learning and trust.

Of course, there are still many issues to be addressed in order to capture the multiple dimensions of social capital and local development, to improve our understanding of these complex relations and to articulate proper methods to analyse and assess them, as argued in

**Chapter 18.** With this book, we hope to have spurred reflection on the intangible features which underpin local development processes in rural areas and which might be recognised as key drivers of a more socially inclusive rural paradigm for the future. At the end of the day, development depends on our capacity for *social* innovation, that is to say, our capacity to reflect on and change our values and institutions, theories and methods, and promote social awareness, participation, ethical engagement and mobilisation. Ultimately, the aim of this project is to encourage people to actively seek for opportunities of change, to take action for tackling problems of participation and development, and more importantly to understand that cooperation and inclusion are at the core of this process and that no solution is viable unless we consider the vision, interests and needs of other individuals and groups in society in this generation and the generation to come. In this way, engagement is seen not only as a privilege, but mainly as a responsibility to act, collaborate and trust in order to determine the values, institutions and principles of development that include and benefit the whole of society.

## Notes

1. The European Union is dedicating increasing attention to the topic of social innovation, with several calls in the Horizon 2020 funding programme related to it. Social Innovation in Marginalised Rural Areas (SIMRA) is a 4-year research and innovation action project recently launched to advance understanding of social innovation and innovative governance in agriculture, forestry and rural development, and how to boost them, particularly in marginalised rural areas across Europe, with a focus on the Mediterranean region (including non-EU) where there is limited evidence of outcomes and supporting conditions. SIMRA includes 26 partners throughout Europe and the Mediterranean region (including non-EU), and a growing network of stakeholders. Further information is available: [www.simra-h2020.eu](http://www.simra-h2020.eu).
2. Currently, the LEADER Approach includes an eighth element: decentralised administration ([http://www.elard.eu/en\\_GB/leader-approach](http://www.elard.eu/en_GB/leader-approach)).

3. 2. Co-operation under paragraph 1 shall relate, in particular, to the following: (a) pilot projects; (b) the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors; (c) co-operation among small operators in organising joint work processes and sharing facilities and resources and for the development and/or marketing of tourism services relating to rural tourism; (d) horizontal and vertical co-operation among supply chain actors for the establishment and the development of short supply chains and local markets; (e) promotion activities in a local context relating to the development of short supply chains and local markets; (f) joint action undertaken with a view to mitigating or adapting to climate change; (g) joint approaches to environmental projects and ongoing environmental practices, including efficient water management, the use of renewable energy and the preservation of agricultural landscapes; (h) horizontal and vertical co-operation among supply chain actors in the sustainable provision of biomass for use in food and energy production and industrial processes; (i) implementation, in particular by groups of public and private partners other than those defined in point (b) of Article 32(2) of Regulation (EU) No. 1303/2013, of local development strategies other than those defined in Article 2(19) of Regulation (EU) 1303/2013 addressing one or more of the Union priorities for rural development; (j) drawing up of forest management plans or equivalent instruments; (k) diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food (Regulation 1305/2013, Art. 35.2, L 347/516).

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# APPENDIX 1

Table A.1 Questionnaire 2: To the members of the Local Action Group

Structure of questionnaire 2	Questions	Response
<b>Background information</b>		
	Date of interview	
	Duration of the interview	
	Interviewer	
	Member of the LAG	
	Member of the Board of Directors ( <i>questions for members of the Board of Directors are indicated with "[only to B.D.]"</i> )	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Name of respondent	
	Organisation	
<b>Part I: Structural social capital</b>		
<i>Context (Dimension A)</i>		
A.1	Year of entry as a member of the LAG	
A.2	Why did your organisation decide to join the LAG as a Member? <sup>1</sup>	<input type="checkbox"/> By invitation – wait-and-see attitude <input type="checkbox"/> By invitation – pro-active attitude <input type="checkbox"/> By personal initiative – wait-and-see attitude <input type="checkbox"/> By personal initiative – pro-active attitude
<b>Network actors (Dimension B)</b>		
B.1	Are you aware of how many calls the LAG promoted during the period of reference?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B.1.1	If so, would you be able to estimate the number?	
B.2	Are you aware of how many beneficiaries the LAG financed during the same period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B.2.1	If so, would you be able to estimate the number?	

- B.3 Are you aware of the total amount of funds disbursed by the LAG during the same period?  
 Yes  
 No
- B.3.1 If so, would you be able to estimate the total cost of the projects?  
*Horizontal Structure (Dimension C)*
- C.1 No. of meetings of the Board of Directors attended during the period of reference  
 A designated person  
 On an established rotation basis  
 Based on availability
- C.2 No. of meetings of the Assembly attended during the same period
- C.3 In your organisation, who attends formal meetings of the LAG?
- C.4 The LAG has a table with the list of all members. We kindly ask you to indicate with whom you have exchanged information by phone, letter, personal meetings and/or e-mail.  
 Please specify with whom you have established a relation through the LAG.
- C.5 With which members have you participated in projects of the LAG?
- C.5.1 With whom have you collaborated in projects external to the LAG?  
*Transparency and accountability (Dimension D)*
- D.1 Do you find it easy to access information you need on the website of the LAG?  
 I don't check the website, so I have no idea.  
 Never  
 Seldom  
 Sometimes  
 Most of the time  
 Low  
 Occasional  
 Average  
 High  
 Low  
 Occasional
- D.2 What is the level of your contribution to the institutional meetings of the LAG, in terms of ideas, proposals and suggestions?
- D.3 What is the level of your contribution to the various informal meetings of the LAG, in terms of ideas, proposals and suggestions?  
 Occasional

(continued)

Table A.1 (continued)

Structure of questionnaire 2	Questions	Response
D.4	In your experience, are the dedicated staff of the LAG well-prepared to respond to proposals and ideas of members?	<input type="checkbox"/> Average <input type="checkbox"/> High <input type="checkbox"/> Never <input type="checkbox"/> Sometimes <input type="checkbox"/> Often <input type="checkbox"/> Always
<i>E. Reputational power (Dimension E)</i>		
E.1	Who are the members of the LAG that are most relevant in providing useful information during meetings? (Assign a point from 1 to 4. The minimum value indicates "not relevant", while the highest value indicates "very relevant")	1 □ 2 □ 3 □ 4 □ (for each member in the list)
E.2	How useful is the information that your organisation receives by participating in the Assembly? (Assign a point from 1 to 4, as above).	1 □ 2 □ 3 □ 4 □
<b>Part II: Normative-cognitive social capital</b>		
<i>Trust and reciprocity among actors (Dimension F)</i>		
F.1	With reference to the members of the Assembly, and generally speaking, would you say that most members can be trusted, or you have to be cautious when dealing with members".	<input type="checkbox"/> I trust most members <input type="checkbox"/> I have to be cautious when dealing with members
F.2	During the Members' Assembly, who are the members you expect will help you solve situations of conflict? (List them)	
F.3	Compared to a specific year of reference, has your trust in the members of the Assembly:	<input type="checkbox"/> Improved <input type="checkbox"/> Remained the same <input type="checkbox"/> Worsened
F.4	What is your level of trust in the LAG? Please comment.	

- F.4.1 How would you express your level of trust on a 1–4 scale?  
 G.1 What is your level of trust in the following institutions?  
 G.1.1 Government (sub-national level)
- 1  2  3  4
- Very poor  
 Poor  
 Fair  
 Good  
 I don't know  
 Very poor  
 Poor  
 Fair  
 Good  
 I don't know  
 Very poor  
 Poor  
 Fair  
 Good  
 I don't know  
 Very poor  
 Poor  
 Fair  
 Good  
 I don't know
- G.1.2 Religious institutions
- G.1.3 Trade associations and professional organisations
- G.1.4 Voluntary associations

*Quality of the network (Dimension H)*

- H.1 Could you list the benefits your organisation receives from participating in the network of the LAG?
- H.2 Could you list the benefits your organisation brings to the LAG?
- H.3 Have you ever helped beneficiaries through the process of applying to a call for proposals of the LAG?  
 If so, how?
- H.3.1
- Yes  
 No

(continued)



Table A.1 (continued)

Structure of questionnaire 2	Questions	Response
Quality of participation (Dimension 1)	In the meetings of the Assembly:	<input type="checkbox"/> Members do not express their opinions <input type="checkbox"/> Few express their opinions <input type="checkbox"/> The majority expresses their opinion <input type="checkbox"/> The discussion engages all members <input type="checkbox"/> None <input type="checkbox"/> Low <input type="checkbox"/> Average <input type="checkbox"/> High
I.2	What is your perception on the level of interest?	
I.2.1	Please comment:	
I.3	Does your participation influence the outcomes of the decision-making process?	<input type="checkbox"/> Never <input type="checkbox"/> Seldom <input type="checkbox"/> Sometimes <input type="checkbox"/> Most of the time <input type="checkbox"/> Never <input type="checkbox"/> Seldom <input type="checkbox"/> Most of the time <input type="checkbox"/> Never <input type="checkbox"/> Seldom
I.4	[only to B.D] Does the Board of Directors well represent your interests?	<input type="checkbox"/> Never <input type="checkbox"/> Seldom <input type="checkbox"/> Sometimes <input type="checkbox"/> Most of the time <input type="checkbox"/> Never <input type="checkbox"/> Seldom
I.5	[only to B.D] Does the Board of Directors well represent the interests of members?	<input type="checkbox"/> Never <input type="checkbox"/> Seldom <input type="checkbox"/> Sometimes <input type="checkbox"/> Most of the time <input type="checkbox"/> Never <input type="checkbox"/> Seldom
I.6	[only to B.D] Generally speaking, what is the quality of internal relationships in the Board of Directors?	<input type="checkbox"/> Conflicting <input type="checkbox"/> Indifferent <input type="checkbox"/> Collaborative <input type="checkbox"/> Synergistic

<i>Shared values (Dimension L)</i>		
L.1	Which community do you think the LAG aims to reach? <sup>2</sup>	
L.2	Do you think that the following shared values are present in your territory?	
L.2.1	Capacity to keep agreements	<input type="checkbox"/> Not at all <input type="checkbox"/> A little <input type="checkbox"/> Fairly <input type="checkbox"/> Very much <input type="checkbox"/> Not at all <input type="checkbox"/> A little <input type="checkbox"/> Fairly <input type="checkbox"/> Very much <input type="checkbox"/> Not at all <input type="checkbox"/> A little <input type="checkbox"/> Fairly <input type="checkbox"/> Very much <input type="checkbox"/> Not at all <input type="checkbox"/> A little <input type="checkbox"/> Fairly <input type="checkbox"/> Very much <input type="checkbox"/> Not at all <input type="checkbox"/> A little <input type="checkbox"/> Fairly <input type="checkbox"/> Very much <input type="checkbox"/> Not at all <input type="checkbox"/> A little <input type="checkbox"/> Fairly <input type="checkbox"/> Very much <input type="checkbox"/> Not at all <input type="checkbox"/> A little <input type="checkbox"/> Fairly <input type="checkbox"/> Very much <input type="checkbox"/> Not at all <input type="checkbox"/> A little <input type="checkbox"/> Fairly <input type="checkbox"/> Very much
L.2.2	Truthfulness in social and economic relationships	
L.2.3	Capacity to trust others	
L.2.4	Responsiveness and respect for the rule of law	
L.2.5	Capacity to avoid opportunistic behaviours or free riding	
L.3	Do you think that the following shared values have changed over the past 10 years?	

