Influence of Social Capital on Development: Results from five Polish Municipalities

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Summary
Aims and methods. This article aims at describing the presence of social capital, as measured by citizen participation in some public affairs and of citizens’ trust to certain significant groups in society, and to comment upon the influence of such capital on development. Theoretically, social capital is considered to be a prominent, though often neglected, feature for municipal development. Data from a survey in five Polish municipalities. The survey was conducted within the framework of the COMPETE project (Civilization Competences and Sustainable Development in Polish Regions), have been studied and additional data are collected from ESS (the European Social Study).

Streszczenie
Cele i metody. Celem tego artykułu jest charakterystyka kapitału społecznego, mierzonego jako: a/uczestnictwo obywateli w pewnych działaniach publicznych oraz b/zaufanie obywateli do pewnych ważnych grup społeczeństwa, a także opis wpływu tego kapitału na rozwój. W teorii kapitał społeczny uważa się za istotny czynnik rozwoju miast. Często jednak jest to kwestionowane. Informacje użyte w tym artykule pochodzą z opracowania dotyczących pięciu polskich miejscowości. Badanie zostało przeprowadzone w obrębie projektu COMPETE (Cwicilizacyjne Kompetencje i Trwały Rozwój Polskich Regionów-Civilization Competences and Sustainable Development in Polish Regions). Dodatkowe informacje pochodzą ESS (the European Social Study).

Keywords: Civil society, development, citizen participation, trust, municipality

Słowa kluczowe: społeczeństwo obywatelskie, rozwój, partyjncja mieszkańców, zaufanie, miejscowość
Introduction

This article aims at describing how the concept “social capital” is present by citizens in five Polish municipalities, and to reflect about the influence of such capital on development. The key meaning of social capital in this article is connected to two aspects of the concept. Citizen participation in public affairs is one aspect and citizen’s trust to significant groups in society is the other. Academic literatures over the last two-three decades are filled with references and discussions about social capital. David Halpern for example, in his book The Hidden Wealth of Nations (2010), has recently commented on the concept in general by claiming that there is a range of evidence today that communities with low levels of social capital are more likely to exhibit high proportions of deficiencies (such as high crime rates, bad public health, low education), and what is most relevant in the frame of this paper; better economic growth (Halpern, 2010). A statement from the World Bank (World Bank, no date) demonstrates that also that institution values the role of social capital as it appears in the following plain statement: “Social capital either facilitates or hinders economic reforms”. The same source also credits Francis Fukyama for the following citation: “It is clear that both the need for an industrial policy and the ability to implement one effectively are dependent on cultural factors like social capital.” It is also worthwhile to cite Robert D. Putnam, where he connects social capital with social networks “civic virtue”. Putnam declares that

“... social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. In that sense social capital is closely related to what some have called “civic virtue.” The difference is that “social capital” calls attention to the fact that civic virtue is most powerful when embedded in a sense network of reciprocal social relations. A society of many virtuous but isolated individuals is not necessarily rich in social capital’ (Putnam 2001, p.19).

The next sections deal with references to academics that are considered to express typical attitudes about the two aspects of social capital, which we focus on in this article. We start with references connected to citizen participation in public affairs.

Why is participation of citizens in public affairs important? The simple answer is that such participation is regarded as an essential prerequisite for community development, as two winners of the Nobel prize in economics, Joseph Stiglits and Amartya Sen have declared in different ways although with similar content (Stiglitz 2001 and Sen 1998). Contrary to what “a naïve reading of Adam Smith” as Stiglitz puts it (Stiglitz, 2010, p. 281), the pursuit of self-interest does not lead to the well-being of society. That’s why citizen participation in public affairs is essential for a worthy development of society.
The Polish scholar Piotr Sztompka has dealt a lot with the link between trust and citizen participation in voluntary organizations. On one occasion he simply states that “trust emerges from rich associational life” (1999, p. 15).

