Social Capital, Network Governance and Social Innovation: Towards a New Paradigm?

Publisher:
Palgrave Macmillan

Published version:
DOI: 10.1007/978-3-319-54277-5

Pre-copy-edited of Chapter 5 published in: Pisani E., Franceschetti G., Secco L., Christoforou A. (Eds), Social Capital and Local Development. From Theory to Empirics, 2017, Palgrave Macmillan Springer Nature, reproduced with permission of Palgrave Macmillan imprint by Springer Nature.

Published the 27.10.2017, embargo 36 months: available from 28.10.2020

Social capital, network governance and social innovation: towards a new paradigm?

Laura Secco and Catie Burlando

Introduction

Governance is a multifaceted concept, broadly defined as 'ways of governing' (Rhodes, 1996), including ways of taking and implementing decisions which support empowerment (Kjær, 2004). Generally, it refers to the shift from state government to the inclusion of diverse actors in decision-making processes and the provision of public goods and services. Collaborative modes of interaction between government and non-government actors from the private sector and civil society are also known as network governance (Commission of the European Communities, 2001; Eberlein & Kerwer, 2004; Sørensen & Torfing, 2016). More specifically, network governance is defined as "self-organising, interorganisational networks […] [that] complement markets and hierarchies as governing structures for authoritatively allocating resources and exercising control and co-ordination" (Rhodes 1996, p. 652). In interactions among a plurality of actors, the role of the state is reconfigured and public administrations depend "upon the cooperation and joint resource mobilisation of policy actors outside their hierarchical control" (Börzel, 1998, p. 260). For the sake of simplicity, in our book we use the term governance to refer to network governance.

This (new) 'ways of governing' is pluri-centric, linking actors across institutional levels and sectors through negotiation, consultation and soft law (Eberlein & Grande, 2004; Kaiser & Prange, 2004; Peters, 2000). However, traditional government structures and mechanisms are still in place, so that integration with new governance processes can be described as a kind of *continuum* between the two (Lanzalaco & Lizzi, 2008). On the one hand, network governance can determine positive effects on rural development by supporting more democratic forms of participation, access to decision-making from more marginalised groups, and overall, improvements in well-being (Mantino, 2008; MacCallum et al., 2009; Thuesen, 2010). Moreover, new governance arrangements (e.g., new cooperation systems and negotiated agreements) as well new actors' relationships and interactions (e.g., new forms of collaboration and networks) are generally agreed to be constituent elements of social innovation (BEPA, 2011; European Commission, 2013a). Social innovation is an emerging issue in rural development in Europe (Neumeier, 2012; Bock, 2012; BEPA, 2014; Bock, 2016; Bosworth et al., 2016), characterised by new ideas (e.g., products, services, models), that address unmet social needs or societal challenges also through new social relationships or collaborations (Mulgan et al., 2007; Anderson et al., 2014; Nicholls et al., 2015). On the other hand, network governance can embody processes of state withdrawal or re-organisation, through processes of privatisation, liberalisation and deregulation (Hajer, 2003; Jordan et al., 2005). If not properly settled, the shifting of tasks over public goods (e.g., welfare, provision of ecosystem services) into private hands could jeopardise access to resources and services, and could decrease the accountability and legitimacy of the state to its citizens (Swyngedouw, 2005).

The LEADER Approach, based on public-private partnership structures, is a relevant example of new modes of governance in the field of rural development (see Mantino, 2008 for a review of different typologies of governance in the field). The Local Action Groups (LAGs) of LEADER operate as agents of territorial development through multi-level, multi-actor and multi-sectoral interactions. One of the hypotheses of our research is that LAGs might increase social capital and strengthen the overall governance of local territories, by improving the quality and quantity of relationships in their internal and external networks (OECD, 2006; Shortall, 2008; Pappalardo et al., 2014), linking horizontal and vertical networks, and stimulating new forms of social innovation. LAGs may be considered pilot “cases”, whereby social capital, new governance arrangements and social innovation foster a forward-thinking rural development paradigm that relies on social rather than purely economic and institutional rationales. However, limited knowledge and empirical evidence exist so far on: (i) how governance is related to social capital, (ii) how to comprehensively evaluate the effects of collaborative public-private partnerships in rural development actions (High & Nemes, 2007; Dwyer et al., 2008; Marquardt & Pappalardo, 2014; Secco et al., 2014; Esparcia et al., 2016; Górriz-Mifsud et al., 2016), and (iii) whether these elements foster socially innovative actions. This chapter begins to address these knowledge gaps. Section two highlights the conceptual framework linking social capital and network governance, while section three identifies specific approaches to analysing governance. Section four conceptually identifies the key elements for assessing governance mechanisms in the LEADER Approach and explains its adoption in the evaluation method proposed in the book (see Chapters 7 and 9). Section five concludes by outlining how social capital and governance may support social innovation, a topic which is developed more comprehensively in relation to LEADER’s specific contribution in the final chapter of the book.

