CO-OPERATION AND RAISING SOCIAL CAPITAL

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Abstract

In regional and local sustainable development a very important role is played by co-operative orientation as a factor of raising social capital. In European Countries many different problems of social capital are observed. Chosen issues of shaping social capital in Poland are analysed based on literature studies and on documents of European Union.

Key words: public management, co-operation, social capital, economic development.

Introduction

The basic assumption presented in this work is that one of the main factors supporting local and regional development are co-operative relations between private and public subjects as elements of social capital. From this point of view it is possible to distinguish two types of structures of co-operation. The first one is a structure where vertical coherences between public institutions and other organisations are predominant. The second type is a horizontal structure and predominant horizontal linkages between independent enterprises.

Method

Investigations are based on studies of concepts of social capital and factors of raising social capital in Poland, particularly on works by precursors of social capital in Poland. Statements of European Commission concerning good behaviour of public administration are analysed as well.

Sustainable regional and local development as the present challenge

Sustainable local and regional development [3] can be defined as a process of administration, supported by local authorities as well as organizations of local and regional environment, which becomes involved in the process in favour of holding up economic activity and condition of employment on existing level and stimulation of the process [2, p.52-57; 21; 5, p.3-15]. Stability of local and regional development is related with the economy's competitiveness.

Assuring abilities of a region to achieve sustainable development can be possibly recognized as a universal aim of activities of local and regional public management as public authorities are under an obligation to create conditions for regional and local development [15, p.20-24].

EU countries' experiences indicate that the use of regions' endogenous resources was the key factor of development in socio-economic sphere and that attempts of supporting development with external factors did not assure economic diversification of regions. It has become indispensable to start-up the next period of development which was exclusively based on its own resources. On one hand the
authors quote various forms of "proceeding from the rank" approach to regional development, successfully tested in practise, such as programs of local entrepreneurship and programs of promoting spirit of changes and innovations.

It is also necessary to expand institutional partnership, so-called vertical co-ordination between local and regional level or state and community. This process promotes the concept of a regional competitiveness growth on the authority of consensus, which guarantees respecting common agreements and including partners for possible corrections and adjustments as a condition of realization of this concept in the long run. Then it creates relations between representatives of public and economic authorities, social and cultural subjects behind assistance of various programs and agreements they would be responsible for. Anyway, first of all it generates local or regional growth as the base of their sustainable development.

In the light of the above discussed facts such a thesis is to be assented, that cooperation of private subjects as well as public ones is one of the most important factors supporting local and regional development.

**Horizontal network coherence as a factor of raising social capital**

Firms' relations are based not only on competition but also on common activities and confidence [19, p.190-197]. This structure is intensified by network of institutions as well as social and economic relations between institutions, enterprises and households. Work respect and saving, awareness of common interest, requirements of co-operation and collaboration, exchange of information are important values in a society. An important role is played by local authorities, educational institutions, agencies of development and other professional organizations.

The social capital may be described as a specific composition of the mentioned values and social institutions. In the Polish scientific literature this notion was initially described by praxeologists as trustworthiness (approximated meaning) [14; 13, p.20]. Its definition enhances the following features: reliability, loyalty, solidarity, uncompromising honesty, promptness, solidarity, keeping word and promises, cooperative mindset (a new criterion). Application of network coherence by organisations, which play key roles in the process of regional development, has been widely discussed in literature. Generally, building networks is treated as an important mechanism allowing breaking barriers of individual company’s development. These barriers result from resources limitations and they start up the process of mutual learning [1, p.27-29; 8, p.13-25; 17, p.9-31]. Foundation of this cooperation approach is a statement, that network or other form of co-operation can be furnished with better stock than a single firm, because they are complementary to one another. It is worth stressing that only 20 percent of interviewed people claimed existing equal start up in Poland [18].

