

Westlund, Hans; Forsberg, Anette; Höckertin, Chatrine

Conference Paper

Social capital and local development in Swedish rural districts

42nd Congress of the European Regional Science Association: "From Industry to Advanced Services - Perspectives of European Metropolitan Regions", August 27th - 31st, 2002, Dortmund, Germany

Provided in Cooperation with:

European Regional Science Association (ERSA)

Suggested Citation: Westlund, Hans; Forsberg, Anette; Höckertin, Chatrine (2002) : Social capital and local development in Swedish rural districts, 42nd Congress of the European Regional Science Association: "From Industry to Advanced Services - Perspectives of European Metropolitan Regions", August 27th - 31st, 2002, Dortmund, Germany, European Regional Science Association (ERSA), Louvain-la-Neuve

This Version is available at:

<https://hdl.handle.net/10419/115697>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Social Capital and Local Development in Swedish Rural Districts

Hans Westlund¹
Anette Forsberg²
Chatrine Höckertin²

¹ Swedish Institute for Growth Policy Studies (ITPS)
Studentplan 3
SE-831 40 Östersund
Sweden
hans.westlund@itps.se

² National Institute for Working Life (NIWL)
SE-831 40 Östersund
Sweden
anette.forsberg@niwl.se
chatrine.hockertin@niwl.se

Abstract

This paper studies local social capital in two Swedish rural districts. It concentrates on the relations between local political/public bodies and local development groups. The political bodies have acted somewhat differently towards local development initiatives in the two districts. This has resulted in differences in the number of development groups and in the social capital of *local culture, leisure and service environments*. There are, however, few examples of social capital in these environments spreading to changes in *production environments*, in the form of e.g. attitudes to entrepreneurship, risktaking, etc.

The study supports the view that private and public actors can change local social capital. Local organizations who act as intermediate nodes between the local groups and the political bodies seem to be of special importance. However, our results suggest that changing local social capital is a long-term mission that demands sustainable work.

1. Introduction

The importance of social capital for local development in rural districts has been the subject of a growing number of studies in recent years. Flora (1998) discussed social capital and communities of place. Kilkenny et al. (1999) studied the relationships between reciprocated community support and the development of small towns and small businesses in Iowa. O'Brien (2000) examined the development of social capital in rural areas in Russia under the market economy. Pantoja (2000) investigated attempts to build up and strengthen social capital in Indian coal mining areas. Falk and Kilpatrick (1999) studied whether learning process produced social capital in an Australian rural community. Another Australian study (Sobels et al., 2001) examined the importance of social capital for non-governmental networks of groups with a focus on rural conservation. Narayan and Pritchett (2000) studied the relationships between social capital and a number of welfare variables in villages in rural districts in Tanzania – just to mention a few examples.

One very important characteristic of social capital has been given emphasis by, among others, Portes and Landolt (1996), Portes (1998) and Narayan and Pritchett (2000), namely that all social capital does not necessarily have positive effects on society. This was eventually also conceded by Putnam (2000). We can therefore talk about social capital with positive and negative effects.

This paper studies some aspects of the role played by social capital in local development. An examination is made, with the aid of two case studies, of relations between local development groups and decision-makers at municipal and regional level in two Swedish rural municipalities. The underlying aim is to shed light on the extent to which local political actions can affect social capital and thereby have effects on local development and local economic growth.

It is natural to associate economic growth with the development of enterprises and local attitudes to entrepreneurship. What reason can there be then to use a growth perspective to focus on something which many people regard as insignificant, such as rural, local development groups?

One answer is that the “company climate” can very well be considered satisfactory by existing companies, but that the establishment of new enterprises and entrepreneurship is not encouraged. Consequently, a study of existing enterprises and their links does not always give a comprehensive picture of the potential for development in a region. The embryo of new commercial activity can, for example, also originate in non-profit making activities. A supplementary study could therefore be to examine how the “social entrepreneurs”, which the local development groups represent, act and how they are treated by local decision-makers.

Another answer is that enterprises, not least new small enterprises, are active in a local, social and cultural environment. Their relations in this environment can be of great importance for their development. In rural regions, local development groups are often important participants in this local environment. They contribute to creating a positive local atmosphere by organising leisure activities and culture activities etc. These groups can, perhaps, even be seen as an indication that there is hope for the future in the district - or not. Even if local development groups rarely stand out as the first object of study where the development prospects of a rural district is concerned, studies of these groups should nonetheless be able to provide important information on local development potential.

A third answer is that the relations between development groups and decision-makers concern democracy. They rural districts in which citizens, for example in the form of development groups, have a good dialogue with the decision-makers should – *ceteris paribus* – reasonably find it easier to retain their population, stimulate people to move into the area, develop new business ideas and entrepreneurship etc, compared with rural districts where the links between citizens and decision-makers are weak or negative.

What then is this “social capital” that, in our opinion, both the politically governed sector and the local development groups participate in and create? What significance does this social capital have? Section 2 discusses the concept and how we have defined it in this study. Section 3 presents the two case studies. In section 4 the results are analysed and conclusions drawn.

2. Local social capital as a development factor

In the international discussion, many phenomena at different levels have been incorporated under the concept of social capital. Everything - from relations between a few separate individuals to transnational cultures - has been described as social capital in different contexts. Figure 1, which is taken from Westlund and Bolton (2002), provides a picture of this complex. The figure is based on different spatial levels. On the right hand side there are common designations at each level of things that, in other contexts, are sometimes designated as social capital.

Figure 1 about here.

The lowest level in the figure is the individual actors/parties with their own preferences, attitudes, behaviour etc. In a network perspective, the individuals constitute nodes that have links between them. These links are, in principle, of two different types:

- horizontal links between the individual and other individuals in the network/group, and
- vertical links between the individual and the network/group, such as a decision-maker at a higher level.