(continued)

Table A.1 (continued)

Structure of questionnaire 2	Questions	Response
L.3.1	Capacity to keep agreements	<input type="checkbox"/> Worsened <input type="checkbox"/> Remained the same <input type="checkbox"/> Improved
L.3.2	Truthfulness in social and economic relationships	<input type="checkbox"/> Worsened <input type="checkbox"/> Remained the same <input type="checkbox"/> Improved
L.3.3	Capacity to trust others	<input type="checkbox"/> Worsened <input type="checkbox"/> Remained the same <input type="checkbox"/> Improved
L.3.4	Responsiveness and respect for the rule of law	<input type="checkbox"/> Worsened <input type="checkbox"/> Remained the same <input type="checkbox"/> Improved
L.3.5	Capacity to avoid opportunistic behaviour or free riding	<input type="checkbox"/> Worsened <input type="checkbox"/> Remained the same <input type="checkbox"/> Improved
L.4	In your opinion, which subjects (whether institutional or not) promote these shared values? ( <i>List them</i> )	
L.5	Do you identify yourself with your territory?	<input type="checkbox"/> Not at all <input type="checkbox"/> A little <input type="checkbox"/> Fairly <input type="checkbox"/> Very much
<i>Conflict (Dimension M)</i>		
M.1	Is co-existence within a public-private partnership difficult? <sup>3</sup>	<input type="checkbox"/> Never <input type="checkbox"/> Sometimes <input type="checkbox"/> Often <input type="checkbox"/> Always
M.1.1	Explain:	
M.2	Which areas are most conflictual in the Assembly? <sup>4</sup>	

- M.2.1 Area(s) of conflict (*List*)
- M.2.2 Actors in conflict (*List*)
- M.3 Is the director able to manage those conflicts?
- Never
- Sometimes
- Often
- Always
- M.4 Is your organisation/institution in conflict with other members of the LAG, including outside of institutional meetings?
- Never
- Sometimes
- Often
- Always
- M.4.1 Indicate with which actors and explain:
- Aspects of governance and social capital**  
*Decision-making processes (Dimension N)*
- N.1 Is the programme period long enough to reach concrete results in the territory?
- Yes
- No
- N.1.1 Comment:
- N.2 [only B.D.] By looking at the selection of criteria used in the call for proposals and the management of projects directly by the LAG, are the steps indicated in points (i) and (ii) respected?
- N.2.1 (i) Selection of criteria used in the call for proposals
- Sharing of information relevant to decision-making and informal discussions
- Formal consultation with stakeholders
- Discussion with members
- Sharing of final decisions
- N.2.2 (ii) Management of projects directly by the LAG
- Sharing of information relevant to decision-

(continued)

Table A.1 (continued)

Structure of questionnaire 2	Questions	Response
		making and informal discussion
		<input type="checkbox"/> Formal consultations with stakeholders
		<input type="checkbox"/> Discussion with members
		<input type="checkbox"/> Sharing of final decisions
		<input type="checkbox"/> Not at all
		<input type="checkbox"/> A little
		<input type="checkbox"/> Fairly
		<input type="checkbox"/> Very much
		<input type="checkbox"/> Not at all
		<input type="checkbox"/> A little
		<input type="checkbox"/> Fairly
		<input type="checkbox"/> Very much
		<input type="checkbox"/> Not at all
		<input type="checkbox"/> A little
		<input type="checkbox"/> Fairly
		<input type="checkbox"/> Very much
		<input type="checkbox"/> Yes
		<input type="checkbox"/> No
		<input type="checkbox"/> Not at all
		<input type="checkbox"/> A little
		<input type="checkbox"/> Fairly
		<input type="checkbox"/> Very much
<i>Efficiency and effectiveness (Dimension O)</i>		
O.1	In your opinion, is the LAG well integrated in the territory?	
O.2	In your opinion, is the role of the LAG well understood among the population?	
O.3	In your opinion, is the role of the LAG potentially overlapping with that of other institutions?	
O.3.1	If so, which ones?	
O.4	Do you receive useful information from the LAG ahead of the meetings of the Assembly?	
O.5	Is the director capable of coordinating the Assembly in an effective way?	

- O.6 [only B.D.] Is the director capable of coordinating the Board of Directors in an effective way?  
 Not at all  
 A little  
 Fairly  
 Very much
- Organisational culture and capacity (Dimension P)*
- P.1 Had you ever heard about the concept of social capital?  
 Yes  
 No  
 Yes  
 No
- P.2 Has the LAG ever introduced the topic of social capital?<sup>5</sup>  
 Not at all  
 A little  
 Fairly  
 Very much
- P.2.1 If so, by promoting which initiatives over the period of reference?  
 P.3 In your opinion, is the LAG able to promote social capital in your territory?<sup>6</sup>
- P.3.1 If so, how?
- Vertical structure (Dimension Q)*
- Q.1 Does the LAG comment and provide critiques to the managing authority of the Rural Development Programme regarding administrative procedures or specific aspects of implementation of the programme?  
 Yes  
 No
- Q.1.1 If so, is feedback provided?  
 Yes  
 No
- Q.2 Does the LAG influence the planning process of the Rural Development Programme?  
 Not at all  
 A little  
 Fairly  
 Very much
- Q.2.1 If so, specify

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**Notes**

1. Positing the question at the beginning of the questionnaire may limit the response to a general comment. The interviewer should elicit motivations appropriately.
2. Care must be taken by the interviewer to avoid influencing the respondent by providing one's vision of community, should the respondent ask for clarifications, as in "what do you mean?"

3. The question asks, under the heading "explain", to list instances of conflict experienced by the respondent in interactions with the LAG.
4. The term "areas" refers to the following: (a) topics, (b) sectors, (c) sphere. A potential answer may include the following: (a) assignment of resources to projects, (b) relationship between public and private actors, (c) allocation of financial resources.
5. If a person answers positively to the first part of the question, the second statement "by promoting which initiatives during the period of reference?" will be coded as follows: yes, directly, which means that there is active awareness of the LAG's role in promoting the topic of social capital and translating it into specific project initiatives; yes, indirectly, which means that despite the absence of the LAG's real awareness on the topic of social capital, its initiatives concur to positive outcomes in the area.
6. In question P.3.1, the interviewer asks to provide a list of examples, such as: building networks among actors.

## APPENDIX 2



Table A.2 Summary of the survey across the three questionnaires

Sub-dimension	Director	Members	Beneficiaries
<b>Dimension A: Context</b>			
<i>Aa – Access to the LAG</i>			
	<ol style="list-style-type: none"> <li>1. Year of establishment of the LAG</li> <li>2. No. of municipalities involved</li> <li>3. Average altitude of the territory of the LAG</li> <li>4. Surface area of the territory</li> <li>5. Total population</li> <li>6. List of employees in the LAG</li> </ol>	<ol style="list-style-type: none"> <li>1. Year of entry as a LAG member</li> <li>2. Why did the organisation you represent decide to join the LAG?</li> </ol>	
<i>Ab – Knowledge of the role of the LAG</i>			
			<ol style="list-style-type: none"> <li>1. Could you describe briefly the role of the LAG?</li> <li>2. Could you list the main initiatives promoted by the LAG in the territory?</li> </ol>
<b>Dimension B: Network actors</b>			
<i>Ba – Knowledge of the initiatives of the LAG</i>			
	<ol style="list-style-type: none"> <li>1. Members of the Board of Directors</li> <li>2. Members of the Assembly</li> <li>4. No. of projects funded by the LAG</li> <li>5. No. of calls for proposals</li> <li>5.3 No. of beneficiaries funded</li> <li>6. Total cost of projects over the period of reference</li> </ol>	<ol style="list-style-type: none"> <li>1. Are you aware of the number of calls for proposals the LAG promoted in the period of reference?</li> </ol>	
<i>Bb – Knowledge of the beneficiaries of the LAG</i>			
			<ol style="list-style-type: none"> <li>2. Are you aware of the number of beneficiaries that were funded by the LAG?</li> </ol>

7. Main categories of beneficiaries
8. Are there categories of actors that are eligible but you have not been able to reach through the calls for proposals?
3. Are you aware of the total amount of funds that were disbursed to beneficiaries?
1. Do you personally know other actors in the area that participated in calls for proposals by the LAG?
- Bc – Identification of the indirect beneficiaries of the LAG*
- Dimension C: Horizontal structure of the network**
- Ca – Internal participation*
1. No. of formal meetings of the Board of Directors in the period of reference
2. No. of formal meetings of the Assembly in the period of reference
1. No. of formal meetings of the Board of Directors attended in the period of reference
2. No. of Assembly meetings attended in the period of reference
- Cb – Level of openness of the LAG*
3. Did the LAG promote other meetings, events, either formal or informal?
- 3.1 If so, which events? With what frequency? Which members were involved?
4. For the purpose of information exchange, which do you consider more useful:
1. How did you come to know about the LAG?

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(continued)

Table A.2 (continued)

Sub-dimension	Director	Members	Beneficiaries
	<p>the institutional meetings promoted by the LAG or the informal ones?</p> <p>5. Which channels does the LAG use to promote its role in the territory? Which categories of subjects is it able to reach?</p>	<p>3. With regard to the organization that you represent, who attends the formal LAG meetings?</p> <p>4. The LAG has a table with the list of all members: with whom have you collaborated in projects or exchanged information?</p> <p>5. With which members have you participated in projects directly managed by the LAG? With whom have you collaborated in projects external to the LAG?</p>	<p>4. The LAG has a table with the list of all members: with whom have you collaborated in projects or exchanged information?</p> <p>2. How many times have you contacted staff of the LAG?</p> <p>3. Have you participated in calls for proposals external to the LAG?</p>
<p><i>Cc – Density of relations in the LAG</i></p>			
<p><i>Cd – Public-private relations internal to the LAG</i></p>			
<p><i>Ce – Proactivity of the LAG</i></p>			

**Dimension D: Transparency and accountability***Da – Transparency in the network*

1. What type of information does the website of the LAG include? (list)
2. Can you monitor the number of visits to the website?
3. How many times has the LAG printed informational material for the public dissemination?

1. Do you find it easy to access information you need on the website of the LAG?

1. With regard to your project, was it easy to find information on the website of the LAG?

*Db – Network accountability*

4. Is there a system to archive observations/suggestions made by beneficiaries?
5. Are observations/suggestions made by beneficiaries used in decision-making processes?
6. How many resources are allocated to maintain the website?
7. Within the LAG, who has been assigned the task of responding to beneficiaries' questions?

- 2./3. What is your level of contribution to the institutional meetings of the LAG (ideas, suggestions, proposals and critiques)?
4. In your experience, are the staff of the LAG well-prepared to respond to observations/suggestions from members?

2. Have you ever provided observations/suggestions to the staff of the LAG?
3. In your opinion, are the observations/suggestions made by the beneficiaries used in decision-making processes?
6. Which communication channels did you use to reach the LAG?
4. Does the LAG have staff specifically assigned to respond to questions made by beneficiaries?
5. Does the LAG provide you with immediate responses?

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*(continued)*

**Table A.2** (continued)

Sub-dimension	Director	Members	Beneficiaries
<b>Dimension E: Reputational power</b>			
<i>Ea – Reputational power</i>	<p>1. Which members of the LAG provide useful information during meetings?</p>	<p>1. Which members of the LAG provide useful information during meetings?</p> <p>2. How useful is the information that your organisation receives by participating in the Assembly?</p>	<p>1. Among the members of the LAG, who have been the most helpful in supporting your project?</p> <p>2. Among the members of the LAG, who are the most important in relation to your activity?</p>
<i>Eb – Level of perceived benefits derived from the LAG</i>			
<b>Dimension F: Trust and reciprocity among actors</b>			
<i>Fa – Internal level of trust in the LAG</i>	<p>1. With regard to the members of the Assembly, would you say that most members can be trusted, or you have to be cautious when dealing with members?</p> <p>2. During the Assembly meetings, who are the members you expect will help you solve cases of conflict?</p> <p>3. Compared to the period of reference, has your trust in</p>	<p>1. With regard to members of the Assembly, do would you say that most members can be trusted, or you have to be cautious when dealing with members?</p> <p>2. During the Assembly meetings, who are the members you expect will help you solve cases of conflict?</p> <p>3. Compared to the period of reference, has your trust in the members of the</p>	

*Fb – Beneficiaries’ level of trust in the LAG*

the members of the Assembly: improved, remained the same or worsened?

Assembly: improved, remained the same or worsened?

1. What is your level of trust in the LAG?

**Dimension G: Institutional trust**

*Ga – Trust towards local institutional actors*

1. What is your level of trust in the following institutions? Government (sub-national level); religious institutions; trade associations; and voluntary associations

1. What is your level of trust in the following institutions? Government (sub-national level); religious institutions; trade associations; and voluntary associations

**Dimension H: Quality of the network**

*Ha – Benefits received through the network*

1. What are the benefits members receive from participating in the network? (List them)

2. Do you propose training activities to potential beneficiaries?

1. Could you list the benefits your organisation receives by participating in the LAG? (List them)

3. Have you ever given advice to beneficiaries in relation to calls for proposals?

2. Could you list the benefits your organisation provides to the LAG?

*Hb – Benefits brought to the network by members*

1. Is the LAG an innovator in the territory?

2. Have you accessed new information useful to your activity through the LAG?

(continued)

Table A.2 (continued)

Sub-dimension	Director	Members	Beneficiaries
<b>Dimension I: Quality of participation</b>			
<i>Ia – Quality of participation in the Assembly</i>	<p><b>1. List the mechanisms for coordination of the Assembly meetings</b></p> <p><b>2. In the Assembly meetings: No. of active members</b></p> <p><b>3. What is your perception of the level of interest of members during the Assembly meetings?</b></p>	<p><b>1. In the Assembly meetings: No. of active members</b></p> <p><b>2. What is your perception on the level of interest of members during the Assembly meetings?</b></p>	<p><b>3. What has been the added value of being a beneficiary of the LAG?</b></p>
<i>Ib – Quality of participation in the Board of Directors</i>	<p><b>4. No. of participants in the most recent Assembly</b></p> <p><b>5. How are members of the Board of Directors selected?</b></p>	<p><b>4./5. Does the Board of Directors represent your interests well?</b></p> <p><b>3. Does your participation influence the outcomes of the decision-making process?</b></p> <p><b>6. Generally speaking, what is the quality of internal</b></p>	

relationships in the Board of Directors?

*Ic – Proactivity of beneficiaries*

1. Have you ever provided suggestions to the LAG for new project initiatives in the territory?
2. Have you ever suggested calls for proposals of the LAG to other actors in the area?

**Dimension L: Shared Values**

*La – Perception of shared values in the territory*

1. Which community do you think the LAG aims to reach?
2. Do you think that the following shared values are present in your territory?
3. Do you think that the following shared values have changed over the past 10 years?

1. Which community do you think the LAG aims to reach?

2. Do you think that the following shared values are present in your territory?
3. Do you think that the following shared values have changed over the past 10 years?
4. In your opinion, which subjects (whether institutional or not) promote these shared values?
5. Do you identify with your territory?

2. Do you think that the following shared values are present in your territory?
3. Do you think that the following shared values have changed over the past 10 years?
4. In your opinion, which subjects (whether institutional or not) promote these shared values?
5. Do you identify with your territory?

