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NUCLEO RICERCA
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**Third Conference of the Italian Association
of Agricultural and Applied Economics**

**FEEDING THE PLANET AND
GREENING THE AGRICULTURE:
CHALLENGES AND OPPORTUNITY FOR THE
BIO-ECONOMY**

Dipartimento Territorio
e Sistemi Agro-Forestali

TE SAF

TRUST IN THE LEADER APPROACH
The case study of the Veneto Region in Italy

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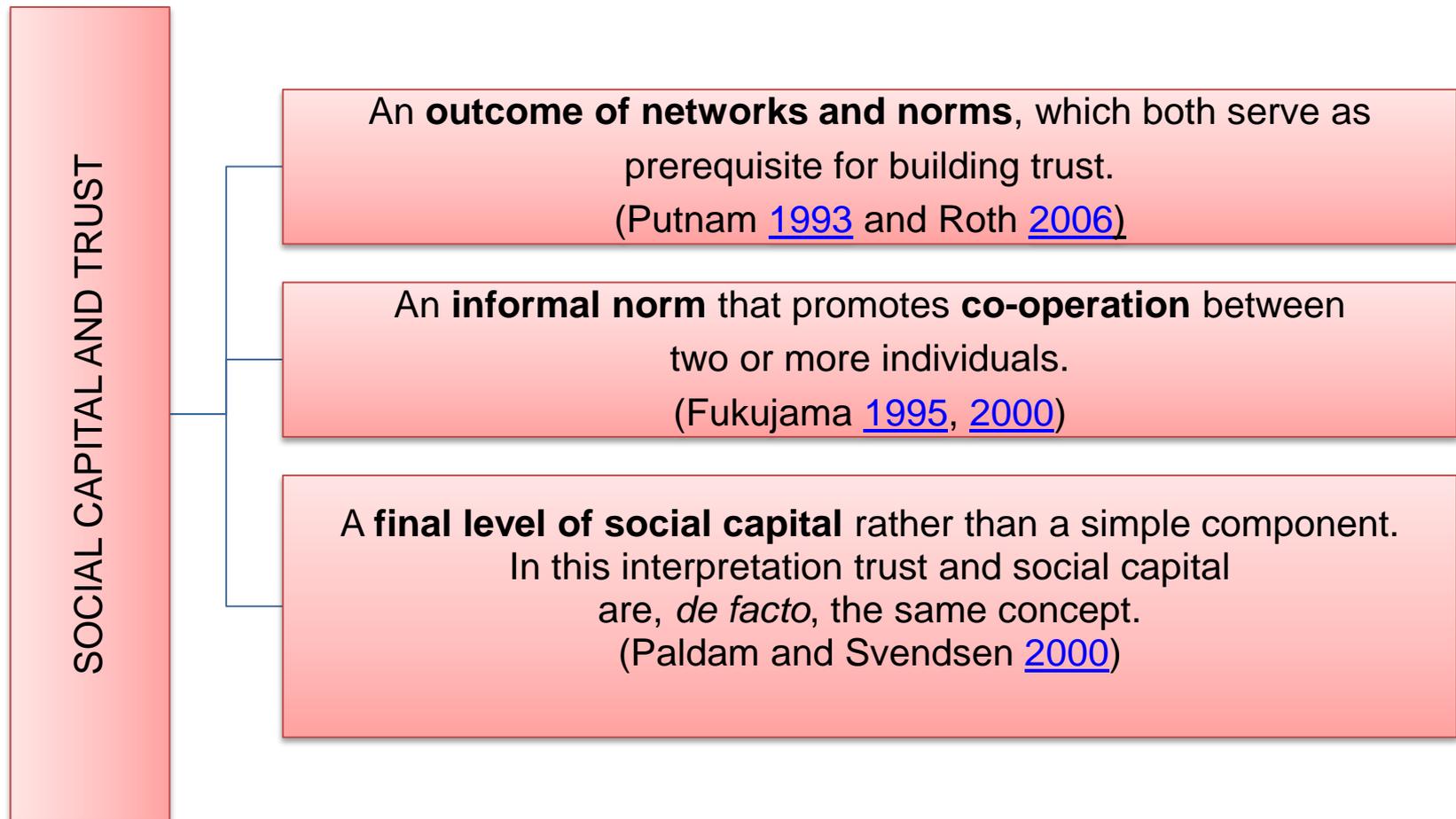- **Trust: a brief literature review**
- **Research Objective**
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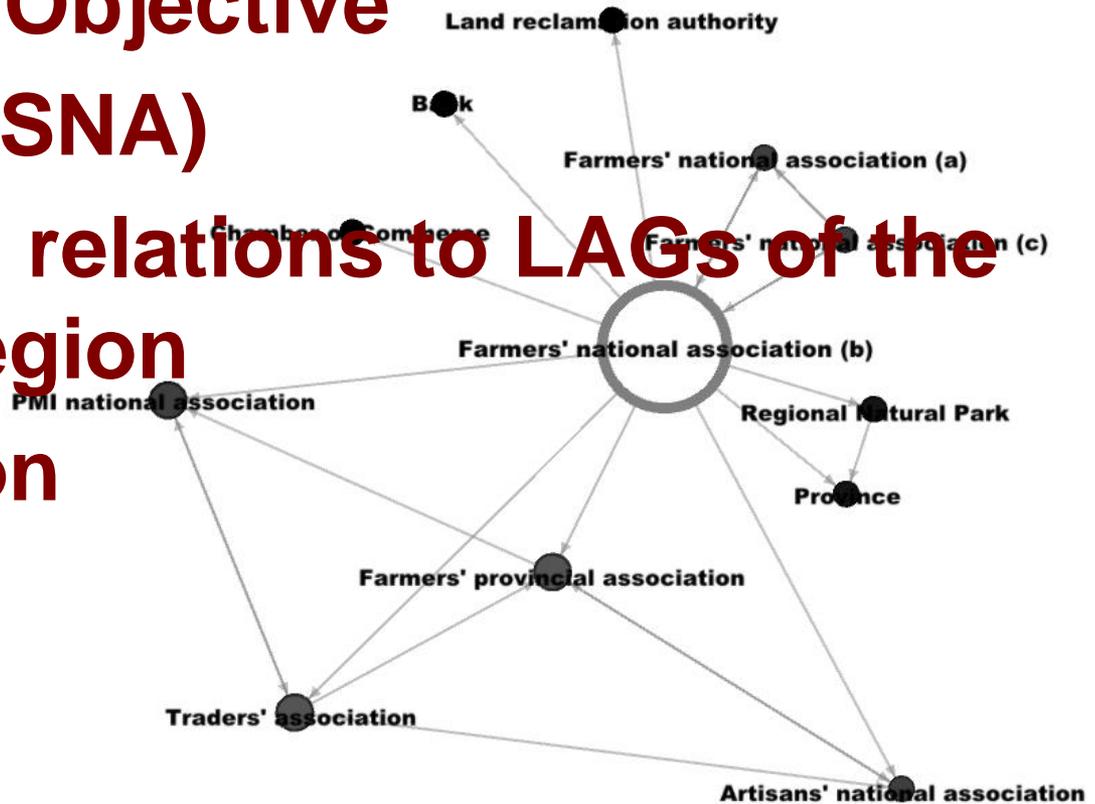
Social Capital and Trust

