

THE NEW FACE OF THE DEVELOPMENT: SOCIAL CAPITAL

Sinem Yapar Saçık, Onur Ceylan, Mehmet Alagöz
Karamanoğlu Mehmetbey University, Karaman, Turkey

ABSTRACT

Classical models were insufficient in measuring development differences in countries because of focusing only capital stocks. On the other hand, new approaches discuss development with countries' social capital. Social capital which shows relations between countries depend on confidence and affect a country's economic, politic and social success.

The confidence element has an important role in the social capital. The researches show that a society is called an underdeveloped one when the confidence is weak in that society. The existence of the social capital is mentioned in the societies with high confidence levels. Societies with the high level social capital together with human capital experience a rise in their life qualities. Many elements in the researches done come into prominence when the standards of the social capital are examined. When these are examined generally, the existing number of institutions and confidence elements are found. Although many researches are shown as a standard of the social capital, it is the confidence element that occupies an important place among them. At the same time, the existence of the social capital and the confidence element provide a decrease in temporal and monetary costs. The works operate in a busier and more rational way when in that society people's and institutions' reliability arise. The interaction here completely relies on confidence. Since this element exists in most of the developed countries, their level of success is higher.

JEL CLASSIFICATION & KEYWORDS

■ O1 ■ O15 ■ SOCIAL CAPITAL ■ ECONOMIC DEVELOPMENT

INTRODUCTION

Social capital notion which shows the level of qualification and quantity relations between individuals and institutions depended on confidence in a country is closely related to achievement and stability obtained in social and political area. Regarding only human and physical capital in advance has been losing the previous effect nowadays. Because social capital has begun to have importance extremely. Furthermore social capital provides huge contribution to physical and human capital. Social capital has lots of definitions. In the mutual property of those definitions it is determined that social capital is based on confidence element. Observations show that development is provided in such societies who have high level of confidence element. Strengthening of importance given to human factor and confidence case cause income distribution more fairly, institutionalizing in politics and economic life, so that shows the social capital accumulation is captured.

Literature Review

Generally in the literature many studies have been accomplished to prove the possible relation between social capital and development. Part of those studies are

concentrated on the definition of social capital while other studies aim to prove the elements of social capital and its possible relation with the economic development and economic growth. Researchers such as Bourdieu, Coleman, Putnam, Fukuyama, Mubangizi expose important ideas and research about social capital.

Pierre Bourdieu who reaches the social capital concept slowly, expresses that the habitus which he mentioned in his studies on Algerian people in 1960s and which establishes a bridge between subjective and objective agents is designed by the dynamic improvement of some regulated values and idea forms. In the study, he stresses out that cultural differences can be used while determining and forming the situation of groups in social structure. He connects this inference to cultural capital. Bourdieu evaluates the social capital mainly as an extent of cultural capital and he defines social capital as "capital of social relations which provides beneficial supports if necessary" (Field, 2003).

Coleman (1988) proves in his research which covers American suburbs that social capital is not constrained only with privileges, it provides serious benefits also to the poor and societies who is forgotten. In his research he states that social capital represents a resource, includes expectation of reciprocity, relations is managed by high level confidence and shared values.

Putnam who associates social capital and citizenship connection concludes that regions where have strong level of citizenship connections experience higher economic growth rates compared to other regions where have relatively weaker citizenship connections according to the results of his study which he examines Italy in 1993. This conclusion can be used to explain different economic performances occurred in different regions and also shows that policies which supports social capital creation can increase regional economic development (Kovacı, Bekle, Koç, 2011).

Fukuyama (2001) who approaches differently to social capital explains the economic and politic functions of social capital. According to Fukuyama social capital diminishes the transaction costs in terms of economy and in terms of politics, improves the relations which are necessary for the success of modern democracy and management.

Mubangizi (2003) who mentions about contributions of social capital examines how to use social capital in Africa to fight against poverty and to provide economic development. Social capital contributes not only to economic development of the society but also to authorization, improving confidences and manage their lives of individuals.