A conceptual framework linking social capital, network governance and social innovation

Social capital and network governance are both well-established multi-dimensional and multifaceted concepts, yet neither science nor practice has so far provided commonly agreed and unique definitions (Kooiman, 1993; Kjær, 2004; Kersbergen & Waarden, 2004; Sabatini, 2009; Bjørnskov & Sønderskov, 2010; Andriani & Christoforou, 2016). The tangible and intangible resources that facilitate cooperation and collective action (social capital) are embedded in social networks, and situated in specific historical, geographical and institutional contexts (Bourdieu, 1986; Woolcock & Narayan, 2000; Lin, 2001; Chapters in Part I of the book). These interactions remain a fertile area of research. In addition, social capital and network governance share common features: (i) horizontal and vertical networks matter; (ii) relationships involve public and private actors, as individuals or formal and informal organisations; (iii) and institutions are not limited to formal rules such as compulsory legal frameworks, but include informal social norms. As we discuss in the present chapter, the effective coordination of actors and organisations throughout the policy cycle relies on multi-actor and multi-sector relationships embedded in multi-level networks, and norms and values embedded in both formal and informal institutions (Kersbergen & Waarden, 2004; Treib et al., 2007; Van den Brande, 2014; Górriz-Mifsud et al., 2016).

Finally, social capital and network governance are also tightly interrelated. On the one hand, social capital is seen to enhance the efficiency and effectiveness of governance systems, by facilitating decision-making processes and participation (e.g., Górriz-Mifsud et al., 2016). On the other hand, it does not always lead to positive outcomes in governance arrangements. Clientelistic or paternalistic relationships can hamper the emergence of new forms of collaboration and the more effective delivery of services (Sørensen & Torfing, 2016). Furthermore, the introduction of new procedures and the creation of new organisations with decision-making power can improve institutional performance in terms of efficiency, or conversely, lower transparency. Because of these close interrelations, we sustain that changes in governance may have a feedback loop, strengthening the endowment of social capital or weakening it, depending on the historical and institutional context of local places (Bowles & Gintis, 2002; Wiesinger, 2007).

More recently, social innovation has emerged as a new element to support local development processes within the EU 2020 Strategy for a smart, inclusive and sustainable growth in Europe. As for social capital and governance, a common, unambiguous definition is yet to be agreed upon (Neumeier, 2012; Nicholls et al., 2015; see Chapter 19 for further discussion). However, institutional definitions consider networks and collaboration as key features of social innovation (BEPA, 2011). For example, as previously mentioned, “new actors’ relationships and interactions” and “new governance arrangements” are explicit elements of this type of innovation

(European Commossion, 2013a). Further, network governance processes can "enhance the role of both economic and social actors in the steering of social change [and] help to infuse more open, democratic practices into social steering" (Baker & Mehmood, 2015, p. 1).

In addition to networks, social innovation shares some (less evident) connections to the normative-cognitive dimension of social capital. In the social innovation theory, "the knowledge and cultural assets of communities" are valorised with a focus on "the creative re-configuration of social relations" (MacCallum et al., 2009, p. 2). Moreover, new relations and interactions are not geared at economic exchange alone, but lead to "new attitudes, values and behavior" (European Commission, 2013a). Specific components and reciprocal influences, for example in terms of cause-effects, are yet to be addressed, with recent work beginning to explore the connections between social capital and governance (Górriz-Mifsud et al., 2016). While a detailed analysis of interconnections is out of scope, further research is needed – especially in relation to social innovation, a novel concept in the debate on rural development.

Approaches for understanding governance and its connections to social capital

A common approach or analytical framework for understanding governance in a comprehensive way has not been developed yet, despite increasing adoption of the term in a variety of fields and attempts to identify its core elements (Kooiman, 1993; Kjær, 2004; Kersbergen & Waarden, 2004; Sørensen & Torfing, 2016). Arts & Goverde (2006) propose two complementary approaches for the study of governance: i) the analytical (positive) approach, where the *components* of governance are identified, described and analysed; and ii) the evaluative (normative) approach, where the *performance* of governance is assessed in relation to pre-defined principles commonly attributed to 'good governance'. In this section, we show that both types of studies can be used to identify and analyse the connections between network-based modes of governance and social capital, and draw from these connections the dimensions that specifically pertain to governance. As a conceptual clarification, it is important to note that in this book we do not analyse or compare different governance forms understood as different approaches or modes of governance. We focus specifically on one mode of governance (network-based), while other options (e.g., top-down, hierarchical-based) are not considered, as they do not properly fit the structure of the LEADER Approach. Rather, we adopt the term governance forms to indicate governance arrangements in order to operationalise the analysis of the connections between social capital forms (structural and normative-cognitive) and related governance aspects, in terms of dimensions and sub-dimensions (see Part II of the book for further details).

