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## **Trust in the LEADER Approach: the case study of the Veneto region in Italy**

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### **Summary**

*The paper presents a methodology for the assessment of interpersonal and institutional trust measured at the level of Local Action Groups of the LEADER Approach and based on the use of indicators and on Social Network Analysis (SNA). From the theoretical point of view, the indicators can be used in longitudinal studies to assess if the relation between individual trust and social networks is verified with regard to specific organizations promoting rural development at local level. From the operative point of view, the indicators of trust represent a useful and relative simple instrument to be used in the monitoring and evaluation activities of the LEADER Approach.*

Keywords: Trust, LEADER Approach, Social Network Analysis, Monitoring and Evaluation

JEL Classification codes: O22; O18

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## **1. INTRODUCTION**

Among the EU-funded programs supporting a sustainable rural development, the LEADER Approach (LA) has attempted to analyse and promote the specificities and peculiarities of European rural areas with an innovative approach based on ‘capacity building’, ‘community-based initiatives’, ‘participation’ and ‘partnership’ (Shortall, 2008; Ray, 2000). The most relevant outcomes achieved by the program after 22 years of implementation stand for: the activation of long lasting development processes, the increased sense of identity and social cohesion in local contexts, the diffusion of new knowledge by means of innovative local level projects and the openness of rural actors to the interregional and transnational cooperation (Teilmann, 2012; Papadopoulou, et al., 2011; Sutherland and Burton 2011; Farrel and Thirion 2005; Lee et al. 2005; Ray 2000). These innovative features have been promoted at local levels by new organizational forms based on public-private partnership, the so-called Local Action Groups (LAGs), representing hybrid social networks that are based both on horizontal and vertical relationships among local governments, civil society organizations and representatives of different economic sectors operating in rural areas. Although not explicitly mentioned in the EU legislation, LAGs promote various forms of social capital allowing to produce public and collective goods that help to reduce the market failure that characterise rural economies (Nardone et al., 2010, Shucksmith, 2000). If the analysis of social capital is almost acquired in the LEADER literature (Teilmann, 2012, Nardone et al. 2010, Papadopoulou et al., 2010, Shortall, 2008), the assessment of trust is in some ways marginal, despite the importance of social norms in supporting social networks: a baseline level of trust is pre-condition for a social network to emerge and to operate and a relevant reduction of trust can determine the erosion or, in the worst case, the rupture of the network (Blumberg, 2012). Consequently the analysis of trust is relevant to assess the performance of the normative dimension of social capital: network structures by themselves are necessary but not sufficient conditions to promote social capital. The twin analysis of structural social capital (network) and its trust dimension allows to clarify the influence that normative social capital has on rural development.

The paper contributes to the relevant literature on LEADER by proposing a set of monitoring and evaluation (M&E) indicators based on Social Network Analysis that fits at measuring interpersonal trust and institutional trust of members of Local Actions Groups (LAGs) and of their beneficiaries. The paper is organized as follows: after a brief discussion of the trust literature proposed in section 2, the research objective is clarified with reference to its theoretical and operative applications and the method is presented (section 3). Finally results (section 5) and concluding remarks are summarized in section 6.

## 2. TRUST LITERATURE: A BRIEF DISCUSSION

Despite the sceptical economic visions on social capital and trust theories<sup>1</sup>, the discussion on trust and its measures with specific reference to rural areas has strongly increased in recent years<sup>2</sup>: “Depending on the degree of opportunism, a form of trust exists in all commercial transactions. Like other productive assets, trust can be invested in, trust has value, trust can be lost or lose value, and trust is transferable to other relationships through reputation. In addition, trust is a time-dependent asset. Trust relationships evolve over time” (Wilson 2000: 6). But what “trust” is? Trust is defined as an individual expectation of one person about the action of others that affects the person’s choice (Seralgudin and Dasgupta, 2001). Gambetta (2000) considers trust as a subjective probability with which a person (or a group) assesses that another person (or a group) will perform a particular action. For Morrone and Tontonarelli 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” (OECD, 2009). According to these definitions, the core elements of a trusting relationship have been conceptualized by Hardin (2004) as follows: “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 trust and thin trust (Putnam, 1993), strategic trust and moralistic trust (Uslaner, 2002), political or systemic trust, organisational or institutional trust, individuals’ political trust (Blind, 2006). The Hardin’s definition, that is based on Seralgudin’s and Dasgupta’s original definition, has been used in this paper for measuring the interpersonal trust *within* a group, focusing on the individual expectation of one actor about the action of the other group members<sup>3</sup>.

