Social Capital and Multilevel Territorial Management. The case of Poland

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Key words: social capital, multi-level governance, public administration, territorial management, public governance

Synopsis: The paper contributes to an understanding of the influence of social capital on the contemporary management of territorial organizations. Management of territorial units is understood in the context of multi-level governance. The paper presents characteristics of multi-level governance and specific social barriers that should be overcome in order to manage the development of territorial units.

Introduction

Typical reasons for introducing innovations include ones mentioned by E.C. Kamarck, when describing government innovation: “… frustration with the status quo, financial or political crisis, an emphasis on results or the possibilities of new technology have led public sector employees to engage in innovative behavior.” [Kamarck, 2003, p. 3] This list of reasons should be supplemented with the all-embracing process of globalization, compelling public governments to enter into complex multilevel relationships. The nature of these relationships between entities in public, private and/or NGO sectors requires innovative approaches on the part of governments.

The aim of this paper is to contribute to an understanding of the influence of social capital on the contemporary management of territorial organizations (or territorial units). Issues related to management in the public sector are analyzed in the context of multi-level governance (MLG). The paper presents the characteristics of multi-level governance and specific social barriers that should be overcome in order to manage the development of territorial units. The challenges posed by globalization, affecting all managerial levels, and, furthermore, Poland’s accession to the European Union, are forcing its public administration to overcome certain weaknesses limiting its potential. The state of social capital in Poland is considered to be the root cause of these weaknesses. This issue requires the full attention of political leaders and country elites.

Territorial Management understood in the context of Multi-level Governance

In the course of the last 20 years, comprehensive changes and important reforms

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have taken place within the Polish system of government, at all levels: local, regional, national and supranational. An analysis of the managerial activity of the public administration should reflect the organizational aspect of governance. So, the author uses the notion of a territorial organization for territorial units, taking into consideration three aspect of their nature. Territorial organizations can be defined on the basis of three main determining conditions:

- The area of activity – a territorial organization is a unit of land on which public administration is executed (spatial and legal condition),
- The set of people making up a territorial organization consists of a community of citizens living within a territory (social and political condition),
- The formal basis of activities of the territorial community is structured by mutual relationships resulting from legal acts determining the development and current running of public affairs (economic and managerial condition).

Taking into consideration this definition, we can give an overview of territorial management - or the management of territorial organizations - as:

- directing / steering the inner and outer territorial organization's systems,
- leading the territorial organization’s structures (administrative subunits and offices),
- achieving goals, reflecting public interests, which are mainly referred to as environmental, social and economic aspects of development and/or just running territorial units.

Political authority should thus be considered to reside with the managing entity of the territorial organization. It is thus impossible to distinguish certain aspects of territorial management from those of territorial governance. Much has been written about the characteristics of territorial management. In previous papers, the author described certain crucial elements of this administrative branch of public management [cf. Noworól, 2005, 2007]. The author presented a territorial management model and identified styles of territorial management and the nature of structures used in public governance processes. In brief, we can distinguish styles and organization structure types, which can be recognized as lying between the extreme forms:

1. according to a (vertical) direction of steering/management, we can identify extreme styles:
   - an autocratic approach (top down), characteristic of a totalitarian state, and
   - a consultation / participatory approach (bottom up) – characteristic of a democratic state;

2. according to a (horizontal) dimension of directing/management, we can identify extreme styles:
   - a narrow approach, following regulations, and
   - a strategic management approach;

3. according to degree of public knowledge, we can identify extreme styles:
   - a system of coteries, accompanied by propaganda, and
   - transparency leading to an accountable society;

4. according to attitudes of public officers we can identify extreme styles/attitudes:
   - a bureaucracy, and
   - a public service;
5. according to the supply system of steering/management, we can identify extreme attitudes:
   – an attitude oriented to a centralized system based on taxes and the budget, and
   – an attitude oriented to a decentralized and more economic system of financing, accepting purchase of services;
6. according to people’s participation in territorial management, we can identify extreme attitudes:
   – silent and anonymous attendance, and
   – public participation in communities’ lives;
7. according to finance management structures, we can identify:
   – budgetary units, and
   – polycentric, disaggregated legal and social entities providing services and assuring quality of life.

