

**AMERICAN UNIVERSITY OF ARMENIA**

**Social Capital, Public Participation and Local  
Governance**

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## Abstract

*The master's essay examines the main features of the relationship between social capital, public participation and local governance in the context of the main characteristics of social capital adopted by the majority of authors. Social capital is a combination of economic and social principles, the expression of the connection between people that is demonstrated in the capital of collective action. It also has the ability to convert into other forms of capital.*

*Social capital is viewed from two sides. From the structural side, it represents social networks and from the institutional side represents institutions and norms, embodied in the accumulated trust.*

*Qualitative data was collected from literature and previous researches, and also in-depth interviews were conducted with different experts and representatives of Non-Governmental Organizations (NGOs) in order to find out the main forms of public participation especially at the local level that contribute to creating social capital.*

## **Introduction**

Alongside with globalization the term of social capital has become very popular in social sciences especially during the last decades. Though the World Bank has been promoting it quite intensively, some scholars argue that this concept is failing. It covers everything entitled as social and according to the majority of scholars it should not be rejected or ignored.

Public participation, also, has always been under the attention of many scholars as it is one of the most important drivers of democratic governance. It is some kind of communication through which the citizens can express their opinions and interests (Dahl, 1989). Public participation must not be considered as a moral demand and a circumstance for development but a critical precondition (Krishna, 2002).

There have been many studies conducted on public participation. The researchers have first and foremost focused on social and economic conditions, like age, level of education, etc. Despite this fact, the measurements were done in an ambiguous way. But when Robert Putnam formed the concept of social capital at the level of community, the researchers were able to analyze the correlation between public participation and social capital in a more straightforward manner.

For making a society economically prosperous and politically engaged, different factors should be counted. According to different scholars one of those factors is social capital. The question actively debated in academic literature is how tightly social capital is connected to public participation. The assumption at the base of this paper is that the role of social capital is significant and with its help different individuals and communities can actively engage in decision-making processes. The purpose of the essay is to find out the main aspects or forms of public participation that contribute to creating social capital.

## **Research Design and Methodology**

The aim of the master's essay is to find out the main aspects and forms of public participation that contribute to creating social capital in Armenia. The followings are the research questions of the essay:

RQ1: What are the main aspects of public participation in Armenia?

RQ2: What forms of public participation contribute more to building social capital in Armenia?

RQ3: What forms of public participation contribute less to building social capital in Armenia?

RQ4: What are the peculiarities of the process in Armenia compared to other countries?

Trying to answer the research questions mentioned above the following hypothesis should be proved or rejected:

Hypothesis: Public participation in local government issues increases social capital.

## **Methodology**

The design of the thesis is exploratory and its main purpose is to identify the correlation between public participation and the buildup of social capital. The two variables of my hypothesis are the public participation (independent variable) and social capital (dependent variable). The data for the research was collected through a qualitative method.

At first, qualitative data was collected from various literature and researches or research projects related to the topic of the thesis especially paying much attention on the case of Armenia.

Second, based on the findings of qualitative analysis, an interview questionnaire was developed, and in-depth interviews were conducted with development experts and representatives of different non-governmental organizations (NGOs) functioning in Armenia such as CRRC Armenia, Community Finance Officers Association, NGO Center, Eurasia Partnership Foundation, World Vision, etc.

### **Sampling Strategy**

In order to conduct interviews the sampling strategy was purposive, so the interviewees who participated in the research were not selected randomly and the sample was a representative one. They were the ones more aware of the interrelation between social capital and public participation.

### **Limitations of the Study**

Even though there are many scholars who have given their definitions of the concept of social capital and it has a well developed theoretical basis, there is limited amount of research or research projects that have been implemented in order to measure the level of social capital and understand its real meaning practically. Social capital is still gaining popularity in social sciences and scholars are mostly concentrated on finding a right measurement of trust among public and in governmental or public institution.

## **Literature Review**

### **Social Capital**

While the economic capital accumulates in bank accounts, and the human capital is concentrated in the heads of people, social capital is inherent in social structure of interactions. Social capital is a resource, which the actor constantly has to correlate to the environment. The individual possesses social capital in relation to others, and these others have to really be sources of satisfaction of his requirements.