In relation to institutional trust the civic-republican theories (Putnam, 1993) underlie that the level of institutional trust is a perfect prediction of how individuals in a given country embrace a common civic culture and consequently it is a measure of the cohesiveness of a society. Moreover institutional trust represents an individual-level indicator about the ‘meta-trust’ throughout society: “Where institutions are trusted, extending trust to others becomes easier because there is a guarantee that violators of this trust will be penalized” (Andrews et al., in press). In order to measure institutional trust respondents are usually asked to answer the question “Please tell me how much you personally trust each of the following institutions using a scale from x to y where x means ‘you do not trust the institution at all’ and y means ‘you trust it completely’” where x and y are based on a Likert scale.

The importance of trust in economic relationships is widely acknowledged by many authors. At this regard John Stuart Mill wrote: “Conjoint action is possible just in proportion as human beings can rely on each other. There are countries in Europe, of first-rate industrial capabilities, where the most serious impediment to conducting business concerns on a large scale, is the rarity of persons who are supposed fit to be trusted with the receipt and expenditure of large sums of money.” (1848: 132). Similarly, Arrow stated:

<sup>1</sup> “[...] Calculativeness is the dominant motivation in economic transactions. No calculative behaviour may be appropriate study material for sociologists, but not for serious economists. There is no need for a new paradigm in economics. Our neoclassical theory and its related econometric tools serve society well. Coercion and self-interest perform well in describing business management behaviour. Incentives and rules can be used to generate cooperation and collaboration without an appeal to social capital and trust” (Wilson, 2000: 7-8).

<sup>2</sup> Making a quick search on Scopus using “trust AND rural” as keywords, the results attest that 1,181 documents have been published from 1972 to 2013, of which 977 edited from 2000 to 2013.

<sup>3</sup> Based on Hardin’s definition, the question proposed in the research is: “To which of the other members of the Assembly would you delegate your vote, in case you couldn’t take part to the voting?” In this question the classical elements of an interpersonal trusting relations are presents: an actor “a” (the interviewee that has a positive expectation in relation to the behaviour of another member of the LAG), an actor “b” (other member of the Assembly who is the final recipient of the trusting relation and who should produce a trusting correspondence) and the change of a good (the right to vote within the Assembly).

“It can be plausibly argued that much of the economic backwardness in the world can be explained by the lack of mutual confidence” (1972: 357). Considering these hypothesis that propose a direct relationship between trust and economic performance, Knack and Keefer (1997) and Zak and Knack (2001) have proposed analysis attesting a positive correlation between the level of social capital – measured by trust – and the GDP pro-capita growth rate for different nations. In these cases the reductionist vision of Paldam and Svendsen is almost acquired<sup>4</sup>. In particular Knack attests that in different economies there are different structures of incentives toward the production of new wealth. Generally speaking, there are nations where wealth-maximising individuals are incentivized to produce new wealth, while in other nations the structure of incentives stimulate the individuals to divert wealth from others. The differences in the two incentive structures are strictly linked to legal mechanisms for the enforcement of contracts, but also to other factors of a social nature, such as trust (Knack, 2001). So trust can promote a better economic performance in many ways. At the micro level, interpersonal trust directly contributes to reduce the transaction costs and, consequently, facilitate the conclusion of contracts, determining a better economic performance of the single agent. At the macro level, institutional trust is the precondition for the stability of society and the functioning of democracy and, consequently, it can sustain the economic growth in the long run. In other words trust can influence the quality of public policy<sup>5</sup> and consequently it can determine an impact on the economic growth.