The next level in the figure is the local group of actors/individuals, whose internal social capital has a high degree of homogeneity. These local groups are connected to each other by horizontal external links and form together the third level in the figure: local social capital with a lower degree of homogeneity than that possessed by each individual group – i.e. each group has more common norms than those that these groups have in common. Social networks in a certain place create opportunities and restrictions, which affect the behaviour of individuals and groups. In turn, local groups and local places also have vertical links to actors at the fourth level of the figure: the regional level. The social capital at regional level is, in turn, less homogenous than at the local level etc.

Knowledge about the social capital at one level does not necessarily say much about the social capital at other levels. This problem means that studies of social capital must be very concrete in respect of the aspects and the level of the social capital that are being studied, or the levels between which the social capital is being studied.

The determining factors of the ways in which local social capital functions can be summarised in two points:

- How *strong* and how *many links* there are between different groups at local level, and between these groups and the decision-makers, and how strong and how many links the groups and decision-makers have to organisations and decision-makers at higher levels.
- The *actors*, the groups and decision-makers that, *on the basis of their norms and values form the local social capital* by creating these links and filling them with positive or negative “charges” – or by refraining from creating or maintaining them.

One decisive factor is thus the links between the actors/groups at and between each level. This applies partly to the *horizontal* links between actors at the same level, and partly to the *vertical* links between these actors and the decision-making political institutions and other powers that be, and between actors and different types of interest organisations that can play a supportive or obstructive role.

One of our fundamental assumptions is that the actors fill the links with positive or negative “charges”. Positively charged links contain trust, confidence and common values. The opposite, i.e. a lack of trust, confidence and common values, leads in the first place to weak links, or to a situation in which links between the actors do not exist at all. In cases in which local actors - for example enterprises and development groups - have few and/or weak links between themselves, local social capital will also be weak. Weak links can, however, also be compensated by the number of links. Granovetter (1973) coined the expression “the strength of weak ties”, i.e. strength can lie in many temporary links rather than in a small number of strong, often used links.

However, mistrust and a lack of common values can also lead to the development of negatively charged links and to conflicts. Negatively charged links of this type create fragmented social capital and make joint action on the part of the actors difficult or impossible.

From a local development perspective, there can be reason to give prominence to links to supportive organisations. These are often adult study associations or other well-established non-profit organisations. They have often links to political institutions, other powers that be and the media, and can therefore play a role as coordinators, interpreters and shapers of opinion for the local actors in their contacts with those in power and in the shaping of opinion.

The second decisive factor where local social capital is concerned is the actors themselves and their attitudes, values, norms and objectives and those they “charge” the links with. This can be illustrated by two well-known examples in Sweden of local social capital: the “local industrial community spirit” and the “Gnosjö spirit”.

The local industrial community spirit is a term for the norms and values that were created from the relations between a dominant local employer and a closely-knit, locally recruited group of workers during the industrial era. The spirit of common interest, which was formed through demands and counter-demands, resulted in the local factory assuming responsibility for the welfare of their employees and their families in exchange for the loyalty of the families to the local factory. There was,

in principle, a local employment guarantee for the male population of the community. Other enterprises, apart from the requisite local service businesses, were potential competitors for the labour force and were regarded as unnecessary. The consequence was that entrepreneurship and the establishment of new enterprises were not promoted by the norms and values of the local industrial community spirit. The actors that formed the local industrial community spirit – the factory and the workers – opposed, consciously or subconsciously, the emergence of new actors. During Sweden's industrial era, the local industrial community spirit was, in many respects, the standard, successful Swedish model. On the other hand, during the structural adjustment of the last twenty-five years, this spirit has proved to be a critical problem for these communities. When the context changed, the communities needed actors to renew the local social capital. However, to a large extent, the local industrial community spirit has obstructed the emergence of actors of this type.

The Gnosjö spirit is a term for the spirit of industry in the village of Gnosjö in the south of Sweden, and is often described as the opposite of the local industrial community spirit. Gnosjö is a rural community where intimate cooperation has developed between small companies, where the hiving off of existing enterprises is encouraged, and where the capacity for making flexible adjustments to production is considerable. Like the local industrial communities, Gnosjö has been dominated by a generally declining manufacturing industry. However, a completely different group of actors - that also encouraged the emergence of new actors (enterprises) - created a completely different type of social capital than was the case in the local industrial communities. The result has been in the form of completely different financial growth.

In the case of the local industrial communities, the dominating parties had invested in very strong links both internally locally, and externally with customers and suppliers. When the markets eventually declined and the external links were weakened, the strong internal links were an impediment that obstructed the development of new links to new external actors. Thereby, the necessary importation of new ideas and values was prevented. In the case of Gnosjö, the actors appear to have spontaneously developed an insight into the necessity of renewing links, both internally in the district and externally to new types of customs and suppliers.

While the lack of (positively charged) links or the existence of negatively charged links between actors and levels thus constitutes a problem for local development, another problem is the existence of *excessively* strong links that are preserved in spite of changes in the environment. History provides many examples of countries and regions that have not been able to adjust their norms and values and to attract new networks when financial conditions have changed. In other words, links that are too weak create heterogeneity can lead to disintegration, while links that are excessively strong create homogeneity which can lead to inflexibility and inability to make changes. Some of the most important qualities of local social capital for the promotion of new entrepreneurship are therefore diversification and capacity for reconstruction.

To make this possible there should be a *balance between the interests of the different nodes involved*, i.e. the interests of an individual actor should not dominate. Furthermore, an optimal balance must be dynamic, i.e. it should be based on the *renewal of social capital* by new networks that replace old, unproductive networks, while old, productive networks are maintained. This involves demands for an *optimal combination of strong long-term links and weak temporary links* between the actors (Hansen, 1998). It also involves an *optimal balance between*, from the

perspective of the actors, *internal and external links*, which from the perspective of society can be described as an optimal balance between *homogenous and heterogeneous elements* of the social capital (cf Westlund, 1999). Woolcock (1998) has discussed this central issue in terms of “embeddedness” and “autonomy”, in which embeddedness (in our terms) refers to the links that contribute to making the group/society homogenous, while autonomy refers to links that retain the heterogeneity and diversification of the group/society.