- The analysis of the relationship among **social capital** and **trust** is, in many respects, still critical and not totally agreed within the scientific community.

SOCIAL CAPITAL AND TRUST

An **outcome of networks and norms**, which both serve as prerequisite for building trust.
(Putnam 1993 and Roth 2006)

An **informal norm** that promotes **co-operation** between two or more individuals.
(Fukujama 1995, 2000)

A **final level of social capital** rather than a simple component. In this interpretation trust and social capital are, *de facto*, the same concept.
(Paldam and Svendsen 2000)

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TESAF

Trust: interpersonal and institutional

Gambetta 2000	• Trust is a **SUBJECTIVE PROBABILITY** with which a person (or a group) assesses that another person (or a group) will perform a **particular action**.
Seralgedin and Dasgupta 2001	• Trust is defined as an **INDIVIDUAL EXPECTATION** of one person about the **action of others** that affects the person's choice.
Morrone and Tontonarelli OECD 2009	• Trust refers to the **CONFIDENCE** that people have in others that they will **act as we might expect**. Hence, it reflects people's **SUBJECTIVE PERCEPTION** of **people's reliability**.

- Hardin (2004) : "**A trust B to do X**". The combination of different typologies of actors (A, B) and of actions (X) can help to distinguish different forms of trust:
  - **INTERPERSONAL TRUST** (Blind 2006)
    - **thick** and **thin** trust (Putnam 1993) (at individual level)
    - **strategic** and **moralistic** trust (Uslaner 2002)
  - **SYSTEMIC TRUST**
    - MACRO LEVEL: **institutional trust**
    - MICRO LEVEL: individual's political trust (Blind 2006).

Trust and economic performance

Knack and Keefer ([1997]) and Zak and Knack ([2001]):
positive correlation between social capital – measured by trust – and the GDP pro-capita growth rate for different nations

MICRO LEVEL

interpersonal trust directly contributes to the **spread** of the **information** and to **reduce** **the transaction costs** and the **monitoring cost**s, consequently, facilitate the conclusion of contracts, determining a better economic performance of the single agent.

MACRO LEVEL

institutional trust is the **precondition** for the **stability of society** and the **functioning of democracy** and, consequently, it can sustain indirectly the economic growth in the long run. In other words trust can influence, by means of political channels, the **quality of public policy** and consequently it can have an indirect impact on the economic growth.

| Normative hypothesis | → | Well designed public policies | → | Immaterial features (social capital and trust) | → | Behavioural change | → | Contribute to promote rural development |

Policy-Program evaluation: impact

Research Objective

The objective of this research is to propose **original indicators** that can be used for measuring **interpersonal** and **institutional trust of Local Actions Groups** (LAGs) of the LEADER Approach in **two case-studies** – i.e. two LAGs located in the Veneto region (North-East of Italy), the "Prealpi e Dolomiti" LAG and the "Bassa Padovana" LAG.

INDICATORS TO BE USES IN:
Impact evaluation of LEADER APPROACH

On this regard, the paper presents data on interpersonal and institutional trust for the years 2010-11.

Val Morel - Archivio Dolomiti Turismo

Impact evaluation of LEADER: criteria

Programme	Dimensions of Quality of Life	Impact categories	Assessment criteria
LEADER (with or without)	Rural Economy	Livelihoods	Access to infrastructures and service
			Work-life balance and job environment
		Liveability	Human Capital
			Valorisation of socio-economic performance
	Rural Environment	Enhanced well-being due to environment	Environment assets and their perception
			Involvement of rural population in environmental management
	Socio-culture	Cultural capital	Cultural rural amenities
			Valorisation of cultural assets
		Social capital	Local identity and coherence
			Net-working and openness
	Governance	Multi-level Governance	Level of decentralisation
			Coordination between different levels of governance
		Local Governance	Quality of governance
			Partnership composition and empowerment

Source: European Network for Rural Development

Impact categories	Assessment criteria	Specific evaluation questions related to social capital	Suggested impact indicators
Social capital	Local identity and coherence strengthened (usually more associated with bonding social capital)	A. To what extent have the RDP measures increased the interaction amongst actors to promote a sense of place and to strengthen community ties?	Number of people participating in collective investments and composition of participants in projects of this type.
		B. To what extent have co-operation and networking increased the economic performance of the area?	Relative number and volume of business/employment arising from co-operation and networking relationships
	Net-working and openness fostered (usually more associated with bridging social capital)	C. To what extent have RDP measures enhanced the actors' capacity to identify and take up new ideas, tacit skills, etc. and turn them, into innovation?	Number of newly established external relationships to key stakeholders, defined as such stakeholders playing a dominant role in: - flows of knowledge; - flows of finance;