The normative consequence of these general hypotheses is that well designed public policies can influence specific immaterial features of the society (macro), of the organized groups and of the single agents (micro), such as institutional and interpersonal trust, determining a behavioural change that will have a final impact on the economic performance of the economic system at different scale levels. This normative hypothesis is particularly important in the field of policy evaluation and, specifically, for those policies that aim to sustain economic growth by means also of intangible elements such as participation, good governance, social capital and, of course, trust. To sustain this normative hypothesis, it must be noted that different studies have enlightened that changes due to trust can determine the enforcement or depletion of structural social capital over time<sup>6</sup>. Social norms, such as trust, may develop (or vanish) and social values can become more (or less) shared within the network. Consequently a larger value of homophile of the network aligns its identity with the members’ identity, and this will increase the social capital among the actors (McPherson and Smith-Lovin, 2001). An example could clarify the issue. Two specific social networks could present, at the very beginning, the same social structures but could transform, in a second moment, in two different constructions compared to the original ones. This could be explained – among other factors

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<sup>4</sup> If in literature the general definition of trust is agreed, its relationship with social capital is, in many respects, still critical. Trust can be interpreted as: (i) an outcome of networks and norms, with both serve as a prerequisite for building trust (Putnam, 1993; Roth, 2006); (ii) a norm that promotes co-operation between two or more individuals or groups of agents, the so called cultural dimension of social capital that emphasises the concept of radius of trust (Fukujama, 1995, 2000); (iii) 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).

<sup>5</sup> “Cohesive and high-trust societies may be better at keeping their governments honest, but the honesty and efficiency of government officials can affect trust and social cohesion in turn. If government leaders, judges and bureaucrats are corrupt, market participants can more easily justify and rationalize their own dishonest behaviour” (Drobak, 1998: 103).

<sup>6</sup> Other factors can determine the change of structural social capital: (i) a gradual decay of social capital over time in response to a general network erosion (the structural social capital decay), but also the reverse; (ii) a gradual change of members’ agency (node of the network) due to a pro-active action proposed by a member that can sustain the establishment of new contacts and/or contracts and so the increase of structural social capital (but also the reverse); (iii) changes due to the nature of the relations among the actors, in other words new typologies of relations appearing in the network can sustain or reduce the existing set of relations; (iv) changes in the network perceived characteristics.

previously described – by the action of trust working differently in the two initial structures: trust increasing the structural network, in one case, and trust decreasing the structural network in the second one.

With reference to the network analysis and the associated structural social capital, Blumberg et al. (2012) detail this last assumption sustaining that, in relation to organizational studies, it is important to distinguish between trust in people of the same organization and trust in people outside the organization: “[...] Other things being equal, members’ trust in outsiders will facilitate the establishment of new contacts and expansion of the network, which will be accompanied by an increase of social capital (bridging social capital). Members’ trust in insiders, that is, other members of their network, will help to develop stronger ties (bonding social capital). Inversely, lack of trust in outsiders or insiders will restrain networks and make them vulnerable to ruptures, which may reduce social capital” (Blumberg et al., 2012: 65). The discussion highlights that the analysis of trust can help, among other factors, to understand why and how the structure of a network changes over time, so longitudinal studies are required in order to assess this fluctuating value and it allows to compare different network structure based on this key variable.

### 3. METHODS

In this domain an interesting example is the EU-funded “*Liaison entre actions de développement de l’économie rurale*” (so called LEADER initiative) within the Common Agricultural Policy (CAP). LEADER can be considered as one of the first attempts to develop rural areas with a neo-endogenous approach (Saraceno, 2013, Shucksmith, 2009; Vitale, 2006; Murdoch, 2000; Storey, 1999), necessarily based on local resources endowment that are mobilized by local actors using an ‘area-based’, ‘bottom-up’ and ‘multi-sectorial’ approach. LEADER sustains a development process based on a new governance systems of European rural areas, that can be traced in its first edition (LEADER I) as a new strategy to develop lagging areas (Ob. 1) and areas facing structural difficulties (Ob. 5b), in LEADER II and LEADER PLUS as a specific programme inserted in the wide family of EU structural funds, in the LEADER Approach as part of the second pillar of the CAP 2007-2013, and in the new “Community-Led Local Development” strategy within the new CAP 2014-2020. The organization of a Local Action Group (LAG) testifies the structuring of new institutional and socio-economic relationships – of a private and public nature – within local communities or, as it has been provocatively emphasised by Papadopoulou et al. (2011), the establishment of a ‘new social order’. Changes in social attitudes are (or should be) one of the main immaterial contributions determined by LEADER, said differently the social capital improvement of rural areas as Teilmann (2012), Kinsella et al. (2010), Nardone et al. (2010), Farrell and Thrion (2005) highlight. In other words, LEADER measures have an economic nature, but the processes or methods utilized to make them effective and sustainable have an inherent social characterization. Social capital emerges in LEADER because social relationships have also an economic value and they mobilize economic activities, but these social relationships, enclosed in a network structure and in the connected economic activities, are also based on a specific social norm based on people’s reliability: trust.