The above mentioned system of arrangement of territorial management conditionings discloses many imperfections in Polish public administration performance. However, the aim of this paper is not to analyze these phenomena. We will rather focus on the roots of the deficiencies described in other papers. [Cf. Agh, 2010; Noworól, 2008]

The contemporary world is undergoing enormous and rapid changes. One can observe these changes in the economy, in the environment and the climate and lastly – in social and cultural behavior. Two fundamental processes, globalization and competitiveness, are having the biggest impact on territorial organizations. The point is that globalization and the shift towards a knowledge-based economy have had diverse effects on territorial competitiveness (called glocalization). Competitiveness forces territories to contribute to the creation of economic activities, and to attract people and capital in a competitive environment. So, priority fields for public intervention include such areas as: control of urban development and urban regeneration, mobility and transport, resources for production, influencing the labor market, technology and financing, and finally, governance as an effective and democratic process. Contemporary challenges in territorial management require a new governance approach, taking into consideration:
   – participation in decision making processes,
   – higher quality of public and social services,
   – transparent information policies, and coherent political visions and strategies.

We can also observe a new generation of global problems. Global security, ecological efficiency, reduction or even disappearance of agricultural land, cultural mutation (from a closed to an open world) and ageing of the population – are all becoming determinants of new international policies that must be considered by governments [based on Sudarskis, 2010]. The main challenge for the public administration is the great shift from Weber’s hierarchic bureaucracy to public governance, dealing with networks of public bodies, nongovernmental organizations and businesses. They all are active internationally and affect one another in different connected or unconnected fields. This shift is referred to by L.C. Bresser-Pereira as “the structural public governance model” of public management reform. This author uses the notion of “the structural model” because “…it is not limited to management strategies but involves more than organizational changes: it implies changes in the
state structure, because all kinds of public-private partnerships are involved, because
the social and scientific services that society requires the state to provide are con-
tracted out to non-state organizations.” L.C. Bresser-Pereira underlines that “It is a
governance model because it involves other actors besides the government itself in
the governing process.” [Bresser-Pereira, 2007, p. 18] Such organizational structures
also demand a new type of public official. L.C. Bresser-Pereira claims that “…besides a professional civil service, modern states require senior civil servants to
have more discretion and to be more accountable for their decisions, and the organi-
zation of the state to be more decentralized and involve all sorts of partnerships…”
[Bresser-Pereira, 2007, p. 17]

M. Hess and D. Adams use the notion of “community governance” and note, af-
ter H. Klein, that it ‘introduces conflict, heterogeneity and unpredictability into
decision-making processes and challenges government and its agencies to be less
rigid and more adaptive’. [Hess, Adams, 2007, p. 18]

The concept of multi-level governance results directly from the mentioned under-
standing of governmental reform. K. Szczerski emphasizes that multi-level gover-
nance implies changing relationships between many actors, operating at different
levels of political systems and in different sectors: public, social and private.
[Szczerski, 2005, p. 12]

J. Sroka, based on other authors [e.g. Sorensen, Torfing, 2007], presents in brief a
classification of multi-level governance theories. He indicates two generations. First
generation theories reflect tensions and calculation as a way the network is interre-
lated. Relevant examples are: theories of “interdependency” and theories of “gover-
nability”. The second generation of theories takes advantage of anthropological
discourses. Culture plays the primordial role in their formulation. Thus we can
identify theories of “governmentality” and of “integration”. [Sroka, 2010, p. 47-48]

The synthesis and main features of the MLG theories are presented, after J. Sro-
ka, in form of the table below.

<table>
<thead>
<tr>
<th>Tab. 1. Multi-level governance theories (Teorie zarządzania wielopasmowego)</th>
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<tbody>
<tr>
<td>Calculation</td>
</tr>
<tr>
<td><strong>Conflict</strong></td>
</tr>
</tbody>
</table>
| – exchange of resources is the constitutive rule of the network | – governing is practiced through alliances between public and private, governmental and civic enti-
ties | |
| – government is in power but also in coalitions with strongest actors of the network | – civic bodies adopt a culture code of the state | |
| – government is semi-sovereign | – control through culture | |
| **Coordination** | **Governability Theories** | **Integration Theories** |
| – network is a political strategy of the government | – intelligent, negotiable adaptation of many actors’ activities within their “organizational fields” | |
| – government coordinates autonomous activities of actors | – specific modes of activity of organizations are based and accepted within these fields | |
| – state uses networks in order to regain ability to govern | – the logic of the network emerges, strengthened by knowledge, symbols and good practices | |

