

Social Capital: an Efficient Instrument for Sustainable Development (Algeria 1990 -2012)

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Abstract

The studies on the development and well-being focused on the tools and the instruments and declaration of economic reforms which accelerated significantly to put civil society under study and look after stages of the experiment and application, where after the first generation of reforms during the period [1980-1988], what are known as financial restructuring and organic and structural adjustment programs, which support the orientation to a market economy; then the second generation of reforms [1990-1996] on the government's work in order to define the impact and effectiveness on economic activity. Finally, the last generation came on the role of civil society, that considering the networks, trust and participation become a major research under the title of "social capital".

Keywords: Social Capital – Networks – Participation – Sustainable-Development

Introduction

The first time appeared in a "Community Center" in 1916 by Lyda Judson Hanifan - in the debate about educational centers and rural communities in the United States of America, a formulation of the concept that the involvement of relations friendly, natural and friendly, mutual solidarity cooperative that characterize of the society Members, and these relations themselves contain the wealth capital useful in order to raise the welfare; after that, it was used by Jacobs 1961 in "the life and Death of Great American Cities" in his analysis of urban districts, then publish the standard experimental study to compare with the human capital in the article published in "A Real Dynamic Theory Of Racial Income Differences" 1977 by Loury who considered that the social capital refers to the relationship of trust and authority, and social norms adhered in the social environment. Till the end of the 1970s, the Social Capital Theory remained an initial search because the

concept was used in a little theoretical and experimental analysis, then we find that intrigued a sociologies and economists at the beginning of the year 1980 with the work P.Bourdieu and after the Americans(Coleman, 1988) and (Putnam, 1995), while he studied the subject in detail in terms of the theoretical concept hand practical role and level search results, then following the publication of studies which varied to different disciplines (sociology, economics, management, education, public health, development, planning, environment, etc.) during the period between 1989 and 2005 in these countries: the United States 51%, England 16%, 8%, Canada, Australia, 4%, Germany 4%, and in France with 3% In statistics in various specialized scientific, around the study of well-being social and his relationship with indicators of economic growth and the fight against poverty and unemployment and the good governance index.

1. Theory Section:

1.1 The Concept of Social Capital of the Theorists

The social capital "referring to the social construction features; networks, norms and trustworthiness that facilitate coordination and cooperation of mutual interests"(Putnam, 1995), and on the other side, it is the " the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships or belonging to a group "(Bourdieu, 1980), and thus is a multi-criteria indicators for the concept of both theory and experimental (Grootaert & Van Bastelaer, 2001) (Woolcock & Narayan, 2000), or defined functionally as "a variety of entities with two elements in common: they all consist of some aspect of social structure, and they facilitate certain actions of actors...within the structure" (Coleman, 1988), it lies in communication between the working people and groups, is not limited, and riding in a person particularity just like the concept of human capital economic, where it lies in communication between the working people and groups, and is not limited to resign in person particularity just like the concept of human and economic capital, and therefore the social capital characteristics of sources, determinants, components, types and forms and also all of its uses and its impact take a variety of formats, as well as multiple social fields, economic, political and at different levels, micro, macro and between them. Accordingly, the theme that combines both these fields and levels must be to acquire the outstanding reflected the importance of the concept of "social capital", however, we find international institutions like the World Bank and the Organization for Economic Cooperation and Development OCDE which had an important role in controlling the development of the subject and work around it by publishing articles and enabling the informant laboratory specialized, when the OECD defines Social Capital as “networks together with

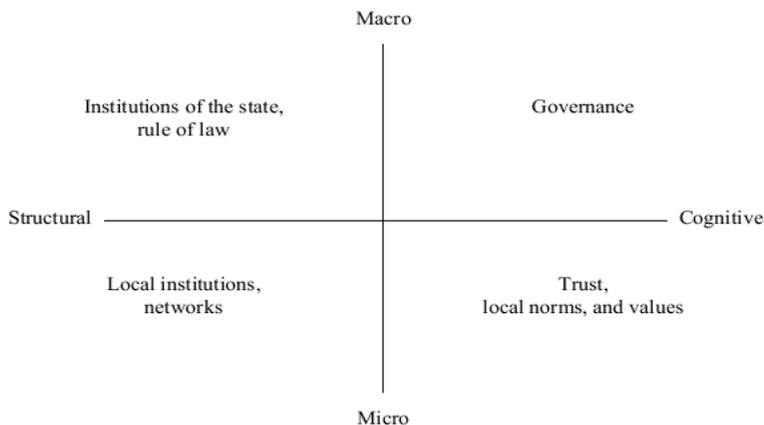
shared norms, values and understandings that facilitate cooperation within or among groups”. You see it every time it is defined either by the result obtained resources as when P.Bourdieu and others, or through functionally definition of facilitate operations as when R.Putnam and J.Coleman and others.