Our case studies of social capital are primarily limited to (local development) groups and their links to the decision-makers at the local levels (municipalities). This means that, in this study, we divide the local level in figure 1 into a local level, in the sense of village level, and a municipal level. We also take up supportive organisations at local and regional level, and the links between them and local groups and decision-makers.

3. The case studies

In May 2000, some 3 900 so-called local development groups were registered at a national organisation, the popular movement council. The majority of the local development groups are in rural districts but they can also be found in urban areas and in large cities. These groups' activities cover a wide spectrum, from cultural and leisure activities to employment-generation activities, as a rule with an overall aim of developing the district. Their activities are dominated by social purposes and they work, wholly or partly on a non-profit making basis (Herlitz, 1998; Forsberg, 2001).

The selection of municipalities for the case studies was governed in the first place by the intention of finding a municipality with a large number of local development groups in relation to its population, and a municipality with a relatively smaller number of groups. One fundamental question was: why make this difference? The municipalities that were selected were the municipality of Bräcke in the county of Jämtland, with a very large number of groups/inhabitants, and the municipality of Sollefteå in the county of Västernorrland, with a relative smaller number of groups/inhabitants. We were interested in studying how and why contacts and relations were created, their content and their effects. The factors studied were the organisation of groups, contact interfaces with the local and external environment, the development of interplay and networks, and the influence of local groups in local processes of change and development. In order to acquire in-depth knowledge of local development work, a qualitative focus was selected for the study, with personal visits and interviews as the method used. The interviews were made partly at decision-making municipal level and partly at groups active locally.

At the decision-making level, the target group was the leading politicians and local government officers of relevance for the purpose for the study. In practice, this meant leading councillors and persons responsible for industry and rural development. Since we had wanted to study the ways in which different groups work with local development, the target group at local level has been mixed. It has consisted of village development groups, networks, adult study associations, project groups and small enterprises. All in all, ten interviews were made in each municipality.

Apart from obtaining information about activities of the groups and the actions of the municipalities, the aim of the interviews was to make a survey local capital of importance for rural development in

the municipalities. It was not possible to make a survey of the relevance of social networks in a systematic way with quantitative measurements. Instead, our method was qualitative and focused on registering the links, contacts and partners in cooperation mentioned in the interviews, and the attitudes and values that the persons interviewed emphasised and expressed.

It can be seen from Table 1 that the existence of local development groups and new forms of cooperation both, in respect of the actual number of groups and groups in relation to the number of inhabitants in each municipality, is much larger in Bräcke than in Sollefteå, but that Sollefteå also is far above the national average where the number of local groups is concerned.

Table 1. Number of local development groups and new cooperatives per 10 000 inhabitants in Bräcke and Sollefteå 1999. Figures in brackets are the actual number of groups/new cooperatives.

Bräcke		Sollefteå		Sweden	
Local groups	New cooperatives	Local groups	New cooperatives	Local groups	New cooperatives
131.6 (ca 100)	34.2 (26)	13.6 (30)	5.9 (13)	4.5 (3956)	4.7 (4 137)

Source: Primary material given to Höckertin (2001) and the Swedish popular movement council.

The municipalities face the same problems as many other rural and sparsely populated municipalities. They have an uneven age distribution, declining populations, emigration and a lack of job opportunities. Table 2 shows that the population in both municipalities has declined considerably during recent decades. The rate of population decline has been somewhat greater in Bräcke. Where the population is concerned, the municipalities differ. Sollefteå has almost three times as many inhabitants (approximately 22 000) as Bräcke (approximately 7 600). The urban area in Sollefteå has more inhabitants (approximately 9 000) than the total number of inhabitants than the entire municipality of Bräcke. Where surface area is concerned, Sollefteå is also larger than Bräcke municipality, 5 434 square km. and 3 849 square km. respectively. Measured in inhabitants per square km, Sollefteå has a population density of 4.2 inhabitants per square km. and Bräcke 2.0 inhabitants per square km.

Table 2. Percentage change in population by decade 1970-2000 in Bräcke and Sollefteå municipalities.

	1970-80	1980-90	1990-2000
Bräcke	-7.6 %	-5.3 %	-13.3 %
Sollefteå	-5.4 %	-4.7 %	-11.5 %

Source: Statistics Sweden

At the time the interviews were made, in the spring of 2000, Sollefteå was in a particularly vulnerable position as a result of the threatened closure of a military regiment based in the municipality. The regiment was later closed down. The selection of Sollefteå municipality coincided to a certain extent with the formation of local groups that had been established in connection with the closure of the

regiment in 2000 and the subsequent process of adjustment to the new situation. Groups in Bräcke were mostly selected on the basis of experience of active groups with a focus on new cooperative activities. We would make it clear that the study does not aim to describe one municipality as being better or worse than the other. Instead, the focus has been placed on studying and describing the methods and strategies for local development that have been drawn up in the municipalities.

3.1 Sollefteå

The municipality of Sollefteå in the county of Västernorrland has been characterised throughout the 1900s by a relatively extensive military presence. Two regiments employed in total approximately 1000 persons (directly or indirectly), which corresponded to approximately 10.7% of the vocationally active population (20 - 64) years in the municipality (9 335 persons). Apart from the defence sector, job opportunities were mostly to be found in other public sector activities and in the forest and energy industries. In 1990, it was announced that one of the regiments would be closed and this took place four years later, in 1994.

