Social capital and local development in Swedish rural districts

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Introduction

The existing social capital literature on rural districts has mainly focused on social capital "in general" in one or several communities. Less emphasis has thus been given to citizens' activities, their forming of new organisations such as local development groups, and the interplay between these groups and the decision-makers. From our point of view, there are at least three reasons to be interested in the role of local development groups in rural development:

The "company climate" may very well be considered satisfactory by existing companies, while at the same time, the establishment of new enterprises and entrepreneurship is not encouraged. Consequently, a study of existing enterprises and their links does not always give a comprehensive picture of the potential for development in a region. The embryo of new commercial activity can, for example, also originate in non-profit making activities. A supplementary study could therefore be to examine how the "social entrepreneurs", which the local development groups represent, act and how they are treated by local decision-makers.

Another reason is that enterprises, not least new small enterprises, are active in a local, social and cultural environment. Their relationships in this environment can be of great importance to their development. In rural regions, local development groups are often important participants in this local environment. They contribute to the creation of a positive local atmosphere by organising leisure and cultural activities. These groups can, perhaps, even be seen as an indication that there is hope for the future in the district – or not, as the case may be. Even if local development groups rarely stand out as the first object of study where the development prospects of a rural district are concerned, studies of these groups should nonetheless be able to provide important information on local development potential.

A third reason is that the relations between development groups and decision-makers concern democracy. The rural districts in which citizens, for example in the form of development groups, have a good dialogue with the decision-makers should – *ceteris paribus* – find it easier to retain their population, stimulate

people to move into the area, develop new business ideas and better encourage entrepreneurship as compared to rural districts where the links between citizens and decision-makers are weak or negative.

What then is this "social capital" that, in our opinion, both the politically governed sector and the local development groups participate in and create? What significance does this social capital have? Section 2 discusses the concept and shows how we have defined it in this study. Section 3 presents the two case studies. In section 4 the results are analysed and conclusions drawn.

Local social capital as a development factor

In the international discussion, many phenomena at different levels have been incorporated under the concept of social capital. Everything – from relations between a few separate individuals to transnational cultures – have been described as social capital in different contexts. Figure 1, which is taken from Westlund and Bolton (2003), provides a picture of this complex. The figure is based on different spatial levels. On the right hand side there are common designations at each level of things that, in other contexts, are sometimes designated as social capital.

The lowest level in the figure is the level of individual actors/parties with their own preferences, attitudes, behaviour etc. In a network perspective, individuals constitute inter-linked nodes. These links are, in principle, of two different types:
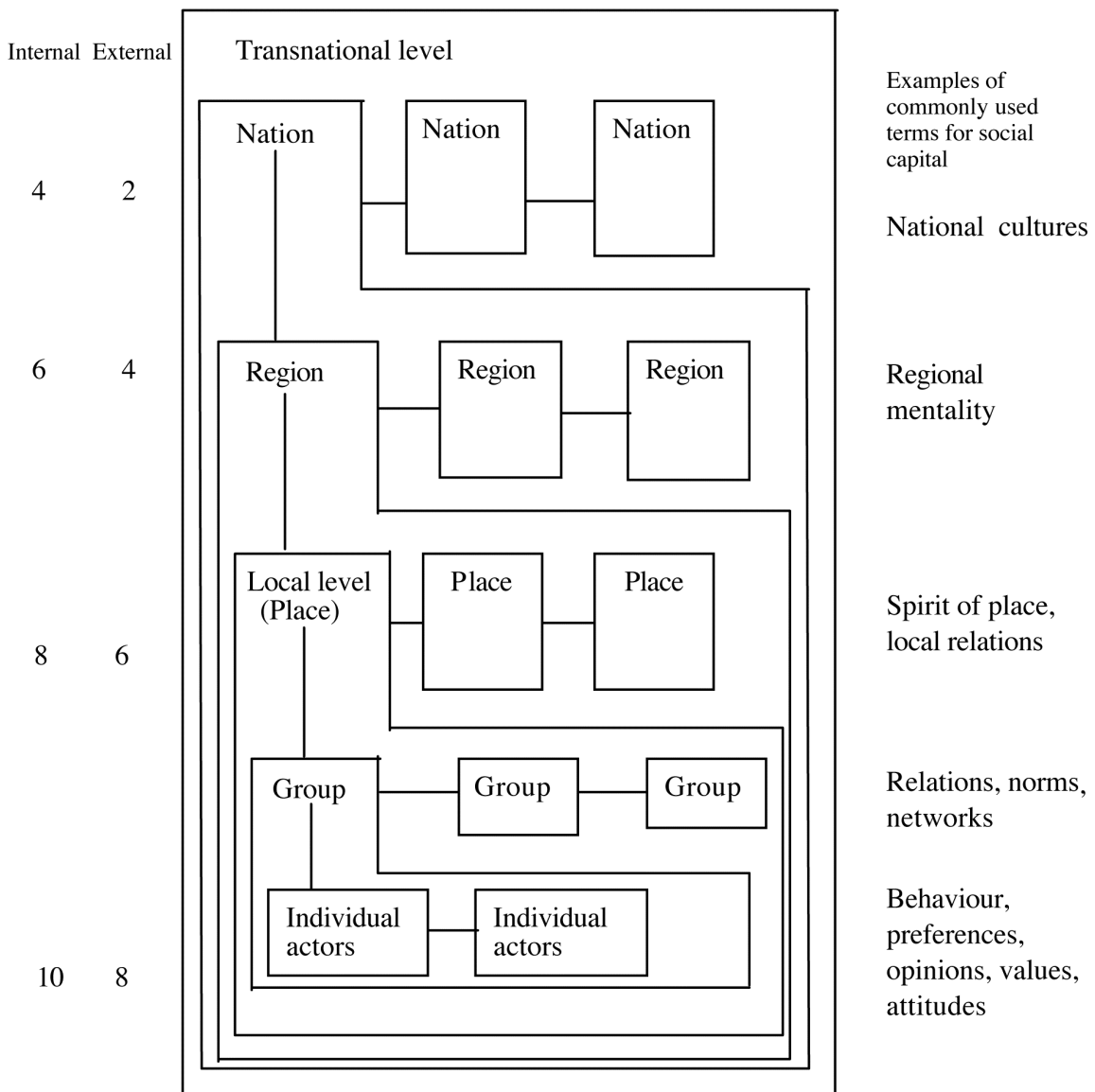
- Horizontal links between the individual and other individuals in the network/group, and
- Vertical links between the individual and the network/group, such as with a decision-maker at a higher level.