Connections between governance and social capital in the positive approach

In a broad sense, governance generically refers to a 'way of governing' (Rhodes, 1996) or to "the setting of the rules, the implementation of the rules and the enforcement of the rules" (Kjær, 2004, p. 10), of which the traditional, top-down and hierarchical approach to decision making represents one mode. An alternative narrower view proposes a conception of governance comprising "types of political steering in which non-hierarchical modes of guidance, such as persuasion and negotiation, are employed, and/or public and private actors are engaged in policy formulation" (Héritier, 2002, cited in Treib et al., 2007, p. 185). This view is predominant in governance discourses and favours consensus-oriented, multi-level decision-making processes and dynamic interactions among a plurality of actors and sectors (Rhodes, 1996; Peters, 2000; Howlett & Rayner, 2006). In this sense, governance refers also to processes of decentralisation, collaboration, privatisation, formal and informal modes of interactions and power relations between institutions and other actors (horizontal interplay), as well as interactions between different levels of administration (vertical interplay) (Kjær, 2004; Rayner, 2010).

As mentioned above, the interconnection between private and public actors, *networks*, matters for both social capital and governance. Networks, therefore, are the first main common feature between the two concepts that we consider in this book. In the analytical or positive approach to governance analysis, governance is often explored in terms of its multi-actor, multi-sector and multi-level nature (Kjær, 2004; Jänicke & Jörgens, 2006). By following these three dimensions of analysis, the first step is to identify and describe the nodes – the actors – and their connections – their relationships in terms of exchange of information, level of reciprocal trust, and collaboration. Horizontal networks typically occur within the same administrative or institutional level (e.g., at the national level), to address the changing roles of the state and the public sector in relation to the private sector, markets, communities and civil society (Kjær, 2004; Lemos & Agrawal, 2006). Vertical networks are typically connected with aspects of multi-level governance, such as coordinating institutional actions among the international, national and regional or local levels (Van den Brande, 2014). Networks have strong and weak ties, which lead to bonding, bridging and linking relations (Chapter 3). These elements (i.e., multiplicity of actors within the same sector or among sectors, within the same or along various institutional levels) are used to identify the elements for assessing governance in relation to social capital in the LEADER Approach in the following section.

The second main connection between social capital and governance focuses on *institutions*, defined as both formal rules and informal norms (North, 1990). As for social capital, institutions influence and are influenced by governance arrangements through the sharing of intangible resources, such as social norms, beliefs, peer control and social sanctioning. Social norms "specify what actions are regarded by a set of persons as proper or correct, or improper and incorrect" (Coleman, 1990, p. 243). The level of congruence between institutions and shared beliefs determines their social legitimacy (Westlund & Kobajashi, 2013). Peer control and social sanctioning complement formal enforcement mechanisms by acting as *de facto* rules (Coleman, 1990; Bowles & Gintis, 2002). Norms internally defined and agreed upon regulate the functioning of associations or contractual agreements among community members, and are the basis for multi-actor governance mechanisms. Institutions thus strongly influence interactions among members of a network, supporting or ostracising certain types of behaviour, coordination capacity and collective action.

In our research, we identify the specific elements of networks and institutions (e.g., nodes, relationships with the same level or among levels, formal rules and informal social norms, including shared values and trust), which are common to the analysis of social capital and network governance when the positive approach is adopted at the local level.

Connections between governance and social capital in the normative approach

The emergence of new patterns of interactions and 'new public management' models based on the coordination of plural and complex state hierarchies, markets and hybrid networks has increased political and academic attention toward good governance, a normative concept first introduced in economic development by the World Bank (Kjær, 2004). The definition of good governance varies depending on the promoters, the scope of application, the reasons for assessment, as well as the historical, institutional and cultural contexts (Kaufmann et al., 2009; Rotberg & Gisselquist, 2008; Rothstein & Teorell, 2008). However, five principles generally accepted include: 1) legitimacy and voice in terms of participation and consensus orientation; 2) direction, in terms of strategic vision; 3) performance, in terms of responsiveness, effectiveness and efficiency; 4) accountability, in terms of accountability and transparency; 5) fairness, in terms of equity and rule of law (UNDP, 1997). Despite critical views (Cooke & Kothari, 2001; Fristch & Newig, 2009), these principles have influenced and shaped the literature and development practice (e.g., Graham et al., 2003; Secco et al., 2014). While conventional approaches tend to apply these principles in relation to their contribution to perceptions of market efficiency (extrinsic value), we also stress their intrinsic value in sustaining a broader conceptualisation of development.