Social capital got its importance in 1990s by Robert Putnam who was the most cited author in social sciences. According to Putnam, social capital is formed from active interrelationships among people, within which trust and common values bind members of networks and communities in order to simplify joint actions. Due to norms, values, trust, supported by social networks, certain patterns of interaction are established in society. Putnam also noted that an important place among such interactions belongs to a specific type of public participation. Networks of civic engagement, including interest groups and political parties, facilitate the transformation of interpersonal trust in the credibility of political institutions. In his opinion, the main type of social networks that serve to multiply social capital is the network of public organizations (Putnam, 1995; Dill, 2015).

Social capital has been attributed with the capacity to treat the most different social illnesses in the world. It helps people to find solutions to shared issues more effectively, promotes development, makes people aware of global problems and their consequences, promotes the fast stream of useful information, encourages people to cope with difficulties, get education, find jobs, etc.



The study of social capital allows not only to make a comprehensive description of society, but also to explain how it functions without external management involvement, to understand the causes and consequences of interactions among the population, and to reveal their role for the country. According to many scholars, there is not only one type of social capital. It is a kind of a solid knit that connects different individuals and groups of people who have common demographic peculiarities. It can be segregated or in some cases the society might not get the gains of trust or participation (Baum et al., 2003).

F. Fukuyama's concept of social capital is seen as a factor contributing to the efficient functioning of the economy. According to his definition of social capital, it is a potential of the society or any part of it, arising from the existence of trust between its members. The definition makes it clear that the central role in the conceptual apparatus belongs to trust. Fukuyama believes that the progress of the society in various fields, especially in economy, is due to the level of confidence. The presence of human relationships becomes predictable. The higher is the trust level, the more effectively economy and society develop. According to him, the cause lies in the fact that trust depends on the survival of human associations. While trust in understanding, in its turn, depends on culture. Hence it becomes clear that there are different cultures and different types of trust: individual, institutional and generalized. Social capital is different from other capitals because it is created and transmitted through cultural mechanisms such as religion, traditions and customs. Social capital is formed by the authorities due to certain norms and values that shape the patterns of behavior of subordinates. Then socialization and values are transmitted from generation to generation like norms, and gradually are turned into habits or traditions (Fukuyama, 1999).

The Organization for Economic Co-operation and Development Statistics Directorate (OECD) has initiated a project in order to revise the definition and the measurement of social capital. The main point of the project was to delve into the major idea of social capital that is

connected to various phenomena. The other reason was to identify the scope of most essential components of social capital. The project was implemented in order to reveal its somewhat confused and paradoxical phenomena regardless of the immense volumes of academic attraction towards social capital. According to OECD the gradual development of the concept was connected to the lack of common definition of social capital among scholars. They referred to it from various angles. Social capital is determined by its functions. It includes many different components that are characterized by two common features, first, consists of several social structures, and secondly, facilitates certain actions of actors within the structure, either an individual or a corporation. Like other forms of capital, social capital is productive. It contributes to the achievement of certain objectives which is impossible during his absence. Social capital does not fall under a strict definition, but it may have specific features in certain spheres (OECD, 2013).

Other scholars think that any shape of social interaction can be considered as social capital. In a large scale it includes all aspects of social sciences and not only. Social capital is supposed to have a broader approach than all the other concepts that are attached to it, such as trust, different structures, connections, etc. There is some general assumption that markets are not capable to function at all or function effectively if there is no social capital. Thus, social capital reinforces the markets to function better as it improves the behavior and results through aggregation (Fine, 2007). It is also closely connected to international development. According to F. Fukuyama, it is a resource for economic development and even steady democracy.