*Lb – Recognition of promoters of shared values in the network*

4. In your opinion, which subjects (whether institutional or not) promote these shared values?
5. Do you identify with your territory?

4. In your opinion, which subjects (whether institutional or not) promote these shared values?
5. Do you identify with your territory?

*Lc – Identification with the territory*

(continued)



Table A.2 (continued)

Sub-dimension	Director	Members	Beneficiaries
<b>Dimension M: Conflict</b> <i>Ma – Conflict among actors of the LAG</i>	<ol style="list-style-type: none"> <li>1. Are internal relationships between the political and technical spheres a source of conflict?</li> <li>2. Is it difficult for public and private actors to co-exist within a single organisation?</li> <li>3. Which areas lead to the most conflict in the Assembly?</li> <li>4. Are you able to manage those conflicts?</li> <li>5. Have conflicts ever emerged with actual or potential beneficiaries?</li> </ol>	<ol style="list-style-type: none"> <li>1. Is it difficult for public and private actors to co-exist within a single organisation?</li> <li>2. Which areas lead to the most conflict in the Assembly?</li> <li>3. Is the director able to manage those conflicts?</li> </ol>	
<i>Mb – Beneficiaries' dissatisfaction with the LAG</i>			<ol style="list-style-type: none"> <li>1. Have there been cases of conflict with staff of the LAG?</li> <li>2. In your opinion, do any categories of beneficiaries have privileged access to calls for proposals?</li> </ol>
<b>Dimension N: Decision-making processes</b> <i>Na – Planning capacity of the LAG</i>	<ol style="list-style-type: none"> <li>1. Is the time frame allocated to the planning period appropriate for achieving the objectives of the Local</li> </ol>	<ol style="list-style-type: none"> <li>1. Is the time frame allocated to the planning period appropriate for achieving</li> </ol>	

Development Strategy in the territory?  
 2. By considering the selection criteria and the management of projects, are consultation processes regarding projects respected?

concrete development objectives in the territory?  
 2. By considering the selection criteria and the management of projects, are consultation processes regarding projects respected?

*Nb – Transparency and monitoring in the planning process of the LAG*

3. Does the LAG monitor its financed projects?

1. Did you face difficulties in accessing information about the calls for proposals?  
 2. How did the LAG help you prepare the proposal?

**Dimension O: Efficiency and effectiveness**

*Oa – Integration of the LAG in the territory*

1. In your opinion, is the LAG well integrated in the territory?  
 2. In your opinion, is the role of the LAG well understood among the population?

1. In your opinion, is the LAG well integrated in the territory?  
 2. In your opinion, is the role of the LAG well understood among the population?

*Ob – Efficiency of the LAG*

3. In your opinion, does the role of the LAG potentially overlap with that of other institutions?  
 4. Do you receive useful information from the LAG ahead of Assembly meetings?

3. In your opinion, does the role of the LAG potentially overlap with that of other institutions?

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(continued)

Table A.2 (continued)

Sub-dimension	Director	Members	Beneficiaries
<i>Oc – Coordination of the LAG</i>		5. Is the director capable of coordinating the Assembly in an effective way? 6. Is the director capable of coordinating the Board of Directors in an effective way?	
<b>Dimension P: Organisational culture and capacity</b>			
<i>Pa – Communication capacity of the LAG</i>	1. Does the website of the LAG present information on the specific tasks of staff?		
<i>Pb – Monitoring and assessment of the LAG</i>	5. Does the LAG publish regularly on its own activities? 3. Does the LAG monitor its activities? 4. Are there indicators for self-evaluation? 6. Which channels does the LAG use to share information? 7. In developing the selection criteria for projects, does the LAG provide an <i>ad hoc</i> context analysis?		

- Pc – Innovative capacity of the LAG*
2. Does the staff of the LAG attend professional development courses?
  8. Does the LAG apply for financial resources external to those of LEADER?
  9. Does the LAG commission research projects?
  10. Has the LAG ever dealt with the topic of social capital?
  11. In your opinion, is the LAG capable of promoting social capital in the territory?
2. Has the LAG ever dealt with the topic of social capital?
  3. In your opinion, is the LAG capable of promoting social capital in the territory?
1. Had you ever heard about the concept of social capital before?
  1. Had you ever heard about the concept of social capital before?
  3. According to your perception, how did the LAG act with regard to the following aspects? These aspects include: information on calls for proposals, professional background of the staff, updated website, responsiveness to queries, relevance of the calls for proposals to the territorial needs, support on project proposal development.
  4. How many actors do you know that participated in LAG calls during the reference period?
2. In your opinion, is the LAG capable of promoting social capital in the territory?
  1. Had you ever heard about the concept of social capital before?
  3. According to your perception, how did the LAG act with regard to the following aspects? These aspects include: information on calls for proposals, professional background of the staff, updated website, responsiveness to queries, relevance of the calls for proposals to the territorial needs, support on project proposal development.
  4. How many actors do you know that participated in LAG calls during the reference period?

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(continued)

Table A.2 (continued)

Sub-dimension	Director	Members	Beneficiaries
<b>Dimension Q: Vertical structure</b>			
<i>Qa – Openness of the LAG outside of its territory</i>	1. Does the LAG have contacts with other LAGs?		5. How many actors do you know that participated in LAG calls in previous years?
<i>Qb – Vertical linking</i>	2. The relationship with the paying agency is: 3. The relationship with the Region is: 4. Is the LAG capable of commenting and criticising the regional bodies related to procedures or specific aspects of the implementation of the RDP? 5. How decisive is the capacity of the LAG to influence the planning process of the RDP?	1. Is the LAG capable of commenting and criticising the regional bodies related to procedures or specific aspects of the implementation of the RDP? 2. How decisive is the capacity of the LAG to influence the planning process of the RDP?	1. Is it clear to you what other institutions are involved in the development of the proposal and management of the call you participated in? 2. Were you able to develop new relationships through the LAG?

## APPENDIX 3

**Table A.3** List of indicators with short description, range, questionnaire number and code for questions

Structural social capital		Questionnaire code	
No.	Indicators	Short description	Range (before normalisation)
<b>Dimension A: Context</b>			
1	Indicator A1	Members' level of motivation for joining the LAG	[1–4]
2	Indicator A2	Beneficiaries' level of direct knowledge of the role of the LAG	[1–4]
3	Indicator A3	Beneficiaries' level of indirect knowledge of projects supported by the LAG	[0–3]
4	Indicator A4	Rate of private members over total membership of the LAG	[0–100]
<b>Dimension B: Network actors</b>			
5	Indicator B1	Members' general knowledge of the initiatives promoted by the LAG	[0–100]
6	Indicator B2	Members' specific knowledge of the initiatives promoted by the LAG	[0–100]
7	Indicator B3	Identification of projects favouring indirect beneficiaries	[0–100]
8	Indicator B4	Personal relationships among beneficiaries during the reference period	[0–100]
9	Indicator B5	Personal relationships among beneficiaries over several years	[0–∞]

Questionnaire code

D: Directors

M: Members

B: Beneficiaries

Code for questions<sup>a</sup>

A2

A1

A2

B2

B1, B2, B3

B5, B5.2, B6.3

B1.1, B2.1, B3.1

Project sheet

B5.2 B1,

P4

B1, P4, P5

**Dimension C: Horizontal structure of the network**

10	Indicator C1	Average annual rate of attendance of LAG members at Board of Directors' meetings	[0–100]	D	C1
11	Indicator C2	Average annual rate of attendance at the LAG Assembly	[0–100]	D	C2
12	Indicator C3	Regular attendance of LAG members at formal meetings	[0–100]	M	C2 C3
13	Indicator C4	Attendance at promotional meeting events of the LAG	[0–100]	D	C3, C3.1
14	Indicator C5	Implementation of communication channels by the LAG	[0–100]	D	C5, P6
15	Indicator C6	Outreach to new actors by the LAG	[0–100]	M	C5.1
16	Indicator C7*	Density of the information network of the LAG	[0–1]	M	C4
17	Indicator C8*	Density of the collaborative network of the LAG	[0–100]	M	C5
18	Indicator C9*	Proportion of private actors in the centre of the network compared to proportion of private members in the Assembly	[0–100]	M	C4
19	Indicator C10*	Collaborative relationships among public and private actors in the LAG	[0–100]	M	C5 D1
20	Indicator C11*	Public–private relations over total number of relations of the beneficiary	[0–100]	B	C4
21	Indicator C12*	Bridging capacity of the LAG among members and beneficiaries	[0–100]	M	C4, C5
				B	B1.1, B1

*(continued)*



Table A.3 (continued)

Structural social capital		Questionnaire code		Code for questions <sup>a</sup>	
No.	Indicators	Short description	Range (before normalisation)	D: Directors M: Members B: Beneficiaries	
22	Indicator C13*	Role of the LAG in building relationships among members	[0–4]	M	C4, C5
23	Indicator C14	Level of synergy between beneficiaries and the LAG	[0–3]	D B	D7 C2, C2.1, C2.2
<b>Dimension D: Transparency and accountability</b>					
24	Indicator D1	Accessibility to the LAG's online information	[1–4]	D M B	D1 D1 D1
25	Indicator D2	Monitoring the number of times the LAG's website was accessed	[0–∞]	D	D2, D2.1
26	Indicator D3	Adoption by the LAG of suggestions made by beneficiaries	[0–4]	D	D4, D5
27	Indicator D4	Accountability of members	[1–8]	B	D2, D3
28	Indicator D5	Administrative support to members and beneficiaries	[2–8]	M D M B	D2, D3, H2 D7.1 D4 D4, D5, P3
<b>Dimension E: Reputational power</b>					
29	Indicator E1	Comparison between members and director's evaluation of reputational power	[0–100]	D M	E1 E1

30	Indicator E2*	Equivalence of reputational power in the Assembly and in the Board of Directors	[0–100]	D	E1
				M	E1
31	Indicator E3*	Equivalence of reputational power in the Assembly and in the core of the network	[0–100]	D	E1
				M	C4, E1
32	Indicator E4	Comparison between an individual's own assessment of reputational power and that of others	[0–3]	D	E1
				M	C4, E1
33	Indicator E5	Perceived benefits derived from the LAG	[0–4]	M	E2, H1
<b>Normative-cognitive social capital</b>					
<b>Questionnaire code</b>					
<b>D: Directors</b>					
<b>M: Members</b>					
<b>B: Beneficiaries</b>					
<b>No.</b>	<b>Indicators</b>	<b>Short description</b>	<b>Range (before normalisation)</b>		<b>Code for questions</b>
<b>Dimension F: Trust and reciprocity among actors</b>					
34	Indicator F1	Rate of trust in the Assembly	[0–100]	D	F1
				M	F1
35	Indicator F2*	Rate of interpersonal trust by members	[0–100]	M	F2
36	Indicator F3*	Rate of isolation of members in the Assembly	[0–100]	M	F2
37	Indicator F4*	Rate of trust in the Board of Directors	[0–100]	D	F2

(continued)

Table A.3 (continued)

Normative-cognitive social capital			Questionnaire code	
No.	Indicators	Short description	Range (before normalisation) D: Directors M: Members B: Beneficiaries	Code for questions
38	Indicator F5	Changes in trust over time among members	[1–3] D	F3
39	Indicator F6	Beneficiaries' level of trust in the LAG	[1–4] M	F3 F4.1 F1.1
<b>Dimension G: Institutional trust</b>				
40	Indicator G1	Level of members' and beneficiaries' trust in government institutions at a sub-national level	[1–4] M	G1.1 G1.1 G1.1
41	Indicator G2	Level of members' and beneficiaries' trust in religious institutions	[1–4] D	G1.2 G1.2 G1.2
42	Indicator G3	Level of members' and beneficiaries' trust in trade unions and professional organisations	[1–4] M	G1.2 G1.2 G1.3 G1.3
43	Indicator G4	Level of members' and beneficiaries' trust in voluntary associations	[1–4] D	G1.3 G1.3 G1.4 G1.4
<b>Dimension H: Quality of the network</b>				
44	Indicator H1	Congruence on perceived benefits by the executive bodies	[0–100] D	H1 H1

45	Indicator H2	Benefits received by members and beneficiaries	[0–4]	D	H1
46	Indicator H3	Benefits brought to the LAG by members	[0–4]	M	H3
47	Indicator H4	Support received by beneficiaries from LAG members	[0–100]	M	H2 H3
48	Indicator H5	Innovative capacity of the LAG, as perceived by beneficiaries	[2–8]	B	H1, H2
<b>Dimension I: Quality of participation</b>					
49	Indicator I1	Level of coordination within the LAG	[0–5]	D	I1
50	Indicator I2	Quality of participation in the Assembly	[1–4]	D	I2
51	Indicator I3	Level of perceived interest in the Assembly	[1–4]	M	I1
52	Indicator I4	Rate of formal participation in the Assembly	[0–100]	D	I3 I2 I4
53	Indicator I5	Representativeness of the Board of Directors	[0–3]	D	I5.1
54	Indicator I6	Perception of effectiveness of personal participation	[1–4]	M	I4, I5 I3
55	Indicator I7	Quality of relationships within the Board of Directors	[1–3]	M	I6
56	Indicator I8	Proactive behaviour of beneficiaries	[0–100]	B	I1, I2
<b>Dimension L: Shared values</b>					
57	Indicator L1	Perception of shared values in the territory of the LAG	[1–4]	D	L2
				M	L2
				B	L2