The Social Capital Concept

Social capital which has become one of the most important concept of late years is evaluated as a factor which is directly related with achievements of countries in social and

economic fields. Although there are lots of definition of social capital, in the simplest form it is the possibility of communication based on confidence at least between two individuals, with wider definition it is possible to describe social capital as confidence, norm and communication network properties which increases productivity of society through simplifying the coordination between non-governmental organizations and public institutions (Temple, 2000). In terms of economics social capital is described as the response of relations based on confidence between individuals and organizations on economic efficiency and production. Assessments made in this area generally concentrated around communication network, social norms and confidence axis. In this sense the social capital is formed according to the political structure, education and moral values direct the society (OECD, 2001). In summary social capital has different definitions in different areas. In general assessment, according to Akçay (2005) three essential points emerge. The first point is; according to the most of the authors social relation networks and social norms are the elements of social capital. The second point is; according to the most of the authors confidence is an additional member of social capital. And the third point is that according to the most of the authors social capital is a resource that is used by individuals to reach their purposes but such a resource that cannot be undertaken by any individual alone. In the descriptions it is understood that social capital has a structure that provides coordination and association. But effectiveness of social capital in related areas alone is not possible. In this context, perceiving social capital at the rate of its presence that raises the effectiveness of other production and social activities seem to be more accurate.

Properties of Social Capital and Comparison with Sorts of Other Capital

The concept of capital included a physical meaning in recent years but lately the capital has become a much broader production factor which includes a physical factor and covers non-physical elements (social and human) as well (Karagül ve Masca, 2005). First difference is that the nature of social capital is based on social relations, not physical relations. The other difference is that production of social capital is based on human or produced capital, social time separation and struggle is not required. At the same time social capital shows that relations between individuals are based on bilateral confidence (OECD, 2001). Other difference of social capital from other sorts of capital is that social capital is the mutual good of society, private ownership is not required. Using of social capital does not include competition, it does not diminish because of using. Furthermore, differently social capital is not focused on socio-economic actors, it focused on relations occurred between actors (KOSGEB, 2005).

When the descriptions of social capital is examined it is fundamentally seen that social capital has great importance in economic development at least as much as economic and human capital have. Because in fact, social capital is at the complementary position of human and economic capital. Individuals who have human capital need social capital also. In this context confidence relation has great importance in the concept of social capital. Confidence which exists together with social capital carries many other outputs together with individual relations and communication such as ; utility provided via confidence and communication, lower transaction costs, better coordination, diminishing of negative externalities, solutions of mutual business

problems, diminishing of security expenditures, providing efficiency on public management and efficiency on resource distribution (Kovacı, Bekle, Koç, 2011).

Sorts and Measurement of Social Capital

Social capital comprises of two levels which are macro and micro. Macro level social capital is the atmosphere that economic actors deal with businesses. Institutions, legislation framework, role of state and non-governmental organizations which fills the blank between state and markets take over here. Micro level social capital is based on relationship, religious and ethnic activities. One of the economic effects of this sort of social capital is sharing information, coordination and establishing an informal framework for consensus processes (Erselcan, 2009).

There are different sorts of social capital. Binding social capital examines the relations which occur within the same group. Connective social capital consists behaviors among organizations. While binding social capital is related to relations which occur among individuals who are similar or can be substituted, connective or vertical social capital concerns relations which is described as hierarchical construction (social status, power and unequal distribution of wealth, etc.) between individuals and groups or complementary relations (Şan ve Şimşek, 2011).

Comprising from notional relations and multidimensionality of social capital cause some troubles about measurement of social capital. It is not possible to measure social capital by financial values just as other economic factors. But there are some social indicators that signs existence of social capital in a society. These economic and social indicators can be expressed as low crime rates, low divorce levels, low bureaucratic transactions, high fulfillment level of economic agreements, and high proportion of incorporated companies instead of family companies (OECD, 2001).

According to Fukuyama (2001) there are two basic approaches about measurement of social capital. First is the number of associations in a society and number of members in that associations. Second one is level of confidence and survey results corresponding civil formations. In most of studies level of social confidence is evaluated as criteria. Iyer, Kitson and Toh (2005) use eight different social capital indicator in their study. The indicators are; social confidence, citizenship, participation of citizenship, ethnic difference of friendship networks, participation to groups, organized interactions, and social capital based on belief and informal social interactions. Social participation indicators such as confidence, membership of formal and informal networks, voting in elections are most common used indicators. However indicators used can vary between one region to the other and one society to the other depending on norms, traditions, manners and customs.