## **Public Participation**

Public participation is a continuous process of interaction between the organization (institution) responsible for making a decision and citizens whose interests may be affected

by the direct or indirect consequences of the planned decision, as well as between citizens and those state bodies that regulate this type of activity. This communication process should be specially organized, so that: the public would be fully informed about the matter of concern and about the opportunities for participation, active collection of opinions of citizens would be carried out, their perception of the issue would be estimated, their preferences connected with any alternatives related to the project would be taken into account. The public would understand the mechanisms of the studying the problems and their solutions. Thus, for a more complete understanding of the essence of this process, it should be emphasized that participation is a communication process that obeys all regularities in the organization of network communications. In its turn, the term of decision making is understood as the process of rational or irrational choice of alternatives, which aims to achieve a comprehensive result and includes the following steps:

- Situational analysis
- Identification of the problem and setting of the goal
- Search for necessary information
- Alternatives formation
- Formation of criteria for evaluating alternatives
- Evaluation
- Choosing the best alternative
- Development of criteria (indicators) for monitoring
- Implementation
- Performance monitoring
- Evaluation of the result (Seldes, 1960).

Since public participation is a human right, not a duty, it is easy to suggest that different people are willing to spend a different amount of effort to participate in the discussions of

various problems that directly affect their welfare or do not affect at all. On the other hand, the opportunities provided by law, the situation and organizers of the process, also differ. The minimum level of participation is the dissemination of complete and reliable information: the simplest form of one-way communication between the authorities and the public. It provides an opportunity to maintain awareness of the decision-making process, but without the possibility for the public to comment on the documents or otherwise participate. Information can be provided through the media (distribution of press releases, holding press conferences) as well as by holding exhibitions of documentation, distribution of printed materials through people's organizations and other methods (Killerby, 2001).

More opportunities for the public to influence the agenda of discussion and to monitor the final discussion documents provide consultations which are the official dialogue between the public and authorities for determination of the problematic issues and conflict resolution. They are usually held in the form of meetings, seminars, organization of public reception. Nevertheless, the solution itself remains outside of discussion and control, so these consultations are called symbolic participation. Real participation begins when the authority that is responsible for decisions, shares with the public part of their powers allowing not only choosing options for ready solutions, but also formulating these solutions, and defining what the main problem is. One of the levels of real participation is joint planning that is the cooperation between the government and the public with the common responsibility of the parties for planning and results, for solving complex issues and resolving contradictions. Joint planning can take place in the format of advisory groups, workers, group negotiations (Suh, 2013).

From the angle of political reforms the insinuation of the concept of social capital is that in order to improve the quality of governance it is important to create participatory institutions such as community councils and advisory agencies. But this, in its turn, raised a

concern, whether the institutions would improve the democratic function, or would it be considered as a bias over more extensive social issues (Musso et al., 2013). Moreover, as for the last two decades as the democratic states were being established in different parts of the world, different issues broke concerning the degree to which the public participates in decision-making processes. Only the formulation of participatory institutions is not enough. If citizens have no trust in these institutions and if the number of participants is not large in various processes, democracy could come to an end with the fact that it does not function anymore and it has been just a weak cover for authoritarian regimes (Krishna, 2002). Furthermore, higher level of public participation does not always insure the prosperity of a democracy. The governments should be more actively and effectively functioning: the rights that will be guaranteed constitutionally should be put into force. The requirements of people and communities can be better depicted within a strategic process when ordinary people actively participate in policy-making of the country. Considering the fact that much more people are involved in democratic decision-making process and less people are not being considered, the process of democratization is becoming legalized through a wider area. The literature on social capital and participation has its weaknesses. One of them is the absence of relationship between participatory institutions and the forms of social capital that could have positive impact on good governance (Musso et al., 2013).

It is also important to identify the types of public participation that are more favorable in creating social capital in democracies. So, Robert Putnam analyzed three important dimensions which are intensity, type and scope of participation. According to him tertiary affiliations have been widely spread in Western states but they have not been democratically organized. The members' support has been more linked through money and not through time. The members of these affiliations have common value systems but the face to face interaction is missing. In this case the intensity of participation is prone to decline and, also, leads to the decline of social capital especially in the USA. And Putnam considered it as a passive support

and did not count it as a source of social capital. Multiple associations are considered to have wider interaction. They have influence on the level of public trust and civic engagement. And, although the scope and intensity are not always corresponding to each other but they are the main components of public participation. It means that being involved in one association can create an attraction towards others, and on the contrary, it may create barriers around other associations, and this will result in a narrow scope (Wollebaek et al., 2003).