In the European Union, the concept of good governance has been widely adopted in public administration and public policy management to reduce inefficiencies and ineffectiveness in policy implementation and increase public participation in collective choices (Kersbergen & Waarden, 2004). Good governance refers to "rules, processes and behaviour that affect the way in which powers are exercised at the European level" regarding "openness, participation, accountability, effectiveness and coherence" (Commission of the European Communities, 2001, p. 6). These principles are not only considered as guiding public policy, but also commonly accepted as shared values and likely as guiding criteria for social norms at different levels of governance. However, preference to criteria for efficiency (rather than others such as equity), means that new public management models have also transferred procedural approaches dominant in the market to state functions to justify the retrenchment of the welfare state. As Jessop (1998) highlights, the distribution of power across networks have not been necessarily positive in terms of efficiency or accountability, requiring an overall 'meta-governance', capable of ensuring that "governance failures" do not translate into the inability to manage consequences. His reference to governance failure reflects how new governance modes are made more complex precisely because they are called upon to combine market-based procedural with substantive rationalities to demonstrate efficiency. Thus, a normative approach to governance may highlight attention to positive values, and yet, because of its embeddedness in market rationality, it may also use intrinsic values such as social norms, to support these same rationalities.

In our research, we identify the specific elements of transparency, accountability, quality of the network, quality of participation and conflicts management, which are common to the analysis of social capital and network governance when the normative approach is adopted at the local level.

Key elements for assessing governance in relation to social capital in the LEADER Approach

The hypothesis at the basis of this book is that assessing social capital and related governance aspects is key to enhancing rural development outcomes. In this section, we detail the elements that were derived from the positive and normative approaches to develop the method for evaluating the reciprocal effects of social capital and governance in the LEADER Approach. We also highlight how they are integrated and complemented in our study. We conclude with the components of governance analysis that remain outside the scope of analysis in this book.

Key elements

As we have seen in the previous sections, by adopting a positive analytical approach, social capital and network governance share common elements in terms of both structural (e.g., actors and their networks) and normative-cognitive features (e.g., institutions). By adopting a normative approach, the focus shifts to principles of good governance, which include diverse dimensions for assessing participation, accountability, transparency, efficiency, effectiveness and capacity (Arts & Goverde, 2006; Secco et al., 2014; Pappalardo et al., 2014; Górriz-Mifsud et al., 2016). Together, these two approaches allow researchers, evaluators and practitioners to analyse the structural components as well as the performance of governance in its relation to social capital.

However, these general common features are not geared to the operationalisation of our evaluation method. Networks, institutions and good governance principles include various sub-components that have to be identified and unpacked for better understanding and managing LAGs in their diverse and context-specific structural and normative-cognitive social capital and related governance aspects (see Górriz-Mifsud et al., 2016 for an example of application of this approach in the forestry domain).

To identify the various sub-components of governance in relation to social capital, which are later defined as dimensions, sub-dimensions and indicators of our method in Chapters 7 and 9, we adopt the: (i) multi-actor, (ii) multi-sector and (iii) multi-level characters of network governance, i.e., network-based decision-making processes. In the following section, the specific elements of analysis connected to this threefold character of governance are briefly outlined in relation to their importance and role in analysing LAGs and the LEADER Approach within the scope of our research.

(i) Actors (related to the multi-actor governance feature)

The structural analysis of governance first identifies how *actors* are connected within the network, in this case the LAG. Firstly, actors are embedded in *horizontal networks* through bonding. Secondly, actors may be connected through bridging, whereby groups or individuals may belong to the same group or community or to different groups, yet share the same sector and/or hold similar interests. Thirdly, they can maintain networks on the same institutional scale but at different levels, for example, national, regional or local. In this case, they would be connected through *vertical networks*. Fourthly, actors can engage in the exchange of information or become involved in cooperative or collaborative actions. Finally, multi-actor networks can be part of inter-organisational networks, whereby public authorities or other entities may play the role of local development agents or animators in rural contexts (linking). LAGs are connected through bonding, bridging and linking with different actors in the territory (see Chapter 3).

From an institutional perspective, cooperation and exchange follow both formal and/or informal rules. These rules govern: (i) networking mechanisms and procedures of control; (ii) contractual agreements on the creation and management of an association; (iii) social norms and reciprocal trust; and (iv) the exchange of information and collaboration. Both formal and informal rules ensure *decision-making processes* are relevant, legitimate and accepted by both members and external actors. These rules can apply to the ways in which the LAG manages its internal organisational structure in terms of relations with its members, and how it directs processes of consultation, implementation and monitoring, related to the Local Development Strategy and the selection of projects.

(ii) Sector (related to the multi-sector governance feature)

The structural analysis of multi-sectoral relations follows a similar approach as the one described previously, but actors belong to different sectors (e.g., farmers, forestry companies and other land owners, tourist agencies, social service providers). The analysis focuses on territorial networks involved in integrated development initiatives, through inter-community interactions, multi-disciplinary platforms and development projects. From an institutional point of view, actors belong to cross-sectoral policies or programmes of interdisciplinary collaboration, trans-regional collaboration projects, and other initiatives involving coproduction of new norms, values and knowledge. Well-integrated organisations can benefit from participation of sectors which are representative of the local social and economic context. As a multi-sectoral organisation, the LAG relies on the integration in the territory as a key feature behind the effectiveness of its strategy.