Conventional wisdom says that trust in politicians in general strengthens the political stability of a democratic political system. This view also has a long standing in political science, as stated already in 1986 in an article in Scandinavian Political Studies by the Finnish scholar Matti Wiberg (1986), Wiberg starts his article by challenging the conventional and undesirable view about the relation between citizen’s trust in politicians and a stable democratic system, Wiberg refers to arguments that distrust of politicians in general may just be evidence of healthy skepticism, and that “total faith is blind faith”. Eventually, Wiberg also takes the conventional view that low trust in politicians in general may also endanger the stability of a political system, even the whole existence of the democratic order (Wiberg, 1986, p.1). This view is in accordance with experiences over the last two centuries, as the American political scientist Robert A. Dahl has maintained (1998). Dahl furthermore refers to the empirical fact that “democracies are affluent, and by comparison non-democracies are, on the whole, poor” (p. 58) The author of this paper agrees with Wilberg’s and Dahl’s statements about the positive influences between trust and democracy and affluence. One implicit consequence of this is that citizen’s distrust towards politicians weakens the politicians’ power to develop the community.

A common perspective of trust in political science is to connect it to citizens’ confidence to public institutions and to groups regarded as important for the well-functioning of society. Thus, corruption and political scandals are typical examples of events that are detrimental to trust. One example is Yann Algan and Pierre Cahuc (Algan and Cahuc, no date) who state that it is often argued that social attitudes such as trust are one of the main determinants of economic development. Even more outspoken on this issue is Joseph E. Stiglitz, the Nobel prize winner in economics in 2001. In his book Freefall (Stiglitz, 2010) he takes a look at the global economic crisis of 2008 and expresses it as simple as this. “Even in a market economy, trust is the grease that makes society function” (p. 289).

Jacob Dearmon and Kevin Grier have done a study, which is reported in an issue of Journal of Economic Behavior & Organization (2009). Their paper is titled Trust and development. Dearmon and Grier report results from their own study, where they found trust to be a significant factor in development, and that they also showed “for the first” time that trust significantly interacts with both investment in physical and human capital (Dearmon and Grier, 2001, p. 2010).

A second scholar, Kenneth Arrow has stated that “Virtually every commercial transaction has within itself an element of trust, certainly any transaction conducted over a period of time. It can be plausibly argued that much of the economic
backwardness in the world can be explained by the lack of mutual confidence” (Arrow, no date).

A third scholar to be brought up here is David Halpern, who already has been mentioned in the introduction (Halpern, 2010). Halpern simply notes that “A society of trustworthy citizens is a platform for both economic growth and well-being” (p. 2).

Some economists, like Yann Algan and Pierre Cahuc, in a paper available on the website of VOX, (Algan and Cahuc, no date), deal with what they proclaim is “paradoxically” in economists struggling for providing empirical evidence on the impact of social attitudes on economic development. Algan and Cahuc criticize in that paper Knack and Keefer of leaving “completely unexplained” the relation of causality between trust and growth, and by leaving out this may result in “mis-guided policy recommendations”. Algan and Cahuc illustrate their argument by mentioning that people living in wealthy countries, with efficient institutions, are likely to be more trusting people than people living in developing countries at war. Algan and Cahuc argue that one might mistakenly conclude that a prerequisite to strengthen social cooperation is to foster economic development first, but the relation between trust and development is the other way around: that trust comes first. This article follows Algan and Cahuc in that regard.

Questions regarding why a municipality comes out as it does on indicators of social capital is outside the aim and purpose of this article.

On the basis of these illustrations from academic use of the concept social capital. the center of the article comes to be that citizen participation in social, economic and political life, and citizens’ trust towards significant groups of people in the society are vital prerequisites for development. ((Correspondingly the type of citizen participation at stake here served as a basis for the COMPETE project (Liberda and Grochowska, 2009, p. 7)).

Figure 1 shows the theoretical framework for the article. According to the arguments above social capital is considered to be the main variable to foster municipal development. Of course also other variables are influencing municipal development. These other variables are marked as a small spot to the left in the figure and are considered to be outside the theoretical framework of the article. The arrow signifies the pivotal connections.
The COMPETE study revealed tiny amounts of social capital in the five Polish municipalities which were included (Tomczak and Tufte, 2011). Even though the municipalities in the COMPETE study do not belong to the Eastern regions of Poland, this article maintains that municipalities in Eastern Poland resemble those of the rest of Poland simply because most municipalities in Poland are situated in less developed regions\(^1\). Therefore it should be lessons to be learnt from the COMPETE study when one pursues measures for development in Eastern Poland.