THE TRUST DIMENSION IS LACKING AND THE ASSESSMENT CRITERIA ARE CRITICAL IN SOME ASPECTS
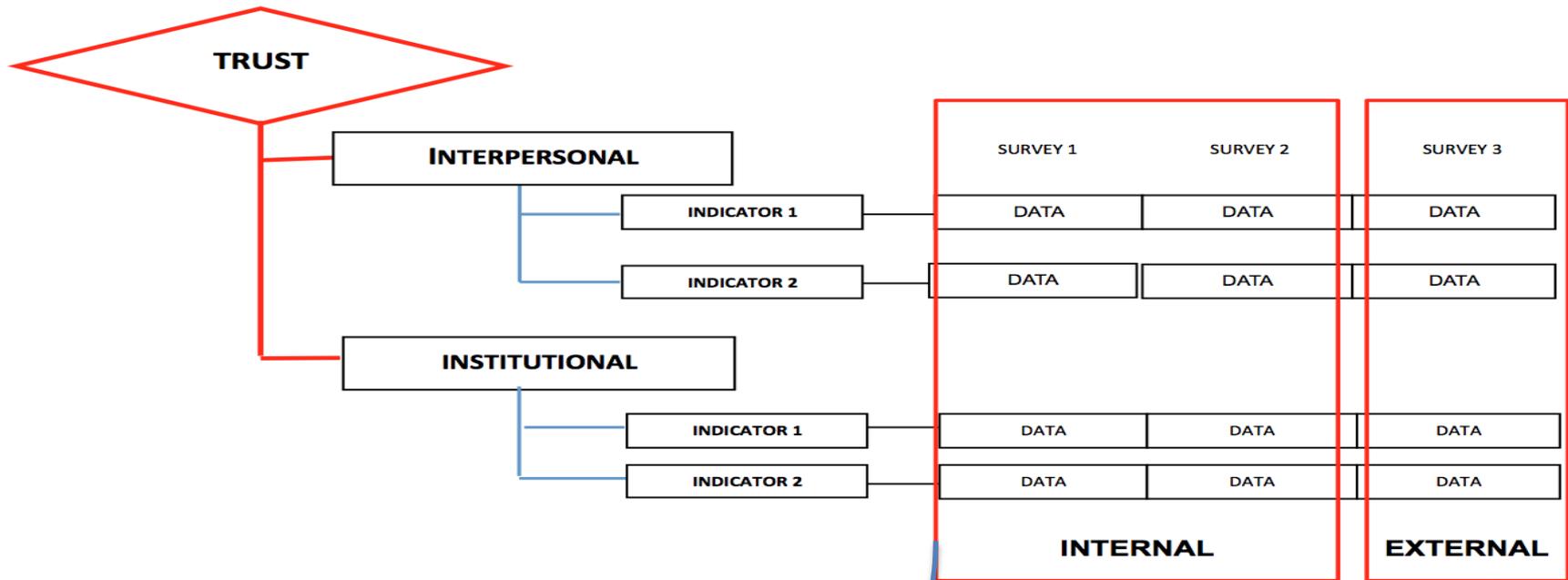
Method

Table 1. Population and sampling design for the three levels of the analysis.

	Population	Sampling design Statistical unit	Sample size
Internal relationships of the collective actor	*Organization of the LAG* a. Director b. Administrative Staff *Members of the LAG* c. Board of Directors d. Assembly	Director Administrative Staff Member of the Board of Directors Member of the Assembly	1 Variable numbers The entire population The entire population
External relationships of the collective actor	*Beneficiaries of projects:* Those who have received grants for the first two years of the RDP (2010-11)	Beneficiary The sampling interval is systematic and the stratification is for: (i) typology of project (ii) Measures of the Rural Development Program	$n \geq 20$

Source: own elaboration

Trust indicators and the LEADER Approach

Table 2. Indicators of interpersonal and institutional trust in the LEADER Approach.

	Internal measures	External measures
Interpersonal trust	Level of members' trust in the General Assembly	Level of beneficiaries' trust in the LAG
	Rate of Board's members within the core of trust network	
	Rate of trust interconnections	
	Level of inter-temporal change of members' trust	
Institutional trust	Level of members' trust in governmental institutions	Level of beneficiaries' trust in governmental institutions
	Level of members' trust in religious organizations	Level of beneficiaries' trust in religious organizations
	Level of members' trust in professional associations	Level of beneficiaries' trust in professional associations
	Level of members' trust in voluntary associations	Level of beneficiaries' trust in voluntary associations

Source: own elaboration

- The data have been collected by means of three different surveys administered face to face: survey n° 1 proposed to the Director and the staff of the LAG, survey n° 2 planned for the Assembly and the Executive Committee, survey n° 3 intended for the beneficiaries.

