

## **SIGNIFICANCE OF SOCIAL NETWORKS FOR THE PROCESS OF APPLICATION FOR RURAL DEVELOPMENT SUPPORT**

RUŽICA PAPIĆ<sup>1</sup>, TATJANA MILIĆ<sup>2</sup>

*<sup>1</sup>Faculty of Agriculture, University of Belgrade, Nemanjina 6,  
11080 Belgrade-Zemun, Serbia*

*<sup>2</sup>Public Policy Research Centre, Bulevar kralja Aleksandra 250/4,  
11000 Belgrade, Serbia*

### **ZNAČAJ SOCIJALNIH MREŽA U PROCESU PRIJAVLJIVANJA ZA PODRŠKU RURALNOM RAZVOJU**

#### *Apstrakt*

Za Srbiju kao zemlju u tranziciji, sa značajnim ruralnim resursima, politika ruralnog razvoja je od posebnog značaja za održivi razvoj i kvalitet života seoskog stanovništva. Uticaj i uspeh takve politike zavisi i od mogućnosti poljoprivrednika da dobiju adekvatne informacije i pomoć u procesu prijavljivanja za podršku ruralnom razvoju (PRR). Da bi istražili probleme sa kojima se poljoprivrednici susreću u procesu prijavljivanja za PRR primenili smo teoriju socijalnog kapitala (Coleman 1993, Putnam 2000) čije su osnovne komponente: poverenje, društvene norme i društvene (socijalne) mreže. Socijalne mreže olakšavaju protok informacija i pomažu članovima da ostvare pristup resursima koji im mogu doneti (ekonomske) koristi (Lin 2001, Burt 2000, Granovetter 2005, Hoang et al. 2006). Cilj našeg istraživanja je da bio da ispita kakva je uloga formalnih i neformalnih socijalnih mreža u procesu prijavljivanja za PRR.

Istraživanje je urađeno u novembru i decembru 2014. godine, putem intervjua koji su obuhvatili 300 poljoprivrednih gazdinstava u Srbiji (150 u Kragujevcu i 150 u Aleksandrovu). Rezultati istraživanja pokazuju da je mali broj poljoprivrednika iz uzorka pilot istraživanja koristio podršku za ruralni razvoj (8%), a da su glavne prepreke u procesu prijavljivanja vezane za pripremu dokumentacije, troškovi procedure i nedostatak potrebnih informacija. Ispitanici iz oba regiona od formalnih socijalnih mreža (zaduge, nevladine organizacije, strukovna udruženja, savetodavne službe, lokalna samouprava, međunarodni razvojni projekti) doživljavaju samo članove poljoprivredne savetodavne službe, kao kanal informacija o prijavljivanju za PRR. Ove rezultate potvrđuje i niska stopa učešća ispitanika u radu formalnih socijalnih mreža. Istovremeno, rezultati su ukazali da postoji jaka neformalna saradnja među farmerima, i da je pomoć oko tehničke pripreme aplikacija za

PRR kao razlog neformalne saradnje nisko rangirana. Zaključak ovog istraživanja je da su neformalne socijalne mreže u istraživanim ruralnim sredinama jake, ali njihov potencijal nije iskorišćen za poboljšanje prijavljivanja za PRR. Ove mreže treba iskoristiti za bolji protok informacija o PRR i za optimalnu mobilizaciju resursa koji proističu iz društvenih veza. Istovremeno, trebalo bi ojačati i kapacitete formalnih socijalnih mreža za bavljenje pitanjima od značaja za PRR.

*Cljučne reči: socijalni kapital, socijalne mreže, podrška ruralnom razvoju, Srbija*  
*Keywords: social capital, social networks, rural development, Serbia*

## INTRODUCTION

Rural development is a relatively new concept for countries in transition. For country with significant rural resources, like Serbia, rural development policy is particularly important. The impact and success of such a policy depends on the capabilities of farmers to obtain adequate information and assistance in the process of applying for rural development support (RDP). To investigate the problems that farmers face in the process of applying for RDP, we applied the Theory of Social Capital. Lack of trust in formal institutions and organizations, and strong informal networks are typical features of social capital in the countries in transition (Stiglitz, 1999; Raiser et al., 2002, Tuna 2014). Social networks are useful for information exchange and mobilization of resources which could influence economic development of rural areas. Therefore, the objective of our research is to examine what role formal and informal social networks in Serbia have in process of application for rural development support.