Source: Own study based on: Sroka, 2010, pp. 48-61.
The table presents the complex nature of multi-level governance and principles determining the logic of networked inter-organizational relations. This complexity influences the way a country like Poland acts internally and externally. Poland is a member state of the European Union. This is an important feature and a determinant factor for territorial management at all governance levels within the country. According to A. Agh “The global crisis has strengthened the pressure for public-administration reforms in the EU, above all in East-Central Europe (ECE), and beyond.” [Agh, 2010, p. 9] This author observes a “deepening” of the process, i.e. the extension of multi-level governance and the multi-actor participative democracy have to be continued, since the transnational institutions have to be more balanced with the structures of the meso-governments. The multi-level governance structures (basically the meso-governments) are still weak in the new member states. So, democratic institution-building has to be completed in the new member states on the meso- and micro-levels as well. Besides, the new member states have to catch up with the latest developments in the old member states as well as on the EU level. A. Agh calls it “structural adjustment”. A. Agh defines three partnership triangles in the EU. The first partnership macro-triangle is between: the EU transnational institutions, the nation-state institutions and the sub-national actors and agencies. In this macro-triangle, the nation state intermediates between the EU and regional levels and transmits the Europeanization effect top-down to the national and sub-national actors, and it represents their national-local interests bottom up (vertical). The second partnership meso-triangle appears at the member state level between the nation state, the social actors horizontally and the territorial actors vertically. In this meso-triangle, both the social and the territorial policy communities have their action fields. The third partnership micro-triangle(s) are at the sub-national level of these social and territorial actors, and they have:

- both horizontal and vertical, or
- both policy (sectorial) and territorial dimensions.

These micro-triangles have a plurality of distinct policy networks or communities, in which the state-administration units or special state agencies are engaged in active co-operation with the local - social, business, civil and territorial - non-state actors. The introduction and extension of multi-level governance structures are causing a participatory revolution. [Agh, 2010, pp. 19-21] This has particular significance for Poland as one of the new member states. A. Agh maintains that “the multi-actor democracy is largely missing or hardly developed in those states. The social and territorial actors are weak, their competences are limited, and their role in the decision-making system is restricted. EU membership has meant tremendous pressure for them in this respect, first of all not in the political dimension, but much more in practical dimensions of the cohesion policy for an urgent capacity-building.” [Agh, 2010, p. 20] Even if we can observe that there are changes in the second partnership triangle, caused by constitutional arrangements, the subnational institutions are still weak. In consequence “the third partnership triangles, the horizontal policy networks and/or communities at the regional level are hopelessly missing or weak, so is the system of their vertical network governance that incorporates the subregional territorial and social actors.” [2010, p. 20]

A. Agh’s concept of multi-level governance reflects organizational conditionings
of public, private and non-governmental entities within the European Union. This perspective is extremely important in Poland, because of the development stimulus resulting from the EU cohesion policy. However, there are some other important factors influencing international management. Let us not forget about the activities of transnational corporations – their influence is sometimes exaggerated, but it is still very important [cf.: Guedes, Faria, 2007].

This brief description of the nature of multi-level governance inclines us to treat this phenomenon as an example of so-called “system innovation”. T. Halvorsen, J. Hauknes, I. Miles, & R. Røste defined it as “a new system or a fundamental change of an existing system, for instance by the establishment of new organizations or new patterns of co-operation and interaction”. [Halvorsen, Hauknes, Miles, Røste, 2005, p. 11]

Social capital in Poland

In order to understand the managerial context of public administration in Poland, we should refer to researches and diagnoses concerning social capital in the country. According to F. Fukuyama “Social capital is an instantiated informal norm that promotes co-operation between individuals. In the economic sphere it reduces transaction costs and in the political sphere it promotes the kind of associational life which is necessary for the success of limited government and modern democracy.” [Fukuyama, 2001, p. 7] The influence of social capital on public affairs is enormous. According to F. Sabatini “Social networks can … be considered as a powerful mean to foster the diffusion of information and knowledge, lowering uncertainty and transaction costs.” [Sabatini, 2005, p. 162] It is worth recalling F. Fukuyama’s important observation “Social capital is what permits individuals to band together to defend their interests and organize to support collective needs; authoritarian governance, on the other hand, thrives on social atomization.” [Fukuyama, 2002, p. 26]. Social capital conditions the basic confidence of the population in public services and in public administration offices. According to S. Franke “…one can distinguish three major approaches to social capital. The micro-approach emphasizes the nature and forms of cooperative behavior; the macro-approach focuses on the conditions (favorable or unfavorable) for cooperation; and the meso-approach highlights structures that enable cooperation to take place.” [Franke, 2005, p. 1]