(continued)

Table A.3 (continued)

Normative-cognitive social capital		Questionnaire code			
No.	Indicators	Short description	Range (before normalisation)	D: Directors M: Members B: Beneficiaries	Code for questions
58	Indicator L2	Perception of changes in shared values over time in the territory of the LAG	[1-3]	D	L3
59	Indicator L3	Capacity to identify promoters of shared values in the territory of the LAG	[0-5]	B	L3
60	Indicator L4	Promoters of shared values among LAG members	[0-100]	D	L4
61	Indicator L5	Identification with the territory	[1-4]	M	L4
	<b>Dimension M: Conflict</b>			B	L4
62	Indicator M1	Internal conflicts regarding public-private partnerships and their management	[1-4]	D	L5
63	Indicator M2	Conflict areas in the Assembly	[0-100]	M	L5
				B	L5
				D	M1, M2
				M	M1
				D	M3
				M	M2

64	Indicator M3	Capacity to manage conflicts by the director	[1–4]	D	M4
65	Indicator M4	External conflicts with beneficiaries	[1–4]	M	M3
66	Indicator M5*	Conflict among members	[0–100]	D	M5
67	Indicator M6	Favouritism in the selection of beneficiaries	[0–100]	B	M1
				M	M4
				B	M2
<b>Governance and social capital</b>					
<b>No. Indicators</b>					
<b>Short description</b>					
<b>Range (before normalisation)</b>					
<b>Questionnaire code</b>					
<b>D: Directors</b>					
<b>M: Members</b>					
<b>B: Beneficiaries</b>					
<b>Code for questions</b>					
<b>Dimension N: Decision-making processes</b>					
68	Indicator N1	Decision-making processes supporting the completion of the local development plan	[0–100]	D	N1
69	Indicator N2	Coherence in the implementation of consultation processes regarding projects	[0–7]	D	N2
70	Indicator N3	Monitoring projects	[0–5]	M	N2
				B	N2
				D	N3, N3.1,
				B	N3.2
71	Indicator N4	Accessibility to project information	[1–4]	B	N1
<b>Dimension O: Efficiency and effectiveness</b>					
72	Indicator O1	Integration of the LAG in the territory	[1–4]	D	O1
				M	O1
				B	O1

(continued)

Table A.3 (continued)

Governance and social capital		Questionnaire code		
No. Indicators	Short description	Range (before normalisation)	D: Directors M: Members B: Beneficiaries	Code for questions
73	Indicator O2 Understanding the role of the LAG in the territory	[1–4]	D	O2
74	Indicator O3 Inefficient overlap among institutions in the territory	[1–4]	M	O2
75	Indicator O4 Efficiency in the organisation of the Assembly	[0–100]	B	O2
76	Indicator O5 Internal coordinating capacity	[1–4]	D	O3
77	Indicator O6* Effectiveness of the network	[1–∞]	M	O3
78	Indicator O7 Efficiency in the use of media resources	[0–∞]	B	O3
<b>Dimension P: Organisational culture and capacity</b>				
79	Indicator P1 Online information on the organisation of the LAG	[1–4]	M	O4
80	Indicator P2 Competence of the staff	[0–∞]	M	O5, O6
81	Indicator P3 Internal monitoring	[0–∞]	M	C4
82	Indicator P4 Self-assessment and transparency in the LAG	[0–4]	D	D2.1
83	Indicator P5 External communication capacity	[0–∞]	D	P1, P1.1 P3.(iii) P2, P2.1 P3, P3.1 P4, P4.1 P5, P5.1

84	Indicator P6	Relevance of the initiatives of the LAG	[0–5]	D	P7.1, P7.2
85	Indicator P7	Fundraising capacity	[0–100]	B	P3.(v)
86	Indicator P8	Capacity for innovation and research	[0–∞]	D	P8, P8.1
87	Indicator P9	Culture and organisational capacity of the LAG	[1–4]	D	P9, P9.1
				B	P3
	<b>Dimension Q: Vertical structure</b>				
88	Indicator Q1	Openness in building relations external to the territory of the LAG	[0–15]	D	Q1
89	Indicator Q2	Communication channels among beneficiaries outside of the territory of the LAG	[0–3]	B	Q2, Q2.1, Q2.2
90	Indicator Q3	Vertical linking structure	[0–2]	D	Q4, Q4.1
91	Indicator Q4	Quality in the vertical structure	[1–3]	M	Q1 Q1.1
92	Indicator Q5	Influence of the LAG at higher levels of Governance	[1–4]	D	Q2, Q3
93	Indicator Q6	Level of beneficiaries' awareness of the complexity of the LAG's planning process	[1–3]	D	Q5
				M	Q2
				B	Q1, Q1.1
	<b>Indicators for social capital</b>				
94	Indicator SC1	Awareness of the concept of social capital in the network of the LAG	[0–100]	M	P1
95	Indicator SC2	Awareness of the concept of social capital among the LAG's staff	[0–2]	B	P1
96	Indicator SC3	Promotion of social capital by the network of the LAG	[1–4]	D	P10, P10.1
				M	P2, P2.1
				D	P11, P11.1
				M	P3, P3.1
				B	P2, P2.1

\*Indicator to be calculated through Social Network Analysis.

\*The questionnaire provided in Table A.3 refers to members. The questionnaires for the director and beneficiaries can be requested directly from Elena Pisani at: elena.pisani@unipd.it



# APPENDIX 4

## Values of Indicators and Descriptive Statistics by LAG

### Before and after Normalisation

[Table A.4.1](#) provides non-normalised values and descriptive statistics for each of the 96 original indicators. [Table A.4.2](#) provides normalised values and descriptive statistics for all the indicators.

The codes used for the indicators are presented in Appendix 3. In both tables, we further specify whether the indicator is based on questions to the director (-1), members (-2) or beneficiaries (-3). For example, indicator C12-2 is based on questions to members, while C12-3 is based on questions to beneficiaries. In the case of indicators O7-a and O7-b, it refers to the same questions but to different analyses of the data collected.

The codes used for the LAGs are the following:

PD	LAG Prealpi e Dolomiti
BP	LAG Bassa Padovana
TE	LAG Ternano
VUS	LAG Valle Umbra e Sibillini
GA	LAG Gargano
ME	LAG Meridaunia
CO	LAG COSVEL
BACA	LAG Basento Camastra
SICC	LAG Sulcis, Iglesiente, Capoterra, Campidano di Cagliari

**Table A.4.1** Values of indicators and descriptive statistics before normalisation

Code	Range	Local Action Groups										Descriptive statistics						
		PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	Count	Average	Min	Q1	Median	Q3	Max	SD
A1	[1-4]	2.22	2.82	2.76	2.63	3.26	1.58	2.57	1.89	2.69	9	2.49	1.58	2.22	2.63	2.76	3.26	0.51
A2	[1-4]	2.94	2.32	3.60	3.55	2.50			1.83	2.88	7	2.80	1.83	2.41	2.88	3.25	3.60	0.64
A3	[0-3]	0.88	0.95	1.00	1.75	1.64			1.11	0.88	7	1.17	0.88	0.92	1.00	1.37	1.75	0.37
A4	[0-100]	56.00	75.00	29.41	54.55	72.13	60.00	88.89	40.63	71.23	9	60.87	29.41	54.55	60.00	72.13	88.89	18.31
B1	[0-100]	43.48	78.79	95.70	75.00	20.27	32.19	61.11	44.37	42.00	9	54.77	20.27	42.00	44.37	75.00	95.70	24.49
B2	[0-100]	17.39	15.15	32.26	2.78	1.72	0.00	36.11	11.35	4.63	9	13.49	0.00	2.78	11.35	17.39	36.11	13.23
B3	[0-100]	43.75	26.32	100.00	80.00	6.25			15.00	5.88	7	39.60	5.88	10.63	26.32	61.88	100.00	37.26
B4	[0-100]	4.90	4.97	3.86	12.15	1.23			5.48	3.24	7	5.12	1.23	3.55	4.90	5.23	12.15	3.41
B5	[0-∞]	4.53	1.79	2.67	4.53	0.17			3.63	0.88	7	2.60	0.17	1.34	2.67	4.08	4.53	1.73
C1	[0-100]	75.00	10.00	25.36	38.54	12.33	13.33	53.33	83.33	21.43	9	36.96	10.00	13.33	25.36	53.33	83.33	27.69
C2	[0-100]	76.09	62.50	54.55	0.00	47.92	18.18	56.82	82.50	57.78	9	50.70	0.00	47.92	56.82	62.50	82.50	26.30
C3	[0-100]	78.26	83.33	74.19	91.67	61.40	18.42	87.50	73.33	83.87	9	72.44	18.42	73.33	78.26	83.87	91.67	22.15
C4	[0-100]	0.00	100.00	94.12	100.00	0.00	0.00	22.22	0.00	9.59	9	36.21	0.00	0.00	9.59	94.12	100.00	46.96
C5	[0-100]	77.78	33.33	10.00	40.00	30.00	50.00	30.00	20.00	30.00	9	35.68	10.00	30.00	30.00	40.00	77.78	19.38
C6	[0-100]	66.67	33.33	66.67	50.00	33.33	16.67	16.67	16.67	50.00	9	38.89	16.67	16.67	33.33	50.00	66.67	20.41
C7	[0-100]	42.00	38.00	38.64	24.51	27.54	4.54	23.54	18.75	9.31	9	25.20	4.54	18.75	24.51	38.00	42.00	13.02
C8	[0-100]	15.00	12.00	1.34	6.32	7.49	6.32	3.17	7.58	2.23	9	6.83	1.34	3.17	6.32	7.58	15.00	4.47
C9	[0-100]	94.00	91.70	96.08	78.78	99.06	99.72	56.56	67.07	48.77	9	81.30	48.77	67.07	91.70	96.08	99.72	19.44
C10	[0-100]	77.00	0.00	51.61	50.00	90.00	100.00	100.00	37.50	11.54	9	57.52	0.00	37.50	51.61	90.00	100.00	37.01
C11	[0-100]	76.47	21.05	0.00	60.00	22.22			50.00	29.41	7	37.02	0.00	21.64	29.41	55.00	76.47	26.32
C12-2	[0-100]	4.00	0.50	8.05	2.18	2.74	1.82	2.74	5.31	2.94	9	3.31	0.50	2.18	2.74	4.00	8.05	2.23
C12-3	[0-100]	17.65	1.50	0.00	8.33	66.67			7.50	7.06	7	15.53	0.00	4.28	7.50	12.99	66.67	23.26
C12	[0-100]	10.82	1.00	4.03	5.25	34.70			6.40	5.00	7	9.60	1.00	4.51	5.25	8.61	34.70	11.45
C13	[0-4]																	
C14	[0-3]	2.13	1.16	2.00	2.15	0.35			1.28	2.06	7	1.59	0.35	1.22	2.00	2.09	2.15	0.68
D1-1	[0-6]	5.00	5.00	6.00	4.00	2.00	2.00	1.00	4.00	4.00	9	3.67	1.00	2.00	4.00	5.00	6.00	1.66
D1-2	[1-4]	4.00	4.00	3.50	3.44	3.00	3.23	3.19	3.26	3.29	9	3.43	3.00	3.23	3.29	3.50	4.00	0.35

(continued)

Table A.4.1 (continued)