1.2 Social Capital and its Properties:

First, its sources, a total social organizations and communities within the social construction of partial total, which takes the same characteristics and features of this construction (civil society), has been identified as the family - school - organizations - civil society - the public sector -Social groups communities - ethnicity - the complementary male / female. Second, we have the components and determinants which take three levels: i. Construction index (structural) ii. Relations and communications index (relational) iii.

Cognitive Index, a much investigator of shared norms, values, as well as having the confidence and stimulate exchange and access to information, public goods, and forms of social capital, types, and from our internal networks between the same symmetric group "united" BONDING members, external networks between members of different groups asymmetric Association "BRIDGING". Third, networks with macro-level authority "LINKING", and in the same context, if we look at the impact of these networks (Burt, 2009; Fafchamps, 2002; Lin, 2002; Ostrom, 2014), see that the social capital takes three types: i. Unified social capital. ii. The link between the various groups and membership iii. Inclusive of integrating organic and gatherings of exotic(Bourdieu, 1980; Putnam, 1995; Ritzen & Woolcock, 2000), in parallel; we find the public and private [Profile - family case is attributed matter focused on the actor and the intervener in its composition and its uses.

Figure 1: Forms and the determinants and scope of social capital

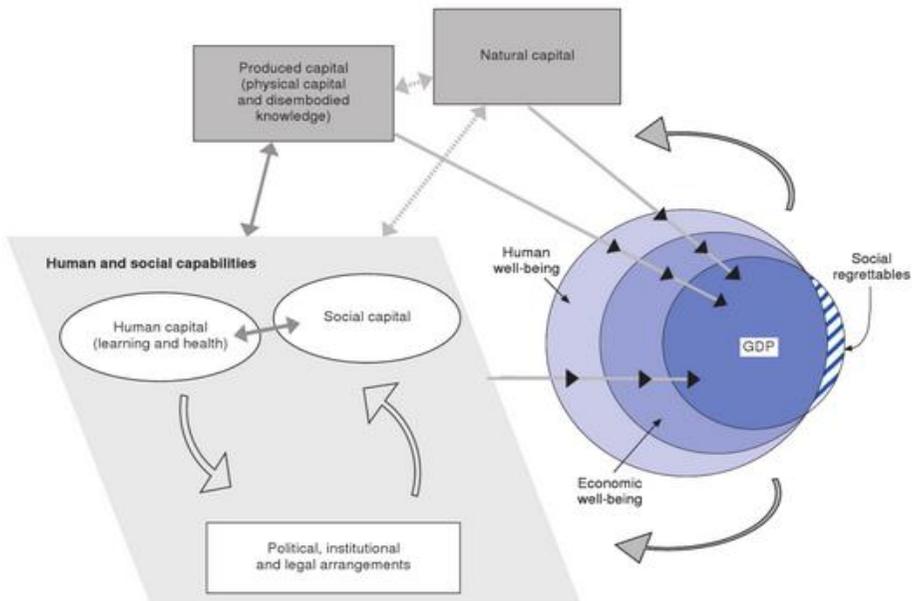


Source: (Grootaert & Van Bastelaer, 2001)

1.3. Uses Social Capital for Economic Development and the Well-being:

This rich concept of social capital gives fertile ground for Search Appear in the impact and versatility in social areas (education and health), economic and political ..., R.Putnam, as demonstrated in his work on the United States in the "bowling alone" 2000, while the detection of the relationship and the degree of correlation experimentally between social capital and indicators study, such as the efficiency of the education within the various states index, tax evasion rate, health index, the rate of violence and crime and the rate of economic and social equalizer and others, as well as in the previous study on Italy in a "Making Democracy Work" 1993 at the comparison between north and south Italy, which focused on the effectiveness of government administration. As a result, influenced by social capital in the evolution, including the existence of networks and civic participation, trust and integration, and the study on Italy came after a period of reforms applicable to government institutions [1976-1977].