**Method and data**

Most of the data used in this article is selected from the 2009 COMPETE survey, which consists of answers to a personal questionnaire to citizens in the five Polish municipalities, Manowo, Gliwice, Zgierz, Malogoszcz and Gostyn. The survey was conducted with representative samples from each of the five municipalities. Additional data is also used, primarily from the European Social Service study (ESS, 2013), which contains country-based data from 27 countries. The data from ESS was collected in 2012. Also data from Urzula Dzwil's (2011) computation on COMPETE data is used.

The paper concentrates on such measures of social capital, which are applied in the questions in the COMPETE survey. Analyzed here is only a selection of questions connected to specific types of citizen participation in public affairs, and to citizen's trust in certain groups of people in the society. The results from the European Social Study (ESS), which were presented in the COMPETE publications,\(^1\) In the Country factsheet Polska issued July 2012 the majority of 16 regions in Poland are characterized as less developed regions. Only the region Mazowieckie is characterized as a more developed region (EUROSTAT, 2013a, p. 15).
are updated with the most recent ESS round (ESS, 2013) and added to the original COMPETE data.

One can think of a lot of other types of measures for social capital, for sure, but the selection of measures in this article should suffice for its purpose, which is to putting forward some perspectives regarding future development in the municipalities mentioned. Comparisons between the five municipalities are done in spite of the low numbers of respondents. Also, comparisons of data on the municipal level and the national level are done, even though the variances are not included and therefore comparisons might be problematic and one has to be careful when drawing conclusions.

Results

For the sake of convenience, the results are divided in three categories; One category deals with individual participation in public affairs, represented by voting, by having contacted a political representative and by having signed a petition. The second category deals with membership in organizations, represented by membership in a professional organization, a political party and a trade union. Results from these two categories are shown in table 1 and 2, and contains data both from the COMPETE survey and from the ESS survey. The results are therefore not directly comparable. The third category contains five items: citizen's trust in politicians, teachers, scientists, priests, policemen and journalists.

We start with focusing on the category citizen participation in public affairs. The American political scientist Robert A. Dahl (1998) states that the act of voting is a basic type of political behavior in liberal democracies. Political participation by signing petitions and/or by contacting politicians are generally associated with people with higher education (Martinussen as referred in Aardal, 2011, p. 268).

The table below shows the survey results from the five municipalities in the COMPETE study while the results from Poland and the 27 European countries are from the ESS 2013 survey.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Zgierz</th>
<th>Gliwice</th>
<th>Malogoszcz</th>
<th>Gostyn</th>
<th>Manowo</th>
<th>Poland</th>
<th>Total for 27 European countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>% voted last national election (2007)</td>
<td>64.6</td>
<td>63.2</td>
<td>57.7</td>
<td>58.6</td>
<td>56.4</td>
<td>67.7</td>
<td>72.8</td>
</tr>
<tr>
<td>% signed a petition</td>
<td>9.7</td>
<td>11.0</td>
<td>4.6</td>
<td>4.4</td>
<td>5.4</td>
<td>11.1</td>
<td>17.4</td>
</tr>
<tr>
<td>% contacted a political representative</td>
<td>2.6</td>
<td>1.5</td>
<td>5.0</td>
<td>1.1</td>
<td>2.6</td>
<td>8.6</td>
<td>12.2</td>
</tr>
<tr>
<td>(n=)312</td>
<td>(n=)316</td>
<td>(n=)287</td>
<td>(n=)293</td>
<td>(n=)274</td>
<td>(N=)1746</td>
<td>(N=)52458</td>
<td></td>
</tr>
</tbody>
</table>

Because the COMPETE data was collected in 2009 and the ESS survey data was collected in 2011/2012, one has to be careful when comparisons are made.

Citizens in the five municipalities show lower participation in general, compared with the figures from Poland and even more so compared with the 27 European countries.

Zgierz and Gliwice show the highest voting turnout, whereas Manowo shows the lowest one among the municipalities. All figures are below the turnout registered in the ESS study for Poland, as well as below the figure for all European countries in the ESS study.

Zgierz and Gliwice stand out as municipalities where the citizens are close to the national average with regard to having signed a petition.

All the five municipalities show markedly lower percentages than Poland, and again, even more so compared with the countries in the ESS study with regard to having contacted a political representative. On this activity Malogoszcz stands out with more than twice the percentages of the four other municipalities.

We now turn to the second category; membership in organizations. This type of activity resembles two of those mentioned in table 1, signing petitions and contacting politicians; they are generally associated with people with higher education (Martinussen as referred in Aardal, 2011, p. 268).

