

The impact of social and cultural factors on regional development: a comparative case study in Portugal and Croatia

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Abstract

This article examines some of the ways in which the influence of non-economic factors on socio-economic development can be conceptualised. It is being analysed how some of these factors can be measured. In this connection, a concept of “social context” is introduced and the levels of interpersonal trust and civic culture are suggested as possible proxies for its evaluation in a particular spatial unit. Furthermore, two lagging European countries that can be considered representatives of the European periphery in general are selected for a more detailed analysis: Portugal (old EU member and established market economy) and Croatia (aspiring EU member and post-socialist country). It is being shown that not only the levels of economic development, but also the levels of trust and civic culture are remarkably low in these two countries. The causal direction of this relationship might at the first glance seem unambiguous; however, the author suggests that economic development may in fact be affected by social context in the form, for example, of the levels of trust and civic culture.

Keywords: *development, social capital, periphery, Portugal, Croatia*

1. Introduction

The process of the gradual EU enlargement that has taken place over the last decades and recently arrived at the point when almost the entire geographical Europe is making part of the Union, puts into a new light the issue of disparities in development that are observable among the member states. The idea of a

politically, economically and socially united Europe implies the need for increasing cohesion in various areas related to socio-economic development. While the existence of differences in this regard across Europe is an extremely old phenomenon that can be traced back at least to the late Middle Age, it has not been until the European integration gained new momentum in the 1980s through the accession of several significantly poorer countries at once that such differences started to be perceived as a potential disadvantage hindering the development of the whole Community.

Coincidence or not, it has been principally the Southern (and since the mid-2000s Eastern) European periphery that posed the most serious challenges to the convergence in the area of socio-economic development within the EU. Countries lagging far behind the EU “core” such as for example Portugal have received tens of billions of euros in intra-community transfers that were expected to boost their economy and bring them up to the average levels of developments. “New” member states from the Eastern Europe as well as “potential” ones such as for example Croatia have strongly linked their hopes of accession to the perspectives of such support.

The author has recently done substantial research on development of Portugal and Croatia in the context of the impact of actual or prospective EU membership on their convergence with more advanced parts of Europe. In this process he found that beyond economic factors there are also some non-economic characteristics of these countries that significantly affect their development. For this reason, he has considered important to pay special attention to what he designates as a “social context” and its practical meaning in the case of these two

peripheral European countries. This essay presents the results of this inquiry. The main questions that will be examined in it are: how can one conceptualise the influence of non-economic factors on socio-economic development? How can some of these factors be measured? What evidence is available for the factors that can be placed within the notion of “social context” in such representatives of the European periphery as Portugal (old EU member and established market economy) and Croatia (aspiring EU member and post-socialist country)?

2. Theoretical considerations

The last couple of hundred years have been the time of enormous progress in many areas. One of these areas undoubtedly is science, which also includes all sorts of scientific theories rivalling each other in their attempts to suggest the most convincing interpretation of various facets of human society and, based on that, offer an explanation of causes underlying the processes observed in it.

Since our particular interest in this essay will be focused on development (and regional development is understood by us as an application of the more general concept of development at a certain spatial scale), we would like to start by selectively recalling some influential benchmarks in the evolution of scientific theories related to development. Such theories have been put forth mostly by the thinkers coming from the disciplinary field of sociology and anthropology and, in recent times, increasingly also from economics.

As could be reasonably expected, economists tend to address development through a lens of quantifiable indicators related to production and consumption of goods and services that can be exchanged for money (which is often an essential prerequisite for their registry by the responsible state entities and consequent quantification in the form of statistics). But not only do these scientists and, under their influence, also politicians and other decision-makers *assess* the achieved levels of development through the volumes of available quantifiable and monetisable resources. More importantly, they also end up acting on the assumption that such resources and associated processes are a single and paramount *cause* of the achieved development.

In other words, political reasoning nourished in the economic cradle is confined to seek the causes and remedies for development drawbacks exclusively in the realm of economy. For example, the classical economic theory postulated that economic production depended on several factors such as land, labour and capital. Correspondingly, countries or regions with a lot of fertile land, abundant labour or a strong concentration of capital were seen as natural favourites in development, whereas those with poor soils or small populations lagged behind in the process of industrialisation which was crucial for the drastic increase of economic efficiency attained in certain geographical areas in the nineteenth century.