- The survey was carried out from October – December 2012 and it was referred to the LAG implementation period 2010-2011. The survey answer modalities were among the following options: (i) close answer with cardinal value-scale ranking, (ii) close answer with ordinal values-scale ranking (usually with 4 modalities), (iii) closed answer with binomial-scale ranking and (iv) open answer.

From the survey to the indicators 1.2.

| Indicator	Unit of analysis	Question	Answer in the survey	Answer Range	Elaboration	Final Range
Level of members' trust in the General Assembly	*Internal:* 1. Director 2. Members	With reference to the members of the LAG General Assembly, would you say that most of them can be trusted or that you need to be careful in dealing with them?	□ I trust the majority of the members (1) □ I am careful in dealing with the members (2)	[1,2]	n° of respondents "I trust the majority of the members"/ total n° of the respondents (Members + Director)	[0-100]
Rate of Board's members within the core of trust network	*Internal:* 2. Members	To which of the other members of the Assembly would you delegate your vote, in case you couldn't take part to the voting?	Open	[0-n°members]	1st step: SNA of trust relationship; 2nd step: to order the members for their in-degree; 3rd step: (n° of members of the Board which are present in the first positions) / (total members of the Board)	[0-100]
Rate of trust interconnections	*Internal:* 2. Members	To which of the other members of the Assembly would you delegate your vote, in case you couldn't take part to the voting?	Open	[0-n°members]	1st step: SNA of trust relationship; 2nd step: (n° of members with a null in-degree)/ (total n° of the members) 3rd step: the reciprocal number	[0-100]
Level of inter-temporal change of members' trust	*Internal:* 1. Director 2. Members	On the whole and compared to 2007, your trust in the members of the General Assembly is …	□ Worsened (1) □ Equal (2) □ Improved (3)	[1,2,3]	Weighted average of the scores	[0-3]

From the survey to the indicators 2.2.

| Level of beneficiaries' trust in the LAG	*External:* 3. Beneficiaries	Which is your level of trust in relation to the action promoted by the LAG?	1 □ 2 □ 3 □ 4 □	[1,2,3,4]	Average score	[0-4]
Level of trust in governmental institutions	*Internal:* 1. Director 2. Members *External:* 3. Beneficiaries	Which is your level of trust in relation to the following institutions? (Government)	□ null (1) □ little (2) □ enough (3) □ lots of (4)	[1,2,3,4]	*Internal:* Weighted average of the scores (Director-Members); *External:* Average of the scores (Beneficiaries)	[0-4]
Level of trust in religious organizations	*Internal:* 1. Director 2. Members *External:* 3. Beneficiaries	Which is your level of trust in relation to the following institutions? (Religious Organizations)	□ null (1) □ little (2) □ enough (3) □ lots of (4)	[1,2,3,4]	*Internal:* Weighted average of the scores (Director-Members); *External:* Average of the scores (Beneficiaries)	[0-4]
Level of trust in professional associations	*Internal:* 1. Director 2. Members *External:* 3. Beneficiaries	Which is your level of trust in relation to the following institutions? (Economic associations)	□ null (1) □ little (2) □ enough (3) □ lots of (4)	[1,2,3,4]	*Internal:* Weighted average of the scores (Director-Members); *External:* Average of the scores (Beneficiaries)	[0-4]
Level of trust in voluntary associations	*Internal:* 1. Director 2. Members *External:* 3. Beneficiaries	Which is your level of trust in relation to the following institutions? (Voluntary organizations)	□ null (1) □ little (2) □ enough (3) □ lots of (4)	[1,2,3,4]	*Internal:* Weighted average of the scores (Director-Members); *External:* Average of the scores (Beneficiaries)	[0-4]