The specific objective of this research is to deeply explore and detail the trust dimension of the LEADER approach in two specific case studies in the Veneto Region (Italy), presenting a set of indicators, based also on Social Network Analysis, to be used for the analysis of the structure of the rural networks<sup>7</sup>.

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<sup>7</sup> This research is part of a broader research project that aims to quantify the structural and cognitive social capital promoted by selected LAGs in the rural areas of different Italian regions, and to analyse the cause and effect relationships with the good governance principles. The social capital typologies and the governance typologies have been divided in different dimensions. More specifically: 5 dimensions for structural social capital (context, actors of the network, horizontal structure of the network,

Moreover these indicators can be useful for the internal monitoring activities of the Local Actions Groups and also for the evaluation activities of the Managing Authority. Borgatti et al. (1998) specify that the unit of analysis of a social network can be classified as follows: external relations for individual actors, internal relations for collective actors, external relations for collective actors. Following this taxonomy, the research has analysed the internal relations of trust of the LAG as a collective actor (with specific reference to the General Assembly and the Board of Directors), and the external relations of trust of the LAG as a collective actor (in relation to the beneficiaries of selected projects financed by the Rural Development Program). In Table 1 the population and the sampling design are presented. Each trust relation has been analysed by means of three different surveys administered face to face: survey 1 proposed to the Director and the staff of the LAG, survey 2 planned for the Assembly and the Board of Directors, survey 3 intended for the beneficiaries. The surveys were carried out from October–December 2012 and they were referred to the implementation period 2010-2011. The possible question formats were among the following options: (i) closed-ended question with cardinal value-scale ranking, (ii) closed-ended question with ordinal values-scale ranking (usually with 4 modalities), (iii) closed-ended question with binomial-scale ranking and (iv) open question. As previously described, specific indicators have been constructed and they are proposed in Table 2.

**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	<i>Organization of the LAG</i>		
	a. Director	Director	1
	b. Administrative Staff	Administrative Staff	Variable numbers
	<i>Members of the LAG</i>		
	c. Board of Directors	Member of the Board of Directors	The entire population
	d. Assembly	Member of the Assembly	The entire population
External relationships of the collective actor	<i>Beneficiaries of projects:</i> 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

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

Source: own elaboration

transparency and accountability, reputational power), 6 dimensions for normative-cognitive social capital (trust and reciprocity, institutional trust, quality of the network, quality of the participation, common values, conflicts), 4 dimensions for governance (decisional processes, effectiveness and efficiency, capacity and organizational culture, vertical structure). For each of the 15 dimensions a set of indicators has been proposed, each one measuring specific features for each dimension, for a total number of 96 indicators. The method proposed has been applied in five Italian regions (Veneto, Umbria, Puglia, Basilicata and Sardinia) in 10 Local Action Groups which are the unit of analysis for social capital and that have been identified by means of a convenience sample.

