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## THE ROLE OF HUMAN AND SOCIAL CAPITAL IN THE LOCAL AND REGIONAL DEVELOPMENT ON THE EXAMPLE OF PODKARPACKIE VOIVODESHIP

This paper is the attempt to reflect over the role of the human and social capital in the process of the existence of local communities using the empirical example of Podkarpackie Voivodeship. The main objective of this paper is to determine the level of human and social capital of inhabitants of Podkarpackie Voivodeship and the prospect of making use of those resources in the regional development of Podkarpackie Voivodeship. The research results have shown that there is a correlation between the human and social capital and regional development using the example of Podkarpackie Voivodeship. The analysis of correlation between both the human and social capital demonstrated a connection between the level of regional development and the possibility to increase it and the extent and quality of human and social capital the regional development can be affected by. The results of the research used in this paper come from the research project „Human and Social Capital and the Development of Podkarpackie Voivodeship” (agreement No. 2068/B/H03/2009/36) financed with the science funds for the period of 2009–2010.

Key words: human capital, social capital, local development, regional development

### 1. INTRODUCTION<sup>1</sup>

Over the past decade we have observed a steady growth of interest in the regional studies, the economic development of regions, which have become the key players of the economy based on knowledge and service. This new „discovery” of the regions has had deep implications in a socio-economic policy, both national as well as that one unifying the all Europe. The European Union promotes a policy of decentralization aimed at strengthening regional economies by increasing their productivity and innovation. Another consequence of the lively interest in regions is the rapid development of regional researches and studies, both focusing on the conceptualization of the region and its associated concepts, and methodological approaches to find the best description and explanation of regional phenomena (Sagan 2004: 25). To this issue also can be included a reference to the theory of a human and social capital and their role in a regional development (see: Łobocki 2003; Herbst 2007; Trutkowski and Mandes 2005; Michalczyk and Musioł 2008; Cichy and Malaga 2007; Theiss 2007).

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The works in the field of a regional science generally include the basic factors affecting the competitiveness of a region's construction: a human capital, a wider understood infrastructure and social capital (see Geisler 2005, 2008). These three factors are the sufficient terms and conditions of a highly competitive economy. There are factors, which appearance gives a very high probability of a successful process of a development of a region. In the literature the problem is often raised the issue of a „developed and diversified economic structure” as a factor in the development of the competitiveness of a region, but this factor is more important to measure the competitiveness in static terms, than in the dynamic construction of this factor. A construction of the competitiveness of the region is a dynamic concept leading to the creation of a developed and diversified structure of economy. The innovative nature of an economy, considered by many authors as one of the most important factors of competitiveness, is a result of an accumulation of human and social capital and good infrastructure in a region.

A social capital also facilitates a cooperation within groups and international corporations, expands an ability of a collective action to get mutual benefits. Additionally, it strengthens a collective learning process and is a key element of creation, diffusion and transformation of knowledge, which are essential processes for innovation and competitiveness. Finally, social capital reinforces the value of networks as a stimulus to the creation of regional clusters and regional strategies of innovation and politics. This issue is particularly important for less developed regions which possess a weaker social capital and a weaker popularisation of science and knowledge. Under such conditions such regions have to face the fundamental challenges of technological and social change (Kukliński 2003: 9–10). The factor of location is no longer associated with a closeness to natural resources, labour supply and a large local market, but to a possession of a proper human and social capital.

Emphasizing the important roles of non-material forms of capital as a factor of development has been very common in the social sciences during the last twenty years. Despite some obvious differences, mainly in the use of the both terms – the notion of „human capital” is often and primarily used by economists, and the „social capital” has become the term used by sociologists, these two terms a long time ago expanded beyond the boundaries of their disciplines and are intensively used by both scientists, journalists, politicians and social activists.

The concepts of human and social capital are now one of the more frequently raised concepts in the field of social sciences who deal with the changes taking place in the modern, globalized world. These terms and the related research problems are settled in the Polish social science discourse, and consequently more and more appear in the media discourse.