### **Social Capital in Armenia**

One of the aims of the master's essay is to identify what forms the social capital has taken in Armenia taking into account its Communist legacy. Social capital is essential for the countries which are passing through some kind of transition. Armenia is one of those countries in the South Caucasus (CRRC-Armenia, 2014).

The emergence of civil society in Armenia can be connected to the collapse of the Soviet Union. Especially the role of the Armenian Diaspora and various international donors in finding financial support was essential. As a result many non-profit organizations with different profiles started to develop in Armenia. One of the main reasons for this was the lack of trust and tolerance. At the same time as social capital existed also in the soviet past, as a form of association, networks, trust and values, the post-independence reality modified social capital, which would include all the basic elements such as trust, tolerance and public activity. To make the representatives of Armenian society interdependent, the democratic values should become the essence of the society. An environment of cooperation, trust and accountability should be established (CIVICUS, 2010).

According to the Civicus Civil Society Index 2014 report 68% of the respondents of the survey conducted in Armenia believe that the public should have its influence on the

decision-making process which will affect their daily life. But this is not evident in the public's actions, as only the 1/3 of the respondents of the same survey were members of civil society organizations (CSOs). Also, according to the report, the level of trust and confidence towards the CSOs is increasing comparing to the level measured in 2010. Nevertheless, most of the Armenian population is very critical towards the impact of civil society. Almost 54% of the respondents believe that the Armenian civil society has limited or has no impact on undertaking different social issues. The same is with the impact on decision-making or policy-making processes. In recent years many volunteer based groups have been formed in Armenia by focusing on various environmental issues, preservation of historical buildings, etc. And, though, during the last years the civil society succeeded in some cases, but those achievements have not resulted in evident changes. They just led to brief solutions (CIVICUS, 2014).

Recently, the government embarked on decentralization reforms with the goal of devolving power to lower tiers of government. This assumes devolution of powers to lower tiers of government; decision-making process gets closer to people. As a result citizens become more interested in participation and becoming engaged in local governance (Mavisakalyan, 2006). Armenia's economy is being liberalized. The level of trust towards local governments is higher than towards many national institutions. The level of trust to central government, parliament and the president is frighteningly low. Different methods such as education, TV, digital and social media provide opportunities to disseminate information and make it available to everyone. Women are becoming more active in political and economic life though facing some traditional value systems (CRRC-Armenia, 2014).

### **Promotion of Public Participation in Armenia**

Armenian authorities made certain steps to ensure citizen participation in government decision-making at both the central and local levels. The Republic of Armenia has become a

member of the Open Government Partnership (OGP) since 2011. The second Action Plan that was presented in 2014 includes a target area of promotion of public participation. By this Action Plan the Government of Armenia is trying to carry out an open and transparent policy-making or decision-making and, also, to raise awareness among the citizens about these processes. So, the civil society has an essential role within the above mentioned Action Plan in order to involve more and more citizens in the decision-making process. For this purpose the Government is organizing different meetings with Civil Society Organizations (CSOs) and some of them have been included in the Plan. Moreover, the Government is required to organize public consultations in order to evaluate and hear public opinion. There is a special Public Council that is holding those consultations between the civil society and the Government (CoE, 2016). The Council is being led by the President of the Public Council who is being appointed by the President of the RA. He should be a member of the Public Council. His main role is the management of the Council's activities. It consists of 36 members and 12 area committees. 12 members out of 36 are being appointed by the President of the RA in order to set up 12 area committees. More than 1200 NGOs send their representatives to the committees and 12 of them also become members of the Public Council. The other 12 members are being elected by the 24 members. Different problems of public concern are being addressed during the sessions of the Public Council by different members of the Council (Public Council, 2011).

The Law on Legal Acts says that the Armenian government should organize public consultations with the representatives of civil society, in order to learn the opinion of the public, request alternative suggestions, and, also, to evaluate the possible risks of the suggested policy. It is also mentioned in the guidelines of the Legal Acts that there is a permission to form different groups or committees from the public relevant to the initiative to discuss the drafts of the laws. But it is possible only after the first draft is published. Prior to that process the public participation is impossible (CoE, 2016).