Today's economists have a different view of key development factors. They point to the role of knowledge in economic development and speak of transition to a "knowledge-based economy". When discussing development, almost no one now omits the importance of "human capital" seen as "highly skilled and highly

educated population”. However, even accounting for these novel trends, the development debate largely remains where it was for over a hundred years: in the area of economy.

On the other side, the approaches to development that originate from sociology and anthropology, do acknowledge the interrelatedness of economic performance and social and cultural conditions in a particular spatial unit. The social and cultural organisation of the human society varies from place to place. Taken together in all its particulars, we may say that it produces a certain spatial socio-cultural context. This context in different regions, countries or even parts of the world can be different or similar. What is important for us in this essay, is that this context in our opinion might exercise a huge impact on development and, more specifically, on the success or failure of the development policies implemented in one or another area.

What is then exactly the *social and cultural organisation* of the human society, what does it include? In order to be able to characterise or evaluate it in some way, first of all we need to know in what components it can be divided. To try answering this question, let us turn a little bit back in history to such concepts as the *social capital* and the *cultural capital*. As becomes clear from the use of the word “capital”, they represent attempts to adopt the economic language to non-economic phenomena, that is, to compensate for the limitations of a purely economic analysis of development that were exposed above.

The notion of “social capital” was first introduced in 1916 by Lyda Judson Hanifan who was a supervisor of rural schools in the US state of West Virginia. He used it for highlighting the significance of such things as “good will,

fellowship, sympathy, and social intercourse among the individuals and families who make up a social unit” (quoted from Putnam 2000: 19).

In the last few decades there has been a boom in publications on the issues related to the “social capital”, and much of this work has sought to establish a linkage between the levels of social capital and the levels of development in certain geographical areas. For example, Putnam et al. (1993) analysed the performance of regional governments in 20 Italian regions and found that it was best precisely in those regions where civic engagement was traditionally strong. Under social capital they understand “networks, norms, and trust that facilitate coordination and cooperation for mutual benefit” (p.35).

In a similar fashion, Woolcock (2001:13) speaks of social capital as of “norms and networks that facilitate collective action”. Now, other researchers such as, for example, Maskell (2000:111) take already a somewhat broader perspective and see social capital as “values and beliefs that citizens share in their everyday dealings”. Finally, some (Iyer et al. 2005:1016) simply include in this concept almost everything that one can think of: “[social capital is the] institutions, relationships, attitudes and values governing interactions amongst people”. There is also a number of works that refer roughly to the same domain that is characterised here as “social capital”, but give to it a different name: so, Capello & Faggian (2005) instead speak of “relational capital”.

Another interesting strand of thought goes back to Bolton (1992:186) who indicates that what actually constitutes an important intangible asset, or capital, relevant to local and regional development is the shared “sense of place” understood as a “sense of community and cooperation”. In his view, certain

behaviour (for example, civic engagement activities) that creates this sense of place is in fact a kind of investment that later brings returns.

The analysis offered by Glaeser & Redlick (2009), which is a recent example of continuation of this line of argument, examines whether people might be less likely to invest their time and resources in common group activities (that is, in the place-bound social capital) if they have an opportunity to migrate to more prosperous areas where they could rather invest these in their own human capital. The solution of this dilemma should then depend on the expected returns of each of the two options for every individual personally.

However, we would rather agree with McDonald & Elder (2006) who point out that social relations are often built up for non-economic reasons, and economic benefits resulting from them (such as, for example, job offer) are an externality and not a consciously programmed return to a previously made investment (“I will spend my leisure time with this person because one day he can offer me a job”). Following these critiques, some authors (Lin 2002; Huber 2008) have suggested that social capital is not relationships or social networks themselves, but only the resources that can be accessed through such networks.

In our opinion, from all things commonly included nowadays in the notion of “social capital”, two groups can be formed. One would include social networks, the levels of interpersonal trust and cooperation, prevalent social structures (for example, hierarchy patterns) and the degree of development of civic behaviour. We suggest to referring to this group of characteristics as to a “social context”. The second group would include dominant value and belief systems, widespread attitudes as well as collective identities of population and available material and

immaterial heritage relevant to the formation of such identities. We suggest referring to this group of characteristics as to a “cultural context”.