## MATERIALS AND METHODS

Social Capital Theory is based on the premise that social structures facilitate actions of individuals who are within the structure (Coleman 1990). Social capital is consisted of social networks, social norms and trust (Putnam 2000). Social networks facilitate flow of information; reduce transaction costs for network members and affect (economic) benefits (Lin 1999, 2001, Burt 2000, Granovetter 2005, Murray 2006). They can be formal or informal. Formal social networks are vertical structures with set of positions linked in authority relations (Lin 2001). Informal social networks are horizontal structures and their members are connected by kinship, friendship, or propinquity (Rose 2000). For poor rural population social networks, especially informal social networks, act as a safety network and help them to gain access to other resources (Hoang et al. 2006).

The paper is focused on the results obtained in November-December 2014 through the survey in rural areas of two municipalities in Serbia (Kragujevac and Aleksandrovac) that belong to the same NUTS II region (Šumadija and Western Serbia), but with entirely different characteristics. Kragujevac (R1) is an example of region with developed professional organizations, regional development agencies, industry and rural economy characterized by intensive farming. Aleksandrovac (R2) is an example of region with less developed organizational structure, and agriculture is the main driver of local economy. Research sample encompassed 300 individuals from farm households in rural areas of R1 (150 individuals in

48 villages) and R2 (150 individuals in 32 villages). Sample selection criteria include rural household that meets the criteria of national statistics to be classified as the farm household and which have a least two members, out of which at least one is younger than 50 years (Kotevska et al, 2015). We have used structured questionnaire which was administered through face-to-face interviews. Questionnaire covered three major research themes: rural development policy; cooperation and networks; and farm household management (Kotevska et al, 2015). Current analysis was focused on questions on application for rural development support and cooperation and networks. These statements were measured through a 5 point Likert scale and yes/no questions. Data from the questionnaire were analyzed by descriptive statistics methods - frequency distributions, mean and standard deviation. Comparative method was used to assess differences in results from two researched regions.

## RESULTS AND DISCUSSION

Research results show that small number of farmers in Serbia applied (8%) and used rural development support measures. Answers on set of questions about the application for RDP process indicated obstacles farmers faced in the application process: preparation of documents, related costs, and procedure. In both regions 37-42% respondents consider that it is not easy to access information about RDP.

Data (Table 1) indicate that respondents from both regions perceive extension agency members as primary source of information and assistance with RDP application, while media are ranked on second place. Other formal social networks such as NGO, cooperative, professional organizations are not perceived as important source of information. Although local governments, private consultants and international development projects are low ranked, significant difference exist between two regions ( $p < 0.05$ ). In R1 these sources of information exert stronger influence than in R2, which confirms that region selection criteria were good.

**Table 1.** Best ranked sources of information and assistance with RDP

|            | National extension agents |       |       | Family members |       |       | Other people from the village |       |       | Media (TV, radio, internet, newspapers) |       |       |
|------------|---------------------------|-------|-------|----------------|-------|-------|-------------------------------|-------|-------|---|-------|-------|
|            | RS                        | R 1   | R 2   | RS             | R 1   | R 2   | RS                            | R 1   | R 2   | RS                                      | R 1   | R 2   |
| Mean       | 3.360                     | 3.360 | 3.360 | 2.810          | 2.700 | 2.920 | 2.513                         | 2.240 | 2.787 | 3.143                                   | 3.080 | 3.207 |
| St.dev     | 1.331                     | 1.313 | 1.350 | 1.383          | 1.432 | 1.323 | 1.193                         | 1.164 | 1.154 | 1.133                                   | 0.860 | 1.344 |
| Sign. diff |                           |       | 0.500 |                |       | 0.085 |                               |       | 0.000 |   |       | 0.167 |

Results indicate that informal social networks play important role in the process of information and assistance with RDP application. Family members represent and other people from the village are ranked as third and fourth of all formal and informal sources of information and assistance. Some difference is present among the regions, since in R2 other people from the village are stronger source of information ( $p < 0.05$ ).

Low ranking of formal social networks as a source of information on the RDP application coincides with low rate of membership of respondents in formal social structures (88

% in R1 and 80% in R2 are not member of organizations (NGO, cooperative, professional organizations). Main reason why farmers do not participate in organizations is that there are no organizations. Second important reason for not being member of organizations in R1 is lack of trust in organizations and in R2 it is lack of time (Table 2). These data indicate that farmers do not recognize existing forms of organizations and that even if organizations do exist they are not functional in the field. Farmers who are members of organizations are members of professional organizations such as associations of wine or fruit producers, cattle or agricultural producers (10.7% in R1, and 17.3% in R2). However, these types of formal social networks do not address issues of application for rural developments support.