(iii) Level (related to the multi-level governance features)

The multi-level analysis of horizontal networks and vertical networks focuses on a plurality of actors who belong to different institutional levels, e.g., from the European to the national, sub-national and local level. This analysis focuses on: (i) the logic of the value-chain or the network based on formal agreements for joint venture (e.g., consortia, producers associations, cooperatives) if the focus is on the private sphere; (ii) the logic of the network based on formal agreements for collective action (e.g., association of municipalities) if the focus is on the public sphere; (iii) vertical hierarchies if the focus is on the sphere of public administration; or (iv) mixed forms of networking which connect different institutional levels in a LAG (e.g., Górriz-Mifsud et al., 2016). The institutional analysis focuses on the formal and informal rules that govern interactions among various institutional, administrative and policy levels, as well as processes of decentralisation, power delegation, and distribution of functions and competences based on the subsidiarity principle. The emphasis here is on the coherence and consistency of policy and interventions along the involved levels. In the case of the LAGs, leverage with vertical structures may enhance the ability of the organisation to both influence outcomes in policy and programme development, as well as have its own needs recognised and acted upon.

Integrating approaches for assessing governance in relation to social capital in LEADER

As shown in this chapter, social capital and network governance are closely interrelated, with common elements used for analysing both. Keeping in mind that this book focuses on social capital in the LEADER Approach and in LAGs, we highlight hereafter the aspects of governance that can be explored by means of social capital forms.

Within European rural policy and the LEADER Approach, LAGs are specifically designed to strengthen governance at the territorial level, by improving the density and quality of economic and social networks involved in programming, project development and cooperation (EENRD &

European Commission, 2014). LAGs develop a Local Development Strategy to plan resource allocation over the programme period of European Structural and Investment Funds by involving local representatives from the private and public sectors in decision-making (Regulation (EU) 1303/2013). Thus, evaluating governance in relation to the LEADER Approach implies evaluating the multi-actor, multi-sector and multi-level processes of decision-making taken by LAGs in relation to the rural development strategy and their effects. More specifically, it first focuses on how decisions are taken, implemented and enforced, i.e., who takes and realises decisions (actors), on the basis of which relationships (horizontal or vertical), and according to which power distribution (e.g., influential capacity based on the actors' reputation). Secondly, trust among actors and toward institutions, as well as the ethical and moral contents of shared values shared among actors, matter. Thus, governance arrangements and institutions influence what decisions are taken, and the quality of decision-making, in terms of the LAG's capacity and performance (e.g., effectiveness) in managing networks.

In this chapter, we argue that governance of a "good quality" is related to the capacity of LAGs to embrace "good governance" principles such as transparency, accountability, participation, and conflict management in their activities. In practice, this means evaluating dimensions such as the level of transparency and accountability adopted by LAGs in decision-making processes; whether their participatory processes are inclusive and thus satisfy members and beneficiaries; the level of benefits derived from the network as perceived by members and beneficiaries of the LAG; and the management of possible divergences and conflicts.

In the method developed in this book, many of these governance elements are derived from the theory of social capital (Chapters 2 and 3). More specifically, the analysis of some of the LAG's network governance arrangements, drawn from the positive approach and related to relationships with members and beneficiaries (horizontal network), are analysed as part of the structural form of social capital. Shared values and trust (among the LAG's members, between the LAG and its beneficiaries, and toward institutions) are analysed as part of the normative-cognitive form of social capital. Moreover, as drawn from the normative approach, accountability and transparency are analysed as part of the structural form of social capital, quality of participation, quality of network and management of conflicts as part of the normative-cognitive form of social capital.

The successful implementation of the Local Development Strategy depends not only on the elements of governance that are derived from the social capital theory (in its structural and normative-cognitive features), but also, as we argue here, on specific aspects that derive from governance theory. In our research, the specific features of governance that can influence social capital but are not directly derived from it, include: (i) how *decision-making processes* are organised and managed, (ii) the *efficiency and effectiveness* of the LAG in coordinating networks, (iii) its *organisational culture and capacity* related to the management of the various networks it is involved in (among members and with beneficiaries), as well as (iv) the quality and quantity of *vertical relations*, i.e., relationships with LAGs outside the region and with the higher levels of governance linked to the activities of the LAG, and their influence. These four dimensions of governance are used to complement the evaluation of social capital and are further elaborated in Part II, Chapters 7 and 9.

We are aware that a fully comprehensive study of governance arrangements in a rural territory, at the local level, would require a critical analysis of further components. For example, in addition to the vertical relations addressed in the method, institutional structures and connections outside the LAG's networks at broader spatial levels, and at higher administrative levels would need to be included. These are outside the scope of the present study, which focused more narrowly on responses within the LAG's specific networks, by the director, members and beneficiaries.