Since cultural context, defined in this way, apparently involves a more complex net of phenomena than social context and therefore its connection to development is likely to prove more ambiguous, in the present article we have chosen to limit our analysis specifically to social context.

3. Analysis of social context in Portugal and Croatia

3.1. Why Portugal and Croatia?

First of all, because in the dimension of socio-economic development, the two countries (and especially the regions chosen for the case study analysis in the paper) in our opinion may be to some extent considered representative for the European periphery on the whole. Portugal can be called peripheral already purely due to its geographical position in the extreme south-western corner of the subcontinent. But what nowadays counts much more as to whether a country is “peripheral” or not, is not the physical, but the socio-economic periphericity.

In this respect, Portugal historically was one of the last countries in Europe to have a literate population, and even today, despite significant government efforts, it continues to show some of the lowest figures in knowledge-related fields in Europe. Similarly, its traditional economic indicators such as GDP per capita are also the lowest in the Western Europe.

Croatia belongs to the post-socialist part of Europe and therefore in official documents of international organisations is still often considered “a country in transition to the market economy”. In spite of this, in our opinion it is quite comparable to Portugal not only due to its relatively small territory and population size as well as to its being part of the “Balkan region” which geographically often stands for Europe’s south-eastern periphery, but also in many aspects of the socio-economic development.

Already in the nineteenth century Croatia was lagging far behind in many important indicators such as, for example, the rate of illiteracy. Urbanisation here took place before modernisation, and agriculture still plays an important role in the economy. Being a very young democracy, Croatia is characterised by serious problems with efficient governance, large share of informal economy and strong urban-rural family ties.

3.2. Measuring social context: in search for reliable quantitative evidence

In order to be able to make any comparisons that could underpin a subsequent argument, it is almost unavoidable to have to deal with some numeric indicators. However, as with all non-economic phenomena, social context, that is, the characteristics of relationships that are prevalent among people in a certain area, is extremely hard to quantify.

So far there have been several strategies to overcome this major methodological obstacle. One strategy has been trying to measure “associational

activity”. According to it, either the number of voluntary not-for-profit civil associations was counted – such as (for the USA) bowling centres, public golf courses, sports and recreation clubs, and other civic or religious organisations – or, when available, the number of members in such associations per inhabitant (Putnam 2000; Rupasingha et al. 2000; Isserman et a. 2009).

However, in the case of Portugal such data is not available. The Portuguese do not necessarily feel a need to institutionalise their common leisure time activities in the way Americans or Germans do. First qualitative expert accounts on this matter that are emerging (Marques 2010) however suggest shrinkage of associational activity in Portugal in recent decades in a fashion very similar to that of other western countries (see De Hart & Dekker 1999, Putnam 2000 on the effect of the growing incidence of watching television on this process).

Another strategy deployed for these purposes has been to measure a level of interpersonal trust among people in a certain area. Obviously, there are different kinds of trust. Trust among closely related people (relatives, friends) is probably much less elucidating about the general social context than about the degree of in-group cohesiveness.

Trust in political institutions is perhaps more relevant, but its variations are relatively weak across cultures. Even in the countries considered most democratic people are wary of blindly believing in what politicians say, and even in the countries whose regimes are considered to be among the most corrupt or dictatorial in the world, surveys reveal that people express (often significant) trust in their leaders. For our case study, it is very likely that people’s trust in dictators such as Salazar in Portugal or Tito in the former Yugoslavia was much higher in

the past than their trust in today's democratically elected politicians in the same countries.

For these reasons, we prefer to focus on measuring trust in people "in general" (including strangers). This is a very convenient measure because the corresponding question was included both in the World Values Survey and in the recent European Social Survey. One could argue that self-reported level of trust might not reflect the true attitudes of the respondents. However, an experiment described in Knack & Keefer (1997) in which wallets with money and the owner's contact details were deliberately lost in various countries, shows that the percentage of returned wallets had a high correlation with the self-reported trust from the representative population surveys.

A "public goods game" method was used to measure trust in an experiment by Ahmed & Salas (2008) conducted in India and Sweden. Each participant of the experiment was given ten tokens. He could then (anonymously) invest any number of these tokens in a common project, but without knowing if and how much other participants have invested. The total number of tokens invested was increased by 50% and equally divided among the group members. In this case, if everyone had contributed all of one's tokens to the common pool, then everyone would be better off and end up having fifteen tokens.