The ESS results are shown in the two columns to the right because they indicate that the five municipalities display lower percentages than the country sample of Poland on one of the three questions in the surveys. The third question has no equivalent data.

<table>
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<tr>
<th>Activity</th>
<th>Zgierz</th>
<th>Gliwice</th>
<th>Malogoszcz</th>
<th>Gostyn</th>
<th>Manowo</th>
<th>Poland*</th>
<th>Total for 27* European countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>% members of professional org.</td>
<td>2.9</td>
<td>3.1</td>
<td>2.8</td>
<td>3.3</td>
<td>2.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>% members of political party</td>
<td>0.8</td>
<td>0.7</td>
<td>0.6</td>
<td>1.1</td>
<td>1.1</td>
<td>0.7</td>
<td>4.2</td>
</tr>
<tr>
<td>(%)* members of trade union</td>
<td>4.0</td>
<td>5.7</td>
<td>5.4</td>
<td>3.7</td>
<td>4.1</td>
<td>6.0</td>
<td>15.6</td>
</tr>
<tr>
<td>(n=)312</td>
<td>(n=)316</td>
<td>(n=)287</td>
<td>(n=)293</td>
<td>(n=)274</td>
<td>(N=)1746</td>
<td>(N=)52458</td>
<td></td>
</tr>
</tbody>
</table>

Source: The COMPETE survey 2009; * ESS4 2013. -= missing data.

Membership in a professional organization is highest in Gostyn and Gliwice, but the distance to the lowest, which we find in Manowo, is minor.

Membership of political party is close to nothing in all the five municipalities as they also are in Poland. Political party membership is slightly higher in the 27 European countries.
The last activity, membership of trade union, ranks highest among the three activities measured here. Gliwice has the highest proportion of respondents who are members of a trade union (5.7%) and Malogoszcz follows tight. The distance to the lowest membership in trade unions, which is Gostyn, is 2 percentage points. Membership of trade unions for all of Poland is slightly above the average in our sample. In contrast, the countries in the ESS study rank high above the survey results for Poland.

We now turn to the third category of results, which is citizens’ trust.

Trust in this section simply means what the respondents in the COMPETE survey answered to the questions about their trust towards teachers, priests, policemen, journalists, scientists and politicians.

Urzula Dzwil (2011) has made a selection of answers from the five municipal samples in the COMPETE study. In this article Dzwil’s results are converted according to the respondents’ general level of trust towards the groups just mentioned. Table 3 shows the results from this converting.

| Tab. 3. Trust towards teachers, scientists, priests, policemen, journalists, politicians. Ordered according to level of trust. (1 = highest trust, 5 = lowest trust) |
|---------------------------------------------|---------------------------------------------|
| Trust towards                              | Position according to respondents' answers about trust |
| Teachers and scientists                     | 1                                           |
| Priests                                    | 2                                           |
| Policemen                                  | 3                                           |
| Journalists                                | 4                                           |
| Politicians                                | 5                                           |

Source: Own analysis of Urzula Dzwil’s (2011, p. 192) computation of COMPETE data.

Politicians turn out to be the least trusted among the groups appearing in table 3, even less than journalists, which might come as a surprise to some readers. Before we turn to conclusions, our own opinion of the results is that the relatively low positions of social capital in the municipalities studied are consistent with empirically based theoretical statements from other academics, as shown in the introduction. Furthermore, two limitations regarding the results should be mentioned here: Comparisons between the five municipalities are done in spite of the low numbers of respondents, and comparisons of data on the municipal level and the national level are done, even though the variances are not included. These limitations compel us to be careful when comparisons are made.
Conclusions

This article has brought forward results from the COMPETE study in combination with data from the European Social study and empirical based theoretical statements from academics who have dealt with perspectives about civil society. Factors identified as social capital – by some also labeled “the hidden wealth of nations” – are often disregarded when development measures are discussed. What is the most important lesson from this article is that the perspectives brought forward are valid also for Eastern Poland because the majority of municipalities in Poland are situated in less developed regions.

A policy implication for decision makers might be to cultivate factors involving citizen participation in public affairs and of trust in politicians.

Bibliography

5. ESS4 2013 edition 3.0., 24.03.10. The ESS data archive, Bergen; NSD.