Similarly, in terms of performance (or good governance principles) reached by LAGs in their rural development strategies and actions, the dimensions of legitimacy and voice, direction and fairness (in terms of equity, social justice and rule of law), environmental sustainability and legality are not specifically addressed (Graham et al., 2003; Kjaer, 2004). While these elements are not specifically included in our method (see Chapter 18), they deserve further research in the context of evaluating the impacts of LEADER. Finally, special attention should be devoted to the role of LAGs in promoting social innovation. As a relatively new and complex concept, forward-thinking and broader investigations will be needed in the coming years, yet, none of the basic elements of social capital and network governance have been specifically explored in relation to social innovation in the study. In the final chapter of the book, we reflect on the potential for LEADER to catalyse social innovation.

Conclusion

In the last decade, social capital and network governance have been indirectly mentioned as drivers of the neo-endogenous approach to development and the new rural paradigm (OECD, 2006). These approaches have aimed to mobilise endogenous and local resources to increase the competitiveness of rural territories rather than sectors, by adding value to local cultural, environmental and social assets (OECD, 2006; OECD, 2014; Chapter 3). Combining efforts at the local level with funding from different levels of governance aims at achieving the goals of the European Strategy for 2020 as well as actual outcomes at the territorial level. Various elements identified in the theories of social capital (Chapters 2 and 3) and network governance support the neo-endogenous approach. The networks and institutions of trust and shared values which underlie LEADER have also been identified, more recently, as key drivers of social innovation. Indeed, while LAGs were ideated to promote innovation through bottom-up approaches and place-based governance mechanisms – a potential not always realised in practice – it is clear that 25 years after its first launch, innovation may require a further spark, based on prioritising social values, which could catalyse social innovation.

Despite the importance of social capital, network governance and social innovation in supporting new approaches to rural development, few studies have looked at aspects of social capital and governance in local development projects, while studies on their interconnections with social innovation are at a pioneering stage (BEPA, 2014; European Commission, 2013b; Bock, 2016; Bosworth et al., 2016; Chapter 19). This chapter has laid out a conceptual framework that can be adopted for the analysis of the governance aspects that relate to the evaluation of social capital. Drawing from studies in social and political science, it has described the analytical and normative approaches to the study of governance and drawn connections to the forms of social capital analysed in the book. Rather than developing a full method for the assessment of governance in rural development, it has contributed to an understanding of the connections between governance and social capital, by identifying the dimensions – actors, sectors and levels – as well as some of the good governance principles, which are adopted in the evaluation method proposed, and described more fully in Part II of the present book. Finally, it has also contributed to strengthening the analysis of social capital by operationalising the identification and measurement of how LAGs specifically operate in their territories, in terms of decision-making processes, efficiency and effectiveness, organisational capacity and vertical linking.

References

Anderson, T., Curtis, A., Wittig, C. (2014). *Definition and theory in social innovation.* Master of Arts in Social Innovation. Krems: Danube University.

Andriani, L., & Christoforou, A. (2016). Social capital: a roadmap of theoretical and empirical contributions and limitations. *Journal of Economic Issues*, 50(1), 4–22.

Arts, B., & Goverde, H. (2006). The governance capacity of (new) policy arrangements: a reflexive approach. In B. Arts & P. Leroy (Eds). *Institutional dynamics in environmental governance*, Dordrecht: Springer.

Baker, S., & Mehmood, A. (2015). Social innovation and the governance of sustainable places. *Local Environment*, 20(3), 321–334.

BEPA (2011). *Empowering people, driving change: social innovation in the European Union.* Brussels: European Commission.

BEPA (2014). Social innovation: a decade of changes. Luxembourg: Publications Office of the European Union

Bjørnskov, C., & Sønderskov, K. M. (2013). Is social capital a good concept? *Social Indicators Research*, 114(3), 1225–1242.

Bock, B. (2012). *Concepts of social innovation, agricultural knowledge and innovation systems in transition – a reflection paper*. Brussels: EU SCAR.

Bock, B. (2016). Rural marginalisation and the role of social innovation: a turn towards nexogenous development and rural reconnection. *Sociologia Ruralis*, 1–22.

Börzel, T.A. (1998). Organizing Babylon – on the different conceptions of policy networks. *Public Administration*, 76, 253–273.

Bosworth, G., Rizzo, F., Marquardt, D., Strijker, D., Haartsen, T., Aagaard Thuesen, A. (2016). Identifying social innovations in European local rural development initiatives. *Innovation: The European Journal of Social Science Research*, 1–20.

Bourdieu, P. (1986). *Distinction: social critique of the judgement of taste.* London: Routledge.

Bowles, S., & Gintis, H. (2002). Social capital and community governance. *The Economic Journal*, 112, F419–F436.

Coleman, J.S. (1990). *Foundations of social theory*. Cambridge, Massachusetts: The Belknap Press of Harvard University Press.

Commission of the European Communities, 2001. *European Governance: a White Paper*. Doc/01/10. COM(2001) 428. http://europa.eu/rapid/press-release_DOC-01-10_en.htm. Accessed 1 June 2016.

Cooke, B., & Kothari, U. (2001). *Participation: the new tyranny?* New York: Zed Books.