On that occasion, it was possible to use the long period of time available for making preparations for the closure for a long-term process of adjustment and, with a collective effort, success was achieved in developing the former regimental area into an industrial and commercial complex. Today, some 600 people work there, which is a higher figure than was the case when the regiment was there. The enterprises in the area consist for the most part of young growth enterprises. One explicit objective was, in fact, to create a dynamic mixture of enterprises in sectors closely associated with each other.

In 1999, the Government announced new reductions in the armed forces and once again Sollefteå was one of the towns that would be affected. Where Sollefteå was concerned it meant that the remaining regiment, with its 500 employees, would be closed down. An extensive process of adjustment was started immediately. This included the formal appointment of persons and groups at local and municipal level to work in cooperation with central representatives from the Swedish Armed Forces and the Ministry of Industry and, Employment, and groups of a more informal character that have come into being with the aim of contributing to positive development in the municipality of Sollefteå.

Apart from a difficult process of adjustment of a structural nature, which involved replacing job opportunities that disappeared in a shrinking public sector with other, private sector alternatives, the municipality has had to fight against negative population growth. Since the 1950s, the number of inhabitants has fallen from 39 000 to 22 000 persons, and there is a large deficit in the ages of 20 to 35 years. In this age group, it is common for people to move away in order to obtain an education that is not possible to obtain locally, and thereafter it has hitherto proved difficult for these people to return and find the jobs that they have been trained for.

The interviews were made shortly after the decision to close the regiment. There was a large degree of uncertainty as to how these job opportunities could be replaced and how the negative spirit could be turned into something positive. The Ministry of Industry and Employment had intensive contacts with representatives of the municipality, but their promises had not been fulfilled at the time of the interviews. Of the 10 interviews conducted in Sollefteå, seven were with local independent

development groups/organisations or similar and three were with representatives of one form or another of the municipal level.

3.2 Bräcke

During the 1990s, leading municipal politicians and local government officers in Bräcke municipality have supported new cooperative activities as an alternative form for operations, particularly for maintaining care services for children and the elderly. At the moment, the municipality is trying to gain support for a new municipal plan where it has approached to the local level, local development groups, for their comments and suggestions. There is an explicit ambition to improve the dialogue between the municipality and the inhabitants of the municipality. The municipality also has experience of working with neighbourhood councils. A political discussion on municipal democracy was started in 1979, which had the result that the responsibility for almost all municipal activities was given to three neighbourhood councils. Ten years later the organisation was reviewed again. In the mid 1990s a study was made which led to a reorganisation, with financial savings as its main purpose.

In connection with the reform of the neighbourhood councils at the beginning of the 1980s, the municipal council appointed seven village development groups. According to the development plan, the aim of this measure was "to stimulate local development work and to deepen democracy". This somewhat different approach, i.e. that the municipality appointed village development groups, had the effect that the groups were given status as municipal committees with the responsibility for local issues. The municipality has reviewed the system of the municipally appointed development groups, since it has not functioned without friction. In 2000, there were some 100 groups working with development work in their own villages/districts or in their own housing areas. Of these, several worked with their own development plans for their own activities/areas. Local engagement is said to have increased during the 1990s.

In the new development plan, a new form of meetings is being tested for a three-year period. It is intended to improve the dialogue between the municipality's politicians and officials and the residents. The municipality has chosen some ten places that are visited in the evenings by one or two politicians and local government officers. The local groups are responsible for making invitations and arranging the meetings. They also participate in preparing the agenda for the visit. This procedure is part of the objective for improving democracy in the municipality.

In Bräcke, two representatives of the political leadership in the municipality were interviewed, as well as two representatives of organisations that work with supporting local development work: Cooperative Development in the County of Jämtland, and ABF, an adult study association. Three local actors engaged in activities that focus on local development, and representatives of three village development groups, were also interviewed.

4. Analysis and conclusions

4.1 Crises and local development processes

From a cursory comparison, the two municipalities we have studied appear to have many common features as well as major differences. They are both situated in the same part of the country and forestry has been an important industry. Social democracy has dominated their politics. During the last half century, they have lost a sizeable proportion of their population with a resultant distortion in their age structure, where there is a large proportion of elderly inhabitants. Both municipalities have also gained a reputation for supporting local development initiatives in order to improve the welfare of the citizens and the attraction of the municipalities.

However, the differences between Bräcke and Sollefteå also deserve to be highlighted. While employment and industry have been fairly similar in the different parts of Bräcke municipality, Sollefteå has been characterised by a clear division between the main centre and the rest of the municipality. During the 1990s, the main centre in Sollefteå has had the character of a military enclave while the other parts of the municipality have had an industrial structure similar to that in Bräcke, with a decline in agriculture and forestry, a small industry sector, and subsequently a large civil public sector. Another difference is that Bräcke has far more local development groups and new cooperatives per inhabitant than Sollefteå.

In Sollefteå, the decision to close the regiment had a clear effect on the selection of groups and the conversations with the interviewees. The municipality was visited before and after the decision was made to close down the regiment. On three occasions we met the person responsible for the process of adjustment in the municipality and his assistant, both of whom had a military background. In Bräcke, our focus was on making an in-depth survey of the local operational models that had emerged in the municipality, with an emphasis on the small-scale cooperative activities supported by the municipality. The situation that has arisen in Sollefteå can almost be compared with events in a village in the municipality of Bräcke in 1986, when a board factory was closed and 93 persons lost their jobs. The foreman at the factory at the time was a driving force in the reconstruction process in the village. In both cases, the crisis led to the start of local development processes.