Usually network is defined as a peculiar type of relations connecting definite persons, objects or phenomena [22, p.10-22]. When network is generally treated as a system of relations, it belongs to have in mind, that they can accept different forms. These causes, analyses of networks include different variables. For example, two types of networks are pointed out when taking into account the network coherence.
between the SMEs. Namely these are social and interorganizational networks [4, p.101-106]. It should be stressed, that the first of the mentioned above is of a particularly great importance from the point of view of the process of enterprises' development. First of all, owners of small businesses operate personally in them. Informal links connect them with friends, family, associations, competitors and their clients. Such a network does various functions in different periods of an enterprise development. However, it is considered that its role is the biggest one in the period of starting economic activity. In this phase it presents the basic source of information on market capability. Network also provides contacts with other actors for exchange of thought or it helps to obtain support for different ideas connected with running a business. It is also helpful in obtaining financial funds, good location, knowledge about business planning, employing staff etc.

Social network is important in the first phase of growth, at getting new partners and strategic alliances [9, p.142-143]. From there comes big interest with social networks as these are useful in the process of building and development of new firms [10; 11, p. 7-19; 20; 16]. The existence of social capital might be helpful to explain economic progress of certain regions where there was a small capital stock, whilst other regions where the condition of material infrastructure was similar – were not about to enter the faster development path.

There are many reasons to develop social capital, i.e.: 1) reduction of uncertainty; 2) simplified access to deficit resources and capabilities; 3) faster operation; 4) access to information [6, p. 114-115].

**Shaping relations with a public as a factor of raising social capital**

Codes of good behaviour of public organisations play a very important role in the process of raising social capital play, i.e. “Code of Good Administrative Behaviour for Staff of the European Commission in Their Relations with the Public” [7, p.3-4], so called good practices in public administration. General principles of these practices are as follows: a) lawfulness - acting in accordance with the law applying the rules and procedures laid down in national and Community legislation; b) non-discrimination and equal treatment - securing equal treatment for members of the public irrespective of nationality, gender, racial or ethnic origin, religion or beliefs, disability, age or sexual orientation; c) proportionality - ensuring that the measures taken are proportional to aim pursued; never leading to the imposition of administrative or budgetary burdens out of proportion to the benefit expected; d) consistency – being consistent in administrative behaviour and following normal practices; dully justifying any exceptions to this principle.

More detailed principles are shown in the Guidelines for Good Administrative Behaviour [7, p.4] as objectivity and impartiality, and in Information on the Rights of Interested Parties [7, p. 5-7] as listening to all parties with a direct interest, duty to justify decisions and to state arrangements for appeals. To the mentioned principles also belongs answering enquiries.

There are two barriers of living up to these principles in Poland. The first one is a historical experience different from other European Countries [13, p. 21]. At the turn of 19th and 20th centuries, when in many European societies a ‘flair for
statehood” went up, Poland was under partition and in that time anti-state attitude were dominated. Some of them still may be observed in Poland. The second barrier is connected with a lack of knowledge of principles of good administrative behaviour and their role in raising social capital in Poland.

Conclusions
In the light of presented investigations it is reasonable to treat a region as an organization which requires public management to achieve its aims. In managing local and regional development a universal aim is to assure sustainable economic development. Current analysis has confirmed thesis, that co-operation relations should be presently seen as one of most important factors of developing social capital and strengthening its role in local and regional development.

Positive attitude to co-operation is desirable with reference to all, but at least majority of market subjects. In the case of public organisation it can be treated as a duty, or even imperative of each activity. These organisations should cooperate with each other inside of public sector and with business organisations or non-profit ones (cross-sectoral cooperation). The process of creation various forms of co-operation raises social capital in a locality and in a region, and allows achieving sustainable development.

References

КООПЕРАЦИЯ И ВОЗРАСТАНИЕ
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Аннотация
В сбалансированном региональном и местном развитии важную роль играет кооперативная ориентация как фактор возрастания социального капитала. В странах Европы наблюдается существование множества различных проблем, связанных с социальным капиталом. Анализ определенных проблем формирования социального капитала в Польше основан на обзоре литературных источником и документов Европейского Союза.

Ключевые слова: общественное управление, сотрудничество, социальный капитал, экономическое развитие.