The next level in the figure is the local group of actors/individuals, whose internal social capital has a high degree of homogeneity. These local groups are connected to each other by horizontal external links and form together the third level in the figure: local social capital with a lower degree of homogeneity than that possessed by each individual group – i.e. each group has more common norms than those that these groups have in common. Social networks in a certain place create opportunities and restrictions, which affect the behaviour of individuals and groups. In turn, local groups and local places also have vertical links to actors at the fourth level of the figure: the regional level. Social capital at the regional level is, in turn, less homogenous than at the local level.

Figure 1. Levels of aggregation, degree of homogeneity, horizontal and vertical links between actors and levels, and examples of commonly used terms for social capital on different levels.

Schematic
Degree of homogeneity

Internal	External		
		Transnational level	
4	2	Nation Nation Nation	National cultures
6	4	Region Region Region	Regional mentality
8	6	Local level (Place) Place Place	Spirit of place, local relations
		Group Group Group	Relations, norms, networks
10	8	Individual actors Individual actors	Behaviour, preferences, opinions, values, attitudes

Examples of commonly used terms for social capital

Source: Westlund and Bolton (2002).

Knowledge about the social capital at one level does not necessarily say much about the social capital at other levels. This problem means that studies of social capital must be very concrete in respect of the aspects and the level of the social capital that are being studied, or the levels between which the social capital is being studied.

The determining factors of the ways in which local social capital functions can be summarised in two points:

- How *strong* and how *many links* there are between different groups at the local level, and between these groups and the decision-makers, and how strong and how many links the groups and decision-makers have to organisations and decision-makers at higher levels.
- The *actors*, the groups and decision-makers that, *on the basis of their norms and values form the local social capital* by creating these links and filling them with positive or negative "charges" – or by refraining from creating or maintaining them.

One decisive factor is thus the links between the actors/groups at and between each level. This applies partly to the *horizontal* links between actors at the same level, and partly to the *vertical* links between these actors and the decision-making political institutions and other powers that be, and between actors and different types of interest organisations that can play a supportive or obstructive role.

In this paper, social capital is defined as social, non-institutionalised networks that are filled by the networks' nodes/actors with norms, values, preferences and other social attributes and characteristics. An important quality of this definition is that it distinguishes between the networks and the norms they are filled with.

Our definition differs in one important respect from those given by for example Putnam or the OECD. According to Putnam (1993, p. 167)

> "social capital (…) refers to features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions".

An OECD report defines social capital as "networks together with shared norms, values and understandings that facilitate co-operation within or among groups" (OECD, 2001, p. 41). Both these definitions view social capital as something good, without negative features. "More" social capital is always better than "less". It is in principle the quantity of social capital that matters.

This view has been criticised by, among others, Portes and Landolt (1996), Portes (1998) and Narayan and Pritchett (2000). They argue that one can also detect "negative" social capital, and they then give examples of how various kinds of networks can have a clearly exclusive function. They also claim that common norms can create conformity, which implies restrictions on both individual freedom and business initiative. This criticism was eventually also conceded by Putnam (2000).

One of our fundamental assumptions is that the actors fill the links with positive or negative "charges". Positively charged links contain trust, confidence and common values. The opposite, i.e. a lack of trust, confidence and common

values, leads in the first place to weak links, or to a situation in which links between the actors do not exist at all. In cases in which local actors - for example enterprises and development groups – have few and/or weak links between themselves, local social capital will also be weak. Weak links can, however, also be compensated by the number of links. Granovetter (1973) coined the expression "the strength of weak ties", i.e. strength can lie in many temporary links rather than in a small number of strong, often used links.

However, mistrust and a lack of common values can also lead to the development of negatively charged links and to conflicts. Negatively charged links of this type create fragmented social capital and make joint action on the part of the actors difficult or impossible.

From a local development perspective, there is often good reason to give prominence to the role of partners and supportive organisations. Rural policies in the EU are increasingly focused on a partnership approach, such as in the LEADER programme (Westholm et al. 1999). However, at the village level, partnerships are mainly informal links, based on personal contacts with people in adult study associations, cooperative development organisations or other well-established non-profit organisations. These organisations often have links to political institutions, other powers that be and the media, and can therefore play a role as coordinators, interpreters and shapers of opinion for the local actors in their contacts with those in power and in the shaping of opinion.