In this section, similarities, differences and conclusions are described and discussed on the basis of the results that emerged in the studies made in each municipality. The discussion revolves around the factors that have been of importance for local development in the two municipalities. The results indicate that, in the municipality of Bräcke, there has been something that has had a positive affect on the potential for local development, while in Sollefteå we have found something of the opposite – a development spirit which is fighting a uphill battle and which is also at a different stage and in another situation than in Bräcke. The uphill battle in Sollefteå can be described in terms of a more highly fragmented social capital with clear conflicts between rural districts and the main centre and strong features of a local industrial community mentality where people expect that someone else will arrange everything for them. Many of our informants conveyed a picture of conservative egalitarianism - no one is any better in any way than anyone else - which is often experienced as an obstacle to local development. There is also a history of several municipal districts, which were previously municipalities and between which there has not been a great deal of cooperation. It is rather the case that there is unexpressed reluctance to work towards common goals. According to several of our informants, these traditions have made new thinking and future visions difficult. People are well aware of all these factors, particularly those working with the adjustment process, and also local politicians and local actors. There were also indications of similar phenomena in Bräcke, but they did not permeate the reports of informants in the same way.

4.2 Similarities and differences

The similarities that we have found are factors which trigger local development, driving forces, and vulnerabilities in the local development work. One form of crisis or another has been a common reason for forming groups and/or starting activities. Furthermore there is an explicitly positive attitude to local actors and initiatives in both municipal organisations. In Bräcke there are far more new cooperative activities than in Sollefteå. The local historical tradition also seems to be of importance where village development work is concerned. Places that have a history of active social life appear to be "strong" where development work is concerned. One negative side is that actors/groups encounter difficulties in village development work due to negative elements in the social capital, consisting of the cultural heritage and old conflicts between villages and districts. There were examples of this type in both municipalities.

The main difference we can see, based on our visits and interviews, is precisely the spirit – or the social capital - in the municipalities. In Bräcke an impression was conveyed that everything was possible, while in Sollefteå the opposite impression was conveyed – it won't work! Bräcke has not had to bear a negative burden in the form of old, inflexible industrial community values, but appears to have succeeded and to have been "allowed" to both think and try new ideas to a greater extent than Sollefteå. In Sollefteå, on the other hand, the handicap of the cultural heritage has been forged for generations, has been deliberately cultivated and passed on for a long period of time. A change in attitude is naturally one of the most difficult things to tackle. Well aware of this, it was nonetheless what Sollefteå intended to do when it was seen as the only "possibility for survival" and a strategy for the future. However, where the "spirit" of the municipalities is concerned, the difference has not had the result that Sollefteå lacks successful examples of operational models that have been developed locally.

Below some similarities and differences are described that emerged very distinctly in the interviews:

Factors which trigger development, driving forces and vulnerabilities in local development work. Reasons for, or causes of, local initiatives have been triggered off in both municipalities by threats and needs of one form or another. Links that have kept the districts alive have been suddenly threatened. Often it is a case of saving something, for example jobs, child care, care of the elderly, schools and so on. In the major crises described in this paper, it has been a case of saving a large number of jobs resulting from the closure of a factory and a regiment. These closures have consequences, not only in the form of lost jobs in the institutions concerned. Their effects are wider in that they lead to further losses of jobs since, when large working places are closed, restaurants, bakeries and businesses are affected, people move or have less money, and buying power is reduced. Closures and the focus on problems also affect the views of people where the future of their town is concerned. The importance of thinking positively about the future emerged in several interviews. In this respect, many informants were self-critical and expressed the opinion that thinking negatively, and thereby having a negative picture of the place one lives in, is far too common a feature in the districts and the municipalities. This is hardly surprising. Actors that have been in a production network that guaranteed work, an income and self-esteem do not always have the

capacity and knowledge to be able to create or join new networks, particularly if these networks do not exist where they live.

However, certain actors have the capacity and knowledge to start building something new. The threat and needs that have arisen aroused particularly strong driving forces in some people. In a number of interviews, the informants spoke about a feeling of responsibility. This could be a responsibility for people, places, activities, jobs, the living environment and the future. Closely associated with the feeling of responsibility is a will to be able to influence one's own existence to a greater extent. Individual groups, as well as associations of groups, are trying to obtain a greater amount of influence in decision-making processes. In both municipalities there are "mixed groups" of local actors and decision-making municipal politicians and local government officers. It is interesting that the name given to these groups - future groups - is the same in both municipalities. This possibly indicates a new way for future discussions and decision-making (see for example Olsson and Forsberg, 1997).

There is also a great amount of vulnerability in the local development processes. The new networks are supported by just a few nodes/actors. Often it is one person, or just a few people, who have taken initiatives and are driving the process forward. These people are usually referred to as enthusiasts. Their commitment, will and strength are often of decisive importance for the results achieved in the development processes. It is also the enthusiasts who gather knowledge about local development. Since they are of central importance, the processes easily become dependent on them, which makes the development work vulnerable. When they leave the activities for one reason or another, the driving force disappears - and a substantial part of the knowledge and many of the links they have built up. This applies both to the internal links between the local actors who lose the most important unifying node, and external links to other actors that could have provided important input in the future. This is very plain in Sollefteå, where three of the key persons working with the adjustment process left their jobs within the course of several months in 2001. In a telephone conversation with the director of the department for industrial development, a description was given of how the adjustment process stagnated when it was drained of both expertise and driving forces.

One problem that was not examined in depth in our study concerns the freedom of enthusiasts to act in relation to power structures, both formal and informal. In the case of Bräcke, village development groups have been given a political mandate and thereby incorporated into the municipal political power structure. The municipality tried to exercise controls over village development work with the aid of a procedure of this type. The strategy had the consequence that people who were committed but were affiliated to other political parties felt excluded. The system proved not to function in practice since village development work in general is objective and focuses on things, and is not a matter of party politics. It has now been replaced by a new model. In the case of Sollefteå, there are examples of informal power structures which made one of the enthusiasts deliberately choose to remain outside the groups that are participating in the adjustment work. She is of the opinion that this enables her to be less restrained in her thoughts and actions. Being part of a group or a structure with a common objective can also result in regimentation, which can lead to the inhibition of creativity and initiatives and, by extension, the inhibition of successful local development work. In other words, strong social capital in one group or one place can sometimes constitute an obstacle to necessary change.