Another legislative basis for broader public participation in the local government affairs is the Additional Protocol to the European Charter of Local Self-Government on the Right to Participate in the Affairs of a local authority (Utrecht Protocol), which was ratified by Armenian government in 2013. Particularly, the Law on Local Self-Governance which was completely amended in 2016, incorporates the provisions of Utrecht protocol. The new provisions include the right to participate in the affairs of a local authority, thoroughly describe the Community Council's functions and sessions. All council meetings are open to public, and civic initiatives can be brought to council agenda, etc. (The Law of the Republic of Armenia on Local Self-Government, 2016).

### **The Role of Trust in Public Participation**

In order to understand to what extent public participation and social capital are connected, the role of trust should be examined. It is considered to be one of the most important factors for the emergence of social capital. It is some kind of expectation that the commitments and norms that have been accepted will be met by all other members of society. Trust can spread at the nearest human environment even within a small group of people where a maximum interaction takes place. The concept of trust appears in sociology in the theories of social capital. It is the resource that is necessary for establishing relationships among individuals in order to reach knowledge, information, power and authority. According to Sobel trust is a prerequisite of mutual agreements that are related to the security, feelings and steady stream of income of the people (Sobel, 2002). Trust is the basis of social capital and further settlement of social relations. J. Coleman mentions that the group, within which there is absolute trust and reliability, can do more than the group that does not have the typical features. Fukuyama believes that prosperity and competitiveness are due to the high level of trust prevailing in a society (Fukuyama, 1999).

Social scientists describe trust on two levels. The first is the individual level. The presence of this level of trust provides individual's social and psychological well-being within interactions with the external environment. Giddens separates two types of individual trust: trust towards people, which is built on mutual obligations, and fundamental trust which supposes trust towards abstract systems (Giddens, 1990). Interpersonal and fundamental trust meet the personal level of self-realization, stable relationship, respect, identification of needs, provides people's material and social environment of operation. The second level of trust is public trust. It is directed towards institutions such as the parliament, educational and health institutions, police and others. Public trust is often referred to as institutional or systemic trust. At the local level the monitoring of the level of trust is supposed in horizontal and vertical forms of relations. In the first case trust contributes to the creation of civil organizations (parties, social movements, etc.), people become aware of their affiliation to a particular institution. New relationships are being formed, each providing each member of the society with environment of security. At the vertical level relations trust contributes to the legitimate functioning of the institutions and to social support. According to M. Ferrari, trust is the presence of some certain expectations and that people will demonstrate some kind of behavior in accordance with their expectations. He notes that trust towards institutions is a precondition for their further activity. At the same time he notes that institutional trust in democratic systems is a result of institutional activity as the latter are being considered as mechanisms of institutionalization that are able to monitor and enforce sanctions in case of breakdown of trust (Ferrari, 2012).

Social capital is a prerequisite for various forms of joint activities that exist in modern society. Individuals expand their own capabilities and abilities, following the rules of cooperation and coordinating their actions with other individuals. Social values such as honesty, reciprocity, fulfillment of obligations acquire within the framework of social capital a tangible value. According to different scholars trust decreases complication for people and

they begin to feel the sense of safety and security. They begin to admit the relations on which they are dependent. As a result the well-being of public increases and their actions in different spheres become more active. People express readiness to admit all the potential risks of unmanageable actions as a result of the presence of trust. These features of trust stimulate people to cooperate with each other and to accept the costs of public goods. There is a general conclusion among scholars that trust has positive impact on public participation. If there is trust people begin to invest resources and encourage various actions of authorities. But when those who are engaged in decision-making process do not take into account the public demands, people become involved in different types of public participation in order to make their demands and needs heard. So, trust in different governmental institutions would result in various ways depending on the type of public participation (Paxton, 2002).

When the level of trust towards decision-makers is high, people more actively participate in this process. They become more active during elections. Some forms of public participation try to involve more people, try to increase the degree of information sharing, etc. Some have educational motives. People become more aware of communities, start to understand the importance of their participation and become more educated. Thus, the level of participation increases. Another reason of high level of public participation is the development of economy. When resources become more feasible, people trust the government more. This motivates people to participate and share information, as they see the development which is only a result of well-structured governmental institutions and their implemented policies. As a result the level of trust increases. A controversial opinion, also, exists according to which when the level of trust is high in developed economies, the level of participation is lower. And on the contrary, when there is high level of inequality among citizens, they are more prone to get engaged in public participation (Wang, 2007).