Code	Range	Local Action Groups										Descriptive statistics						
		PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	Count	Average	Min	Q1	Median	Q3	Max	SD
D1-3	[1-4]	4.00	3.60	4.00	3.42	3.06			3.32	3.53	7	3.56	3.06	3.37	3.53	3.80	4.00	0.35
D1																		
D2	[0-∞]	2000	1.00	25000	30000	0.00	0.00	0.00	11470	9	7621	0.00	0.00	0.00	120	11470	30000	11925
D3-1	[0-4]	3.00	3.00	0.00	4.00	0.00	0.00	3.00	3.00	9	1.78	0.00	0.00	3.00	3.00	4.00	4.00	1.72
D3-3	[0-4]	1.24	0.32	3.00	1.68	0.00	0.50	0.24	0.50	7	1.00	0.00	0.28	0.50	1.46	3.00	3.00	1.07
D3	[0-4]	2.12	1.66	1.50	2.84	0.00	0.00	1.75	1.62	9	1.28	0.00	0.00	1.62	1.75	2.84	1.04	
D4	[1-8]	4.96	5.91	6.29	5.21	4.16	3.68	5.13	5.43	4.86	9	5.07	3.68	4.86	5.13	5.43	6.29	0.80
D5	[2-8]	5.30	5.71	5.62	5.20	3.98		5.58	5.49	7	5.27	3.98	5.25	5.49	5.60	5.71	5.59	
E1	[0-100]	60.00	78.26	60.00	52.94		33.33	91.30	58.33	7	62.02	33.33	55.64	60.00	69.13	91.30	18.48	
E2	[0-100]	80.00	66.67	60.00	33.33	0.00	60.00	50.00	83.33	9	54.81	0.00	50.00	60.00	66.67	83.33	25.39	
E3	[0-100]	57.00	66.70	90.00	55.55	100.00	79.17	63.64	55.55	40.00	9	67.51	40.00	55.55	63.64	79.17	100.00	18.93
E4	[0-3]	1.99	2.12	2.22	2.21	2.36	1.46	2.34	2.09	2.18	9	2.11	1.46	2.09	2.18	2.22	2.36	0.27
E5	[0-4]	2.70	3.36	3.23	2.79	1.58	2.90	2.08	2.33	2.92	9	2.65	1.58	2.33	2.79	2.92	3.36	0.57
F1	[0-100]	63.16	91.67	100.00	60.00	50.00	85.37	76.00	100.00	67.57	9	77.08	50.00	63.16	76.00	91.67	100.00	18.17
F2	[0-100]	3.00	19.00	16.38	3.75	3.25	1.40	9.14	3.22	0.47	9	6.62	0.47	3.00	3.25	9.14	19.00	6.75
F3	[0-100]	68.00	100.00	84.85	52.17	55.74	62.35	64.29	60.61	27.78	9	63.98	27.78	55.74	62.35	68.00	100.00	20.25
F4	[0-100]	60.00	20.00	86.67	60.00	44.44	0.00	60.00	50.00	66.67	9	49.75	0.00	44.44	60.00	60.00	86.67	25.87
F5	[1-3]	2.18		2.39	2.00	2.10	2.20	2.10	2.14	2.55	8	2.21	2.00	2.10	2.16	2.24	2.55	0.18
F6-2	[1-4]	3.25	3.60	3.84	3.42	2.77	3.46	3.30	3.43	3.56	9	3.40	2.77	3.30	3.43	3.56	3.84	0.29
F6-3	[1-4]	3.23	3.33	3.60	3.60	2.25		3.72	3.53	7	3.32	2.25	3.28	3.53	3.60	3.72	3.50	
F6	[1-4]	3.23	3.33	3.60	3.60	2.25		3.72	3.53	7	3.32	2.25	3.28	3.53	3.60	3.72	3.50	
G1-1	[1-4]	1.93	1.60	3.16	2.36	2.38	2.71	2.55	3.00	2.50	9	2.47	1.60	2.36	2.50	2.71	3.16	0.49
G1-3	[1-4]	2.18	2.15	3.07	2.26	2.06		1.85	2.47	7	2.29	1.85	2.11	2.18	2.37	3.07	0.39	
G1	[1-4]	2.06	1.88	3.11	2.31	2.22	2.71	2.55	2.43	2.49	9	2.42	1.88	2.22	2.43	2.55	3.11	0.37
G2-1	[1-4]	2.92	3.00	3.03	2.60	2.79	2.50	3.05	2.74	2.68	9	2.81	2.50	2.68	2.79	3.00	3.05	0.20
G2-3	[1-4]	3.11	2.75	3.08	2.53	2.25		2.42	3.00	7	2.73	2.25	2.48	2.75	3.04	3.11	0.34	
G2	[1-4]	3.01	2.88	3.05	2.56	2.52	2.50	3.05	2.58	2.84	9	2.78	2.50	2.56	2.84	3.01	3.05	0.24
G3-1	[1-4]	2.79	2.80	3.16	2.48	3.19	2.43	2.95	3.37	3.06	9	2.91	2.43	2.79	2.95	3.16	3.37	0.32

G3-3	[1-4]	2.55	2.29	3.13	2.63	2.00		3.05	2.71	7	2.62	2.00	2.42	2.63	2.88	3.13	0.40
G3	[1-4]	2.67	2.54	3.14	2.56	2.59	2.43	2.95	2.88	9	2.78	2.43	2.56	2.67	2.95	3.21	0.28
G4-1	[1-4]	3.47	3.20	3.34	3.24	2.97	3.08	3.38	3.44	9	3.25	2.97	3.17	3.24	3.38	3.47	0.17
G4-3	[1-4]	3.73	3.33	3.53	3.06	2.94		2.93	3.20	7	3.25	2.93	3.00	3.24	3.43	3.73	0.30
G4	[1-4]	3.60	3.27	3.44	3.15	2.95	3.08	3.38	3.19	3.20	3.25	2.95	3.15	3.20	3.38	3.60	0.20
H1	[0-100]	50.00	37.50	13.33	17.50	11.11		33.33	16.67	7	25.63	11.11	15.00	17.50	35.42	50.00	14.73
H2-2	[0-4]	1.78	1.91	1.45	1.75	0.61	2.90	1.67	1.29	9	1.62	0.61	1.29	1.67	1.78	2.90	0.62
H2-3	[1-4]	2.85	2.93	3.73	3.11	2.56		3.40	3.75	7	3.19	2.56	2.89	3.11	3.57	3.75	0.45
H2																	
H3	[0-4]	1.22	1.55	1.23	1.21	0.51	0.95	1.13	0.86	9	1.02	0.51	0.86	1.13	1.22	1.55	0.33
H4-1	[0-∞]	0.00	0.00	0.00	3.00	0.00	0.00	0.00	0.00	9	0.44	0.00	0.00	0.00	0.00	3.00	1.01
H4-2	[0-100]	26.09	70.00	38.71	25.00	12.00	94.44	28.57	40.00	9	39.74	12.00	25.00	28.57	40.00	94.44	26.20
H4	[0-100]	26.09	70.00	38.71	25.00	12.00	94.44	28.57	40.00	9	39.74	12.00	25.00	28.57	40.00	94.44	26.20
H5	[2-8]	5.08	4.95	6.47	5.94	5.18		6.47	6.76	7	5.84	4.95	5.13	5.94	6.47	6.76	0.76
I1	[0-5]	2.00	0.00	1.00	5.00	1.00	1.00	0.00	0.00	9	1.22	0.00	0.00	1.00	1.00	5.00	1.56
I2	[1-4]	2.24	3.50	2.59	3.00	2.10	2.88	3.00	3.14	9	2.80	2.10	2.59	2.88	3.00	3.50	0.44
I3	[1-4]	3.05	3.58	3.44	3.00	2.50	3.15	3.22	3.09	9	3.11	2.50	3.00	3.09	3.22	3.58	0.31
I4	[0-100]	64.00	91.67	52.94	68.18	65.57		46.88	38.36	7	61.08	38.36	49.91	64.00	66.88	91.67	17.32
I5-1	[1-4]	3.27	3.75	3.71	3.04	2.28	3.17	3.00	3.19	9	3.14	2.28	3.00	3.17	3.27	3.75	0.44
I5-2	[0-3]	2.00	2.25		2.83	1.77	2.10	2.33	2.94	8	2.34	1.77	2.08	2.29	2.58	2.94	0.40
I5																	
I6	[1-4]	2.95	3.18	2.77	2.17	1.92	2.54	2.26	2.57	9	2.52	1.92	2.26	2.54	2.77	3.18	0.40
I7	[1-3]	3.00	3.00	3.00	2.92	3.00	3.00	3.00	3.00	9	2.99	2.92	3.00	3.00	3.00	3.00	0.03
I8	[0-100]	39.52	21.05	33.33	56.43	38.24		44.44	50.00	7	40.43	21.05	35.78	39.52	47.22	56.43	11.51
L1-1	[1-4]	2.80	2.80	3.00	3.00	2.00	3.00	3.20	3.60	9	2.89	2.00	2.80	3.00	3.00	3.60	0.44
L1-2	[1-4]	3.20	2.88	3.07	2.79	2.36	2.81	2.88	3.12	9	2.88	2.36	2.81	2.88	3.07	3.20	0.24
L1-3	[1-4]	2.72	2.74	2.56	2.41	1.98		2.47	2.80	7	2.53	1.98	2.44	2.56	2.73	2.80	0.28
L1	[1-4]	2.91	2.80	2.88	2.74	2.11	2.91	3.04	3.06	9	2.80	2.11	2.74	2.88	2.91	3.06	0.28
L2-1	[1-3]	2.40	3.00	2.00	2.40	2.00	3.00	2.60	2.60	9	2.40	1.60	2.00	2.40	2.60	3.00	0.47
L2-2	[1-3]	1.73	2.00	2.02	1.98	1.93	2.75	2.11	2.36	9	2.12	1.73	1.98	2.02	2.24	2.75	0.30

(continued)

Table A.4.1 (continued)

Code	Range	Local Action Groups										Descriptive statistics						
		PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	Count	Average	Min	Q1	Median	Q3	Max	SD
L2-3	[1-3]	1.63	1.82	1.57	1.67	1.96	2.87	2.35	2.03	2.13	7	1.83	1.57	1.65	1.82	2.00	2.13	0.22
L2	[1-3]	1.92	2.27	1.86	2.02	1.96	2.87	2.35	2.33	1.99	9	2.18	1.86	1.96	2.02	2.33	2.87	0.32
L3-1	[0-5]	1.92	0.86	1.59	2.06	0.59	0.85	1.96	2.14	0.40	9	1.37	0.40	0.85	1.59	1.96	2.14	0.69
L3-3	[0-5]	1.08	1.00	1.60	2.64	1.12	0.85	0.65	0.65	0.88	7	1.28	0.65	0.94	1.08	1.36	2.64	0.66
L3	[0-5]	1.50	0.93	1.60	2.35	0.85	0.85	1.96	1.39	0.64	9	1.34	0.64	0.85	1.39	1.60	2.35	0.57
L4-1	[0-100]	66.67	57.14	52.00	70.59	22.41	30.77	56.00	77.27	14.29	9	49.68	14.29	30.77	56.00	66.67	77.27	22.20
L4-3	[0-100]	25.00	42.86	26.67	81.82	52.94	30.77	56.00	40.00	23.53	7	41.83	23.53	25.83	40.00	47.90	81.82	20.72
L4	[0-100]	45.83	50.00	39.33	76.20	37.68	30.77	56.00	58.64	18.91	9	45.93	18.91	37.68	45.83	56.00	76.20	16.84
L5-1	[1-4]	3.90	3.43	3.47	3.24	2.58	3.00	3.50	3.55	3.35	9	3.34	2.58	3.24	3.43	3.50	3.90	0.37
L5-3	[1-4]	3.75	3.33	3.40	2.79	2.29	3.00	3.00	3.00	3.25	7	3.12	2.29	2.89	3.25	3.37	3.75	0.47
L5	[1-4]	3.83	3.38	3.43	3.01	2.44	3.00	3.50	3.28	3.30	9	3.24	2.44	3.01	3.30	3.43	3.83	0.39
M1-1	[1-4]	3.50	3.50	3.50	3.00	3.00	2.50	3.00	4.00	2.00	9	3.11	2.00	3.00	3.00	3.50	4.00	0.60
M1-2	[1-4]	3.40	3.64	3.42	2.83	1.76	2.21	2.61	2.63	2.57	9	2.79	1.76	2.57	2.63	3.40	3.64	0.61
M1	[1-4]	3.45	3.57	3.46	2.92	2.38	2.36	2.80	3.32	2.28	9	2.95	2.28	2.38	2.92	3.45	3.57	0.52
M2	[0-100]	75.00	50.00	83.33	50.00	41.67	75.00	83.33	66.67	100.00	9	69.44	41.67	50.00	75.00	83.33	100.00	19.09
M3	[1-4]	3.43	4.00	3.33	3.86	3.00	4.00	3.67	3.71	3.67	9	3.63	3.00	3.43	3.67	3.86	4.00	0.33
M4	[1-4]	3.83	4.00	3.93	3.80	3.50	4.00	3.67	3.79	3.94	7	3.83	3.50	3.79	3.83	3.94	4.00	0.17
M5	[0-100]	96.00	100.00	100.00	69.57	95.00	87.50	91.67	95.24	72.21	9	89.69	69.57	87.50	95.00	96.00	100.00	11.35
M6	[0-100]	63.64	92.31	60.00	64.71	52.94	13.89	73.68	83.33	94.12	7	73.01	52.94	61.82	64.71	87.82	94.12	16.60
N1	[0-100]	94.12	75.00	89.29	72.00	75.00	13.89	73.68	62.50	65.22	9	68.97	13.89	65.22	73.68	75.00	94.12	23.02
N2	[0-7]	7.00	0.00	2.00	6.00	4.00	0.00	5.00	0.00	7.00	9	3.44	0.00	1.00	4.00	6.00	7.00	3.00
N3	[0-5]	1.00	1.00	5.00	5.00	3.00	1.00	4.00	0.00	5.00	9	2.78	0.00	1.00	3.00	5.00	5.00	2.05
N4	[1-4]	3.19	3.56	3.80	3.60	3.56	3.38	3.16	3.75	3.79	7	3.61	3.19	3.56	3.60	3.77	3.80	0.21
O1-1	[1-4]	3.13	3.33	3.09	3.12	2.45	3.38	3.16	3.05	2.95	9	3.07	2.45	3.05	3.12	3.16	3.38	0.27
O1-3	[1-4]	3.00	2.91	3.40	3.00	2.00	3.38	3.16	3.15	3.35	7	2.97	2.00	2.95	3.00	3.25	3.40	0.47
O1	[1-4]	3.07	3.12	3.25	3.06	2.22	3.38	3.16	3.10	3.15	9	3.06	2.22	3.07	3.12	3.16	3.38	0.33
O2-1	[1-4]	1.96	1.92	2.22	2.20	1.93	2.63	2.17	2.67	2.88	7	2.24	1.92	1.96	2.20	2.50	2.67	0.29
O2-3	[1-4]	1.75	1.56	2.80	2.20	1.82	2.63	2.17	2.67	2.88	7	2.26	1.56	1.79	2.20	2.80	2.88	0.57