**Table 3.** Description of the indicators of trust in the LEADER Approach.

Indicator	Unit of analysis	Question	Answer in the survey	Answer Range	Elaboration	Final Range
Level of members' trust in the General Assembly	<i>Internal:</i> 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?	<input type="checkbox"/> I trust the majority of the members (1) <input type="checkbox"/> 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	<i>Internal:</i> 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]	1 <sup>st</sup> step: SNA of trust relationship; 2 <sup>nd</sup> step: to order the members for their in-degree; 3 <sup>rd</sup> 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	<i>Internal:</i> 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]	1 <sup>st</sup> step: SNA of trust relationship; 2 <sup>nd</sup> step: (n° of members with a null in-degree) / (total n° of the members) 3 <sup>rd</sup> step: the reciprocal number	[0-100]
Level of inter-temporal change of members' trust	<i>Internal:</i> 1. Director 2. Members	On the whole and compared to 2007, your trust in the members of the General Assembly is ...	<input type="checkbox"/> Worsened (1) <input type="checkbox"/> Equal (2) <input type="checkbox"/> Improved (3)	[1,2,3]	Weighted average of the scores	[0-3]
Level of beneficiaries' trust in the LAG	<i>External:</i> 3. Beneficiaries	Which is your level of trust in relation to the action promoted by the LAG?	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/>	[1,2,3,4]	Average score	[0-4]
Level of trust in governmental institutions	<i>Internal:</i> 1. Director 2. Members <i>External:</i> 3. Beneficiaries	Which is your level of trust in relation to the following institutions? (Government)	<input type="checkbox"/> null (1) <input type="checkbox"/> little (2) <input type="checkbox"/> enough (3) <input type="checkbox"/> lots of (4)	[1,2,3,4]	<i>Internal:</i> Weighted average of the scores (Director-Members); <i>External:</i> Average of the scores (Beneficiaries)	[0-4]
Level of trust in religious organizations	<i>Internal:</i> 1. Director 2. Members <i>External:</i> 3. Beneficiaries	Which is your level of trust in relation to the following institutions? (Religious Organizations)	<input type="checkbox"/> null (1) <input type="checkbox"/> little (2) <input type="checkbox"/> enough (3) <input type="checkbox"/> lots of (4)	[1,2,3,4]	<i>Internal:</i> Weighted average of the scores (Director-Members); <i>External:</i> Average of the scores (Beneficiaries)	[0-4]
Level of trust in professional associations	<i>Internal:</i> 1. Director 2. Members <i>External:</i> 3. Beneficiaries	Which is your level of trust in relation to the following institutions? (Economic associations)	<input type="checkbox"/> null (1) <input type="checkbox"/> little (2) <input type="checkbox"/> enough (3) <input type="checkbox"/> lots of (4)	[1,2,3,4]	<i>Internal:</i> Weighted average of the scores (Director-Members); <i>External:</i> Average of the scores (Beneficiaries)	[0-4]
Level of trust in voluntary associations	<i>Internal:</i> 1. Director 2. Members <i>External:</i> 3. Beneficiaries	Which is your level of trust in relation to the following institutions? (Voluntary organizations)	<input type="checkbox"/> null (1) <input type="checkbox"/> little (2) <input type="checkbox"/> enough (3) <input type="checkbox"/> lots of (4)	[1,2,3,4]	<i>Internal:</i> Weighted average of the scores (Director-Members); <i>External:</i> Average of the scores (Beneficiaries)	[0-4]

Source: own elaboration



The detailed description of each specific indicator is presented in Table 3. This last has been structured as follows: (i) name of the indicator, (ii) unit of analysis, (iii) specific question proposed in the survey, (iv) possible answers planned in the survey, (v) answer range, (vi) elaboration required to determine the indicator value, and (vii) final range of the indicator. Two of these indicators and the figures presented in the section 4 are based on Social Network Analysis that allows to study the network structure and the behavior of individuals inside this network (Hanneman, 2005; Stockman, 2001; Scott, 2000; Wasserman and Faust, 1994). Indices used to describe a network can be divided among those that analyze the position of the actor in relation to that of others in the network and those that describe the network structure. The indices that have been chosen to define and analyze the trust-networks of the two case studies are:

- *degree centrality*, the number of nodes adjacent to a given node, compared to the total potential number of ties.
- *betweenness centrality*, the extent to which a node (bridge node) lies between other two nodes in the network that are themselves disconnected.
- *density*, the proportion of all possible ties that are actually present, which measures the extent to which all actors are tied to one another in the network
- *core/periphery analysis*, where the core is the sub-group with the maximum density, while each periphery member is not directly connected to any of the other periphery stakeholders.

#### 4. RESULTS AND DISCUSSION

In the Veneto region the current population is 5.3 million of people and the density of the population is 288 habitants/km<sup>2</sup>. The per capita GDP (PPP) is 127% of the EU-25 average. Rural areas in the region are equal to 95% of the total surface and the percentage of inhabitants living over there is 79.5% compared to the total population. For the period 2007-2013, 14 LAGs (2 for each provinces) have been operating with a total public expenditure of €100.614.500 (44% financed by the European Agricultural Fund for Rural Development - EAFRD). The “Prealpi e Dolomiti” and the “Bassa Padovana” LAGs have been chosen as case studies by means of a convenience sample, based on the following criteria: (i) they represent two different typologies of rural economies (D rural areas with over all development problems in the “Prealpi e Dolomiti” and B rural areas characterized by intensive and specialised agriculture in the “Bassa Padovana”); (ii) they are characterized by two specific geographical features within the same region (mountainous areas in the first case study and plain areas in the second case study); (iii) they have started their activities in two different programming periods (LEADER 2 “1996-1999” for “Prealpi e Dolomiti” and LEADER Approach “2007-2013” for “Bassa Padovana”). As a consequence the two case studies represent two specific settings with unique socio-economic features that have determined the specific development objectives of the Local Development Programs promoted by the LAGs. In Table 4 the main features of the two case studies are presented.