The second decisive factor where local social capital is concerned is the actors themselves and their attitudes, values, norms and objectives and those they "charge" the links with. This can best be illustrated by two well-known Swedish examples of local social capital: the "local industrial community spirit" and the "Gnosjö spirit".

The local industrial community spirit is a term for the norms and values that were created from the relations between a dominant local employer and a closely-knit, locally recruited group of workers during the industrial era. The spirit of common interest, which was formed through demands and counter-demands, resulted in the local factory assuming responsibility for the welfare of their employees and their families in exchange for the loyalty of the families to the local factory. There was, in principle, a local employment guarantee for the male population of the community. Other enterprises, apart from the requisite local service businesses, were potential competitors for the labour force and were regarded as unnecessary. The consequence was that entrepreneurship and the establishment of new enterprises were not promoted by the norms and values of the local industrial community spirit. The actors that formed the local industrial community spirit – the factory and the workers – opposed, consciously or subconsciously, the emergence of new actors.

Normally, the successful Swedish model has been interpreted from a macro perspective, where quasi-corporatist industrial relations and Keynesian economic policies were implemented from above, supported by the Social Democratic leaders' vision of the "peoples home" (folkhemmet) (see e.g. Lash and Urry 1987). However, from a micro perspective there are good reasons to claim that this local industrial community spirit was a prerequisite for the success of the "top-down" policies from the 1930s and onwards.

On the other hand, during the structural adjustment of the last quarter of a century, this spirit proved to be a critical problem for these communities. When the context changed, the communities needed actors to renew the stock of local social capital. However, to a large extent, the local industrial community spirit has obstructed the emergence of actors of this type.

The Gnosjö spirit is a term for the self-employment spirit of industry in the village of Gnosjö in the south of Sweden, and is often described as the opposite of the local industrial community spirit. Gnosjö is a rural community where intimate cooperation has developed between small companies, where the hiving off of existing enterprises is encouraged, and where the capacity for making flexible adjustments to production is considerable (Berggren et al. 1998; Johannisson 1994). Like the local industrial communities, Gnosjö has been dominated by a generally declining manufacturing industry.[1] However, a completely different group of actors – that also encouraged the emergence of new actors (enterprises) – created a completely different type of social capital than was the case in the local industrial communities. The result of this can be seen in the form of a completely different approach to economic growth.

In the case of the local industrial communities, the dominating parties had invested in very strong links both internally at the local level, and externally with customers and suppliers. When the markets eventually declined and the external links were weakened, the strong internal links were an impediment that obstructed the development of new links to new external actors. Thereby, the necessary importation of new ideas and values was prevented. In the case of Gnosjö, the actors appear to have spontaneously developed an insight into the necessity of renewing links, both internally in the district and externally to new types of customs and suppliers.

While the lack of (positively charged) links or the existence of negatively charged links between actors and levels thus constitutes a problem for local

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[1] As shown by Pettersson (2002) Gnosjö also has another characteristic in common with the industrial communities, namely the predominant male values and the subordination of women. Wigren (2003) connects this to the poorly developed service sector and concludes that this makes Gnosjös future vulnerable in two ways: 1. The lopsided business life is in itself a problem if the flexible production adjustments should fail to adapt to changing demand in manufactured products; 2. Many young women find the traditional gender-roles hard to accept and leave the community.

development, another problem is the existence of excessively strong links that are preserved in spite of changes in the environment. History provides many examples of countries and regions that have not been able to adjust their norms and values and to attract new networks when financial conditions have changed. In other words, links that are too weak create heterogeneity, which can lead to disintegration, while links that are excessively strong create homogeneity, which can lead to inflexibility and inability to make changes. Some of the most important qualities of local social capital for the promotion of new entrepreneurship are therefore diversification and a capacity for reconstruction.

To make this possible there should be a balance between the interests of the different nodes involved, i.e. the interests of an individual actor should not dominate. Furthermore, an optimal balance must be dynamic, that is to say, it should be based on the renewal of social capital by new networks that replace old, unproductive networks, while old, productive networks are maintained. This involves demands for an optimal combination of strong long-term links and weak temporary links between the actors (Hansen 1998). It also involves an optimal balance between, from the perspective of the actors, internal and external links, which from the perspective of a society that can be described as an optimal balance between the homogenous and heterogeneous elements of the social capital (cf. Westlund 1999). Woolcock (1998) has discussed this central issue in terms of "embeddedness" and "autonomy", in which embeddedness (in our terms) refers to the links that contribute to making the group/society homogenous, while autonomy refers to links that retain the heterogeneity and diversification of the group/society.

In 2000, some 3,900 so-called local development groups were registered with a national organisation, the popular movement council. The majority of the local development groups are in rural districts but they can also be found in urban areas and in large cities. These groups' activities cover a wide spectrum, from cultural and leisure activities to employment-generation activities. Their activities are dominated by social purposes and they work, wholly or partly on a non-profit making basis (Herlitz, 1998; Forsberg, 2001). Berglund (1998, p. 7) describes their aims as "achieving a stronger social community, functioning services and opportunities for employment and remained living in the district". She interprets them as a type of place-related social movement, which, with Habermas' terms "defends the rationality and norms of the life-world against the system" (Berglund, 1998, p. 73). In this context, the local development group must on the one hand become acknowledged by the system as a policy actor. On the other hand, it strives to defend the norms of the life-world against the same system. In our terms, the development group is embedded in a local community, which forms its particular social capital. However, to achieve its aims, the

development group also needs positive links to local decision-makers and to other development groups.