The municipalities' positive attitude towards the work of the local development groups: the leading councillors convey a positive attitude to local initiatives. Both municipalities have previously worked with local mobilisation and, since the 1980s, have had experience of different models for a dialogue between local and municipal levels. In Bräcke, municipal management has had a positive attitude to new local cooperative solutions. In Sollefteå, the leading councillor expressed the wish for a greater degree of decentralisation in the decision-making processes in the municipality. He did not say how this would be done but was of the opinion that it was important that ideas of this type originated from the local level.

We find a difference in the way local government officers speak about village development work. Bräcke municipality has a proud and positive tone which cannot be heard to the same extent in Sollefteå. Bräcke appears also to have taken action for local development to a greater extent than Sollefteå. For example, Bräcke has started a "new model" for the development of democracy. This consists of municipal politicians visiting the villages for talks on important issues. Sollefteå municipality has recently started series of meetings with local development groups. However, there are differences in opinion on the extent to which the positive attitude of municipal management to the work of local development groups really has an effect in practice and how the local actors feel about this system. Several of the local actors directed criticism towards municipal management in these matters.

Rural districts – urban districts. Criticism is also directed towards the preferential treatment given by municipal management to urban districts at the expense of rural districts. Local actors point out that the further one is from the centre, the more difficult it is to gain a hearing at the decision-making level. At the same time, our study shows that it is in the rural districts where a number of the new ideas for activities have taken form and been developed. The people living in the rural districts have been forced to gain control of their situation in a more distinct way than in the urban areas, where job opportunities, service and care facilities are still provided. The "crisis" in rural districts has created and/or made necessary commitment and creativity amongst the residents. But there are fluctuations in activities, and activities are dependent on those who become interested. There is a threat that the considerable amount of voluntary work in these activities hitherto will eventually drain the commitment of those involved. We would emphasise that this is an obvious risk in the future.

Local historical traditions and spirit. The local history and traditions in villages and districts appear to be of great significance for the formation of platforms for local development. In districts where local societies are strong, it seems relatively easy for local development work to pick up speed. There is a tradition of cooperation and people know each other. However, in these districts old village hostilities still lurk under the surface. These hostilities can exist in one's own village (often divided into "two parts") as well as towards other districts in the neighbourhood. There are obvious risks that these inherited memories of injustices make local development work difficult. However, conversations with local groups and advisors show that local development work has created platforms for processing old conceptions, which we find interesting. Several village development groups talk about cooperation and cooperative solutions, and have developed models for this. This process appears to have made greater progress among the groups working with rural development. As a result of the crisis which characterised the centre of Sollefteå at the time of the interviews, people ended up in a situation where they were forced to abandon old ways and experiment with new ways. The respondents made a critical examination of themselves and the municipality, which

can have contributed to talk of "conservative egalitarianism" and the lack of entrepreneurship. But they also had great hopes for the future. It must be a challenge for the management in both municipalities to overcome old attitudes and to work further to change attitudes at all levels. Our study shows that local development work (in the spirit of village development work and adjustment processes) can be a method to achieve greater cooperation and hence to provide strength for important issues.

The existence of old village conflicts, "conservative egalitarianism" and the old industrial community spirit illustrates clearly that a local renewal work cannot be based uncritically on the existing social capital and on efforts to strengthen it. It is rather the case that the processes which have been started in Bräcke and Sollefteå indicate an ambition to reshape and renew the social capital through encouraging the emergence of new nodes/actors and new networks, and allowing other actors and networks to disappear.

New forms of cooperation in the municipalities. Despite differences in the respect of spirit in the municipalities, it is nonetheless obvious that it is possible to see many concrete results in both municipalities from the different forms for local development work. In Bräcke, there are e.g. a number of new cooperative models which are run by local actors.

In Bräcke some actors and organisations have emerged as being of particular importance for the flow of information and contacts between the municipal and local level. These types of actors that move between different groups and have contacts with the decision-making level play important roles in the processes. Advisory and supportive organisations such as the adult education association, ABF, in Bräcke and Cooperative Development in Jämtland County (KUJ) also have this type of function. The advisors constitute a type of agent for change and play an important supportive role for local actors. Experience and knowledge of development processes is gathered by the advisors. They also have good knowledge of decision-making processes. In difficult situations they can act as brokers or as guides between the local and municipal level. Furthermore, the advisors provide tools and models that can be used to inspire and shape local initiatives.

The function of these supportive nodes and links between the groups at municipal and local level is much clearer in Bräcke than in Sollefteå. In Sollefteå there was a number of groups, but we felt that there was a lack of a person with an "overview" of what was happening. We can see that a development role of this type, with an overview and the capacity to forge links between groups, has been an important component in the local development processes in Bräcke, which have often been positive. Sollefteå has no local organisation that plays the role that ABF does in Bräcke. Cooperative Development in Jämtland County is a much larger and stronger organisation than its counterpart in the county of Västernorrland. *It is our conclusion that these organisations function as extremely important nodes that create and maintain links between the local level and the municipal and regional levels. In all probability, these organisations play a decisive role in the type of local development processes that we have studied.*

4.3 Social capital in Sollefteå and Bräcke – Summary

An analysis based on the “Putnamian” theoretical approach would probably result in the conclusion that, in comparison with Sollefteå, Bräcke has a larger “amount” of social capital. However, our material does not provide any basis for us to express an opinion on the quantity of the social capital. It is not possible to claim that Sollefteå should have a relative “lack” of social capital compared to Bräcke. Neither is it possible for us to claim that the social capital in general should be “stronger” or “weaker” in one or other of the two municipalities. Since strong negative social capital, for example the old industrial community spirit, can be expected to have negative effects on local development, a discussion on “strong” and “weak” capital, without taking its content into consideration, would also be irrelevant in this perspective.