The analysis of trust with reference to internal and external actors is now proposed, detailing the outputs for interpersonal and institutional trust (Table 5). It must be noted that the measures of the indicator “Level of inter-temporal change of trust among the LAG members” has been determined only for LAG “Prealpi e Dolomiti”.

**Table 4.** Main features of the two case studies in Veneto.

Features	Prealpi e Dolomiti LAG	Bassa Padovana LAG
Number of municipalities	26	30
Surface (km <sup>2</sup> )	1344.1	536.3
Rural areas typology	D: areas with over all development problems	B1 and B2: areas characterized by intensive and specialised agriculture
Regional surface	7.3%	2.8%
Inhabitants	138 871	108 666
Population density (per km <sup>2</sup> )	103.3	202.6
Members	25	12
Public	11	3
Private	14	9
Board of Directors	5	4
Total costs of the Local Development Program (euros)	€ 18 174 968	€ 5 330 259
Average cost per inhabitants	€ 130.9	€ 49.1

Source: Local Development Programs (2007)

**Table 5.** Interpersonal and institutional trust: internal (members) and external (beneficiaries) measures for Prealpi e Dolomiti e Bassa Padovana LAGs.

Indicators	Prealpi e Dolomiti LAG	Bassa Padovana LAG	Range
Level of members' trust in the General Assembly of the LAG	63.16%	91.67%	[0-100]
Rate of Board's members within the core of trust network	60.00%	20.00%	[0-100]
Rate of trust interconnections	68.00%	100.00%	[0-100]
Level of members' trust in governmental institutions	1.93 (31.00%)	1.60 (20.00%)	[1-4], [0-100]
Level of members' trust in religious organizations	2.92 (64.00%)	3.00 (66.67%)	[1-4], [0-100]
Level of members' trust in professional associations	2.79 (59.67%)	2.80 (60.00%)	[1-4], [0-100]
Level of members' trust in voluntary associations	3.47 (82.33%)	3.20 (73.33%)	[1-4], [0-100]
Level of beneficiaries' trust in the LAG	3.23 (74.33%)	3.33 (77.67%)	[1-4], [0-100]
Level of beneficiaries' trust in governmental institutions	2.18 (39.33%)	1.60 (38.33%)	[1-4], [0-100]
Level of beneficiaries' trust in religious organizations	3.11 (70.33%)	3.00 (58.33%)	[1-4], [0-100]
Level of beneficiaries' trust in professional associations	2.54 (51.33%)	2.80 (43.00%)	[1-4], [0-100]
Level of beneficiaries' trust in voluntary associations	3.72 (90.67%)	3.20 (77.67%)	[1-4], [0-100]