The case studies

Our case studies of social capital are primarily limited to (local development) groups and the connections between them and the decision-makers at the local levels (municipalities). This means that, in this study, we divide the local level in figure 1 into a local level, in the sense of a village level, and a municipal level. We also take up supportive organisations at the local and regional levels, and the relations between them and local groups and decision-makers.

The selection of municipalities for the case studies was governed in the first place by the intention of finding a municipality with a large number of local development groups in relation to its population, and a municipality with a relatively smaller number of groups. One fundamental question was: what make this difference? The municipalities that were selected were the municipality of Bräcke in the county of Jämtland, with a very large number of groups/inhabitants, and the municipality of Sollefteå in the county of Västernorrland, with a relative smaller number of groups/inhabitants. We were interested in studying how and why contacts and relations were created, their content and their effects. The factors studied were the organisation of the groups, contact interfaces with the local and external environment, the development of interplay and networks, and the influence of local groups in local processes of change and development. In order to acquire a more in-depth knowledge of local development work, a qualitative focus was selected for the study, with personal visits and interviews as the method used. The interviews were undertaken partly at the decision-making municipal level and partly at the level of groups active locally.

At the decision-making level, the target group was the leading politicians and local government officers of relevance for the purpose for the study. In practice, this meant leading councillors and persons responsible for industry and rural development. Since we had wanted to study the ways in which different groups work with local development, the target group at the local level has been mixed. It has consisted of village development groups, networks, adult study associations, project groups and small enterprises. All in all, ten interviews were made in each municipality.

Apart from obtaining information on the activities of the groups and the actions of the municipalities, the aim of the interviews was to make a survey of the social capital of importance for rural development in the municipalities. Based on the perspective that it is not only the quantity, but also the quality of the social capital that is important, we focused on the latter. Nor was it possible to make a survey of the relevance of social networks in a systematic way with

quantitative measurements. Instead, our method was qualitative and focused on registering the links, contacts and partners in cooperation mentioned in the interviews, and the attitudes and values that the persons interviewed emphasised and expressed.

It can be seen from Table 1 that the existence of local development groups and new forms of cooperation both, in respect of the actual number of groups, and groups in relation to the number of inhabitants in each municipality, is much larger in Bräcke than in Sollefteå, but that Sollefteå is also far above the national average in term of the number of local groups concerned.

Table 1. The number of local development groups and new cooperatives per 10 000 inhabitants in Bräcke and Sollefteå 1999. Figures in brackets are the actual number of groups/new cooperatives.

Bräcke		Sollefteå		Sweden	
Local groups	New cooperatives	Local groups	New cooperatives	Local groups	New cooperatives
131.6 (ca 100)	34.2 (26)	13.6 (30)	5.9 (13)	4.5 (3956)	4.7 (4 137)

Source: Primary material given to Höckertin (2001), the Swedish popular movement council.

The municipalities face the same problems as many other rural and sparsely populated municipalities. They have an uneven age distribution, declining populations, emigration and a lack of job opportunities. Table 2 shows that the population in both municipalities has declined considerably in recent decades. The rate of population decline has been somewhat greater in Bräcke. In terms of total population size however the municipalities do differ considerably. Sollefteå has almost three times as many inhabitants (approximately 22,000) as Bräcke (approximately 7,600). The urban area in Sollefteå has more inhabitants (approximately 9,000) that the total number of inhabitants in the entire municipality of Bräcke. Where surface area is concerned, Sollefteå is also larger than Bräcke municipality, at 5,434 square km. and 3,849 square km. respectively. Measured in inhabitants per square km, Sollefteå has a population density of 4.2 inhabitants per square km. While Bräcke has 2.0 habitants per square km.

Table 2. The percentage change in population by decade 1970-2000 in Bräcke and Sollefteå municipalities.

	1970-80	1980-90	1990-2000
Bräcke	-7.6 %	-5.3 %	-13.3 %
Sollefteå	-5.4 %	-4.7 %	-11.5 %

Source: Statistics Sweden

At the time the interviews were made, in the spring of 2000, Sollefteå was in a particularly vulnerable position as a result of the threatened closure of a military regiment based in the municipality. The regiment was later closed down. The

selection of Sollefteå municipality coincided to a certain extent with the forma-
tion of local groups that had been established in connection with the closure of
the regiment in 2000 and the subsequent process of adjustment to the new
situation. Groups in Bräcke were mostly selected on the basis of experience of
active groups with a focus on new cooperative activities. We would at this point
like to make clear that the study does not aim to describe one municipality as
being better or worse than the other. Instead, the focus has been placed on
studying and describing the methods and strategies for local development that
have been drawn up in each of the municipalities concerned.

Sollefteå

The municipality of Sollefteå in the county of Västernorrland was characterised
throughout the nineteenth century by a relatively extensive military presence.
Two regiments employed approximately 1,000 persons (directly or indirectly),
which corresponded to approximately 10.7 per cent of the vocationally active
population (20-64) years in the municipality (9,335 persons). Apart from the
defence sector, job opportunities were mostly to be found in other public sector
activities and in the forest and energy industries. In 1990, it was announced that
one of the regiments would be closed and this took place four years later, in
1994.

 On that occasion, it was possible to use the long period of time available for
making preparations for the closure for a long-term process of adjustment and,
with a collective effort, success was achieved in developing the former regimen-
tal area into an industrial and commercial complex. Today, some 600 people
work there, which is a higher figure than was the case when the regiment was
there. The enterprises in the area consist for the most part of young growth enter-
prises. One explicit objective was, in fact, to create a dynamic mixture of
enterprises in sectors closely associated with each other.