If however most participants had chosen to save their tokens for themselves as a "sure gain" then those few who would have trusted in others and contributed their tokens would get less than ten (and those who had saved would earn at the expense of those who had trusted and contributed). This game reflects pretty much a real-life situation, and this similarity was further increased through the

fact that tokens of a randomly chosen group of participants were exchanged for real money at the end of the experiment, with one token being worth a half lunch.

The results of this experiment are very interesting for the issue we are discussing here. 21% of the Indians contributed no tokens as opposed to 9% of the Swedes. Conversely, 33% of the Swedes contributed all of the tokens as compared to 16% of the Indians. The shares of people contributing other amounts of tokens (between 1 and 9) roughly followed the normal distribution curve peaking at 5 tokens contributed. This resulted in the average contribution of 5 tokens by the Indians and 6.33 by the Swedes, which was a statistically significant difference.

What now seems to us very important to understand is how this difference of averages was produced. One could possibly interpret this difference in the way that the Indians trust on average less than the Swedes. However, from the differentiated data we learn that the difference comes mainly from those groups of people who chose extreme values. In other words, a more interpretation of these results would be as follows. The majority of the Indians are about as trustful as the majority of the Swedes. However, in India there are extra 12% of people (as compared to Sweden) which are especially mistrustful, and in Sweden there are extra 17% of people (as compared to India) which are especially trustful.

This experiment suggests that dealing with averages might not always be a reliable approach. With this in mind, before dealing with the averages obtained from the European Social Survey and similar sources, it would be important to check if these data also show such strong variations at the extremes.

In the case of the most recent European Social Survey available (2008 data) the pattern of distribution of answers to the question on trust on the standard 0-10

Likert scale varies according the country group. For Scandinavia, a normal distribution pattern clustered around 7-8 (high trust) is apparent. For all other countries surveyed (except Bulgaria) the peak value is 5 (average trust), which in our view basically translates in the reply “it depends”. In Bulgaria, instead of 5 the curve peaks at 1 (very low trust). “High-trusters” (9-10) are relatively rare in most countries.

The main difference between all other countries beyond Scandinavia (and Bulgaria) is in whether the curve lies higher to the right of the peak (6-8) or to the left of it (2-4). The former group comprises, among others, Switzerland, UK, Belgium, Germany and Spain; the latter includes France, Slovenia, Poland, Russia, Croatia and Portugal. *In addition to that*, all countries in the second group have a high (over 10%) share of “low-trusters” (0-1): in particular, Croatia has 18% and Portugal has 19%. Only Russia and Bulgaria have more: 22% and 30%, respectively.

This analysis shows that, different to the India/Sweden experiment represented above, in the case of the aggregated data from the countries covered by the ESS, the difference in averages might not be derived exclusively from differences in the shares of people choosing extreme answer values. The countries with lower averages of trust do indeed manifest a higher number of “low-trusters”, but they manifest a higher curve to the left of the median (medium-low trust) as well.

Given these conclusions, for the sake of greater reliability we have decided to opt for the following criterion of measuring trust when making cross-country comparisons: for the ESS data, only the share of those who chose 6 or higher on the 0-10 scale will be considered. For the earlier data taken by us from the World

Values Survey database the problem of choosing the border value does not arise at all, since in this survey program a simple “yes/no” answer model and not a Likert scale was used for this question.

The following table compares trust in people in general in populations of the selected European countries.

Table 1. Trust in people in general in selected European countries (1990s and 2008).

<i>Country</i>	<i>World Values Survey: 1990-96 data</i>	<i>European Social Survey: 2007-08 data</i>
Denmark	58	75
Norway	65	73
Switzerland	41	53
UK	31	47
Germany	42	39
Spain	30	38
France	23	29
Portugal	21	19
China	60	-
India	38	-
USA	36	-
Mexico	34	-
Brazil	3	-
Slovenia	17	29
Croatia	25	28
Bulgaria	30	18
Russia	36	26

Source: Own calculations based on the data retrieved from the WVS and ESS databases.

This data is very interesting, although suggests caution in several instances. It seems that Scandinavian countries consequently exhibit the highest levels of trust, which have even experienced a further increase during the last two decades. Countries such as Switzerland, the UK, Spain and France have also shown an increase in trust, although to different extents.