## **Results and Findings**

### **Interviews analysis**

After collecting qualitative data from various academic literature sources and prior researches or research projects an interview questionnaire was developed (see Appendix). In-depth interviews were conducted with 3 development experts from USAID, UNDP, Council of Europe, and 5 representatives of different non-governmental organizations (NGOs) functioning in Armenia such as CRRC Armenia, Community Finance Officers Association, NGO Center, Eurasia Partnership Foundation and Teaching NGO.

The most essential questions were discussed during the interviews which would contribute to answering the research questions.

### **Cooperation between NGOs and RA ministries Affecting Government Decision-making**

According to the interviewees there are many examples of cooperation between NGOs and ministries of Armenia but first of all they differentiated between the types of NGOs. NGOs are quite different and function in various spheres. Some of them have very good programs and funding, but as soon as the cooperation reaches the expert level problems arise. Quite often NGOs have more proficient experts than the ministries do. In such cases the cooperation becomes unavoidable. During the cooperation NGOs are usually freer to express, some of them are the ones to criticize, and if they are able to lead the ministries they count themselves as winners. Good results are being achieved if the NGOs and ministries go in the same direction, otherwise problems arise.

Sometimes the ministries of Armenia need a quick solution for various issues and because of not having expert knowledge they apply for experts of NGOs for assistance. Nevertheless, some time later a political accent is being attached to the solution by the ministries.

According to some interviewees the cooperation usually takes formalistic nature as the expert knowledge of some NGOs is weak, and there is lack of trust among NGOs and the government. Not all the ministries are able to cooperate with NGOs, and the type of communication always changes with the change of ministers. In recent years active cooperation is evident between NGOs and the Ministry of Justice with strong participation mechanisms.

A very essential point mentioned by the interviewees is that all the ministries must have NGO teams to cooperate with, but some are still very passive.

## **The major forms of public participation in Armenia at the central and local levels**

The interviewees identified the main forms of public participation in Armenia at the central and local levels. At the central level the forms of public participation are public councils attached to ministries, public hearings, e-governance and advocacy campaigns/mobilizations. Referendums and elections are examples of direct participation at the central and local level. In case of indirect participation, people voluntarily become engaged in various social networks but not having some certain goal.

Another form of public participation is electronic platforms which is just a new form of participation through electronic and social media. Digital participation is getting an increasingly popular form of citizens' engagement in government affairs. Although all this forms are more formal. For example, the engagement in social movements or social inclusion

has situational nature. The ones who react on different social issues are mostly young or middle-aged people. In recent years they are able to form groups or communities to participate in many movements or protests. They use the Internet sources actively to make more people aware of the movement and engage them. Nevertheless, this kind of cooperation does not last for a long time. They do not function after the solution of the issue and no new links are being formed among the members of these groups.

At the local level the forms have less formal nature. They include the following types: public hearings, public debates, budget hearings, advisory councils affiliated to mayors, petitions, town-hall meetings, livestream of city councils, etc. Nevertheless, there is a common idea among interviewees that the strength of social capital as a capital of collective action at the local level decreases as its territory increases.

### **Elaboration on Social Capital**

It is believed that the tendency to accumulate social capital at micro level comes from the spiritual and social needs of the individual and can be realized both on the conscious and subconscious level. Social capital accumulates not only for the realization of material interest, but also to meet purely spiritual needs. At the macro level, social capital is the relationship between members of society and formal institutions, which express the level of public trust in the legislative, executive and judicial bodies. At this level social capital is a public good, since its formation is facilitated by the government, but used by all. The higher the level of institutional trust in society prevails, the more opportunities for further common development. There is a certain relationship between the accumulation of social capital at micro and macro levels. If the institutions of society are incompetent the social capital at the macro level is deformed and contributes to the decrease of wealth, and an increase in inequality in the distribution of income, migration, corruption, deterioration of the conditions