 In 1999, the Government announced new reductions in the armed forces and
once again Sollefteå was one of the towns that would be affected. Where
Sollefteå was concerned it meant that the remaining regiment, with its 500
employees, would be closed down. An extensive process of adjustment was
started immediately. This included the formal appointment of persons and groups
at the local and municipal levels to work in cooperation with central representa-
tives from the Swedish Armed Forces and the Ministry of Industry and, Employ-
ment, and groups of a more informal character that have come into being with the
aim of contributing to positive development in the municipality of Sollefteå.

 Apart from a difficult process of adjustment of a structural nature, which in-
volved replacing job opportunities that disappeared in a shrinking public sector
with other, private sector alternatives, the municipality has had to fight against
negative population growth. Since the 1950s, the number of inhabitants has

fallen from 39,000 to 22,000 persons, and there is a large deficit in the 20 to 35 age cohort. In this age group, it is common for people to move away in order to obtain an education that is not possible to obtain locally, and thereafter it has hitherto proved difficult for these people to return and find the jobs that they have been trained for.

The interviews were undertaken shortly after the decision to disband the regiment was made. There was a large degree of uncertainty as to how these job opportunities could be replaced and how the negative spirit could be turned into something positive. The Ministry of Industry and Employment had intensive contacts with representatives of the municipality, but their promises had not been fulfilled at the time of the interviews. Of the ten interviews conducted in Sollefteå, seven were with local independent development groups/organisations or similar and three were with representatives in one form or another of the municipal level.

Bräcke

During the 1990s, leading municipal politicians and local government officers in Bräcke municipality have supported new cooperative activities as an alternative form for operations, particularly for maintaining care services for children and the elderly. At present, the municipality is trying to gain support for a new municipal plan where it has attempted to incorporate the local level, local development groups in the process by asking them for comments and suggestions. There is an explicit ambition here to improve the dialogue between the municipality and the inhabitants of the municipality. The municipality also has experience of working with neighbourhood councils. A political discussion on municipal democracy began in 1979, which resulted in neighbourhood councils being given responsibility for almost all municipal activities. Ten years later the organisation was reviewed again. In the mid 1990s a study was made which led to a re-organisation, with financial savings as its main purpose.

In connection with the reform of the neighbourhood councils at the beginning of the 1980s, the municipal council appointed seven village development groups. According to the development plan, the aim of this measure was "to stimulate local development work and to deepen democracy". This somewhat different approach, where the municipality appointed village development groups, had the effect that the groups were given the status of municipal committees with responsibility for local issues. The municipality has reviewed the system of the municipally appointed development groups, since it has not functioned without friction. In 2000, there were some 100 groups working with development work in their own villages/districts or in their own housing areas. Of these, several worked with their own development plans for their own activities/areas. Local engagement is said to have increased during the 1990s.

In the new development plan, a new form of meeting is being tested for a three-year period. It is intended to improve the dialogue between the municipality's politicians, officials and the residents. The municipality has chosen some ten places that are visited in the evenings by one or two politicians and local government officers. The local groups are responsible for making invitations and arranging the meetings. They also participate in preparing the agenda for the visit. This procedure is part of the objective for improving democracy in the municipality.

In Bräcke, two representatives of the political leadership in the municipality were interviewed, as well as two representatives from organisations that work with supporting local development work: Cooperative Development in the County of Jämtland, and ABF, an adult study association. Three local actors engaged in activities that focus on local development, and representatives of three village development groups, were also interviewed.

Analysis and conclusions

Crises and local development processes

From a cursory comparison, the two municipalities we have studied appear to have many common features as well as a number of major differences. They are both situated in the same part of the country and forestry has been an important industry for both. Social democracy has dominated their politics. During the last half -century, they have each lost a sizeable proportion of their population with a resultant distortion in their age structures, where each now have a large proportion of elderly inhabitants. Both municipalities have also gained a reputation for supporting local development initiatives in order to improve the welfare of their citizens and the attractiveness of the municipalities.

However, the differences between Bräcke and Sollefteå also deserve to be highlighted. While employment and industry have been fairly similar in the different parts of Bräcke municipality, Sollefteå has been characterised by a clear division between the main centre and the rest of the municipality. During the 1990s, the main centre in Sollefteå had the character of a military enclave, while the other parts of the municipality had an industrial structure similar to that of Bräcke, with a decline in agriculture and forestry, a small industrial sector, and thus a large civil public sector. A further difference being that Bräcke has far more local development groups and new cooperatives per inhabitant than does Sollefteå.

In this section, similarities, differences and conclusions are described and discussed on the basis of the results that emerged in the studies made in each municipality. The discussion revolves around the factors that have been of importance for local development in the two municipalities. The results indicate

that, in the municipality of Bräcke, there has been something that has had a positive effect on the potential for local development, while in Sollefteå we have found something of the opposite – a development spirit, which is fighting a uphill battle. The uphill battle in Sollefteå can best be described in terms of a more highly fragmented social capital with clear conflicts between rural districts and the main centre and strong features of a local industrial community mentality where people expect that someone else will arrange everything for them. Many of our informants conveyed a picture of conservative egalitarianism – no one is any better in any way than anyone else – which is often experienced as an obstacle to local development. There is also a history of several municipal districts, which were previously municipalities and between which there has not been a great deal of cooperation. It is rather the case that there is unexpressed reluctance to work towards common goals. According to several of our informants, these traditions have made joint future visions and joint action difficult. People are well aware of all of these factors, particularly those working with the adjustment process, and also local politicians and local actors. There were also indications of similar phenomena in Bräcke, though they did not permeate the reports of informants in the same way.