However, our conclusion is that there are *qualitative differences* between the social capital in the municipalities. The social capital in Sollefteå appears to be split up to a greater extent between the dominant centre and the remainder of the municipality and between different groups. The preservation of large, established activities (the regiments and the hospital), and not the creation of new industries, have been the central focus of actions taken by the municipality and other leading actors. Sollefteå also appears to be characterised by a stronger degree of industrial community mentality in which it is considered negative to distinguish oneself by taking initiatives of one’s own. Even if all these features also can be found in the social capital in Bräcke, they seem to be there to a lesser extent.

Our results indicate that the differences between Sollefteå and Bräcke are both historical, based on the structure of industry and on the existence or absence of a certain type of actor, namely advisory/supportive organisations. Historically, the industrial structure in Bräcke has been much more homogenous than in Sollefteå. Agriculture and forestry and small forest-based industries dominated industry in Bräcke up to the municipal expansion of the 1960s and, above all, the 1970s. The centre of Sollefteå has mostly consisted of a military enclave, with completely different social networks and values than other parts of the municipality. In a perspective of this type, the observed differences in social capital would appear to be easy to explain, and also almost impossible to influence in any other way than in a very long-term perspective.

The existence of advisory and supportive organisations, such as Cooperative Development in Jämtland County, and the role ABF plays in Bräcke - and the absence of them in Västernorrland County and Sollefteå - is also partly due to historical, industrial structure reasons. The difference is, however, that these types of bodies, which function as nodes in the networks between the villages and the municipal administration, are also actually a result of political actions. Even if the organisations arrange their activities independently of the public sector, they are very much dependent on public funds for their activities. It is thus a political matter whether the municipalities and the regional public bodies decide to allocate funds to the activities and functions performed by the advisory organisations. In Bräcke and in Jämtland, the public sector has clearly been more interested in backing up these actors at intermediate level.

In this respect, our results are very reminiscent of those of an Australian study on the importance of social capital for networks of groups with a focus on landcare. In what was originally a government programme, which included the establishment of local groups, spontaneous networks of groups were formed which had their own decision-making functions, spread their own information and created their own resources. Initially the networks came into conflict with the authorities involved, but

subsequently a division of responsibilities emerged in which the networks were given financial support and were made responsible for spreading information and for coordination. The networks developed into an organisational structure that was able bridge the institutional vacuum that existed between the landowners and the regional planning authorities (Sobels et al., 2001).

One general interpretation of this experience from rural areas in Australia and Sweden could be *that top-down measures to promote local development and to build new social capital, have to take into consideration the institutional vacuum that exist between the citizens and the authorities and therefore include transfer of resources and powers to independent organisations that can fill this vacuum.*

5. The potential and limitations of local development work

Finally, it is also necessary to ask the wider question on the expectations it is reasonable to place on local development work. What role do the types of activities that are performed by village development groups, local cooperatives, save the jobs/service groups etc. play in the creation of new jobs, new business, population growth and other forms of regional development?

Table 2 showed that the population in both Bräcke and Sollefteå decreased relatively considerably in recent decades and that the rate of depopulation was somewhat higher in Bräcke. If the population trends in the municipalities as a whole could be used as a measure of the effects of development work, the more extensive activities in Bräcke almost appear to have led to a negative outcome. However, table 3, which shows population trends in urban districts and rural districts in the 1990s, gives another picture. It is only the urban district in Sollefteå itself which showed a considerably more positive trend than the urban district in Bräcke. The population in other urban districts have decreased considerably in both municipalities, but more in Sollefteå. The population in *rural districts* in Sollefteå has decreased almost twice as much as in Bräcke.

Table 3. Population trends in urban districts and sparsely populated districts/rural districts in Bräcke and Sollefteå municipalities 1990-2000 and percentage change.

	Municipality		Main centre		Other centres		Rural districts	
	1990	2000	1990	2000	1990	2000	1990	2000
Bräcke	8739	7577	1995	1703	2520	1984	4224	3890
Bräcke %	-13.30		-14.64		-21.27		-7.91	
Sollefteå	24840	21978	8728	8860	6776	5101	9336	8017
Sollefteå %	-11.52		1.51		-24.72		-14.13	

Source: National Rural Area Development Agency

Without a considerably deeper analysis, it is naturally not possible to reach a definite conclusion as to why Sollefteå had a more negative population trend in its rural districts in the 1990s than Bräcke. However, the fact is that, ever since the end of the 1970s, municipal management in Bräcke has tried to support development work at village level in different ways. The first attempts with the "top-down" establishment of politically appointed groups were not so successful, but Bräcke had the ability to learn from its mistakes and to adopt a positive attitude to the "bottom-up" establishment of "unpolitical" groups. In Bräcke, another form of social capital has developed which, among other

things, seems to be reflected in more extensive local development work and in municipal management which has actively supported this work.

Local development work is dominated by activities associated with public and private services, nature and the cultural environment, and culture and leisure time. Activities associated with improved or preserved levels of service lead - if they are successful - to the retention of job opportunities (in, for example, the shops or schools threatened by closure), or new job opportunities in the village (for example in a child-care cooperative). In many cases, however, new jobs in villages should correspond to fewer jobs in the nearest urban area (in, for example, child care). Even if the number of job opportunities and local services in a municipality are thus possibly not changed at all by local development work, there is no doubt that the work improves the quality of life in the successful villages.

Village development work contributes to creating positive social capital in the form of a cooperative spirit, the power to take initiatives etc. in the issues people work actively for. The social capital associated with *cultural, leisure and service environments* contributes to creating a situation in which people feel content and want to stay in the area, and this should also have some positive effects on immigration or the return of people who grew up in the district. But there are few examples that the social capital that is built up in local development work has any obvious direct effect in respect of new companies, company expansion and new job opportunities. The step from voluntary work, or services performed on contract for the municipality, to entrepreneurship on market conditions is a long step. Even in a European perspective, a large proportion of employment in this social economy appears to be tied to local services (Westlund and Westerdahl, 1997).