The results presented in this paper come from the diploma research project „Human and Social Capital and the Development of Podkarpackie Voivodeship” (Contract No. 2068/B/H03/2009/36) funded from the science funds in the period between 2009 and 2010.

## 2. HUMAN AND SOCIAL CAPITAL – FACTORS OF LOCAL AND SOCIAL DEVELOPMENT

A common feature of human and social capital is the origin of these concepts in the opposition to physical capital. In the second half of the twentieth century world economic thinking

was dominated by the simple neoclassical model, according to which the unequal allocation of physical capital (machines, equipment, infrastructure, raw materials) was perceived as the reason for differences in income and standard of living in different countries and regions. This theory also predicted that in the long run, level of capital per capita in rich and poor regions, thus also an average income, will start to get more equal until the complete disappearance of the differences (Herbst 2007). The significance of the role of human and social capital in the process of economic growth and building of a competitive region shows the results of numerous empirical studies. In the light of these studies these differences in the resources of endogenous factors (including human and social capital) determine the remaining differences in the levels of development of countries and regions. One of the main objectives of regional policy is to encourage the internal resources (endogenous) of a region. A successful implementation of this task requires in-depth research on the role and relationships of social and human capital in the building of regional competitiveness.

An analysis of the most important factors determining the success of a local or regional development allows us to assess the significance of a social capital and human capital in the process of development. It is widely recognized that the success of development programmes of territorial units (municipalities, counties, regions) affect to the big extent e.g.: the existence of effective leadership – inspiring policy makers capable to mobilize local communities, a broad participation of the all categories of people in undertaken activities, to define clear direction of policies and precise evaluation of the objectives of a regional development, trust and consensus and cooperation and a public-private partnership, sensitivity to cultural identity and socio-political structure of the region and taking into account the need of permanent „adjusting” operations to the evolving environment, global challenges and structural changes (Łobocki 2003: 34–35). The quality of a human capital, crucial for the success and development of a region, is conditioned by the following features: the dynamics of a regional population, health (expressed e.g. with a life expectancy and infant mortality), the level of education of a population (Regional Differentiation of the Human Capital in Poland 2001: 7–8), and, additionally, the quality of this education. The importance of the role of human and social capital in the process of economic growth and building up of a competitive region is proved by the results of numerous empirical studies. In the light of these studies these differences in resources of endogenous factors (including human and social capital) determine the remaining differences in the levels of a development of countries and regions. One of the main objectives of a regional policy is to stimulate the internal (endogenous) resources of a region.

### 3. THE RESOURCES OF A HUMAN AND SOCIAL CAPITAL IN PODKARPACIE VOIVODESHIP

The awareness of the multidimensional nature of relationships and relations shaping the specificity of the region demands us to go beyond one methodological option and to adjust the full range of methods, both quantitative and qualitative, for the analysis of the subject. The main objective of this paper is to determine the level of the human and

social capital of the residents of Podkarpackie and their abilities to use these resources for the regional development of Podkarpackie Voivodeship. The analysis of the potential impacts of capitals – human and social – on the regional development, would prove the existence of the link between the level of the regional development and the possibility of its increasing, and the resources and the quality of the human and social capital which may be affected. To achieve the formulated above objective were conducted three, complementary to each other, researches. Due to the subject of the research the studies included:

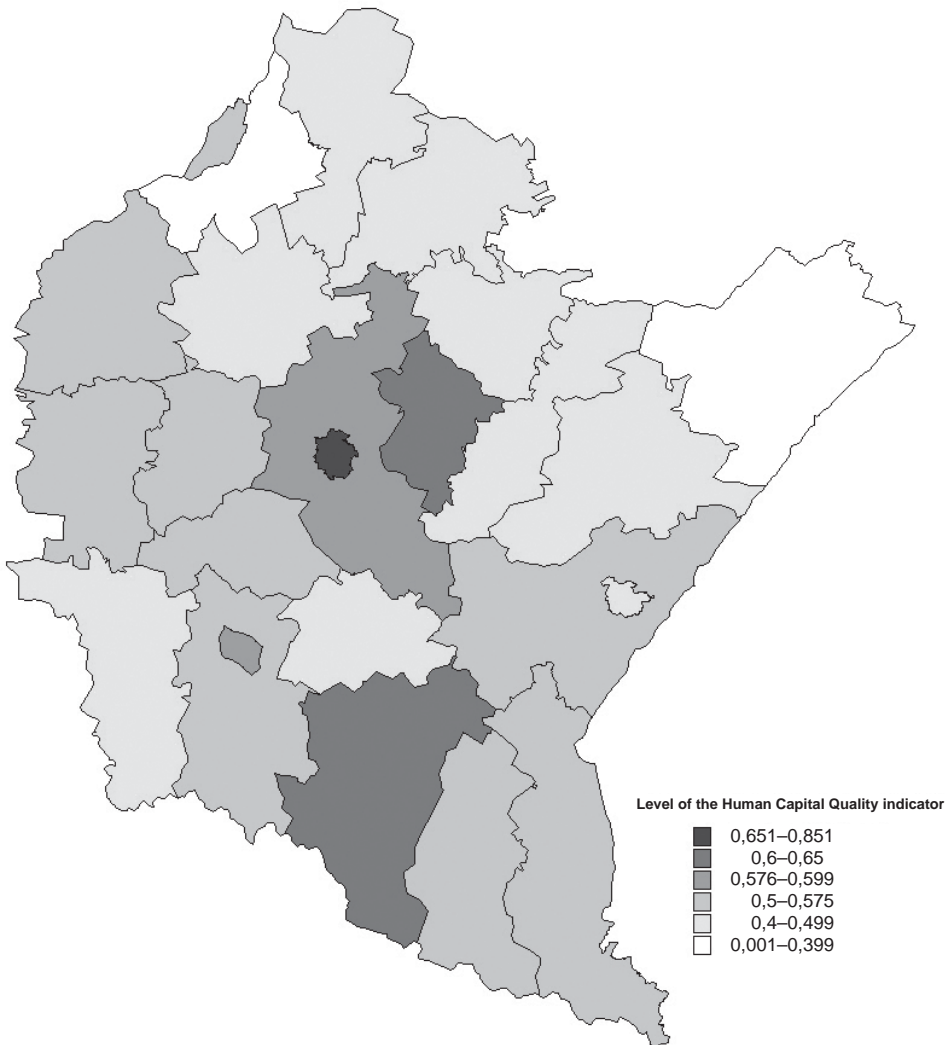
- the residents of Podkarpackie Voivodeship (a quantitative survey on a representative sample of the adult population of the region – 1067 sample size of the respondents),
- the local leaders of society – the representatives of the political and opinion-forming elite,
- the greatest entrepreneurs in Podkarpackie (the local leaders and the social entrepreneurs were conducted of the qualitative research – total 50 IDI); in addition to the sociological fieldwork had been added previously made extensive statistical analysis of the existing data, as well as data from other researches that would help to estimate, in a quantitative and the qualitative way, the resources of the human capital in Podkarpackie Voivodeship.

The analysis of the existing data and the quantitative researches – on a representative sample of the residents of Podkarpackie, and the qualitative ones – in-depth interviews with the leaders of the social life of the region and the entrepreneurs, helped to answer the question what was the size and resources of the human capital social capital in Podkarpackie and to what extent these capitals are used in the mechanism of the functioning of the social and the economic life of the region and its development.