Another group of countries – that of post-socialist ones – has demonstrated an opposite trend: trust in people, which already was not very high, has diminished further. This holds for Russia and Bulgaria. Some authors, such as Bunce (1999), explain low levels of trust typical of most post-socialist countries as a legacy of living in the circumstances of an incessant surveillance by state secret services. However, this hypothesis does not combine well with the fact that low trust is observed not only in post-socialist countries. Also, the levels of surveillance differed substantially within the bloc.

Our intuition is that it was exactly the transition to a market economy which in these countries took form of introducing “wild capitalism” with all its excesses in abuse and exploitation of one person by another that contributed to the development observed above (a general decrease in trust). The only example of the opposite in this part of Europe is Slovenia – by coincidence the only post-socialist state so far accepted in the club of “developed economies” by the IMF. Verbajs (2006) argues that this recent increase in interpersonal trust in Slovenia is a result of economic growth rather than of development of a civil society in the country.

The case of Slovenia along with the evidence of Scandinavia might lead one to question if it is not simply the relative level of wealth that is crucial for the levels of trust in people. The argument could be as follows: in poorer countries where the challenge of survival is more immediate people might be more tempted to try earning money in fraudulent ways, betraying the trust of others in them. Because of high incidence of such occurrences, the population loses trust in all people in general.

However, a brief overview of major non-European countries does not support this hypothesis. China which is quite poor recorded a rate of trust on a par with the rich Scandinavians. India is much poorer than the USA, but manifests roughly the same level of trust. Mexico and Brazil, which both are Latin American, both big countries, both experience high rates of urban violence and both have a comparable income per capita, nevertheless show a difference in trust levels that is as high as ten times.

In Germany and Portugal the levels of trust remained the same, being medium in Germany and remarkably low in Portugal. Given that in the specific case of Portugal the data comes from 1990 and 2008 respectively, this stability is particularly impressive. For Croatia, the second country chosen for our analysis, today's figure lies at 28%. Taking into consideration the "initial" (pre-war) score of 25% and the data cited in Bežovan et al. (2005: 40) which suggest that the level of trust in the country in 2004 lay somewhere between 21% (Caritas survey) and 31% (Civil Society survey), we find it reasonable to assume that the level of trust in Croatia has also remained relatively stable, and it may be placed roughly into the same group as Portugal.

3.3. Measuring social context in Portugal

Coming back to Portugal on which detailed data from the recent European Social Survey is available, it is necessary to say that there are indeed some regional differences in the level of trust.

Table 2. Trust in people in general in different regions of Portugal (2008).

<i>Region</i>	<i>% of respondents who trust people</i>
North	20
Centre	21
Lisbon	20
Alentejo	17
Algarve	10

Source: Own calculations based on the data retrieved from the ESS database.

This table shows that, on the one hand, there are virtually no differences in the levels of trust in the area of the capital city as well as all the way to the north of Lisbon. There lie the territories with moderate climate where small-sized agriculture was the historically predominant occupation and form of land ownership. On the other hand, trust in people continues to diminish further when going south of Lisbon with a more arid climate, low population density and the traditional dominance of hired cheap seasoning labour, both in the pastoralism-oriented Alentejo and tourism-specialised Algarve. Again, Algarve is by far not the poorest part of the country and is the only one beyond the metropolitan areas of Lisbon and Porto that experiences population growth due to its attractiveness as a migration destination.

In the last two decades Portugal has gone through a time of unprecedented change in many areas of social and economic life. EU integration and support associated with it were expected to help the country leapfrog and overcome the development drawbacks inherited by it from the past ([Author] 2010). In this context, it could be reasonable to expect that socio-economic changes would bring along changes in the socio-cultural sphere as well. It can therefore seem somewhat surprising at the first glance that the levels of trust have not improved in 18 years. One way that allows to double-check this evidence is to look for

correlation between trust in people and age. If the younger people express more trust than the older, it can be taken as a sign of gradual change of attitudes over generations.

However, we found no significant correlation (controlling for gender, education and region) between trust and age in Portugal. In 2008, the young were almost as mistrustful towards people in general as the old. From the usual demographic characteristics, only the number of years spent in full-time education showed some minimal (positive) statistically significant correlation with trust.