Figure 2: The Social Capital and the Dimensions of Sustainable Development

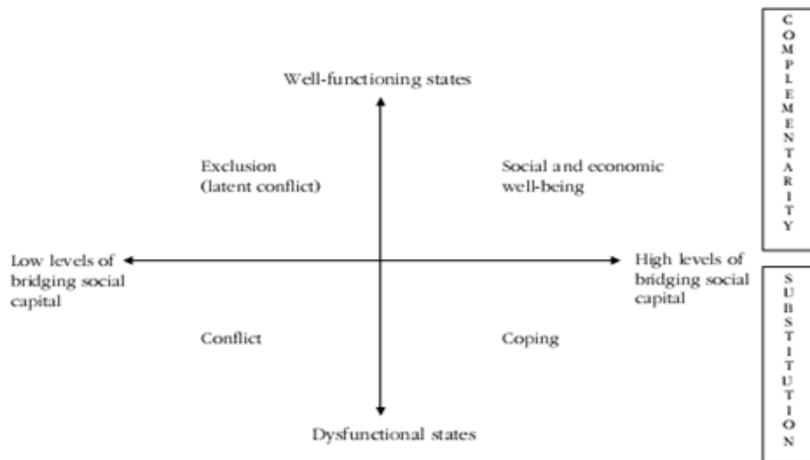


Source: (recherche & l'enseignement, 2001)

In the Beginning, the terms of social capital and sustainable development must adjust the concept and identify goals that are consistent in large part with the goals of social capital, so that the tools available in this aspect of our Collective Action and Cooperation - to expand trust and exchange - common rules and facilitate the operations and research - in the effort to reduce the cost and time - information and communication - the role

of networks: Bonding; Bridging; Linking - provision of public goods and basic services (education / health / security ..) – also the role of social capital in the creation of human capital (Coleman, 1988), and (Fafchamps, 2002) studies on important dimensions of social capital; a trust and efficiency of social exchange, search and social networking, equity and participation, and focus on the role of social capital in economic development will be primarily on the study of its relationship with the rest of varieties of capital relating to capital-financial, economic and human (Bourdieu, 1980; Coleman, 1988; Lévesque & White, 1999; Lin, 2002), and its role in the converted(recherche & l'enseignement, 2001) because it is associated to these types of capital available among them, Where it becomes the center and the channel of the convergence to facilitates operations between agents economists within organizations and various groups, here we have the reference to the role of government work in parallel with the role of civil society (figure 3) in the complementarily relationship refers to the optimal interaction of government and markets in civil society, and substitution relationship is the replacement by informal organization (families, networks and soon) of services ordinarily provided by governments and institutions (Woolcock & Narayan, 2000) according to the four levels when there is social capital intensity with the Good governance (Kaufmann & Kraay, 2008); So the sustainable development is to be achieved.