Podkarpackie Voivodeship is the region with the diversified resources of human capital. The evaluation of the spatial diversity of the human capital indicates that the essential line of Podkarpackie Voivodeship's division runs diagonally, connecting the ends of the north-west with the south-east. Counties lying to the east of the dividing line, except Łańcut county, are characterized with lower levels of human capital resources. With a help of constructed for the needs of the research the Human Capital Quality indicator (HCQ)<sup>2</sup> it can be said that the highest level of resources characterized the Rzeszów municipal county. The group of counties with high levels of human capital are: Łańcut county, Sanok county, Rzeszów land county and Krosno municipal county. The average level of a human capital was characterized by nine counties: Przemyśl land county, Strzyżów county, Krosno land county, Ropczyce-Sędziszów, Bieszczady, Dębica, Mielec, Lesko and Tarnobrzeg counties. The relatively low level of human capital was observed in the following counties: Jasło, Brzozów, Stalowa Wola, Jarosław, Leżajsk, Nisko, Przeworsk, Kolbuszowa and Przemyśl (the municipal county). The lowest level of human capital was characterized by two counties: Tarnobrzeg and Lubaczów.

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<sup>2</sup> Human Capital Quality indicator (HCQ) is based on two sets of indicators. The first category of direct indicators is called the characteristics demographic potential of the regions. The second category of the indirect indicators describes a socio-economic activity of the population. Within each of these two broad categories were distinguished several characteristics or behaviours of the population, characterized by the potential demographic and socio-economic activity of the population in the counties. See: Kotarski 2011.



**Figure 1.** Level of the Human Capital Quality indicator (HCQ) in the counties of Podkarpackie Voivodeship

The scope of the use of social and human capital in the mechanism of functioning of social and economic life of the region and its development is unequal. This is associated with the socio-demographic characteristics of residents, what reflects in a human capital. The high level of the synthetic indexes of the measurement of the different dimensions of a social capital was associated with the age of the people, their level of education, employment status,

level of civic engagement and level of religious activities. The high level of education and the employment status of residents positively affected on the higher social capital resources. The same relation was found for a high level of a civic engagement (e.g. membership in public societies). Residents characterized by a high religious activity have got also higher resources of a social capital. The elderly slowly finishing their period of an employment activity category are also characterized by high levels of social capital. It should be emphasized also belong to the category of the great potential, which is practically not used in the development of the region. Using their activities for the development of the local community could lead to significant effects in the form of conversion of social capital in the collective economic capital<sup>3</sup>.

The results of the research showed that residents of Podkarpackie Voivodeship possess a significant human and social capital which is used only to a minimal extent in the process of the socio-economic development of the region. It is confirmed by the analysis of the spatial diversity of a social capital of the former Voivodeships. Residents of the former Przemysł Voivodeship have got the highest levels of formal social capital and engagement in the solving of community problems among inhabitants of all four former regions. Their high resources of the two dimensions of a social capital are not used. It is confirmed by the analysis of the level of the objectivity sense of the subjects. Residents of the former Przemysł Voivodeship in the smallest extent think that they have an impact on solving of local problems. It can be said that for the low level of a human and social capital are responsible the authorities, who do not try to actively involve citizens in designs of the main objectives of the regional policy and its subsequent implementation. Such actions would make possible to use the considerable potential of a human and social capital of the residents.

The assumption that among the residents of Podkarpackie Voivodeship remain significant differences in the quality of the Human Capital Quality indicator was confirmed in the analysis of existing data. The value of the HCQ indicator in the Rzeszów municipal county (0,851) was nearly three times higher than in the Tarnobrzeg land county (0,296). The average level of human capital, measured with the help of the HCQ indicator in the range from 0,575 to 0,500 was observed in nine counties. In eleven counties it was lower than the average values, and in the five counties was higher. In the group of counties with the highest level of HCQ were two municipal counties – Rzeszów and Krosno, which, according to the research are two distinct centres of growth in the Podkarpackie Voivodeship (see Sobala-Gwosdz 2005). This is confirmed by the analysis of the quality of a human capital. Worthy to mention is the high level of the HCQ indicator in the Sanok county which, as it can be assumed, has got a significant potential for the development.

The research has shown that residents of Podkarpackie Voivodeship can be characterized by a high level of membership in social organizations. Nearly thirty per cent of respondents have confirmed their active membership in one of the community organizations in the region. Nearly 1/3 of respondents declared their active membership in social organizations.