Civic culture (also sometimes called civic behaviour or civic engagement) is also normally regarded as an important characteristic of social context that can exercise a beneficial influence on socio-economic development. However, differently from trust, it is not easily measurable through population surveys. Some qualitative data from academic works as well as anecdotal evidence collected by the author from own observations suggest relatively low levels of civic culture in Portugal.

Anecdotal evidence includes, for example, such fact that dog “products” can be frequently encountered on the sidewalk, especially on streets in big residential suburbs where many apartment blocks are located and dogs get walked by their owners. The latter however seem not to worry at all about polluting public walkways and creating hazards of highly unpleasant accidents for other people residing in the same neighbourhood.

Another fact is that household noise emissions which are done without any visible concerns about disturbing neighbours. Interestingly, a similar attitude is demonstrated by the state itself: municipal garbage picking services prefer to do

their (not extremely quiet) job on weekends around 5-6 am, probably because this is the time when the street traffic is at its lowest during the week, and garbage trucks which need to drive slowly and make frequent stops feel more at ease at this time of the day.

Analysing civic and political culture of the Portuguese, Cabral (2003: 33) states that “oligarchic traits continue to produce strong social constraints against the effective assumption of political citizenship”. According to a national survey he quotes, a vast majority of the Portuguese never participated in any civil groups or associations and those who did, only to a very limited extent. Equally, a vast majority acknowledged that people were afraid of showing a disagreement with decisions of government. Correspondingly, they did not express any readiness to a political self-mobilisation for defence of own interests (Cabral 2003: p.35ff).

The Portuguese society has traditionally lived “in the shadow of the state” and always been strongly hierarchised and centralised. There have been no rival forces who could challenge the power of the central state authority. It has been common for the Portuguese to perceive citizens’ rights as favours conceded to them by the state. Such attitude is documented already in works of Portuguese historians in the nineteenth century who characterise the then-usual form of governance as an “administrative dictatorship”.

Indeed, the “political apathy” of the northern and central Portugal’s peasantry was quite impressive: between 1846 and 1975, it did not engage itself in any kind of major public protest any single time. This has led some scholars such as Schmitter (1999) to suggest that Salazar’s authoritarian regime managed to endure

for so long exactly because in a way it corresponded to the political and civic culture of the population.

In the late 1990s, less than 4% of the Portuguese believed that their opinion was important for the politics in the country. One could possibly try interpreting this fact as a remnant of Salazar’s times. However, as Cabral (2003: 40-41, 50) stresses, the “distance to power” was subjectively perceived by his respondents as big much more often than as small, and this held for all age groups, including those born or socialised under democracy. This fact brings us again to the issue of cultural context: can this “distance to power” and similar phenomena be not just consequences of life in an unfree society, but deeper cultural traits that may remain stable over long periods of time? This can be an important direction for further research.

3.4. Measuring social context in Croatia

In Croatia, there also some considerable difference between regions in the level of interpersonal trust.

Table 3. Trust in people in general in different regions of Croatia (2008).

<i>Region</i>	<i>% of respondents who trust people</i>
North-West (including Zagreb)	29
Centre and East	21
Adriatic Coast	33

Source: Own calculations based on the data retrieved from the ESS database.

Central and Eastern parts of the country show considerably lower level of trust. Coincidence or not, these are also areas with the lowest levels of socio-economic development.

Luckily, there is somewhat more data available on civic culture and the state of development of civil society in Croatia than in Portugal. This is due to the fact that, unlike Portugal, Croatia was selected for study within the framework of a major international research program “Civil Society Index” (Holloway 2001; Anheier 2004) initiated in 1997 by a non-governmental organisation World Alliance for Citizen Participation (“CIVICUS”).

According to this program’s guidelines, civil society is understood as all kinds of people’s associational activities that take place outside family, state and market and serve to advancing their common interests. The degree of development of the “civil society” in a given country was measured through a specially designed “Civil Society Index”, which consisted of four dimensions: structure (membership in non-governmental non-profit organisations, extent of donating and volunteering), environment (political, legal, economic and cultural context), values practiced and promoted among the general public, and impact (for example, exercised by civic organisations on government policies).

Each dimension was assigned a score of 0 to 3, based on the analysis of various indicators deemed relevant to a particular dimension. The sources of information for such analysis included in the Croatian case secondary literature, a survey and a series of one-day workshops with stakeholders in six different regions of the country, a representative population survey, a review of six daily newspapers and numerous expert interviews.