Similarities and differences

The similarities that we have found are factors that trigger local development, driving forces, and vulnerabilities in local development work. One form of crisis or another has been a common reason for forming groups and/or starting activities. Furthermore there is an explicitly positive attitude to local actors and initiatives in both municipal organisations. In Bräcke there are far more new co-operative activities than in Sollefteå. The local historical tradition also seems to be of importance where village development work is concerned. Places that have a history of active social life appear to be "strong" where development work is concerned. One negative side is that actors/groups encounter difficulties in village development work due to negative elements in their social capital arrangements, consisting of the cultural heritage and old conflicts between villages and districts. There were examples of this type in both municipalities. Bull (2000) has highlighted similar experiences in other parts of Sweden.

The main difference we can see, based on our visits and interviews, is precisely the spirit – or the qualitative aspect of social capital – in the municipalities. In Bräcke an impression was conveyed that everything was possible, while in Sollefteå the opposite impression was conveyed – it won't work! Bräcke has not had to bear a negative burden in the form of old, inflexible industrial community values, but appears to have succeeded and to have been "allowed" to both think and try new ideas to a greater extent than Sollefteå. In Sollefteå, on the other hand, the handicap of this cultural heritage has been forged for generations,

being deliberately cultivated and passed on for a long period of time. The need for a change in attitude is naturally one of the most difficult things to address. Well aware of this, it was nonetheless what Sollefteå intended to do when it was seen as the only "possibility for survival" and as the only viable strategy for the future. However, where the "spirit" of the municipalities is concerned, the difference has not resulted in Sollefteå lacking successful examples of operational models that have been developed locally.

Below are some of the similarities and differences that emerged very distinctly in the interviews:

The municipalities' attitude towards the work of the local development groups

The leading councillors convey a positive attitude to local initiatives. Both municipalities have previously worked with local mobilisation and, since the 1980s, have had experience of different models of dialogue between the local and municipal levels. In the case of Bräcke, village development groups were originally formed from above, given a political mandate and thereby incorporated into the municipal political power structure. The municipality tried to exercise control over village development work with the aid of a procedure of this type. The strategy had the consequence that people who were committed but were not affiliated to political parties was excluded. The system proved not to be able to function in practice since village development work in general is objective and focuses on common things, and is not a matter of party politics. As such, this system has now been replaced by a new model approach based on independent village development groups. In Bräcke, municipal management has had a positive attitude to new local cooperative solutions. In Sollefteå, the leading councillor expressed the desire for a greater degree of decentralisation in the decision-making processes in the municipality. He did not say how this would be done, but was of the opinion that it was important that ideas of this type originated from the local level.

Individual groups, as well as associations of groups, are trying to obtain a greater amount of influence in decision-making processes. In both municipalities there are "mixed groups" of local actors and decision-making municipal politicians and local government officers. It is interesting that the name given to these groups - future groups – is the same in both municipalities. This possibly indicates a new way for future discussions and decision-making (see for example Olsson and Forsberg, 1997) – a phenomenon also alluded to in the Swedish official regional policy report 2000 (SOU 2000:87).

We do however find a significant difference in the way in which local government officers speak about village development work. In this regard, Bräcke municipality displays a proud and positive tone, which cannot be heard to the same extent in Sollefteå. Bräcke appears also to have taken action for local

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development to a greater extent than Sollefteå. For example, Bräcke has started a "new model" for the development of democracy. This consists of municipal politicians visiting the villages for talks on important issues. Sollefteå municipality has recently started a series of meetings with local development groups. However, there are differences in opinion on the extent to which the positive attitude of municipal management to the work of local development groups really has an effect in practice and how the local actors feel about this system. Several of the local actors directed criticism towards municipal management in these matters. Local actors in both municipalities point out that the further one is from the centre, the more difficult it is to gain a hearing at the decision-making level. At the same time, our study shows that it is in the rural districts where a number of the new ideas for activities have taken shape and been developed. The people living in the rural districts have been forced to gain control of their situation in a more distinct way than those in the urban areas, where job opportunities, service and care facilities are still provided. The "crisis" in rural districts has created and/or made necessary commitment and creativity among the residents.

Local historical traditions and spirit

Local history and tradition in these villages and districts appear to be of great significance for the formation of platforms for local development. In districts with strong cooperative traditions, it seems relatively easy for local development work to pick up speed. There is a tradition of cooperation and people know each other. However, in these districts old village hostilities still lurk under the surface. These hostilities can exist in one's own village (often divided into "two parts") as well as towards other villages in the neighbourhood. There are obvious risks that these inherited memories of injustices make local development work difficult. In other words, strong social capital, based on obsolete attitudes in a group or a place can constitute an obstacle to necessary change and development.

However, conversations with local groups and advisors show that local development work has created platforms for processing old conceptions. Several village development groups talk about cooperation and joint solutions, and have developed models for this. This process appears to have made greater progress among the groups working with rural development. As a result of the crisis that characterised the centre of Sollefteå at the time of the interviews, people ended up in a situation where they were forced to abandon old ways and experiment with new ones. The respondents made a critical examination of themselves and the municipality, which undoubtedly contributed to talk of "conservative egalitarianism" and the lack of entrepreneurship. But they also had great hopes for the future. Our study shows that local development work (in the spirit of village development work and adjustment processes) can be a method of achieving greater cooperation and thus of providing strength for important issues.