Social capital is multi-dimensional. However, there are many concepts of how each dimension contributes to the meaning of social capital. After many authors, we can specify the four main dimensions of social capital as:

- Trust – sense that members of the community are conducting their relations in good faith,
- Rules and norms governing social action – standards of behavior set from within the community itself (community also imposes sanctions on those who do not behave according to the prescribed norms),
- Reciprocity as an important type of social interaction – each member of the community has duties to every other member,
- Network resources and characteristics – system of social linkages with other members of the community on whom one can rely (family, neighbors, mem-
bers of same organizations, etc.). [Claridge, 2011; Elements of..., 2010]

Polish researchers have expressed their concern about the low level of social capital in Poland. J. Czapiński even emphasizes that Poland does not meet the criteria of civil society, taking into consideration measures related to social capital. That author quotes the European Social Survey of 2006 and 2008, which placed Poland as last but one among European Union Countries with respect to the general confidence of the population. This phenomenon was measured by an indicator showing the percentage of the population aged 16 years old and above who trust other people. [Czapiński, Panek, 2009, p. 275] J. Czapiński notes that Poles live in a country of more and more efficient individuals and – at the same time – with a permanently inefficient community. [Czapiński, 2009, p. 282]

J.J. Wygnański and J. Herbst list processes hampering development and even reducing social capital in Poland. They specify:

- low level of public debate,
- lack of social cooperation protocols,
- deep lack of trust in institutions,
- praise of a specific understanding of entrepreneurship (or better – resourcefulness) even if it harms the interests of others or the public interest,
- common belief in advantage of competition over cooperation,
- absence of public space allowing reciprocal communication and coordination of activities. [Wygnański, Herbst (eds.), 2010, pp. 40-42]

The position of social capital in Poland allows us to understand the weaknesses limiting the potential of Polish public administration. An analysis is presented in tab. 2, making use of the classification system outlined above, distinguishing styles and organization structures of territorial management. The table compares styles and structures:

- representing a bureaucratic and a hierarchical, based mostly on M. Weber’s ideas, model of territorial management – column 2,
- characterizing a multi-level governance model of territorial management, more developed and applicable to a society of networks – column 3
- with weaknesses of social capital in Poland limiting the managerial capacity of the Polish public administration – column 4.

The diagnoses presented in column 4 of Table 2 reveal reasons - related to the shortage of social capital - for difficulties that are distinctive for the transition process from a style or a type of structure listed in column 2 to a style or a type of structure listed in column 3. Deficiencies have been identified in Poland (column 4) on the basis of many published researches concerning the nature and the level of social capital. [Fedyszak-Radziejowska, 2005; Centrum Badania Opinii Społecznej, 2008; Czapiński, Panek, 2009; Szomburg, 2010; Wygnański, Herbst, eds., 2010]

Thus we can observe which dimensions of social capital - sometimes of an archetypical nature - limit public administration capabilities. We can say that Table 2 shows how in Poland people are limiting themselves.
The deepening of the public sector transformation in Poland is conditioned by the common acceptance of such managerial patterns or practices as: public participation, transparency and confidence in the environment of networked, multi-level, public or private organizations.

Taking into consideration the three mentioned approaches to social capital [Franke, 2005], the author claims that, from the perspective of public administration, the macro-approach (conditions for cooperation) and the meso-approach (structures enabling cooperation) could be feasible. The micro-approach, directed towards changing people’s behaviour, should rather be a task for the educational system.
Thus the main challenge for the public administration is the creation of proper relations between state and non-state actors. It is worth mentioning A. Najam’s classic 4C model [Najam, 2000]. On the basis of this model, G. Wood and J. Newton suggested the scheme of strategies and goals presented below (tab. 3).

<table>
<thead>
<tr>
<th>Goals (Ends)</th>
<th>Similar</th>
<th>Dissimilar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred Strategies (Means)</td>
<td>Cooperation</td>
<td>Co-optation</td>
</tr>
<tr>
<td>Similar</td>
<td>Complementarity</td>
<td>Confrontation</td>
</tr>
</tbody>
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Tab. 3. A. Najam’s 4C Model (*Model 4C A. Najama*)


How cooperation – the constitutive element of social capital building – is promoted should depend on the nature of relations between organizations. Invoking A. Najam’s 4C model, we identify the necessity to adjust forms of multi-level inter-organizational relationships in terms of: “cooperation”, “co-optation”, “complementarity”, and even “confrontation”. Ways of encouraging collaboration should then be adapted to the differentiated relations between goals and preferred strategies determining public and private organizations’ behavior. The aim is to apply a strategy of anticipative public administration activities.