Fioramonti & Heinrich (2007) who carried out a comparative analysis of the results of all the research done on the Civil Society Index in post-communist countries found it to be generally lower than in the Western Europe on all the four dimensions it is composed of. Among the main factors affecting this outcome weak rule of law, corruption, institutional inefficiency and low social capital were especially highlighted. Furthermore, in the countries with a socialist legacy it is still widely believed that the responsibility for taking care of the common good belongs to the state and not to the citizens (Juros et al. 2004).

Howard (2003) explains low participation of these countries' citizens in civic activities by their experiences previously made under socialist regimes which often forced people to take part in mass volunteering actions on holidays etc. On the other hand, evidence exists that exactly those non-profit organisations that were institutionalised already in the socialist times, such as trade unions or recreational clubs, still enjoy the largest membership nowadays (Szabo 2004).

The level of social context as measured by the Civil Society Index varies within the post-socialist countries group depending on the particular dimension. On structure and environment, Croatia has some of the best scores (1.7 and 1.8 out of 3, respectively), while on impact and values its performance, when compared to others, is average (1.5 and 1.9).

Historically, Croatia had a tradition of civic initiatives that was relatively established already as long ago as the late 19th century (Bežovan et al. 2005; Magaš 2008). It was later suspended during the Second World War and then suffered a profound transformation under the socialist regime, when all civic associations of any nature (even recreational and cultural ones) were forcefully

made part of a state-controlled system. The non-governmental sector started to rise again in the late 1980s; however, its development was seriously hampered by the hostile stance taken towards it by the non-democratic government of President Tudjman which remained in power during the whole following decade.

The democratisation of political life in 2000s brought about some change, but many people continue to see non-profit organisations as puppets of international aid or even as institutions used or deliberately created for money laundering purposes. Organisations promoting civic engagement “lack roots in the consciousness of Croatian citizens” who are unwilling to recognise them as stakeholders in the issues of local and regional development (Bežovan et al. 2005: 19). On the other hand, it has also been reported that in some areas, such as environmental protection, non-governmental organisations have had impressive success in several cases, and contributing to their campaigns has even turned to be a sort of “status symbol” for many young middle class Croatians (Fioramonti & Heinrich 2007: 21).

In view of this it is not surprising that Croatia obtained a relatively high score of 2 (out of 3) on such sub-dimensions of the Civil Society Index as valuing environmental sustainability, tolerance and non-violence. At the same time, transparency is not valued very much (score of 1.3), which is perhaps not entirely unrelated to the presence of incidences of corruption in non-profit organisations. Only about 36% of Croatians trust non-governmental organisations in general, against for example 55% who trust the Catholic Church. Furthermore, non-governmental organisations in Croatia are not believed to be able to exercise any significant influence on government or businesses, partly because they often rely

on the state funding and partly because the state avoids involving them into decision-making processes (Bežovan et al. 2005: 50-52, 59, 65, 74).

For accessing the levels of civic culture in Croatia, it can also be interesting to have a look at the answers received to the three questions asked in the Civil Society Index survey to measure what its authors called “public spiritedness”. 53% said it was “morally” acceptable for them not to pay (if not checked) a fare on public transportation, 27% showed a positive attitude towards tax evasion and 22% saw nothing bad in claiming government benefits to which they knew they were not entitled. The evidence obtained through qualitative methods also suggested that even those who during the survey expressed critique of such kinds of behaviour may nonetheless practice them in their everyday life. In a quite similar fashion, the people who are active members in non-profit organisations do not appear to have attitudes and values different from the rest of the population (Bežovan et al. 2005: 41, 73).

4. Concluding remarks

This article addressed the question of socio-economic development of the European periphery from the side which so far has received relatively little attention in the academic literature. A concept of “social context” was introduced to account for some of the non-economic factors that might affect economic progress. It was examined what attempts have been made to date to measure social context. In particular, the importance of differences in the level of interpersonal trust and civic culture was analysed. On a case study basis, the

indicators suggested as possible proxies for social context were tested for two selected lagging European countries: Portugal and Croatia. It was found that not only the levels of economic development, but also the levels of trust and civic culture are remarkably low in these two countries. Whether the latter is a consequence of the former or vice versa, remains however an issue for further research.

5. References

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