Figure 3 : Relationship between social capital and governance

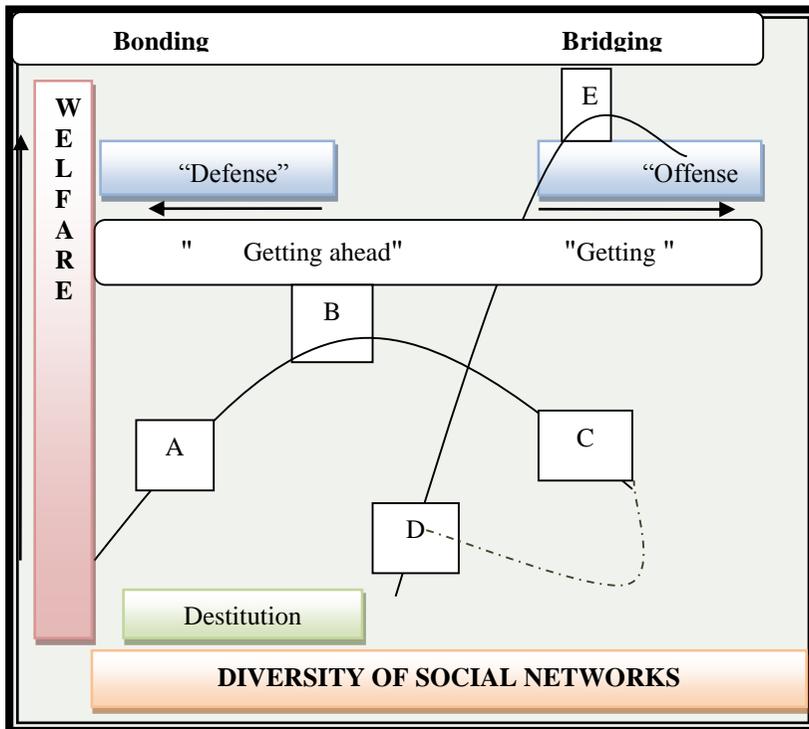


Source: (Woolcock & Narayan, 2000)

In parallel to that "social capital; it's not what you know; it's who you know", we find to benefit from the uses of social capital tools in the fight against poverty and unemployment (Figure 4), remain the other of the

objectives of economic development, as the interdependence and integration and against marginalization, conflict and loss of confidence and collective action, and vice exclusion and marginalization, poor networking and isolation increases the poverty, unemployment and social conflict and criminality and loss of confidence and loss of cooperative teamwork and the weakness of the information and the lack of contact the main factor to support the exchange and integration and to provide opportunities and take advantage of them.

Figure 4: the social indicators and the transition level of income by investing networks



Source: (Woolcock & Narayan, 2000)

1.4 Theory Conclusion:

The previous definitions of social capital focus on the social structure, groups and networks, and the social features like the norms, trustworthiness, Solidarity and the information; therefore, we can study the uses of social capital in sustainable development through the following basic ideas:

- The economic development and human well-being
- Social capital and its relationship to the rest of the types of capital (financial and material).
- The creation of the intellectual and human capital.
- The fight against poverty and unemployment.
- Strengthen governance and fight corruption

2. Practical Section

2.1 Social Capital Indicators and Measuring the Level and Density:

"You Can Not Compare When Can Not Measure", Permission must determine the composition and level of social capital, international and comparative measurement standards, which work by a group of researchers (Grootaert & Van Bastelaer, 2001; Woolcock & Narayan, 2000) competent at the World Bank (SOCAT) in their studies and research multiple, where the selection indicators came from the concepts of social capital by reference to empirical studies published around and most used variables, whether at personal micro level or the macro level, with which to study the evolution and its relationship with economic development and human well-being indicators, and government index, and enable to make international comparisons, and development of studies about that, these 6 six indicators are measured by a special form a questionnaire based on the data available, depending on the status of civil society from region to another as follows :

2.1.1 Groups and Networks ← Formative Index

2.1.2 Trust and Solidarity ← Formative Index

2.1.3 Collective Action and Cooperation ← Index practical and functional

2.1.4 Information and Communication ← Index practical and functional

2.1.5 Social Cohesion and Inclusion ← result, effectiveness index

2.1.6 Empowerment and Political Action ← result, effectiveness index

2.2 Algeria's Case Study 1990-2012:

2.2.1 Material and Methods

In order to study the effect of social capital and its role in sustainable development, we selected four groups of the dimensions of development:

- human and intellectual capital indicators
- the economic and financial indicators
- social capital indicators
- good governance indicators

To Applied study, there are three stages that use the statistical program EVIEWS 8:

- First, study the correlation between social indicators and financial indicators and indicators of government action.
- Second, Augmented Dickey–Fuller test (ADF) to uncover the unity root.
- Third, we examine Granger causality test.

2.2.2 Measuring the impact of social capital indicators:
2.2.2.1 Correlation table between social indicators and financial indicators and indicators of government action