Conclusions

Contemporary challenges in territorial management force us to take into consideration a networked, multi-level organizational environment. Within the European Union, the multi-actor participative democracy requires adoption of new territorial management styles, which are at the same time compatible with meta-, meso- and micro-levels of differentiated and multicultural political and social entities. In the transition from a bureaucratic administration to “open” public governance, social and cultural obstacles (styles, structures) limiting management efficiency must be overcome. This phenomenon is extremely important in Poland, where many factors influencing the level of social capital that are unfavorable to deep social transformation have been identified.

In general, we have to note that cultural aspects determining social capital and, especially, public confidence, are essential for building multilevel territorial management capability. Proactive/anticipative activities of administration should be oriented towards promoting the multi-level cooperation of different sectors in order to approach their goals and management strategies, inducing a shift from confrontation to co-optation and complementarity, and targeted cooperation. Such a new paradigm for the public administration approach seems to be an easier and more feasible way to deal with the social capital weaknesses than a deep change in social behavior, requiring an enormous educational effort on the part of the state. However, some effort is indispensable and a comprehensive public debate on these issues should be undertaken in Poland.
Bibliography


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Kapitał społeczny a wielopasmowe zarządzanie terytorialne. Przypadek Polski

W ciągu ostatnich 20 lat na wszystkich poziomach rządzenia w Polsce: lokalnym, regionalnym, krajowym i ponadnarodowym nastąpiły istotne zmiany. Wprowadzono ważne systemowe reformy. Celem niniejszego artykułu jest próba określenia wpływu poziomu kapitału społecznego na współczesne zarządzanie organizacjami (lub jednostkami) terytorialnymi. Wyzwania związane z globalizacją i pozycją Polski w Unii Europejskiej wymuszają przezwyciężenie cech osłabiających potencjał Polskiej administracji publicznej. Zadania związane z zarządzaniem w sektorze publicznym przedstawione są w kontekście teorii zarządzania wielopasmowego. Artykuł ukazuje charakterystykę zarządzania wielopasmowego i koncentruje się na związanych z nim barierach o charakterze społecznym.

Część pierwsza wywodu poświęcona jest istocie zarządzania wielopasmowego, które wobec globalizacji w przypadku Polski – w szczególności w związku z przynależnością do Unii Europejskiej – staje się podstawowym paradigmatem zarządzania terytorialnego. Na podstawie zarysu autorskiego modelu zarządzania terytorialnego przedstawiono zjawiska i wymagania związane z nowymi, globalnymi wyzwaniami stawianymi administracji publicznej. Autor zauważa, że pogłębienie procesu transformacji sektora publicznego w Polsce uwarunkowane jest wspólną, społeczną akceptacją takich zarządczych wzorców i praktyk, jak: uczestnictwo publiczne, przejrzystość i zaufanie do środowiska powiązanych sieć, wielopoziomowych (wielopasmowych), publicznych lub prywatnych organizacji.

Kolejna część artykułu poświęcona jest problematyce kapitału społecznego, różnym aspektom rozumienia tego pojęcia oraz różnym procesom, które charakteryzują poziom tego kapitału w Polsce. Odwołując się do licznich badań, autor podkreśla niski poziom kapitału społecznego oraz przedstawia, w jaki sposób poszczególne cechy charakteryzujące kapitał społeczny w Polsce hamują procesy transformacyjne w administracji publicznej. Zidentyfikowane ograniczenia natury kulturowej, szczególnie determinujące poziom kapitału społecznego, winny być poważniebrane pod
uwagę w procesie ustalania zasad rządzenia współczesnym demokratycznym i złożonym społeczeństwem.

W części wnioskowej autor proponuje, by działania ukierunkowane na podniesienie kapitału społecznego w Polsce oprzeć na animowaniu współpracy międzyorganizacyjnej – w szczególności dotyczącej relacji pomiędzy sektorem publicznym i prywatnym. Na bazie modelu 4C autorstwa A. Najama autor proponuje oparcie paradygmatu wzmocnienia administracji publicznej – w kontekście zarządzania wielopasmowego – poprzez tworzenie strategii współpracy, uwzględniających cele i środki poszczególnych typów organizacji.