**Table 2.** Reason for not being member of an organization (%)

|     | Lack of trust | Lack of time | Lack of information | Don't see the benefit | Don't like the people there | Not functioning well | No such organization | Other |
|-----|---------------|--------------|---------------------|-----------------------|-----------------------------|----------------------|----------------------|-------|
| RS  | 22            | 26           | 17                  | 14                    | 3                           | 9                    | 47                   | 2     |
| R 1 | 31            | 19           | 18                  | 12                    | 0                           | 8                    | 47                   | 3     |
| R 2 | 13            | 34           | 16                  | 16                    | 6                           | 11                   | 47                   | 1     |

High percentage of farmers informally cooperates with other farmers (92% in R1, and 95% in R2). Data also reveal features of such cooperation. Frequency of cooperation is quite regular in both regions. Out of available responses (never, rarely, I'm not sure, sometimes, and always) in R1 highest percentage of respondents sometimes cooperate, while in R2 highest percentage of respondents always cooperate with other farmers. Main reasons of cooperation in both regions are common problems, followed by non-formal socialization and information exchange. Information exchange about rural development measures in R2 is ranked higher as reason of informal cooperation (47%) than in R1 (19%). This finding isn't surprising having in mind that majority of households in R2 depend on rural development support (due to investments in increasing perennial crops). Although farmers perceived preparation procedure as a barrier, technical support for RDP application is significantly low ranked as reason for informal cooperation in both regions (3% in R1, 9% in R2). This finding indicates need for adequate formal support in application process.

## CONCLUSION

Results indicate that in researched rural areas in Serbia farmers do not perceive formal social networks as support system in RDP application process. Only formal social structure that farmers trust as provider of information and assistance in RDP application process are extension service agents. Therefore, capacities of formal social networks to deal with RDP issues should be strengthened.

On the other side, results indicate that in both regions informal social networks are strong, but their potential is not utilized for the improvement of RDP application and process. These networks should be used for better dissemination of information on RDP and optimal mobilization of resources embedded in social relationships.

## ACKNOWLEDGMENTS

The research is done within the regional project "The impact of socio-economic structure of rural population on success of rural development policy", prepared in the framework of the Regional Research Promotion Programme in the Western Balkans (RRPP), which is run by the University of Fribourg upon a mandate of the Swiss Agency for Development and Cooperation (SDC), Federal Department of Foreign Affairs. The views expressed are those of the authors and do not necessarily represent options of the SDC and the University of Fribourg.

## REFERENCES

Burt, R.S. (2000): The Network structure of social capital. *Research in Organizational Behaviour*, 22: 345-423.

Coleman, S. J. (1990): *Foundations of Social Theory*. Harvard University Press. Cambridge, MA, 993pp.

Granovetter, M. (2005): The Impact of Social Structure on Economic Outcomes. *Journal of Economic Perspectives*, 19 (1): 33-50.

Hoang, L.A., Castella, J-C., Novosad, P. (2006): Social networks and information access: Implications for agricultural extension in a rice farming community in northern Vietnam. *Agriculture and Human Values*, 23: 513-527.

Kotevska, A., Martinovska Stojcheska, A., Tuna, E., Simonovska, A., Dimitrievski, D., Gjoshevski, D., Georgiev, N., Bogdanov, N., Papić, R., Angjelković, B., Petrović, L., Milić, T., Nikolić, A., Uzunović, E., Bećirović (2015): The impact of socio-economic structure of rural population on success of rural development policy, Association of Agricultural Economist of Republic of Macedonia, Skopje.

Lin, N. (2001): *Social Capital: A Theory of Social Structure and Action*. Cambridge University Press, NY, 294pp.

Murray, C. (2006): *Social Capital and Cooperation in Central and Eastern Europe: Toward an Analytical Framework*. Poster paper presented at the International Association of Agricultural Economists Conference, Annual Meeting, August 12-18, Queensland, Australia.

Putnam, R. (2000): *Bowling Alone: The Collapse and Revival of American Community*. Simon and Schuster, NY, 544pp.

Raiser, M., Haerpfner C., Noworthy, T., Wallace, C. (2001): *Social Capital in transition: a first look at the evidence*. European Bank for Reconstruction and Development, Working Paper 61.

Rose, R. (2000): Getting things done in an anti-modern society: Social capital networks in Russia. (*Dasgupta, P., Serageldin, I. (Eds.) Social Capital: A Multifaceted Perspective*. 2000: 147-171, World Bank, Washington).

Stiglitz, E. J. (1999): *Whither Reform: Ten Years of the Transition*. Paper Prepared for the Annual World Bank Conference on Development Economics, April 28-30, Washington.

Tuna, E. (2014): *Restructuring the agri-food value chains in post-socialistic Balkans: The dairy value chain in FYR Macedonia*, Doctoral Thesis. Swedish University of Agricultural Sciences, Uppsala, Acta Universitatis agriculturae Sueciae.