O2	[1-4]	1.85	1.74	2.51	2.20	1.88	2.63	2.17	2.73	2.69	9	2.27	1.74	1.88	2.20	2.63	2.73	0.39
O3-1	[1-4]	3.09	3.50	3.66	3.44	2.83	3.29	3.21	3.38	3.25	9	3.29	2.83	3.21	3.29	3.44	3.66	0.24
O3-3	[1-4]	3.08	3.15	3.53	3.35	3.53	3.29	3.21	3.55	3.12	7	3.33	3.08	3.14	3.35	3.53	3.55	0.21
O3	[1-4]	3.09	3.33	3.59	3.40	3.18	3.29	3.21	3.47	3.18	9	3.30	3.09	3.18	3.29	3.40	3.59	0.16
O4	[0-100]	100.00	100.00	100.00	75.00	70.18	7.69	91.67	100.00	88.57	9	81.46	7.69	75.00	91.67	100.00	100.00	29.88
O5	[1-4]	3.93	4.00	3.93	3.63	2.85	3.79	3.68	3.55	3.21	9	3.62	2.85	3.55	3.68	3.93	4.00	0.38
O6	[0-100]	63.10	67.20	69.30	57.30	61.80	23.20	46.90	43.50	35.20	9	51.94	23.20	43.50	57.30	63.10	69.30	15.76
O7-a	[0-∞]	0.03	0.00	0.00	0.00	0.05			1.00	0.02	5	0.21	0.00	0.00	0.02	0.03	1.00	0.44
O7-b	[0-∞]	0.25	0.01	0.01	0.05				1.25	1.39	5	0.59	0.01	0.05	0.25	1.25	1.39	0.68
O7	[0-∞]																	
P1-1	[0-2]	0.00	1.00	0.00	1.00	0.00	1.00	0.00	2.00	0.00	9	0.56	0.00	0.00	0.00	1.00	2.00	0.73
P1-3	[1-4]	3.80	3.44	3.20	3.47	2.75			3.59	3.82	7	3.44	2.75	3.32	3.47	3.69	3.82	0.37
P1																		
P2	[0-∞]	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	9	0.22	0.00	0.00	0.00	0.00	1.00	0.44
P3	[0-∞]	1.00	1.00	0.00	4.00	1.00	1.00	0.00	1.00	1.00	9	1.11	0.00	1.00	1.00	1.00	4.00	1.17
P4	[0-4]	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00	9	0.22	0.00	0.00	0.00	0.00	1.00	0.44
P5	[0-∞]	4.00	1.00	1.00	4.00	0.00	0.00	12.00	0.00	1.00	9	2.56	0.00	0.00	1.00	4.00	12.00	3.88
P6-1	[0-5]	3.00	4.00	4.00	4.00	4.00	3.00	4.00	5.00	3.00	9	3.78	3.00	3.00	4.00	4.00	5.00	0.67
P6-3	[1-4]	2.64	2.63	3.20	2.88	2.75			3.70	3.47	7	3.04	2.63	2.69	2.88	3.34	3.70	0.43
P6		2.64	2.63	3.20	2.88	2.75			3.70	3.47	7	3.04	2.63	2.69	2.88	3.34	3.70	0.43
P7	[0-100]	0.00	0.00	0.00	1.50	0.00	0.00	0.00	0.00	0.00	9	0.17	0.00	0.00	0.00	0.00	1.50	0.50
P8	[0-∞]	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	0.00	9	0.22	0.00	0.00	0.00	0.00	1.00	0.44
P9	[1-4]	3.11	3.13	3.50	3.37	2.79			3.71	3.79	7	3.34	2.79	3.12	3.37	3.60	3.79	0.36
Q1	[0-15]	5.00	9.00	3.00	0.00	4.00	9.00	10.00	9.00	12.00	9	6.78	0.00	4.00	9.00	9.00	12.00	3.93
Q2	[0-3]	0.56	0.00	0.20	0.00	0.27			0.40	1.27	7	0.39	0.00	0.10	0.27	0.48	1.27	0.44
Q3	[0-2]	0.74	0.70	1.25	1.00	0.28	0.19	1.08	0.79	0.68	9	0.74	0.19	0.68	0.74	1.00	1.25	0.35
Q4	[1-3]	2.50	2.50	2.00	2.50	2.50	3.00	3.00	1.50	2.50	9	2.44	1.50	2.50	2.50	2.50	3.00	0.46
Q5	[1-4]	2.50	1.70	2.16	2.47	2.43	2.44	2.86	2.81	2.66	9	2.45	1.70	2.43	2.47	2.66	2.86	0.35
Q6	[1-3]	2.13	1.94	0.07	0.70	0.09			0.90	0.47	7	0.90	0.07	0.28	0.70	1.42	2.13	0.83
CS1-2	[0-100]	69.57	72.73	58.06	75.00	70.18	0.00	87.50	73.68	66.67	9	63.71	0.00	66.67	70.18	73.68	87.50	25.12

(continued)

**Table A.4.1 (continued)**

Code	Range	Local Action Groups											Descriptive statistics					
		PD	BP	TE	VUJS	GA	ME	CO	BACA	SICC	Count	Average	Min	Q1	Median	Q3	Max	SD
CS1-3	[0-100]	41.18	26.32	100.00	80.00	94.12			55.00	82.35	7	68.42	26.32	48.09	80.00	88.24	100.00	27.93
CS1	[0-100]	55.37	49.52	79.03	77.50	82.15	0.00	87.50	64.34	74.51	9	63.32	0.00	55.37	74.51	79.03	87.50	26.87
CS2	[0-2]	0.46	0.67	0.97	0.08	0.22	0.38	0.57	0.33	0.72	9	0.49	0.08	0.33	0.46	0.67	0.97	0.27
CS3-1	[1-4]	3.00	4.00	2.00	3.00	1.00	2.00	3.00	4.00	1.00	9	2.56	1.00	2.00	3.00	3.00	4.00	1.13
CS3-2	[1-4]	2.77	2.90	1.68	2.30	1.55	2.43	2.68	2.50	2.26	9	2.34	1.55	2.26	2.43	2.68	2.90	0.46
CS3-3	[1-4]	2.77	1.86	1.67	2.30	1.12			2.20	2.13	7	2.01	1.12	1.76	2.13	2.25	2.77	0.52
CS3	[1-4]	2.85	2.92	1.78	2.53	1.22	2.21	2.84	2.90	1.79	9	2.34	1.22	1.79	2.53	2.85	2.92	0.62

Source: Own elaboration.



**Table A.4.2** Values of indicators and descriptive statistics after normalisation [0–1]

Code	Local Action Groups										Descriptive statistics						
	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	Count	Average	Min	Q1	Median	Q3	Max	SD
A1	0.38	0.74	0.70	0.62	1.00	0.00	0.59	0.19	0.66	9	0.54	0.00	0.38	0.62	0.70	1.00	0.30
A2	0.63	0.27	1.00	0.97	0.38			0.00	0.59	7	0.55	0.00	0.33	0.59	0.80	1.00	0.36
A3	0.01	0.09	0.14	1.00	0.87			0.26	0.00	7	0.34	0.00	0.05	0.14	0.57	1.00	0.42
A4	0.45	0.77	0.00	0.42	0.72	0.51	1.00	0.19	0.70	9	0.53	0.00	0.42	0.51	0.72	1.00	0.31
B1	0.31	0.78	1.00	0.73	0.00	0.16	0.54	0.32	0.29	9	0.46	0.00	0.29	0.32	0.73	1.00	0.32
B2	0.48	0.42	0.89	0.08	0.05	0.00	1.00	0.31	0.13	9	0.37	0.00	0.08	0.31	0.48	1.00	0.37
B3	0.40	0.22	1.00	0.79	0.00			0.10	0.00	7	0.36	0.00	0.05	0.22	0.57	1.00	0.40
B4	0.34	0.34	0.24	1.00	0.00			0.39	0.18	7	0.36	0.00	0.21	0.34	0.37	1.00	0.31
B5	1.00	0.37	0.57	1.00	0.00			0.79	0.16	7	0.56	0.00	0.27	0.57	0.90	1.00	0.40
C1	0.89	0.00	0.21	0.39	0.03	0.05	0.59	1.00	0.16	9	0.37	0.00	0.05	0.21	0.59	1.00	0.38
C2	0.92	0.76	0.66	0.00	0.58	0.22	0.69	1.00	0.70	9	0.61	0.00	0.58	0.69	0.76	1.00	0.32
C3	0.82	0.89	0.76	1.00	0.59	0.00	0.94	0.75	0.89	9	0.74	0.00	0.75	0.82	0.89	1.00	0.30
C4	0.00	1.00	0.94	1.00	0.00	0.00	0.22	0.00	0.10	9	0.36	0.00	0.00	0.10	0.94	1.00	0.47
C5	1.00	0.34	0.00	0.44	0.30	0.59	0.30	0.15	0.30	9	0.38	0.00	0.30	0.30	0.44	1.00	0.29
C6	1.00	0.33	1.00	0.67	0.33	0.00	0.00	0.00	0.67	9	0.44	0.00	0.00	0.33	0.67	1.00	0.41
C7	1.00	0.89	0.91	0.53	0.61	0.00	0.51	0.38	0.13	9	0.55	0.00	0.38	0.53	0.89	1.00	0.35
C8	1.00	0.78	0.00	0.36	0.45	0.36	0.13	0.46	0.07	9	0.40	0.00	0.13	0.36	0.46	1.00	0.33
C9	0.89	0.84	0.93	0.59	0.99	1.00	0.15	0.36	0.00	9	0.64	0.00	0.36	0.84	0.93	1.00	0.38
C10	0.77	0.00	0.52	0.50	0.90	1.00	1.00	0.38	0.12	9	0.58	0.00	0.38	0.52	0.90	1.00	0.37
C11	1.00	0.28	0.00	0.78	0.29			0.65	0.38	7	0.48	0.00	0.28	0.38	0.72	1.00	0.34
C12-2	0.46	0.00	1.00	0.22	0.30	0.17	0.23	0.64	0.32	9	0.37	0.00	0.22	0.30	0.46	1.00	0.30
C12-3	0.26	0.02	0.00	0.13	1.00			0.11	0.11	7	0.23	0.00	0.06	0.11	0.19	1.00	0.35
C12	0.29	0.00	0.09	0.13	1.00			0.16	0.12	7	0.26	0.00	0.10	0.13	0.23	1.00	0.34
C13												0.00			0.00		
C14	0.99	0.45	0.92	1.00	0.00			0.51	0.95	7	0.69	0.00	0.48	0.92	0.97	1.00	0.38
D1-1	0.80	0.80	1.00	0.60	0.20	0.20	0.00	0.60	0.60	9	0.53	0.00	0.20	0.60	0.80	1.00	0.33
D1-2	1.00	1.00	0.50	0.44	0.00	0.23	0.19	0.26	0.29	9	0.43	0.00	0.23	0.29	0.50	1.00	0.35

(continued)

Table A.4.2 (continued)