for the reproduction of human capital, and overall the degradation of the system of values of the society. The presence of positive or negative externalities of social capital in any society depends on the effectiveness of formal institutions functioning in it. In those societies where the level of people's trust in formal institutions is low, the level of accumulation of social capital at the micro level is growing. Social capital begins to accumulate in latent structures, which contributes to the fragmentation of the economy. It can be assumed that the greater the gap between social capital in the macro and micro levels, the more ineffective the institutions in this society are. Deformations between different levels of social capital lead to the fact that the negative externalities of social capital outweigh the positive ones. A situation of social isolation is created, when an individual or a group of individuals are partially or completely eliminated from the social processes of society and practically do not play any role in social processes. So, the causes of migration from Armenia over the past two decades are both unemployment and poverty, and the dispersion of social capital at the macro level, when people lose trust not only towards institutions, but also faith in the future. This becomes evident by the fact that the majority of emigrants from the Republic of Armenia (RA), having a high educational level, work, accumulated social capital, nevertheless decide to emigrate. Localization of social capital in countries with economies in transition, including in the Republic of Armenia, contributes to the increase of uneven distribution of income.

Many Western researchers believe that the deformation of the social capital occurred in the Soviet period. They argue that the formation and existence of social capital at the level of society requires the presence of a developed institutional infrastructure that ensures public order and the participation of all members of society in public life. In the Soviet system, the strict regulation of public life from above blocked a personal initiative and the development of horizontal links.

## **Forms of public participation contributing to building social capital**

Digital participation and public councils affiliated to ministries in Armenia are well developed. The other right types of public participation that somehow contributes to building social capital at the local level are public hearings, public discussions and participation in community action groups, which took the lead in community development projects and monitored their implementation by local governments. Budget hearings, petitions are one of the most important forms to increase social capital. All the above mentioned forms assume collective action and, further cooperation among society members. Nevertheless, there are some forms of public participation in Armenia that contribute less to increasing social capital. Passive forms of public participation like for example information sharing does not encourage active participation. There is a general assumption among the interviewees that until the public participation in Armenia does not become active the social capital will not increase.

## **The main features of public participation in Armenia**

One of the main features of public participation in Armenia is the passive participation both by citizens and NGOs. It means that people do not actively participate in any public initiatives, do not take part in decision-making processes, even though attending public hearings, etc. The most essential reason is the lack of trust towards authorities and towards the NGOs. According to one of the CRRC-Armenia's research projects the percentage of people who fully distrust or somewhat distrust the authorities is 64.4%. People do not believe that any changes are possible. Many people do not even understand properly what the term NGO means. Another case is when people participate but are not consistent of what has been



done as a result. So, all these processes take a fictitious character and many issues remain in their places. Another problem is that the NGOs functioning in Armenia are not able to gain public support or to serve as an intermediary between the public and the government. Sometimes this cooperation takes place but instead of finding any solution a conflict arises. Other important feature of public participation is that it is more active at the local level than at the central one.

Despite all the negative points mentioned above all the interviewees mentioned that public participation in Armenia is growing, and there is a high potential of social capital. According to them if public participation is effective the social capital increases. The relationship between social capital and public participation is strong if the NGOs 'do not hate' each other and establish intragroup relations. A NGO is the positive environment where social capital can be created.

### **Public Participation and Trust**

The Law on Local Self-government (2016) defines publicity and transparency as a principle for the activities of local self-government. So, the legal environment for participation is fully in place. However, collective action does not come only from the legal requirement, but is also a product of traditions, beliefs and values. In fact repetitive collective action can build up the trust among people or within a community. Otherwise it will create an environment of lack of trust which has its direct influence on the functioning of all spheres of public life. A very essential method to increase the level of trust is to organize meetings among the heads of communities and the residents frequently. The more meetings are organized, the more the level of trust towards the community leader will grow. The same connection exists between the frequency of the organized meetings and between the community head and the residents in order to come to an agreement about the development of the community, to inform the population about the decisions of the local self-government, and to increase the level of trust

towards the local self-government. As a result, the active participation in decision-making process and people's cooperation with the local self-government will increase the level of trust and support towards community heads.