While indicators about confidence is obtained by applied surveys, a part of indicators related to numbers of associations and membership to formal and informal networks are obtained from statistical offices and the rest part is obtained from surveys (Keskin, 2008).

There is not so much applied research which measures level of social capital when Turkey is examined. Opinions are formed about if low or high scale of social capital level occurs or not by examining a few produced criteria to measure social capital. According to this approach an examination can be made by auditing given numbers of divorcing, association and lawsuits in the table below.

Table 1: Number of Active Associations, Judges and Lawsuits

	2002	2004	2006	2007	2008	2009	2010	2011	2012
Number of Active Associations	76.021	70.013	73.158	76.871	79.366	82.656	85.846	89.01	93.095
Number of Lawsuits in Criminal and Civil Courts			4.986	5.456	5.582	5.696	6.034	6.086	6.487
Number of Lawsuits per Judge	885	803	895	934	929	923	971	978	1015
Number of Divorces	95323	91022	93489	94219	99663	114162	118568	120117	123325

Source: Turkish Statistical Office and Presidency of Associations Board

Social Capital and Development

Even though most of the countries have similar properties and possess physical, human and social capital stocks, their development performances show different levels. It is explained in the researches concerning economic development that social capital provides significant contributions to economic development.

In their pioneer study developed in US Iver, Kitson and Toh (2005) see social capital as lacking ring in explaining economic growth. According to the authors, "Generally economists focus on natural capital, physical capital and human capital as determines of economic growth and most of theoretical and empirical studies in growth economy field examines these relations. But as a result of focusing these three forms of capital, critical side of economic growth is ignored which remains unexplained that how economic actors interact each other. This lacking ring which is reminded by some political scientists and economists contemporarily is social capital" (Çetin, 2006).

While countries where have high social capital dynamics in global competition atmosphere slam their opponents, countries where have low social capital dynamic remain out of race and their economies have become depended on foreign supports in many ways. Economic situation of a country where has low level of social capital remains in lower levels correspondingly. In this respect economic development is possible with not only formal precautions taken but also retaining confidence element active among individuals informally and social virtues coordinated in the society (Fukuyama, 1999). Societies who have high level of confidence generally achieves important progresses in terms of economics and socially (Fukuyama, 2005). In this context, existence of confidence among individuals provides smooth prosecution of legal, economic, social, politic, cultural relations. For instance because of struggling less to protect oneself in economic transactions and remaining less part of resources under protection cause increases on investment rates. Because confidence of people to each other is very high. In that case less written agreements are needed and less legal suits are experienced (Kovacı, Bekle, Koç, 2011).

The reality of "confidence factor" is highly damaged in Turkey just as it is in the world and this case causes problems in economic life at the same time. Existing distrust in most of institutions in Turkey lowers productivity and performance of labor significantly. Weakening social virtues provide important contribution to distrust atmosphere in Turkey becoming dominant element. This condition certainly reflects economy negatively and lowers productivity (Ören, 2007).

CONCLUSION

Social capital produces the ability of working together within groups or organizations to maximize mutual or personal utilities of individuals. Ability of working together can be maximized under "confidence roof". In this context, social capital is attitudes and behaviors which arrange relations and assemble those relations together with the "confidence

roof". So basing bilateral relations of individuals, groups, organizations, institutions, etc. on confidence provides significant contributions to development of the society. When examining researches being underdeveloped is observed in societies who experience confidence crisis while development obtains continuity in other societies who experience high confidence level because of arousing other factors of development. Notably in the societies who social capital is also supported with human capital wealth and quality of life arise appreciably. Because existence of social capital and confidence element diminish monetary and timing costs as well. Businesses operate more intense and more rational in the societies where confidence of people and institutions rise. Interaction is completely based on confidence here. In most of developed countries having higher confidence in bilateral relations provides higher level of wealth and life standard.