Dwyer, J., Bradley D., Hill B. (2008). Towards an enhanced evaluation of European rural development policy. *Économie rurale*, 307, 53–80.

Eberlein B, & Kerwer, D. (2004). New governance in the European Union: a theoretical perspective. *JCMS: Journal of Common Market Studies,* 42(1), 121–142.

Eberlein, B., & Grande, E. (2004). 'Beyond delegation: transnational regulatory regimes and the EU regulatory state', *Journal of European Public Policy*, 12(1), 89–112.

Esparcia, J., Escribano, J., Buciega, A. (2016). A perspective of LEADER method in Spain based on the analysis of Local Action Groups. *Evaluating the European Approach to Rural Development: Grass-roots Experiences of the LEADER Programme*, 33.

European Commission (2013a). *Guide to Social Innovation*. Brussels. http://s3platform.jrc.ec.europa.eu/documents/20182/84453/Guide_to_Social_Innovation.pdf/88aac14c-bb15-4232-88f1-24b844900a66. Accessed 6 September 2016

European Commission (2013b). *Social Innovation Research in the European Union. Approaches, finding and future directions*. Policy Review. Luxembourg: Publications Office of the European Union. https://ec.europa.eu/research/social-sciences/pdf/policy_reviews/social_innovation.pdf. Accessed 6 September 2016

European Evaluation Network for Rural Development (EENRD) & European Commission (2014a). Capturing the success of your RDP: Guidelines for the ex *post* evaluation of 2007-2013 RDPs. http://ec.europa.eu/agriculture/evaluation/guidelines/2007-2013-ex-post_en.pdf. Accessed August 2016. Accessed 1 June 2016.

Fristch, O., & Newig, J. (2009). *Participatory governance and sustainability. Findings of a meta-analysis of stakeholder involvement in environmental decision-making*. REFGOV Working Paper Series GPS-13, Centre for Philosophy of Law, Université Catholique de Louvain (final version submitted to MIT Press).

Górriz-Mifsud, E., Secco, L., Pisani, E. (2016). Exploring the interlinkages between governance and social capital: a dynamic model for forestry. *Forest Policy and Economics*, 65, 25–36.

Graham, J., Amos, B., Plumptre, T. (2003). Principles for good governance in the 21st Century. Policy Brief No. 15. Ottawa, Canada: Institute on Governance. http://iog.ca/wp-content/uploads/2012/12/2003_August_policybrief151.pdf. Accessed 10 October 2016.

Hajer, M. (2003). Policy without polity? Policy analysis and the institutional void. *Policy Sciences*, 36(2), 175–195.

High, C., & Nemes, G. (2007). Social learning in LEADER: exogenous, endogenous and hybrid evaluation in rural development. *Sociologia Ruralis*, 47(2), 103–119.

Howlett, M. & Rayner, J. (2006). Convergence and givergence in ‘New Governance’ arrangements: evidence from European integrated natural resource strategies. *Journal of Public Policy*, 26(2), 167–189.

Jänicke, M., & Jörgens, H. (2006). New approaches to environmental governance. In Jänicke, M., & Jakob. K. (Eds.), *Environmental governance in global perspective. New approaches to ecological and political modernisation* (pp. 167–209). Berlin: Freie Universität Berlin.

Jordan, A., Wurzel, W., Zito, A. (2005) “The rise of 'new' policy instruments in comparative perspective: has governance eclipsed government?” *Political Studies*, 53(3), 477–496

Jessop, B. (1998). The rise of governance and the risk of failure: the case of economic development. *International Social Science Journal*, 50(155), 29–46.

Kjær, A.M. (2004). *Governance: key concepts*. Cambridge, UK: Cambridge University Press

Kaiser, R., & Prange, H. (2004). Managing diversity in a system of multi-level governance: the open method of co-ordination in innovation policy. *Journal of European Public Policy*, 11(2), 249–266.

Kaufmann, D., Kraay, D., Mastruzzi, M. (2009). Governance matters VIII: aggregate and individual governance indicators, 1996-2008. World Bank Policy Research Working Paper No. 4978. http://ssrn.com/abstract=1424591. Accessed 20 July 2009.

Kersbergen, K.V. & Waarden, F.V. (2004). 'Governance' as a bridge between disciplines: cross-disciplinary inspiration regarding shifts in governance and problems of governability, accountability and legitimacy. *European Journal of Political Research*, 43, 143–171.

Kooiman, J. (1993). Social-political governance: introduction. In J. Kooiman (Ed.), *Modern Governance: New Government-Society Interactions* (pp. 67–92). London: SAGE Publications.

Lanzalaco, L. & Lizzi, R. (2008). Governance e government come fattori strategici per le politiche agricole e rurali. *Rivista di Economia Agraria*, LXIII (3), 341–364.

Lemos, M. C., & Agrawal, A. (2006). Environmental governance. *Annual review of environment and resources*, 31(1), 297.

Lin, N. (2001). *Social capital: a theory of social structure and action*. Cambridge, UK: Cambridge University Press.