This means that the social capital that is created in local development work should be seen as an important part, but nonetheless only a part, of the “all-embracing” social capital which local and regional actors and decision-makers more or less consciously try to reshape and recreate. The “all-embracing” social capital also includes the *production environment* and thereby attitudes to new companies, cooperation between companies, risk-taking etc. The examples of local capital that were discussed in section 2, the Gnosjö spirit and the old industrial community spirit both constitute the all-embracing social capital that was developed in interaction with special local production environments. This social capital does not therefore only have an effect on the local cultural, leisure and service activities available to the people, but also to their possibilities to obtain work and earn a living.

Seen in this perspective, local development work is a component part in the strengthening of the competitiveness of a municipality or region. It is fully possible that the new attitudes to, for example, local cooperation that arise in development work can exercise an influence on the social capital that is linked to the production environment – if links are established between the different environments. However, to magnify expectations of local development work and to expect results in areas which are only rarely in focus - i.e. job creation - would do development work a disservice.

This study provides support for the notion that, together, actors at local and municipal level can change the local social capital. In Bräcke, the municipality has tried to treat the rural areas as a resource – a living and leisure environment which attracts certain groups. For more than two decades, local groups, supportive organisations and municipal management have built up respect for

the will to take responsibility and for the work that is done in the villages. In Sollefteå, work of this type was introduced in the 1980s and was given a new lease of life during the crisis in the year 2000. A possible interpretation of our results could therefore be that it is possible to change the local social capital in respect of culture, leisure and service environments. It should also be possible to do it in respect of the production environments. However, our results indicate that this is a long-term task that requires perseverance.

References

- Falk, I., Kilpatrick, S., 1999. What is Social Capital? A study of interaction in a rural community. Paper D5/1999 in the CRLRA Discussion Paper Series. University of Tasmania, Launceston.
- Flora, J. L., 1998 Social Capital and Communities of Place. *Rural Sociology* 63, 481-506.
- Forsberg, A., 2001. Lokala utvecklingsgrupper och jobbskapande. In Westlund, H. (Ed.) *Social ekonomi i Sverige*. Fritzes, Stockholm, pp 153-182.
- Granovetter, M., 1973. The Strength of Weak Ties. *American Journal of Sociology* 78, 1360-1380.
- Hansen, M. T., 1998. Combining network centrality and related knowledge: explaining effective knowledge sharing in multiunit firms. Working paper, Harvard Business School, Boston, MA.
- Herlitz, U., 1998. Bygderörelsen i Sverige. SIR Working Paper No. 11, Swedish Institute for Regional Research, Östersund.
- Höckertin, C., 2001. Ekonomiska föreningar och nykooperation i ett regionalt perspektiv. In Westlund, H. (Ed.) *Social ekonomi i Sverige*. Fritzes, Stockholm, pp 85-120.
- Kilkenny, M., Nalbarte, L., Besser, T., 1999. Reciprocated Community Support and Small Town – Small Business Success. *Entrepreneurship & Regional Development* 11, 231-246.
- Narayan, D., Pritchett L., 2000. Social Capital: Evidence and Implications. In Dasgupta, P., Serageldin, I. (Eds.) *Social Capital: A Multifaceted Perspective*. The World Bank, Washington D.C, pp. 269-295.
- O'Brien, D. J., 2000. Social Capital and Community Development in Rural Russia. (<http://poverty.worldbank.org>).
- Olsson, J., Forsberg, A., 1997. Byapolitik – en utvärdering av ett antal samarbetsmodeller och dialogformer mellan kommuner och lokala utvecklingsgrupper inom ramen för projektet Byapolitiken. Novemus, Örebro.
- Pantoja, E., 2000. Exploring the Concept of Social Capital and its Relevance for Community-Based Development: The Case of Coal Mining Areas in Orissa, India. Working Paper No. 18, The World Bank Social Capital Initiative. The World Bank, Washington, DC.
- Portes, A., 1998. Social Capital: Its Origins and Applications in Modern Sociology. *Annual Review of Sociology* 24, 1-24.
- Portes, A., Landolt, P., 1996. The Downside of Social Capital. *The American Prospect* 26, 18-21.
- Putnam, R. D., 2000. *Bowling Alone. The Collapse and Revival of American Community*. Simon & Schuster, New York.
- Sobels, J., Curtis, A., Lockie, S., 2001. The role of Landcare group networks in rural Australia: exploring the contribution of social capital. *Journal of Rural Studies* 17, 265-276.
- Swedish popular movement council, 2000. Rural policy program. Stockholm.
- Westlund, H., 1999. An Interaction-Cost Perspective on Networks and Territory. *Annals of Regional Science* 33, 93-121.
- Westlund, H., Bolton, R., 2002. Local Social Capital and Entrepreneurship. *Small Business*

Economics 18/19 (forthcoming).

Westlund, H., Westerdahl, S., 1997. Contribution of the social economy to local employment. Swedish Institute for Social Economy (SISE), Östersund.

Woolcock, M., 1998. Social Capital and Economic Development: Towards a Theoretical Synthesis and Policy Framework. *Theory and Society* 27, 151-208.

Figure 1. Levels of aggregation, degree of homogeneity, horizontal and vertical links between actors and levels, and examples of commonly used terms for social capital on different levels.

Schematic		Degree of homogeneity		Transnational level	Examples of commonly used terms for social capital
Internal	External				
4	2				National cultures
6	4				Regional mentality
8	6			Local level (Place)	Spirit of place, local relations
				Group	Relations, norms, networks
10	8				Behavior, preferences, opinions, values, attitudes

Source: Westlund and Bolton (2002).