Code	Local Action Groups											Descriptive statistics					
	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	Count	Average	Min	Q1	Median	Q3	Max	SD
D1-3	1.00	0.57	1.00	0.38	0.00			0.27	0.50	7	0.53	0.00	0.33	0.50	0.79	1.00	0.37
D1	1.00	0.84	0.88	0.47	0.00	0.17	0.03	0.36	0.46		0.47	0.00	0.17	0.46	0.84	1.00	0.37
D2	0.07	0.00	0.83	1.00	0.00	0.00	0.00	0.38	0.38	9	0.25	0.00	0.00	0.00	0.38	1.00	0.40
D3-1	0.75	0.75	0.00	1.00	0.00	0.00	0.00	0.75	0.75	9	0.44	0.00	0.00	0.75	0.75	1.00	0.43
D3-3	0.41	0.11	1.00	0.56	0.00			0.17	0.08	7	0.33	0.00	0.00	0.17	0.49	1.00	0.36
D3	0.75	0.58	0.53	1.00	0.00	0.00	0.00	0.62	0.57	9	0.45	0.00	0.00	0.57	0.62	1.00	0.36
D4	0.49	0.85	1.00	0.59	0.18	0.00	0.55	0.67	0.45	9	0.53	0.00	0.45	0.55	0.67	1.00	0.31
D5	0.77	1.00	0.95	0.71	0.00			0.92	0.88	7	0.75	0.00	0.74	0.88	0.94	1.00	0.35
E1	0.46		0.78	0.46	0.34		0.00	1.00	0.43	7	0.49	0.00	0.38	0.46	0.62	1.00	0.32
E2	0.96	0.72	0.80	0.72	0.40	0.00	0.72	0.60	1.00	9	0.66	0.00	0.60	0.72	0.80	1.00	0.30
E3	0.28	0.45	0.83	0.26	1.00	0.65	0.39	0.26	0.00	9	0.46	0.00	0.26	0.39	0.65	1.00	0.32
E4	0.58	0.73	0.84	0.84	1.00	0.00	0.98	0.70	0.81	9	0.72	0.00	0.70	0.81	0.84	1.00	0.30
E5	0.63	1.00	0.92	0.68	0.00	0.74	0.28	0.42	0.75	9	0.60	0.00	0.42	0.68	0.75	1.00	0.32
F1	0.26	0.83	1.00	0.20	0.00	0.71	0.52	1.00	0.35	9	0.54	0.00	0.26	0.52	0.83	1.00	0.36
F2	0.14	1.00	0.86	0.18	0.15	0.05	0.47	0.15	0.00	9	0.33	0.00	0.14	0.15	0.47	1.00	0.36
F3	0.56	1.00	0.79	0.34	0.39	0.48	0.51	0.45	0.00	9	0.50	0.00	0.39	0.48	0.56	1.00	0.28
F4	0.69	0.23	1.00	0.69	0.51	0.00	0.69	0.58	0.77	9	0.57	0.00	0.51	0.69	0.69	1.00	0.30
F5	0.33		0.71	0.00	0.18	0.35	0.18	0.25	1.00	8	0.38	0.00	0.18	0.29	0.44	1.00	0.33
F6-2	0.45	0.78	1.00	0.61	0.00	0.65	0.50	0.62	0.74	9	0.59	0.00	0.50	0.62	0.74	1.00	0.27
F6-3	0.67	0.74	0.92	0.92	0.00			1.00	0.87	7	0.73	0.00	0.70	0.87	0.92	1.00	0.34
F6	0.67	0.74	0.92	0.92	0.00			1.00	0.87	7	0.73	0.00	0.70	0.87	0.92	1.00	0.34
G1-1	0.21	0.00	1.00	0.49	0.50	0.71	0.61	0.90	0.58	9	0.55	0.00	0.49	0.58	0.71	1.00	0.31
G1-3	0.27	0.25	1.00	0.34	0.17			0.00	0.51	7	0.36	0.00	0.21	0.27	0.42	1.00	0.32
G1	0.15	0.00	1.00	0.35	0.28	0.68	0.54	0.44	0.49	9	0.44	0.00	0.28	0.44	0.54	1.00	0.30
G2-1	0.76	0.92	0.98	0.18	0.54	0.00	1.00	0.43	0.32	9	0.57	0.00	0.32	0.54	0.92	1.00	0.36
G2-3	1.00	0.58	0.96	0.32	0.00			0.20	0.87	7	0.56	0.00	0.26	0.58	0.92	1.00	0.40
G2	0.93	0.68	1.00	0.12	0.04	0.00	0.98	0.14	0.61	9	0.50	0.00	0.12	0.61	0.93	1.00	0.43
G3-1	0.38	0.40	0.77	0.05	0.81	0.00	0.56	1.00	0.67	9	0.52	0.00	0.38	0.56	0.77	1.00	0.34

G3-3	0.48	0.25	1.00	0.56	0.00	0.93	0.62	7	0.55	0.00	0.37	0.56	0.77	1.00	0.35
G3	0.30	0.15	0.92	0.16	0.21	0.00	0.67	9	0.44	0.00	0.16	0.30	0.83	1.00	0.36
G4-1	1.00	0.47	0.75	0.55	0.00	0.22	0.83	9	0.58	0.00	0.41	0.55	0.83	1.00	0.34
G4-3	1.00	0.51	0.76	0.16	0.01	0.00	0.38	7	0.40	0.00	0.09	0.38	0.63	1.00	0.38
G4	1.00	0.49	0.75	0.30	0.00	0.19	0.67	9	0.46	0.00	0.30	0.39	0.67	1.00	0.30
H1	1.00	0.68	0.06	0.16	0.00	0.57	0.14	7	0.37	0.00	0.10	0.16	0.63	1.00	0.38
H2-2	0.51	0.57	0.37	0.50	0.00	0.30	0.28	9	0.44	0.00	0.30	0.46	0.51	1.00	0.27
H2-3	0.24	0.31	0.99	0.46	0.00	0.71	1.00	7	0.53	0.00	0.28	0.46	0.85	1.00	0.38
H2	0.38	0.44	0.68	0.48	0.00	1.00	0.46	9	0.51	0.00	0.44	0.48	0.64	1.00	0.27
H3	0.68	1.00	0.69	0.67	0.00	0.43	0.59	9	0.50	0.00	0.34	0.59	0.68	1.00	0.32
H4-1	0.00	0.00	0.00	1.00	0.00	0.00	0.00	9	0.15	0.00	0.00	0.00	0.00	1.00	0.34
H4-2	0.17	0.70	0.32	0.16	0.00	1.00	0.20	9	0.34	0.00	0.16	0.20	0.34	1.00	0.32
H4	0.17	0.70	0.32	0.16	0.00	1.00	0.20	9	0.34	0.00	0.16	0.20	0.34	1.00	0.32
H5	0.07	0.00	0.84	0.55	0.12	0.83	1.00	7	0.49	0.00	0.10	0.55	0.84	1.00	0.42
I1	0.40	0.00	0.20	1.00	0.20	0.20	0.00	9	0.24	0.00	0.00	0.20	0.20	1.00	0.31
I2	0.10	1.00	0.35	0.64	0.00	0.55	0.64	9	0.50	0.00	0.35	0.55	0.64	1.00	0.31
I3	0.51	1.00	0.87	0.46	0.00	0.60	0.66	9	0.56	0.00	0.46	0.55	0.66	1.00	0.28
I4	0.48	1.00	0.27	0.56	0.51	0.16	0.00	7	0.43	0.00	0.22	0.48	0.54	1.00	0.32
I5-1	0.68	1.00	0.98	0.52	0.00	0.60	0.49	9	0.59	0.00	0.49	0.60	0.68	1.00	0.30
I5-2	0.20	0.41	0.91	0.00	0.28	0.48	1.00	8	0.49	0.00	0.26	0.45	0.69	1.00	0.34
I5	0.45	0.72	1.00	0.73	0.00	0.45	0.50	9	0.58	0.00	0.45	0.52	0.73	1.00	0.29
I6	0.81	1.00	0.68	0.20	0.00	0.49	0.27	9	0.48	0.00	0.27	0.49	0.68	1.00	0.32
I7	1.00	1.00	1.00	1.00	0.00	1.00	1.00	9	0.89	0.00	1.00	1.00	1.00	1.00	0.33
I8	0.52	0.00	0.35	1.00	0.49	0.66	0.82	7	0.55	0.00	0.42	0.52	0.74	1.00	0.33
L1-1	0.50	0.50	0.63	0.63	0.00	0.63	0.75	9	0.56	0.00	0.50	0.63	0.63	1.00	0.27
L1-2	1.00	0.61	0.85	0.51	0.00	0.53	0.62	9	0.62	0.00	0.53	0.61	0.85	1.00	0.29
L1-3	0.90	0.93	0.71	0.53	0.00	0.60	1.00	7	0.67	0.00	0.56	0.71	0.91	1.00	0.34
L1	0.84	0.73	0.81	0.66	0.00	0.84	0.98	9	0.72	0.00	0.67	0.81	0.84	1.00	0.30
L2-1	0.57	1.00	0.29	0.57	0.29	1.00	0.71	9	0.57	0.00	0.29	0.57	0.71	1.00	0.34
L2-2	0.00	0.27	0.29	0.25	0.19	1.00	0.37	9	0.39	0.00	0.25	0.29	0.50	1.00	0.29
L2-3	0.11	0.44	0.00	0.17	0.70	0.82	1.00	7	0.46	0.00	0.14	0.44	0.76	1.00	0.39

(continued)

Table A.4.2 (continued)

Code	Local Action Groups											Descriptive statistics					
	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	Count	Average	Min	Q1	Median	Q3	Max	SD
L2	0.06	0.40	0.00	0.15	0.10	1.00	0.48	0.46	0.12	9	0.31	0.00	0.10	0.15	0.46	1.00	0.32
L3-1	0.87	0.26	0.69	0.96	0.11	0.26	0.90	1.00	0.00	9	0.56	0.00	0.26	0.69	0.90	1.00	0.40
L3-3	0.22	0.18	0.48	1.00	0.24	0.00	0.00	0.00	0.12	7	0.32	0.00	0.15	0.22	0.36	1.00	0.33
L3	0.50	0.17	0.56	1.00	0.12	0.12	0.77	0.44	0.00	9	0.41	0.00	0.12	0.44	0.56	1.00	0.34
L4-1	0.83	0.68	0.60	0.89	0.13	0.26	0.66	1.00	0.00	9	0.56	0.00	0.26	0.66	0.83	1.00	0.35
L4-3	0.03	0.33	0.05	1.00	0.50	0.00	0.00	0.28	0.00	7	0.31	0.00	0.04	0.28	0.42	1.00	0.36
L4	0.47	0.54	0.36	1.00	0.33	0.21	0.65	0.69	0.00	9	0.47	0.00	0.33	0.47	0.65	1.00	0.29
L5-1	1.00	0.64	0.67	0.50	0.00	0.32	0.69	0.73	0.58	9	0.57	0.00	0.50	0.64	0.69	1.00	0.28
L5-3	1.00	0.71	0.76	0.34	0.00	0.00	0.48	0.66	0.66	7	0.57	0.00	0.41	0.66	0.74	1.00	0.33
L5	1.00	0.68	0.72	0.42	0.00	0.40	0.76	0.60	0.62	9	0.58	0.00	0.42	0.62	0.72	1.00	0.28
M1-1	0.75	0.75	0.75	0.50	0.50	0.25	0.50	1.00	0.00	9	0.56	0.00	0.50	0.50	0.75	1.00	0.30
M1-2	0.87	1.00	0.88	0.57	0.00	0.24	0.45	0.46	0.43	9	0.55	0.00	0.43	0.46	0.87	1.00	0.33
M1	0.91	1.00	0.92	0.49	0.07	0.06	0.41	0.80	0.00	9	0.52	0.00	0.07	0.49	0.91	1.00	0.41
M2	0.57	0.14	0.71	0.14	0.00	0.57	0.71	0.43	1.00	9	0.48	0.00	0.14	0.57	0.71	1.00	0.33
M3	0.43	1.00	0.33	0.86	0.00	1.00	0.67	0.71	0.67	9	0.63	0.00	0.43	0.67	0.86	1.00	0.33
M4	0.67	1.00	0.87	0.60	0.00	0.00	0.58	0.88	0.88	7	0.66	0.00	0.59	0.67	0.87	1.00	0.33
M5	0.87	1.00	1.00	0.00	0.84	0.59	0.73	0.84	0.09	9	0.66	0.00	0.59	0.84	0.87	1.00	0.37
M6	0.26	0.96	0.17	0.29	0.00	0.00	0.74	1.00	1.00	7	0.49	0.00	0.22	0.29	0.85	1.00	0.40
N1	1.00	0.76	0.94	0.72	0.76	0.00	0.75	0.61	0.64	9	0.69	0.00	0.64	0.75	0.76	1.00	0.29
N2	1.00	0.00	0.29	0.86	0.57	0.00	0.71	0.00	1.00	9	0.49	0.00	0.00	0.60	0.86	1.00	0.43
N3	0.20	0.20	1.00	1.00	0.60	0.20	0.80	0.00	1.00	9	0.56	0.00	0.20	0.60	1.00	1.00	0.41
N4	0.00	0.60	1.00	0.67	0.61	0.00	0.92	0.99	0.99	7	0.68	0.00	0.61	0.67	0.95	1.00	0.35
O1-1	0.74	0.96	0.70	0.72	0.00	1.00	0.77	0.65	0.54	9	0.67	0.00	0.65	0.72	0.77	1.00	0.29
O1-3	0.71	0.65	1.00	0.71	0.00	0.00	0.82	0.97	0.97	7	0.70	0.00	0.68	0.71	0.89	1.00	0.33
O1	0.73	0.78	0.89	0.73	0.00	1.00	0.81	0.76	0.80	9	0.72	0.00	0.73	0.78	0.81	1.00	0.28
O2-1	0.05	0.00	0.40	0.38	0.02	0.94	0.33	1.00	0.78	9	0.43	0.00	0.05	0.38	0.78	1.00	0.39
O2-3	0.15	0.00	0.94	0.49	0.20	0.00	0.94	1.00	1.00	7	0.53	0.00	0.17	0.49	0.94	1.00	0.43
O2	0.12	0.00	0.78	0.47	0.14	0.89	0.43	1.00	0.96	9	0.53	0.00	0.14	0.47	0.89	1.00	0.39