MacCallum, D., Moulaert, F., Hillier, J., Vicari Haddock, S. (2009). *Social innovation and territorial development*. Burlington, USA: Ashgate Publishing, Ltd.

Mantino, F. (2008). Typologies of Governance Models. Assessing the impact of rural development policies (incl. LEADER) (RuDI). Deliverable D3.2, National Institute of Agricultural Economics

(INEA), Rome. http://www.rudi-europe.net/uploads/media/RuDI_WP3_D_3.2.pdf. Accessed 24 October 2016.

Marquardt, D., & Pappalardo, G. (2014). Overcoming challenges of evaluating integrated endogenous rural development and partnership interventions – A worthwhile exercise. *Landbauforschung-Applied Agricultural and Forestry Research*, 64(3/4).

Mulgan, G., Tucker, S., Ali, R., Sanders, B. (2007). Social innovation: What it is, why it matters and how it can be accelerated. The Young Foundation. http://www.youngfoundation.org/files/images/03_07_What_it_is___SAID_.pdf. Accessed 6 October 2016.

Neumeier, S. (2012). Why do social innovations in rural development matter and should they be considered more seriously in rural development research? Proposal for a stronger focus on social innovations in rural development research. *Sociologia Ruralis*, 52, 148–69.

Nicholls, A., Simon, J., Gabriel, M. (2015). *New frontiers in social innovation research*. Hampshire, UK: Palgrave Macmillan.

North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge, UK: Cambridge University Press.

OECD (2006). *The New Rural Paradigm. Policies and governance*. OECD Rural Policy Reviews. OECD Publishing.

OECD (2014). *OECD rural policy reviews: Innovation and modernising the rural economy*. OECD

Publishing.

Pappalardo, G., Sisto, R., Pecorino, B. (2014). Qualità della network governance nelle aree rurali: il caso dei Gruppi di Azione Locale. *Rivista di Economia Agraria*, 1, 77–102.

Peters, G. (2000). Governance and comparative politics. In Pierre, J. (Ed.), *Debating governance. authority, steering, and democracy*. Oxford: Oxford University Press.

Rayner, S. (2010). How to eat an elephant: a bottom-up approach to climate policy. *Climate Policy*, 10(6), 615–621.

Rhodes, R.A.W. (1996). The new governance: governing without government. *Political Studies*, XLIV, 652–667.

Rotberg, R.I., & Gisselquist, R.M. (2008). *Strengthening African Governance. Ibrahim Index of African Governance. Results and Rankings*. Cambridge, MA: Prepared under the auspices of The Mo Ibrahim Foundation, The Kennedy School of Government, Harvard University, the World Peace Foundation.

Rothstein, B., & Teorell, J. (2008). What is quality of government? A theory of impartial government institutions. *Governance*, 21(2), 165–190.

Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European

Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

Sabatini, F. (2009). Social capital as social networks: a new framework for measurement and an empirical analysis of its determinants and consequences. *The Journal of Socio-Economics*, 38(3), 429–442.

Secco, L., Da Re, R., Pettenella, D. M., Gatto, P. (2014). Why and how to measure forest governance at local level: A set of indicators. *Forest Policy and Economics*, 49, 57–71.

Shortall, S. (2008). Are rural development programmes socially inclusive? Social inclusion, civic engagement, participation, and social capital: Exploring the differences. *Journal of Rural Studies*, 24(4), 450–457.

Sørensen, E., & Torfing, J. (2016). *Theories of democratic network governance*. New York: Palgrave Macmillan.

Swyngedouw, E. (2005). Governance innovation and the citizen: the Janus face of governance-beyond-the-state. *Urban Studies*, 42(11), 1991–2006.

Thuesen, A. A. (2010). Is LEADER elitist or inclusive? Composition of Danish LAG boards in the 2007–2013 rural development and fisheries programmes. *Sociologia Ruralis*, 50(1), 31–45.

Treib, O., Bähr, H., Falkner, G. (2007). Modes of governance: towards a conceptual clarification. *Journal of European Public Policy*, 14(1), 1–20.

UNDP (1997). Governance and Sustainable Human Development. United Nations Development Programme.

Van den Brande, L. (2014). Multilevel Governance and Partnership. The Van den Brande Report. Prepared at the request of the Commissioner for Regional and Urban Policy Johannes Hahn. October 2014. http://ec.europa.eu/regional_policy/sources/informing/dialog/2014/5_vandenbrande_report.pdf.Accessed 6 October 2016.

Wiesinger, G. (2007). The importance of social capital in rural development, networking and decision-making in rural areas. *Journal of Alpine Research,* 95(4), 1–12.

Woolcock, M., & Narayan, D. (2000). Social capital: implications for development theory, research and policy. *The World Bank Research Observer,* 15(2), 225–249.

Westlund, H., & Kobajashi, K. (2013). *Social capital and rural development in the knowledge society*. Edward Elgar Publishing.