On the contrary in underdeveloped countries due to lack of confidence between individuals, lack of confidence between individuals and institutions, organizations, groups, existence short confidence within institutions, organizations or groups to each other or to individuals increase monetary and timing costs and cause unproductive and non-effective allocation of sources already scarce. Furthermore confidence crisis reveals "Crouching person" fact in individuals. This situation provides contribution developing such a society where people face lack of confidence each other and even with themselves and also face not being supported by achievement incentive. It means that in such societies all communication networks which provide coordination between social, politic, economic, legal have reached to breaking point. Therefore relation networks, norms and enforcement will not be working systematically, confidence crisis will gain continuity and existence of such distrust will occur in a way that referring to a story which "Diyogenes from Sinop" looking for a reliable person in day time walking on the streets with a torch in his hand.

REFERENCES

- Akçay (2005). "Sosyal Kalkınma ve Sermaye", Editörler: Kar Muhsin, Taban Sami, İktisadi Kalkınmada Sosyal Kültürel ve Siyasal Faktörlerin Rolü, Ekin Kitabevi, Ankara.
- Coleman (1988). "Social Capital in the Creation of Human Capital", The American Journal of Sociology, The University of Chicago Press, Vol. 94.
- Çetin (2006). "Bölgesel Kalkınmada Sosyal Ağların Rolü: Silikon Vadisi Örneği", Dokuz Eylül Üniversitesi İ.İ.B.F Dergisi, 21.
- Erselcan (2009). "Sosyal Sermaye ve Ekonomik Kalkınma: Sivas, Kayseri, Yozgat Bölgesinde Bir Araştırma", Doktora Tezi, Cumhuriyet Üniversitesi Sosyal Bilimler Enstitüsü, Sivas.
- Field (2003). Social Capital, Routledge, London.
- Fukuyama (1999). "Social Capital and Civil Society", Conference on Second Generation Reforms November 8-9, IMF Institute and the Fiscal Affairs Department, Washington, D.C.
- Fukuyama (2001). "Social Capital, Civil Society and Development", Third World Quarterly, 22/1.
- Fukuyama (2005). Güven: Sosyal Erdemler ve Refahın Yaratılması, Çev. Ahmet Buğdaycı, Türkiye İş Bankası Kültür Yayınları, İstanbul.

- Karagül ve Masca (2005). "Sosyal Sermaye Üzerine Bir İnceleme", Ekonomik ve Sosyal Araştırmalar Dergisi, Bahar.
- Keskin (2008). "Sosyal Sermaye ve Bölgesel Kalkınma: Erzurum Ticaret ve Sanayi Odası Üyelerinde Sosyal Sermaye Düzeyi ve Belirleyicilerinin Analizi", Yüksek Lisans Tezi, Atatürk Üniversitesi Sosyal Bilimler Enstitüsü, Erzurum.
- KOSGEB (2005). Ekonomik Kalkınmada Sosyal Sermayenin Rolü, Ankara.
- Kovacı, Belke ve Koç (2011). "İktisadi Kalkınmaya Yeni Yaklaşımlar: Sosyal Sermayenin ve Kurumların Artan Rolü", <http://idc.sdu.edu.tr/tammetinler/kalkinma/kalkinma8.pdf>
- Mubangizi (2003). "Drawing on Social Capital for Community Economic Development: Insights from a South African Rural Community", Community Development Journal, 38.
- OECD (2001). The Well-being of Nations, The Role of Human and Social Capital. Paris.
- ÖREN, Kenan (2007). "Sosyal Sermayede Güven Unsuru ve İş Gücü Performansına Etkisi", Kamu- İş, C: 9, S:1. www.kamu-is.org.tr/pdf/914.pdf, Erişim Tarihi: 17.03. 2011.
- Temple, J. (2000). "Growth Effect of Education on Social Capital in the OECD Countries", OECD Working S: 00/36.
- IYER Sriya, KITSON Michael, TOH Bernard. 2005. "Social Capital, Economic Growth and Regional Development. Regional Studies, vol. 39.8, November.
- Şan, M., ve Şimşek, R. (2011). "Sosyal Sermaye Kavramının Tarihsel – Sosyolojik Arka Planı", Akademik İncelemeler Dergisi Cilt:6 Sayı:1 2011, s.88-110.