O3-1	0.31	0.81	1.00	0.74	0.00	0.55	0.46	0.67	0.51	9	0.56	0.00	0.46	0.55	0.74	1.00	0.29
O3-3	0.00	0.15	0.96	0.57	0.96			1.00	0.07	7	0.53	0.00	0.11	0.57	0.96	1.00	0.45
O3	0.00	0.47	1.00	0.61	0.19	0.39	0.24	0.75	0.19	9	0.43	0.00	0.19	0.39	0.61	1.00	0.32
O4	1.00	1.00	1.00	0.73	0.68	0.00	0.91	1.00	0.88	9	0.80	0.00	0.73	0.91	1.00	1.00	0.32
O5	0.94	1.00	0.94	0.67	0.00	0.81	0.72	0.61	0.32	9	0.67	0.00	0.61	0.72	0.94	1.00	0.33
O6	0.87	0.95	1.00	0.74	0.84	0.00	0.51	0.44	0.26	9	0.62	0.00	0.44	0.74	0.87	1.00	0.34
O7-a	0.03		0.00	0.00				1.00	0.02	5	0.21	0.00	0.00	0.02	0.90	1.00	0.44
O7-b	0.18		0.00	0.03				0.90	1.00	5	0.42	0.00	0.03	0.18	0.90	1.00	0.49
O7	0.11		0.00	0.02				1.00	0.54		0.33	0.00	0.02	0.11	0.54	1.00	0.43
P1-1	0.00	0.50	0.00	0.50	0.00	0.50	0.00	1.00	0.00	9	0.28	0.00	0.00	0.00	0.50	1.00	0.36
P1-3	0.98	0.65	0.42	0.67	0.00			0.78	1.00	7	0.64	0.00	0.53	0.67	0.88	1.00	0.35
P1	0.55	0.64	0.24	0.66	0.00	0.56	0.00	1.00	0.56		0.47	0.00	0.24	0.56	0.64	1.00	0.33
P2	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	9	0.22	0.00	0.00	0.00	0.00	1.00	0.44
P3	0.25	0.25	0.00	1.00	0.25	0.25	0.00	0.25	0.25	9	0.28	0.00	0.25	0.25	0.25	1.00	0.29
P4	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00	9	0.22	0.00	0.00	0.00	0.00	1.00	0.44
P5	0.33	0.08	0.08	0.33	0.00	0.00	1.00	0.00	0.08	9	0.21	0.00	0.00	0.08	0.33	1.00	0.32
P6-1	0.00	0.50	0.50	0.50	0.50	0.00	0.50	1.00	0.00	9	0.39	0.00	0.00	0.50	0.50	1.00	0.33
P6-3	0.01	0.00	0.53	0.23	0.12			1.00	0.79	7	0.38	0.00	0.06	0.23	0.66	1.00	0.40
P6	0.01	0.00	0.53	0.23	0.12			1.00	0.79	7	0.38	0.00	0.06	0.23	0.66	1.00	0.40
P7	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	9	0.11	0.00	0.00	0.00	0.00	1.00	0.33
P8	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	0.00	9	0.22	0.00	0.00	0.00	0.00	1.00	0.44
P9	0.32	0.34	0.71	0.57	0.00	0.33	0.75	0.83	1.00	7	0.55	0.00	0.33	0.57	0.81	1.00	0.36
Q1	0.42	0.75	0.25	0.00	0.33	0.75	0.83	0.75	1.00	9	0.56	0.00	0.33	0.75	0.75	1.00	0.33
Q2	0.44	0.00	0.16	0.00	0.21			0.31	1.00	7	0.30	0.00	0.08	0.21	0.38	1.00	0.35
Q3	0.52	0.48	1.00	0.76	0.08	0.00	0.84	0.57	0.46	9	0.52	0.00	0.46	0.52	0.76	1.00	0.33
Q4	0.67	0.67	0.33	0.67	0.67	1.00	1.00	0.00	0.67	9	0.63	0.00	0.67	0.67	0.67	1.00	0.31
Q5	0.69	0.00	0.39	0.67	0.63	0.64	1.00	0.96	0.83	9	0.65	0.00	0.63	0.67	0.83	1.00	0.30
Q6	1.00	0.91	0.00	0.31	0.01			0.40	0.20	7	0.40	0.00	0.10	0.31	0.66	1.00	0.40
CS1-2	0.80	0.83	0.66	0.86	0.80	0.00	1.00	0.84	0.76	9	0.73	0.00	0.76	0.80	0.84	1.00	0.29
CS1-3	0.20	0.00	1.00	0.73	0.92			0.39	0.76	7	0.57	0.00	0.30	0.73	0.84	1.00	0.38
CS1	0.63	0.57	0.90	0.89	0.94	0.00	1.00	0.74	0.85	9	0.72	0.00	0.63	0.85	0.90	1.00	0.31

(continued)

**Table A.4.2 (continued)**

Code	Local Action Groups											Descriptive statistics					
	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	Count	Average	Min	Q1	Median	Q3	Max	SD
<b>CS2</b>	0.43	0.66	1.00	0.00	0.16	0.34	0.55	0.29	0.72	9	0.46	0.00	0.29	0.43	0.66	1.00	0.31
<b>CS3-1</b>	0.67	1.00	0.33	0.67	0.00	0.33	0.67	1.00	0.00	9	0.52	0.00	0.33	0.67	0.67	1.00	0.38
<b>CS3-2</b>	0.91	1.00	0.09	0.56	0.00	0.65	0.84	0.70	0.52	9	0.59	0.00	0.52	0.65	0.84	1.00	0.34
<b>CS3-3</b>	1.00	0.45	0.33	0.72	0.00	0.00	0.66	0.66	0.61	7	0.54	0.00	0.39	0.61	0.69	1.00	0.32
<b>CS3</b>	0.96	1.00	0.33	0.77	0.00	0.58	0.95	0.99	0.34	9	0.66	0.00	0.34	0.77	0.96	1.00	0.37

Sources: Own elaboration.

# APPENDIX 5





E4	0.58	0.73	0.84	1.00	0.00	0.98	0.70	0.81																									
F1	0.26	0.83	1.00	0.20	0.00	0.71	0.52	1.00	0.35		Fa	0.40	0.77	0.87	0.28	0.25	0.32	0.47	0.49	0.42	F	0.53	0.75	0.89	0.60	0.12	0.32	0.47	0.74	0.65			
F2	0.14	1.00	0.86	0.18	0.15	0.05	0.47	0.15	0.00																								
F3	0.56	1.00	0.79	0.34	0.39	0.48	0.51	0.45	0.00																								
F4	0.69	0.23	1.00	0.69	0.51	0.00	0.69	0.58	0.77																								
F5	0.33		0.71	0.00	0.18	0.35	0.18	0.25	1.00		Fb	0.67	0.74	0.92	0.92	0.00																	
F6	0.67	0.74	0.92	0.92	0.00						Ga	0.59	0.33	0.92	0.23	0.13	0.22																
G1	0.15	0.00	1.00	0.35	0.28	0.68	0.54	0.44	0.49	0.49																							
G2	0.93	0.68	1.00	0.12	0.04	0.00	0.98	0.14	0.51																								
G3	0.30	0.15	0.92	0.16	0.21	0.00	0.67	1.00	0.58																								
G4	1.00	0.49	0.75	0.30	0.00	0.19	0.67	0.36	0.39																								
H1	1.00	0.68	0.06	0.16	0.00			0.57	0.14		Ha	0.52	0.53	0.62	0.47	0.03	0.87	0.37	0.58	0.63	H	0.47	0.69	0.57	0.44	0.02	0.79	0.39	0.46	0.37			
H2	0.38	0.44	0.68	0.48	0.00	1.00	0.46	0.50	0.64																								
H5	0.07	0.00	0.84	0.55	0.12			0.83	1.00																								
E5	0.63	1.00	0.92	0.68	0.00	0.74	0.28	0.42	0.75																								
H3	0.68	1.00	0.69	0.67	0.00	0.43	0.59	0.34	0.07		Hb	0.43	0.85	0.51	0.42	0.00	0.71	0.40	0.34	0.10													
H4	0.17	0.70	0.32	0.16	0.00	1.00	0.20	0.34	0.13																								
I2	0.10	1.00	0.35	0.64	0.00	0.55	0.64	0.74	0.48		Ia	0.47	1.00	0.54	0.47	0.13	0.55	0.53	0.49	0.31	I	0.48	0.57	0.63	0.73	0.20	0.50	0.51	0.66	0.55			
I3	0.51	1.00	0.87	0.46	0.00	0.60	0.66	0.55	0.44																								
I4	0.48	1.00	0.27	0.56	0.51			0.16	0.00																								
I6	0.81	1.00	0.68	0.20	0.00	0.49	0.27	0.52	0.34																								
I5	0.45	0.72	1.00	0.73	0.00	0.45	0.50	0.83	0.52		Ib	0.45	0.72	1.00	0.73	0.00	0.45	0.50	0.83	0.52													
I8	0.52	0.00	0.35	1.00	0.49			0.66	0.82		Ic	0.52	0.00	0.35	1.00	0.49																	
L2	0.06	0.40	0.00	0.15	0.10	1.00	0.48	0.46	0.12		Ia	0.06	0.40	0.00	0.15	0.10	1.00	0.48	0.46	0.12	L	0.51	0.48	0.39	0.52	0.11	0.52	0.65	0.54	0.25			
L3	0.50	0.17	0.56	1.00	0.12	0.12	0.77	0.44	0.00		Ib	0.49	0.36	0.46	1.00	0.23	0.16	0.71	0.57	0.00													
L4	0.47	0.54	0.36	1.00	0.33	0.21	0.65	0.69	0.00																								
L5	1.00	0.68	0.72	0.42	0.00	0.40	0.76	0.60	0.62		Lc	1.00	0.68	0.72	0.42	0.00	0.40	0.76	0.60	0.62													
M1	0.91	1.00	0.92	0.49	0.07	0.06	0.41	0.80	0.00		Ma	0.64	0.71	0.65	0.50	0.02	0.54	0.60	0.65	0.56	M	0.45	0.84	0.41	0.39	0.01	0.54	0.60	0.69	0.78			
M2	0.57	0.14	0.71	0.14	0.00	0.57	0.71	0.43	1.00																								
M3	0.43	1.00	0.33	0.86	0.00	1.00	0.67	0.71	0.67																								
M6	0.26	0.96	0.17	0.29	0.00			0.74	1.00		Mb	0.26	0.96	0.17	0.29	0.00																	
N1	1.00	0.76	0.94	0.72	0.76	0.00	0.75	0.61	0.64		Na	1.00	0.38	0.61	0.79	0.67	0.00	0.73	0.30	0.82													
N2	1.00	0.00	0.29	0.86	0.57	0.00	0.71	0.00	1.00																								
N3	0.20	0.20	1.00	1.00	0.60	0.20	0.80	0.00	1.00		Nb	0.10	0.40	1.00	0.84	0.60	0.20	0.80	0.46	1.00													
N4	0.00	0.60	1.00	0.67	0.61			0.92	0.99																								
O1	0.73	0.78	0.89	0.73	0.00	1.00	0.81	0.76	0.80		Oa	0.42	0.39	0.83	0.60	0.07	0.95	0.62	0.88	0.88	O	0.61	0.70	0.93	0.66	0.31	0.52	0.60	0.76	0.57			

(continued)

**Table A.5.1 (continued)**

Indicator	North			Centre			South			Islands			North			Centre			South			Islands																		
	Veneto			Umbria			Apulia			Basilicata			Sardinia			Veneto			Umbria			Apulia			Basilicata			Sardinia												
	PD	BP	TE	TE	VUS	GA	ME	CO	BACA	SICC	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC			
O2	0.12	0.00	0.78	0.47	0.14	0.89	0.43	1.00	0.96																															
O4	1.00	1.00	1.00	0.73	0.68	0.00	0.91	1.00	0.88	Ob	0.97	1.00	0.97	0.70	0.34	0.41	0.81	0.80	0.60																					
O5	0.94	1.00	0.94	0.67	0.00	0.81	0.72	0.61	0.32																															
O3	0.00	0.47	1.00	0.61	0.19	0.39	0.24	0.75	0.19	Oc	0.43	0.71	1.00	0.67	0.51	0.20	0.38	0.59	0.23																					
O6	0.87	0.95	1.00	0.74	0.84	0.00	0.51	0.44	0.26																															
P1	0.55	0.64	0.24	0.66	0.00	0.56	0.00	1.00	0.56	Pa	0.44	0.36	0.16	0.50	0.00	0.28	0.50	0.50	0.32	P.	0.32	0.28	0.29	0.55	0.06	0.27	0.25	0.61	0.50											
P5	0.33	0.08	0.08	0.33	0.00	0.00	1.00	0.00	0.08																															
P3	0.25	0.25	0.00	1.00	0.25	0.25	0.00	0.25	0.25	Pb	0.19	0.20	0.41	0.60	0.12	0.25	0.00	0.72	0.68																					
P6	0.01	0.00	0.53	0.23	0.12			1.00	0.79																															
P9	0.32	0.34	0.71	0.57	0.00			0.91	1.00																															
Q1	0.42	0.75	0.25	0.00	0.33	0.75	0.83	0.75	1.00	Qa	0.42	0.75	0.25	0.00	0.33	0.75	0.83	0.75	1.00																					
Q3	0.52	0.48	1.00	0.76	0.08	0.00	0.84	0.57	0.46	Qb	0.74	0.46	0.46	0.58	0.24	0.32	0.92	0.64	0.49	Q.	0.58	0.61	0.36	0.29	0.29	0.53	0.88	0.70	0.75											
Q5	0.69	0.00	0.39	0.67	0.63	0.64	1.00	0.96	0.83																															
Q6	1.00	0.91	0.00	0.31	0.01			0.40	0.20																															

Source: Own elaboration.

**Table A.5.2** Values of structural, normative-cognitive social capital and related governance aspects for the selected Italian LAGs, 2012–2013

	Structural social capital						Normative-cognitive social capital						Related governance aspects												
	North		South		Islands		North		Centre		South		Islands		North		Centre		South		Islands				
	Umbria	Apulia	Basilicata	Sardinia	Veneto	Islands	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	PD	BP	TE	VUS	GA	ME	CO	BACA	SICC	
Veneto	0.58	0.53	0.70	0.68	0.40	0.14	0.49	0.42	0.42	0.51	0.61	0.64	0.49	0.10	0.48	0.56	0.60	0.52	0.60	0.58	0.32	0.35	0.62	0.61	0.68

Source: Own elaboration.

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