

SOCIAL CAPITAL AND COOPERATION IN CENTRAL AND EASTERN EUROPE – A FRAMEWORK FOR RESEARCH ON GOVERNANCE

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Abstract

The transition process in central and eastern Europe (CEE) had a profound effect on how individuals interact. Economic and social institutions have changed, requiring an adaptation process by individuals in the move toward a market economy. How each individual accesses, manipulates and uses their networks will determine the use of their social capital. Within CEE, there is a presumption of low levels of social capital. This paper questions the rationale of applying the contested 'western' concept of social capital to CEE countries. It argues that although the concept was developed to understand processes within established democratic systems, it nevertheless is instrumental for analysing how trust is formed, and for understanding cooperation amongst individuals. As such, this framework reconciles literature from sociological and economic disciplines and offers a comprehensive framework for the analysis of social capital on a micro level. This involves positing social capital within a game theoretic framework, while including social learning or heuristics. This is particularly important due to the path dependent social structures and institutions, given political changes in these countries in the last century. Social capital is seen as a dynamic entity, a form of institutional change, which leads to innovation in the existing governance structures.

Key words: cooperation, social capital, governance