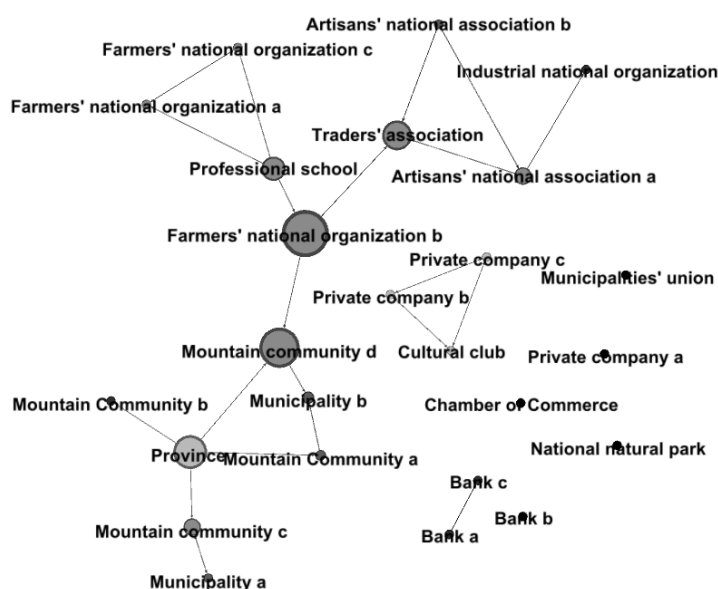
Source: own elaboration

In relation to interpersonal trust, the “Level of members’ trust in the General Assembly” and the “Rate of trust interconnections” attest a high performance (91.67% and 100% respectively) in the “Bassa Padovana” LAG, while in the “Prealpi e Dolomiti” the data are comparatively lower (63.16% and 68%). A possible explanation, in line with the social capital theory, of this different performance could be linked to the size of the network: a reduced and more controlled group, as in the case of “Bassa Padovana”, is more effective in terms of social sanctions towards its members or, in other words, the ‘free rider’ behaviour is discouraged and the respect of the social norm – trust – promoted (Nardone, et al. 2010). Another alternative explanation could assert that “Prealpi and Dolomiti” is an old organization compared to “Bassa Padovana” within the rural development system of the region, so it could be possible a gradual decay of trust, due to a general network erosion connected to the weakening of ties which are often associated with the ageing of the network, as described by Blumberg (2012), but in order to confirm this justification data on the evolution of trust of the specific organization are required.

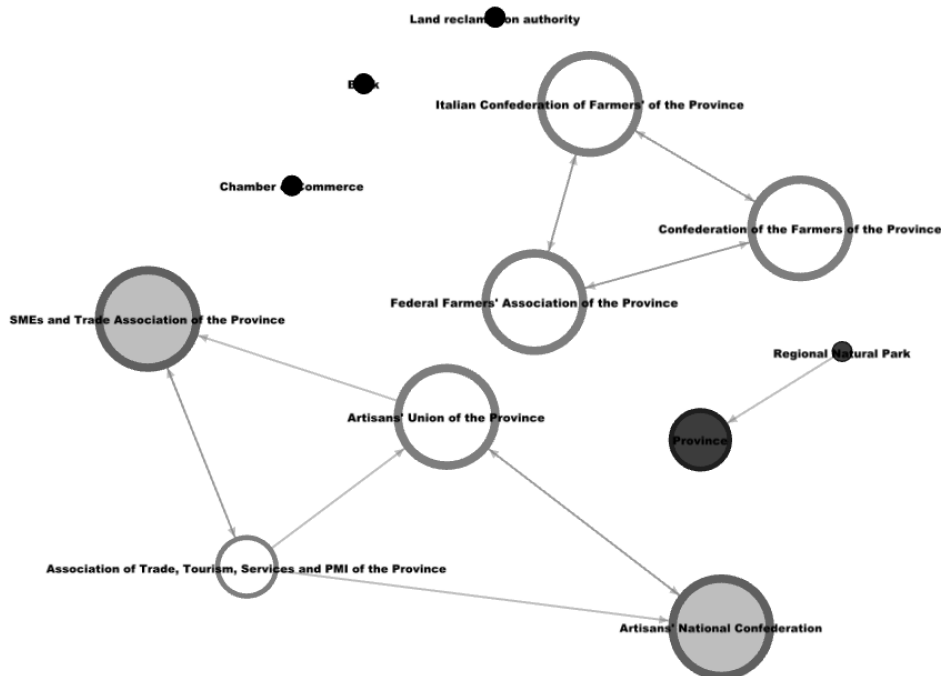
These values are also confirmed by the index “Level of beneficiaries’ trust in the LAG” which in the case of “Bassa Padovana” is slightly higher (3.33 or 77.67%) compared to the “Prealpi e Dolomiti” (3,23 or 74.33%). The positive attitude of the beneficiaries toward the “Bassa Padovana” could be explained by the fact that the “Bassa Padovana” is totally new in the local system and the level of beneficiaries’ rational expectations towards the LAG is still quite high. If the analysis is posed on the “Rate of Board’s members