global axis	human capital indicators and intellectual				The economic and financial indicators					Social Dimensions	
	fight corruption	Patent applications	trademark registration	Labor force	Exchange rate	gn direct inves	inflation	competitiveness	gdp_per_capita	And government action	
0.90**	0.409	0.707**	0.104	0.958**	0.957**	0.758**	0.307	0.692**	*0.613	Organic rate	Social indicators
0.902**	0.412	0.719**	0.092	0.956**	0.946**	0.746**	0.358	0.847**	*0.549	The evolution of organizations	
0.969**	0.493*	0.773**	0.165	0.994**	0.977**	0.745**	0.130	0.463*	*0.514	Trust and solidarity	
0.963**	0.477	0.769**	0.157	0.994**	0.979**	0.753**	0.135	0.473*	*0.530	Collective Action and Cooperation	
0.970**	0.593*	0.898**	0.262	0.917**	0.883**	0.677**	0.197	0.548*	0.363	Information and Communication	
0.747**	0.491*	0.637*	0.243	0.771**	0.760**	0.359	0.550*	0.628*	*0.259-	Social Cohesion and Inclusion	
0.906**	0.929**	0.129	0.770**	0.5	0.753**	0.937**	0.637**	0.228	0.583**	global axis	Government action indicators
0.419	0.492*	0.390	0.176	0.526*	0.666**	0.453	0.594**	0.605**	0.315	Transparency and accountability	
**0.650	*0.561	**0.830	0.447	**0.810	**0.860	**0.598	**0.683	**0.687	0.155-	Political stability	
0.464	**0.856	*0.593	0.377	*0.576	**0.683	0.266	*0.519	0.416	0.062	effective government	
0.130-	0.146	0.065	0.085-	0.053	0.245	*0.473	0.216	0.232	*0.491	regulatory quality	
*0.537	0.360	*0.540	0.281	**0.709	**0.825	**0.611	**0.721	**0.757	0.159	regle de droit	

Source: From our preparation of statistical program EViews 8 output

2.2.2.2 Augmented Dickey–Fuller test (ADF)

Indicators		ADF test at the signal of $0.05 = \alpha$					
		LEVEL			When the first * or second differences**		
		t calcul	t refere	decision	t calcul	t refere	decision
Social Indicators	Organic rate	3.690-	2.555-	No	1.962-	3.876-	** stationarity
	The evolution of organizations	3.710-	2.230-	No	3.065-	4.026-	** stationarity
	Trust and solidarity	3.673-	1.799-	No	3.029-	6.636-	* stationarity
	Collective Action and Cooperation	3.673-	0.711-	No	3.029-	8.960-	* stationarity
	Information and Communication	3.658-	0.209	No	3.052-	6.928-	** stationarity
	Social Cohesion and Inclusion	3.791-	5.569-	stationarity			
global axis		3.65-	7.66-	stationarity			
The financial indicators	Net domestic credit	3.62-	1.43-	No	3.00-	3.39-	*stationarity
	Outstanding claims	3.62-	5.44-	stationarity			
	Total savings	3.62-	1.86-	No	3.63-	5.84-	* stationarity
	GDP	3.62-	49.08-	stationarity			
	Total fixed capital formation	4.10-	0.10-	stationarity	3.32-	8.00-	** stationarity
	The added value	3.61-	2.18-	No	3.00-	5.81-	* stationarity
global axis		3.62-	3.69-	stationarity			
The economic indicators	gdp_per_capita	3.622-	3.076-	No	3.004-	6.031-	* stationarity
	competitiveness	3.622-	1.991-	No	3.012-	7.953-	** stationarity
	inflation	3.632-	4.351-	stationarity			
	Foreign direct investment	3.622-	3.655-	stationarity			
	Exchange rate	3.622-	1.114-	No	3.004-	3.504-	* stationarity
global axis		3.62-	1.34-	No	No	3.87-	* stationarity
human capital indicators and intellectual	Labor force	3.63-	2.71-	No	3.01-	5.33-	**stationarity
	Patent applications	3.67-	0.016	No	3.08-	4.71-	** stationarity
	trademark registration	3.63-	4.53-	stationarity			
	fight corruption	3.71-	No	No	3.06-	3.96-	* stationarity