Results: indicators
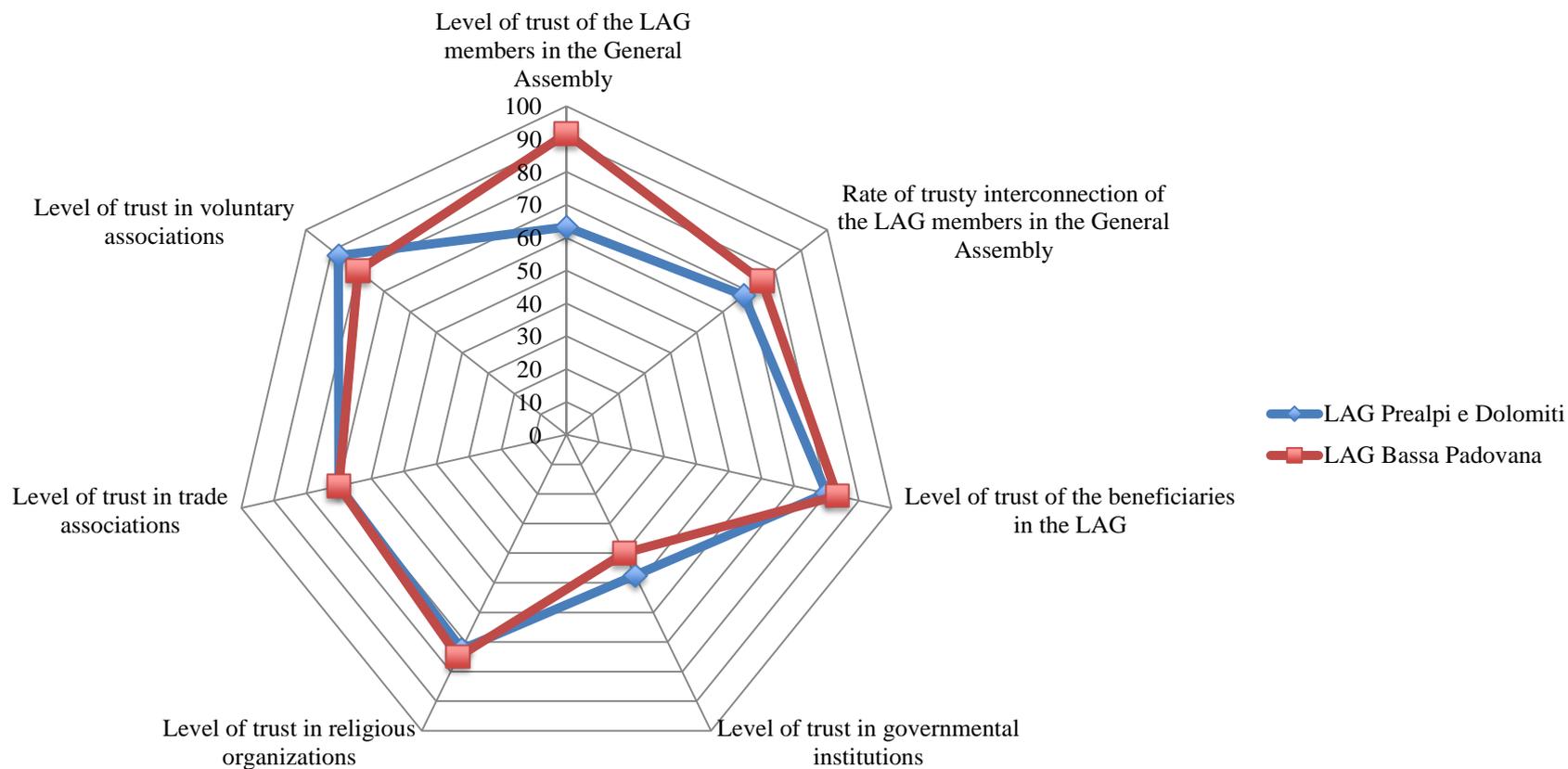
LAG Prealpi e Dolomiti