within the core of trust network”, which represents a proxy of the level of members’ trust in the Board of Directors, the performance is totally different: in the “Bassa Padovana” the value is very low (20%) compared to the “Prealpi e Dolomiti” (60%). This means that in the first LAG mentioned the members of the Board of Directors are partially coincident with the members’ obtaining the higher level of trust among the network, on the contrary in the “Prealpi e Dolomiti”, which is a relatively old organization and locally recognized, the members of the Board have been chosen among those who attest the highest level of trust within the network. We have proposed also “classical” indexes of institutional trust (towards regional government, religious organizations, professional associations and voluntary organization) to verify how the LAG is considered (or not) part of the classical “institutional system” from the point of view of its members and its beneficiaries, measuring this by the trust granted to the different organization/institution and comparing this with the trust granted to the LAG. In the case of “Prealpi e Dolomiti” the actors (both internal and external) award a level of trust to the LAG (63.16% and 74.33%) that are higher compared to the ones granted to the government (31% for members and 39.33% for beneficiaries) and to the professional association (59.67% for members and 51.33% for beneficiaries), but lower compare to the level of trust in the religious organizations (64.00% for members) and voluntary associations (82.33% for members and for 90.67% beneficiaries). In the case of the “Bassa Padovana” all the actors, both internal and external, grant a level of trust to the LAG that is higher compared to the values attested for the other recognized institutions. So it could seem that there is an undergoing process of “institutionalization” in term of trust for the LAG “Prealpi e Dolomiti” that is not present in the case of the “Bassa Padovana”, but data must be considered with caution also because different factors can influence the perception of institutional trust. It is interesting to note that, in the two case studies, the level of external trust (beneficiaries) is higher compared to the level of internal trust (members). For a better understanding of the internal trust in the two case studies (and of the indicators used in the analysis), we provide the networks that show the trust relationships among the members of the General Assembly (Figure 1 and Figure 2).

**Figure 1.** Trust among “Prealpi e Dolomiti” LAG’s members of the General Assembly, divided by category (directed graph).



**Figure 5.** Trust among “Bassa Padovana” LAG’s members of the General Assembly, divided by category (directed graph).



Source: own elaboration based on Gephi

We adopted Social Network Analysis tool<sup>8</sup> to underline the relationships among the actors involved in the LAG’s decisional process: social network measures are represented in the two graphs, where nodes indicate LAG’s members, and arrows represent the relationships of trust. The proxy question used for measuring trust (vote delegation) is very selective: for this reason the two networks are much less “dense” than others built on information exchange or on collaboration (the density index is equal to 0,03 for “Prealpi e Dolomiti” LAG, and to 0,19 for “Bassa Padovana” LAG); for the same reason there are isolated members within both graphs. In addition, it is easier by the graphs to identify the formation of clusters among members, mainly belonging to the same category (banks with banks, public operators with other public operators, private companies with private companies).

This disconnection is more evident in figure 2 (“Bassa Padovana” LAG). The low percentage of the “Level of trust of the LAG members in the Executive Committee” can be explained by the fact that members are divided into different cluster, without strong links among them. The analysis of institutional trust attests quite similar values in the two case studies (fig. 6). The level of trust in government institutions and in voluntary associations is higher from the point of view of external actors compared to the internal ones in both case studies. The level of trust in trade associations is higher in the opinion of internal actors compared to external actors in the two case studies.

<sup>8</sup> Data have been analysed in GEPHI an open source software for analysing social network data.

This can be explained by the fact that the trade associations are important members of the General Assembly and of the Executive Committee in both LAGs, so the opinions of the internal actors could be strongly influenced by the composition of the organization. In relation to religious organizations the external actors attest a higher trust level compared to the internal actor in the “Prealpi e Dolomiti”, while the opposite situation is present for the “Bassa Padovana”. The data don’t give us any indications on the relationship among interpersonal and institutional trust, in order to support the hypothesis if trust is a bottom up process (as suggested by the social and cultural theory), or if it is a top down process (as suggested by the institutional performance theory), or if it largely exists as an aspect of the specific actor (as in the social psychological theory). This could be the objective of future researches.

## 7. CONCLUSIONS

The European rural policies have reshaped, especially in the periods 2000-2006 and 2007-2013, the role of the agriculture as a possible instrument for the valorisation of all the territorial resources and the environmental protection, besides the classical economic activity. The sectorial objectives –such as increased competitiveness at the farm level or support to the income or to the quantity produced– have been replaced by a territorial approach to development. The Rural Development Program and the LEADER Approach are based on integrated rural development approaches. According to this vision the LAGs are territorial development agencies. What has been previously discussed in relation to the trust dimension among institutions and economic actors can represent -from the methodological and the cognitive point of views- an innovative way to evaluate development policies. 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.

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