The existence of old village conflicts, "conservative egalitarianism" and the old industrial community spirit illustrates perfectly that local renewal work cannot be based uncritically on the existing social capital and on simple efforts to strengthen it. It is rather the case that the processes that have been started in Bräcke and Sollefteå indicate an ambition to reshape and renew the social capital through encouraging the emergence of new nodes/actors and new networks, thus allowing other actors and networks to disappear.

New forms of cooperation in the municipalities

Despite differences in respect of the spirit of each municipality, it is nonetheless obvious that it is possible to see many concrete results of the different forms of local development work in each. In Bräcke, there are for example a number of new cooperative models run by local actors.

In Bräcke some actors and organisations have emerged as being of particular importance for the flow of information and contacts between the municipal and local levels. These types of actors that move between different groups and have contacts with the decision-making level play important roles in these processes. Advisory and supportive organisations such as the adult education association, ABF, in Bräcke and Cooperative Development in Jämtland County (KUJ) also have this type of function. The advisors constitute a type of agent for change and play an important supportive role as regards local actors. Experience and knowledge of development processes is astutely gathered by the advisors, while they also maintain a good knowledge of local decision-making processes. In difficult situations they can act as brokers or as guides between the local and municipal levels. Furthermore, the advisors provide tools and models that can be used to inspire and shape local initiatives.

The function of these supportive nodes and links between the groups at the municipal and local levels is much clearer in Bräcke than in Sollefteå. In Sollefteå there were a number of groups, but we felt that a person with an "overview" of what was happening was lacking. We can see that a development role of this type, with an overview role and the capacity to forge links between groups, has been an important component of the local development processes in Bräcke, which have often been positive. Sollefteå has no local organisation that plays the role that ABF does in Bräcke. Cooperative Development in Jämtland County is a much larger and stronger organisation than its counterpart in the county of Västernorrland.

It is our conclusion that these organisations function as extremely important nodes that create and maintain links between the local level and the municipal and regional levels. In all probability, these organisations, with their special knowledge of the people, the district and development processes play a decisive role in the type of local development processes that we have studied. Even if no

official partnerships exists, it seems obvious that the success of the local development groups to a great extent is dependent on their ability to establish links to these potential (unofficial) partners.

Social capital in Sollefteå and Bräcke – A Summary

An analysis based on the "Putnamian" theoretical approach would probably result in the conclusion that, in comparison with Sollefteå, Bräcke has a larger "amount" of social capital. However, our material does not provide any basis for us to express an opinion on the quantity of the social capital. It is not possible to claim that Sollefteå is relatively "lacking" in social capital as compared to Bräcke. Neither is it possible for us to claim that social capital in general should be "stronger" or "weaker" in one or other of the two municipalities. Since strong negative social capital, for example the "old industrial community spirit", can be expected to have a negative effect on local development, a discussion on "strong" and "weak" capital, without taking its content into consideration, would also be irrelevant in this perspective.

However, our conclusion is that there are *qualitative differences* between the stocks of social capital in each of the municipalities concerned. The social capital displayed in Sollefteå appears to be divided to a greater extent between the dominant centre and the remainder of the municipality and between different groups. The preservation of large, established activities (the regiments and the hospital), and not the creation of new industries, have been the central focus of actions taken by the municipality and other leading actors. Sollefteå also appears to be characterised by a stronger degree of industrial community mentality in which it is considered negative to distinguish oneself by taking initiatives of one's own. Even if all of these features can also be found in the social capital displayed in Bräcke, they seem to be there to a lesser extent.

Our results indicate that the differences between Sollefteå and Bräcke are both historical, based on the structure of industry and on the existence or absence of a certain type of actor, namely advisory/supportive organisations. Historically, the industrial structure in Bräcke has been much more homogenous than in Sollefteå. Agriculture and forestry and small forest-based industries dominated industry in Bräcke up to the municipal expansion of the 1960s and, above all, the 1970s. The centre of Sollefteå mostly consisted of a military enclave, with completely different social networks and values than other parts of the municipality. In a perspective of this type, the observed differences in social capital would appear to be easy to explain, and also almost impossible to influence in any other way than over a very long-term perspective.

The existence of advisory and supportive organisations, such as Cooperative Development in Jämtland County, and the role that ABF plays in Bräcke – and their absence in Västernorrland County and Sollefteå – is also partly due to

historical, industrial structure reasons. The difference is, however, that these types of bodies, which function as nodes in the networks between the villages and the municipal administration, are also actually a result of political actions. Even if the organisations arrange their activities independently of the public sector, they are very much dependent on public funds for their activities. It is thus a political matter whether the municipalities and the regional public bodies decide to allocate funds to the activities and functions performed by the advisory organisations. In Bräcke and in Jämtland, the public sector has clearly been more interested in backing up these actors at the intermediate level.

In this respect, our results are very reminiscent of those of an Australian study on the importance of social capital for networks of groups with a focus on land care. In what was originally a government programme, which included the establishment of local groups, spontaneous networks of groups were formed which had their own decision-making functions, spread their own information and created their own resources. Initially the networks came into conflict with the authorities involved, but subsequently a division of responsibilities emerged in which the networks were given financial support and were made responsible for spreading information and for coordination. The networks developed into an organisational structure that was able to bridge the institutional vacuum that existed between the landowners and the regional planning authorities (Sobels et al., 2001).