LAG Bassa Padovana
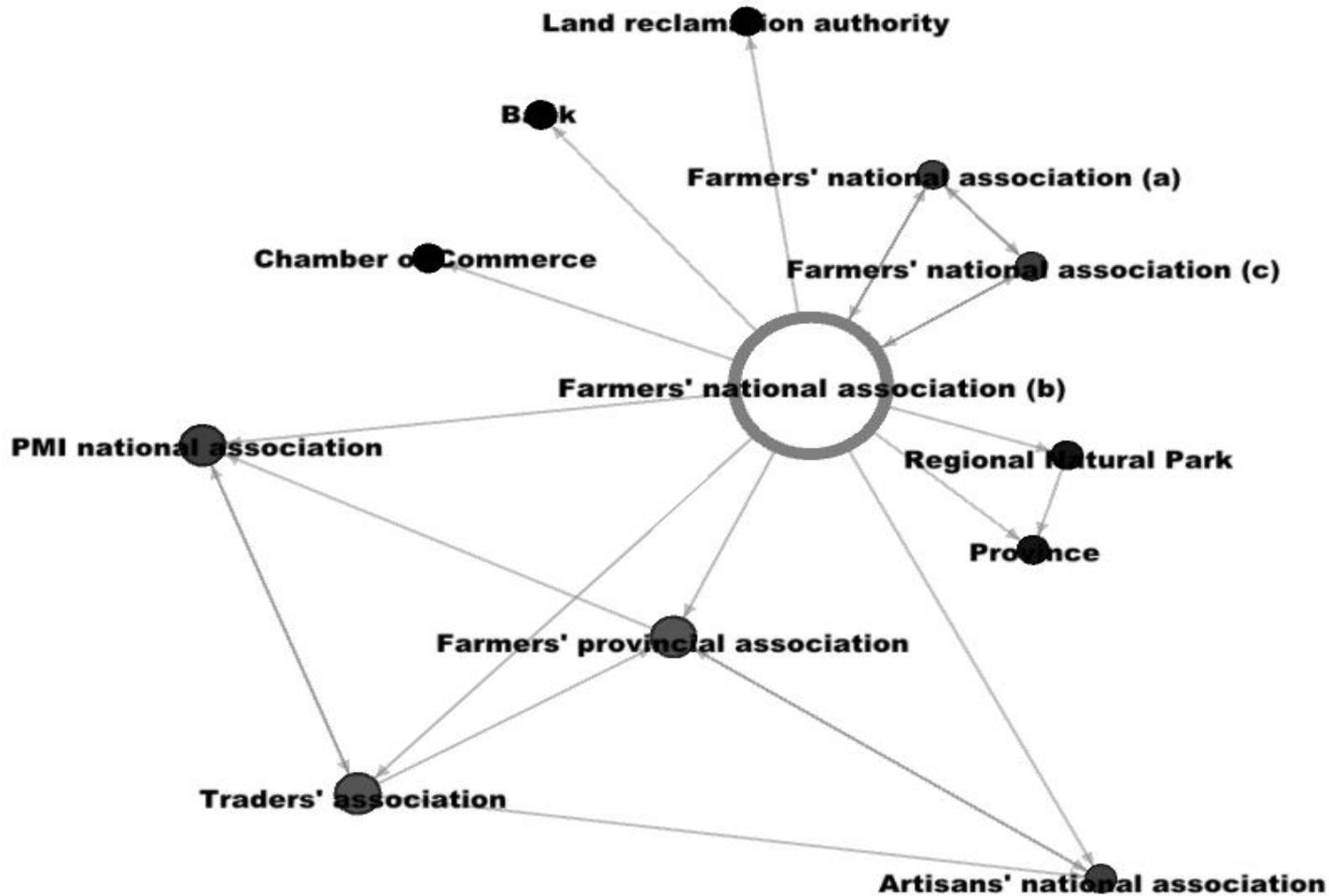
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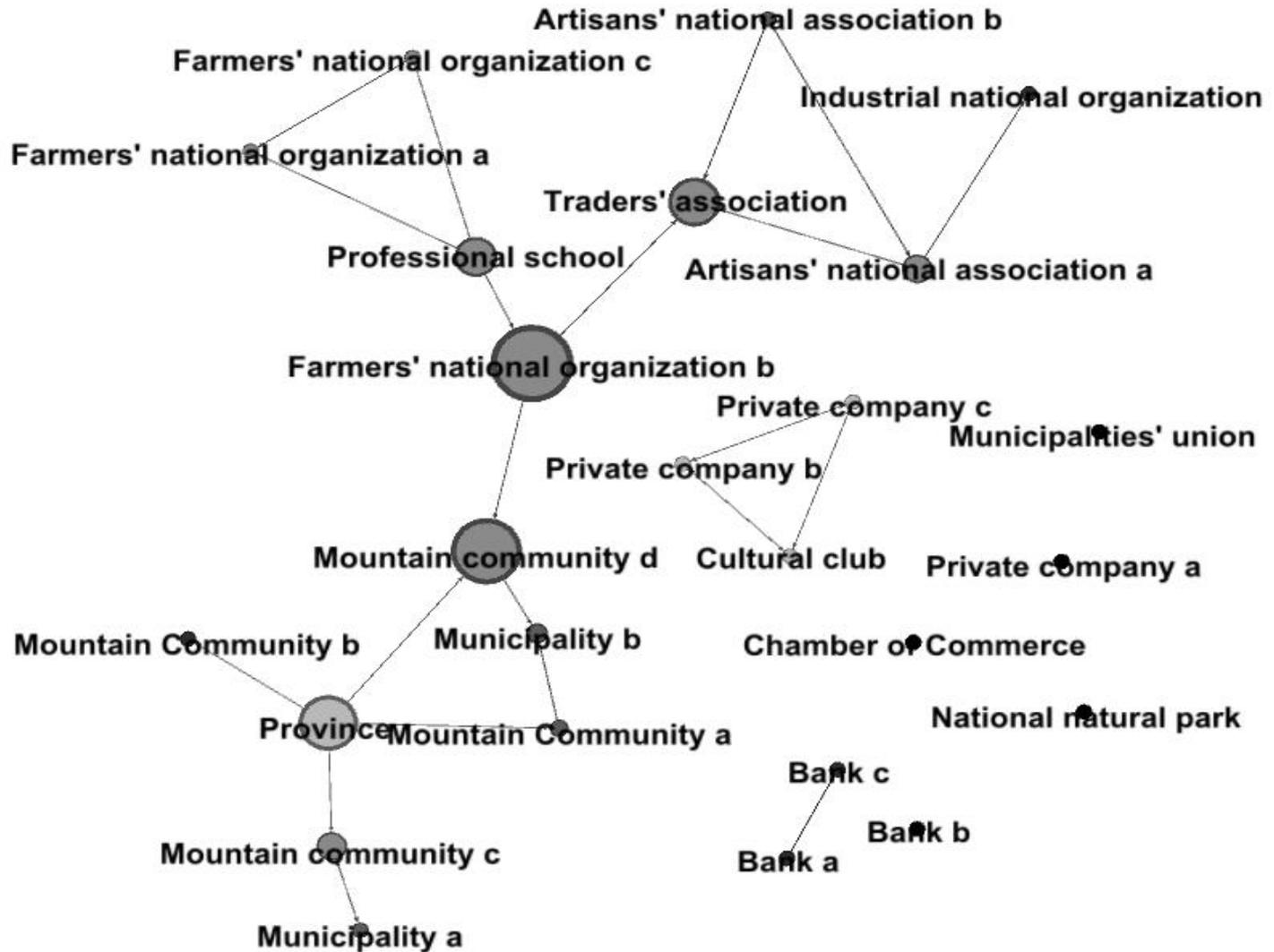
Conclusions

- What has been previously discussed in relation to interpersonal and institutional trust can represent -from the theoretical and methodological- an innovative way to evaluate rural development policies.

- Moreover the indicators could be used to assess if trust is the determinant of the increase or decrease of social capital within a specific social network, in longitudinal studies.

- Specific elements must be carefully considered in the interpretation of the results: the information, collected by means of surveys, consists of opinions, judgements, and sometimes wishes relative to specific behaviours of the population sample interviewed (the members and the beneficiaries of the LAG).

- The use of subjective-based information could be critical, especially in longitudinal analysis, considering that the possible answers could be instable during the time, due to some changing patterns such as a different mood of the person interviewed.

- Another critical aspects is related to the normative hypothesis: in other words that well designed policies could support the trust dimension. Part of the social capital literature doesn't support this hypothesis.

- But the LEADER Approach has specific features that reduce the critical aspects related to the "policy problem of social capital".