Source: From our preparation of statistical program EVIEWS 8 output

2.2.2.3 Granger causality test:

Dimensions of development		dimensions of social capital																	
		Organic rate			The evolution of organizations			trust			Collective Action and Cooperation			Information and Communication			Social Cohesion and Inclusion		
		F CAL	α PROP	Typeof relation	F CAL	α PROP	Typeof relation	F CAL	λ PROP	Typeof relation	F CAL	α PROP	Typeof relation	F CAL	F TAB	Typeof relation	F CAL	α PROP	Typeof relation
Economic dimensions	gdp_per_capita	1.25	0.31	mutual	0.35	0.70	mutual	2.89	0.06	unilate	2.44	0.12	mutual	0.19	0.82	unilate	0.91	0.43	mutual
	competitiveness	2.45	0.12	mutual	2.57	0.11	unilate	2.44	0.12	mutual	2.59	0.11	unilate	1.08	0.36	mutual	0.72	0.51	mutual
	inflation	3.34	0.03	no	3.40	0.04	no	2.23	0.14	mutual	2.96	0.08	mutual	1.39	0.02	no	0.66	0.03	no
	Foreign direct investment	3.09	0.04	no	3.00	0.08	mutual	3.28	0.03	no	3.79	0.04	no	1.32	0.29	unilate	2.52	0.14	mutual
	Exchange rate	0.66	0.53	mutual	1.17	0.34	unilate	2.63	0.02	no	2.67	0.10	unilate	0.03	0.96	mutual	0.01	0.98	unilate
global axis		0.16	0.85	mutual	0.29	0.75	mutual	0.87	0.44	mutual	0.74	0.49	mutual	0.07	0.92	mutual	0.38	0.69	unilate
Dimensions of human capital and intellectual	Labor force	0.31	0.73	mutual	0.36	0.70	mutual	2.56	0.11	mutual	3.62	0.06	mutual	0.05	0.94	mutual	2.09	0.18	unilate
	Patent applications	0.14	0.87	mutual	0.03	0.96	mutual	1.17	0.33	mutual	3.69	0.04	no	5.81	0.01	no	10.9	0.00	no
	trademark registration	2.08	0.17	mutual	5.25	0.03	no	0.55	0.58	mutual	0.16	0.84	mutual	0.27	0.76	mutual	2.31	0.17	mutual
	fight corruption	0.81	0.47	mutual	0.38	0.69	mutual	0.49	0.62	unilateral	0.11	0.88	mutual	0.24	0.78	mutual	2.79	0.12	mutual
global axis		0.17	0.84	mutual	0.08	0.92	mutual	0.21	0.81	mutual	0.04	0.95	unilate	5.45	0.02	no	0.54	0.59	mutual
Financial dimensions	Net domestic credit	0.95	0.41	mutual	0.58	0.57	mutual	0.77	0.48	mutual	0.29	0.74	mutual	3.34	0.07	mutual	4.37	0.04	no
	Outstanding claims	1.02	0.39	mutual	4.07	0.03	no	18.60	0.00	no	17.5	0.00	no	0.28	0.75	mutual	3.84	0.06	unilate
	Total savings	1.90	0.19	mutual	1.31	0.31	mutual	1.46	0.26	mutual	0.94	0.41	mutual	3.46	0.06	mutual	0.55	0.59	mutual
	GDP	2.78	0.10	mutual	1.09	0.37	mutual	6.34	0.01	mutual	4.68	0.02	no	0.08	0.91	mutual	1.07	0.38	unilate
	fixed capital formation	0.19	0.83	mutual	3.17	0.36	mutual	5.35	0.10	mutual	7.05	0.07	unilate	3.29	0.17	mutual	2.54	0.03	no
	The added value	1.66	0.23	mutual	0.87	0.44	mutual	0.75	0.48	mutual	0.48	0.62	mutual	2.37	0.13	mutual	0.19	0.82	mutual
global axis		0.18	0.83	mutual	0.03	0.96	mutual	2.60	0.10	mutual	0.70	0.51	mutual	21.2	0.00	no	0.96	0.42	mutual

Source: From our preparation of statistical program EVIEWS 8 output

2.2.2.4 Result and Discussion

- There is a strong signal correlation between social capital and good governance indicators with economic development indicators.
- The Stability achieved in the level or the first and second delay for all development indicators.
- Granger causality test was mutual (reciprocity) or unilateral between social capital indicators and economic development indicators, but is not for a few cases because the data type of the country.

Conclusion

The development of strategies and government policies and programs that focus on social capital has a positive impact which is to overcome the obstacles to development communities and business organizations of various countries, especially in the third world countries and to support the urgent need to provide resources social and basic services for the sustainable well-being by following:

- The accumulation of social capital indicators and the provision of public goods
- Integrating types of capital [financial, economic, human (intellectual)].
- Exchange of experience and skill transfer and raise the level of accumulation of intellectual and human capital.
- Collective Action and social cohesion (specialization and integration)
- The Innovations and the creation of value added (wealth), competitiveness and continuity.
- Effectiveness, efficiency and transparency to enhance the governance and control of corruption.

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