The authorities of the councils affiliated to mayors include the engagement and ensuring participation of residents in the decision-making process of the local self-government. Especially the council should spread information about its activities, inform the population about the upcoming sessions 7 days prior to the council meeting, also, should discuss the decisions presented by the community leader with the residents before the meeting. Council members must be consistent in order all documents related to the session of the community council are published at the City Council. However, not proper organization and implementation of the sessions will lead to decision-making in communities, about which the residents are not being aware.

In 2014 a survey was conducted by Economic Research and Development Center (ERDSC) in 14 communities of Armenia among 1443 households. People of those communities highlighted that the local governance in their communities is ineffective. The low level of trust is the main reason for disinterest towards participation.

		Participation	Trust
Participation	Pearson Correlation	1	.146"
	Sig. (2-tailed)		.000
	N	1408	1148
Trust	Pearson Correlation	.146"	1
	Sig. (2-tailed)	.000	
	N	1148	1173

According to Pearson Correlation measured by ERDSC there is a significant positive correlation between trust and public participation. It can be assumed that when the residents' level of trust towards the local self-government is high, they tend more to participate.

### **Recommendations for Future Research**

According to the revised literature and the in-depth interviews conducted with representatives of NGOs and development experts there is high potential of social capital in the Republic of Armenia despite high levels of migration and lack of trust. So the NGO sector of Armenia must actively use the forms of public participation which contribute more to increasing the level of social capital. Those forms are digital participation based on electronic platforms, social movements, advocacy campaigns, etc.

## Conclusion

The main purpose of the essay was to find out the main aspects or forms of public participation that contribute to creating social capital. As already mentioned, one of the most important questions actively debated in academic literature is how tightly social capital is connected to public participation. According to various academic literature, qualitative data collected from previous research projects and conducted in-depth interviews it can be assumed that social capital is tightly connected to public participation. The following research questions were formed and the answers were found from both literature review and as a result of qualitative data collection:

RQ1: What are the main forms of public participation in Armenia?

The main forms of public participation in Armenia are: at the central level referendums, elections, e-governance, social movements and Public Councils affiliated to RA ministries, advocacy campaigns/mobilizations. At the local level the main forms include public hearings, public debates, advisory councils affiliated to mayors, petitions and town-hall meetings.

RQ2: What forms of public participation contribute more to building social capital in Armenia?

The forms of public participation such as electronic platforms, social movements, advocacy campaigns, budget hearings contribute more to building social capital, as these forms assume collective action.

RQ3: What forms of public participation contribute less to building social capital in Armenia?

The forms that contribute less to creating social capital in Armenia are the followings: elections, referendums, information sharing. Especially after the constitutional referendum in

Armenia in 2015 it became clear that the public participation will become more passive as Armenia became a country with parliamentary system.

RQ4: What are the peculiarities of public participation in Armenia compared to other countries? According to the interviewees and some authors mentioned some characteristics of public participation in Armenia but most of them compared it with post-Soviet countries, probably not having much information about the peculiarities of public participation in Western countries. The most important peculiarities are the lack of trust, the lack of consistency, fictitious participation and lack of knowledge. Another characteristic of participation is that at the local level it is more active than at the central level.

Due to all the data collected and answered research questions it became possible to prove the hypothesis that Public participation in local government issues increases social capital.

Another very important assumption can be made, that even though people in Armenia are not so actively engaged in decision-making process especially at the central level, but according to the interviewees the potential of social capital is high.

## **Appendix**

### **Interview Questionnaire**

1. Can you bring examples of cooperation between NGOs and ministries of Armenia affecting government decision-making, and also examples of cooperation between NGOs and local government affecting the latter's local decision-making?
2. How do these forms of interaction with authorities affect cooperation among citizens or between and NGOs? Do they build up trust and reciprocity?
3. Can you specify in which way does your NGO try to strengthen the role of civil society in decision-making process?
4. In your opinion, what are the major forms of public participation in Armenia at the central and local levels?
5. What forms of public participation contribute to building social capital in Armenia?  
Sub-question: In which way the government and public of Armenia interact?  
(Consultation, active engagement or just information sharing).
6. Does public participation in Armenia have any special features in comparison with other countries?
7. Can you please elaborate on the relationship between public participation and social capital?

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