One general interpretation of this experience from rural areas in Australia and Sweden could be that' top-down' measures to promote local development and to build new social capital, have to take into consideration the institutional vacuum that exists between the citizens and the authorities and therefore include the possibility of transferring resources and powers to independent organisations that can fill this vacuum.

The potential and limitations of local development work

Finally, it is also necessary to ask the wider question on what kind of expectations that it is reasonable to place on local development work. What role do the types of activities that are performed by village development groups, local cooperatives, save the jobs/service groups etc. play in the creation of new jobs, new business, population growth and other forms of regional development?

Table 2 showed that the population in both Bräcke and Sollefteå decreased considerably over recent decades, and that the rate of depopulation was somewhat higher in Bräcke. If the population trends in the municipalities as a whole could be used as a measure of the effects of development work, the more extensive activities in Bräcke almost appear to have led to a negative outcome. However, Table 3, which shows population trends in urban districts and rural

districts in the 1990s, shows another picture. It is only the urban district in Sollefteå itself that showed a considerably more positive trend than the urban district in Bräcke. Population levels in other urban districts have decreased considerably in both municipalities, but more so in Sollefteå. The population level in *rural districts* in Sollefteå has decreased almost twice as much as in Bräcke.

Table 3. Population trends in urban districts and sparsely populated districts/rural districts in Bräcke and Sollefteå municipalities 1990-2000 and percentage change.

	Municipality		Main centre		Other centres		Rural districts	
	1990	*2000*	*1990*	*2000*	*1990*	*2000*	*1990*	*2000*
Bräcke	8739	7577	1995	1703	2520	1984	4224	3890
Bräcke %	-13.30		-14.64		-21.27		-7.91	
Sollefteå	24840	21978	8728	8860	6776	5101	9336	8017
Sollefteå %	-11.52		1.51		-24.72		-14.13	

Source: Swedish National Rural Development Agency

Without a much deeper analysis, it is simply not possibly to reach a definitive conclusion as to why Sollefteå has had a more negative population trend in its rural districts in the 1990s than has Bräcke. However, the fact is that, ever since the end of the 1970s, municipal management in Bräcke has tried to support development work at the village level in different ways. The first attempts at the "top-down" establishment of politically appointed groups were not however too successful, but Bräcke had the ability to learn from its mistakes and to adopt a positive attitude to the "bottom-up" establishment of "non-political" groups. In Bräcke, another form of social capital has developed which, among other things, seems to be reflected in more extensive local development work and in municipal management, which has actively supported this work.

Local development work is dominated by activities associated with public and private services, nature and the cultural environment, and culture and leisure time. Activities associated with improved or preserved levels of service lead – if they are successful – to the retention of job opportunities (in, for example, the shops or schools threatened by closure), or new job opportunities in the village (for example in a child-care cooperative). In many cases, however, new jobs created in the villages correspond to fewer jobs in the nearest urban area (in, for example, child care). Even if the number of job opportunities and local services in a municipality are thus possibly not changed at all by local development work, there is no doubt that the work improves the quality of life in the successful villages.

Village development work contributes to the creation of positive social capital in the form of a cooperative spirit, and in the power to take initiatives in respect of the issues people actively work for. Social capital associated with *cultural, leisure and service environments* contributes to the creation of a situation in

which people feel content and want to remain in the area, and this should also have some positive effects on immigration or the return of people who grew up in the district. But there are few examples where it can be shown that the social capital built up in local development work had any obvious direct effect in respect of new companies, company expansion and new job opportunities. The move from voluntary work, or services performed on contract for the municipality, to entrepreneurship on market conditions is a very long one. Even from a wider European perspective, a large proportion of employment in this social economy appears to be tied to local services (Westlund and Westerdahl, 1997).

This means that the social capital that is created in local development work should be seen as an important, but nonetheless not the only, part, of the "all-embracing" stock of social capital which local and regional actors and decision-makers more or less consciously try to reshape and recreate. This "all-embracing" social capital also includes the *production environment* and thus also attitudes to new companies, cooperation between companies, risk-taking etc. The examples of local capital that were discussed in section 2, such as "the Gnosjö spirit" and "the old industrial community spirit" both constitute examples of this all-embracing social capital that was developed in interaction with special local production environments. This social capital does not therefore only have an effect on the local cultural, leisure and service activities available to the people, but also on their ability to obtain work and earn a living.

Seen in this perspective, local development work is a component part in the strengthening of the competitiveness of a municipality or region. It is possible that the new attitudes to, for example, local cooperation that arise in development work can exercise an influence on the social capital that is linked to the production environment – if links are established between the different environments. However, to magnify expectations of local development work and to expect results in areas that are only rarely in focus – i.e. job creation – would be to do development work a disservice. Local development activities are important for a community, but they are not enough.[2]

This study provides support for the notion that, together, actors at the local and municipal levels can change the stock of local social capital. In Bräcke, the municipality has tried to treat the rural areas as a resource – a living and leisure environment that attracts certain groups. For more than two decades, local groups, supportive organisations and municipal management have built up respect for the will to take responsibility and for the work that is done in the villages. In Sollefteå, work of this type was introduced in the 1980s and was given a new lease of life during the crisis of 2000. A possible interpretation of

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[2] "In the peripheral places, the failure of a single production system, upon which families have become wholly reliant, may not be capable of being compensated through their engagement in locally-available alternative production systems" (Byron & Hutson 2001, p. 302).

our results could therefore be that it is possible to change the local social capital in respect of culture, leisure and service environments. It should also be possible to do so in respect of the production environments. However, our results indicate that this is a long-term task that requires significant perseverance.

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