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<sup>3</sup> Similar conclusions about the unused potential of older people were formulated by A. Sadowski conducting his research on the social capital of inhabitants of Białystok, see: Sadowski 2006, *Białystok. Kapital społeczny mieszkańców miasta*, Białystok.

They meet other members at least once a month and organize their activities. To the above numbers should be added almost ten per cent of those respondents who, although irregularly participate in meetings of social organization, but when they are present at the meetings they mobilize other members to the activity. Only thirteen percent of respondents belonging to the organization reduces their activities is to paying fees or being included on the list of its members. The region has got rich resources of active citizens, acting in community organizations, mainly for the benefit of their local communities. However, his activity is not fully used by the local and regional authorities.

#### 4. SUMMARY

In an attempt to find the relationship between a human and a social capital and a regional development I assumed that the two forms of capitals are the essential theoretical categories in the social sciences. Understanding the relationship between a human and a social capital and the development of the region may also have a practical dimension. The analysis of existing data and field studies confirm the thesis assumed at the beginning of this paper. The research showed, in my opinion, a need to their continuation in other regions, and further research on the methodological concept of a methodological relationship between a human and a social capital and a regional development. Interesting from the scientific point of view would be to study the role of both capitals in the development of the Eastern Poland Voivodeships. Although such attempts have already been made in Białystok by Andrzej Sadowski, they concerned only the capital of the region. Extending research on the all regions of Eastern Poland and considering the results of studies carried out in Podkarpackie as the contemporary material would be an interesting and useful research project.

The results showed that the obtained knowledge can also have a practical dimension. The results and analysis can be useful for better diagnosis of problems of a region and better use of resources allocated to a regional policy. They can also be a starting point for a discussion on the condition of the civic society in the Carpathian Mountains. Diagnosis and explanation of the level of a human and a social capital make possible the identification of resources that can affect the important (from the point of view of a region) areas. The results of my empirical studies show that a human and a social capital are resources that bring to individuals and local or regional communities particular benefits. In my opinion, a significant benefit from the use of human and social capital in the study on a regional development category is the ability to use them to design a regional policy which to a greater extent corresponds with the real needs of the people of the region. It can be achieved by some actions in the field of education, the labour market and or a decentralization policy. The possibility of more adequate use of local resources of a social capital should become the target of local politics. Citing Florian Znaniecki, it is needed to stimulate latent, dreaming and not used social energy of people. A variety of institutional actors, social organizations or individuals involved in the management of the local community would make its functioning in more efficient and effective way. It will also help to restore public confidence in local communities.



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ROLA KAPITAŁU LUDZKIEGO I SPOŁECZNEGO W ROZWOJU LOKALNYM I REGIONALNYM  
NA PRZYKŁADZIE WOJEWÓDZTWA PODKARPACKIEGO

Artykuł jest próbą refleksji nad rolą kapitału ludzkiego i społecznego w procesie funkcjonowania społeczności regionalnej na przykładzie województwa podkarpackiego. Celem głównym artykułu jest określenie poziomu zasobów kapitału ludzkiego i kapitału społecznego mieszkańców województwa podkarpackiego oraz możliwości wykorzystania tych zasobów w rozwoju regionalnym województwa podkarpackiego. Wyniki badań pozwoliły wskazać na istnienie związku między zasobami kapitału ludzkiego i kapitału społecznego a rozwojem regionalnym na przykładzie województwa podkarpackiego. Analiza związku pomiędzy kapitałami ludzkim i społecznym a rozwojem regionalnym pozwoliła wnioskować o istnieniu związku między poziomem rozwoju regionalnego i możliwością jego podnoszenia a zasobami i jakością kapitału ludzkiego i społecznego, na które może on oddziaływać. Wyniki badań wykorzystanych w artykule pochodzą z projektu badawczego „Kapitał ludzki i kapitał społeczny a rozwój województwa podkarpackiego” (Umowa nr 2068/B/H03/2009/36) finansowanego ze środków na naukę w latach 2009–2010.

Słowa kluczowe: kapitał ludzki, kapitał społeczny, rozwój lokalny, rozwój regionalny