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# SOCIAL CAPITAL, LEVER PERFORMANCE OF AGRICULTURAL COOPERATIVES: THE CASE OF COOPERATIVES OF SAFFRON TALIOUINE

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#### Abstract

For two decades, a large literature has developed around the concept of "social capital." Its developers build on the idea that social relations, norms and shared values, and trust facilitate coordination and cooperation between individuals or groups. Science research management and strategic management consider their next social capital as a source of business performance and value creation. Nahapiet and Ghoshal (1998) and Bolino and co-authors (2002) showed specifically that "citizenship behavior in the organization" contribute to the development of social capital, and this positively influences the competitive advantage. In the context of this article we try to elucidate the effects and impacts of social capital on the performance of saffron cooperatives Taliouine region (Morocco) from the results of our exploratory interview survey conducted as part of our doctoral research.

Keywords: Social capital, trust, relationships, saffron cooperatives, performance.

#### Introduction

The concept of social capital has certainly become one of the most popular concepts. Just lend an attentive eye to the many scientists more or less recent to be convinced productions. Concepts multiform, social capital has been addressed in different ways and in different disciplines and fields (Lin, 1995, 2001), Collier (1998), Narayan (1999), Dasgupta and Grootaert (2000), Woolcok and Narayan (2000) Uphoff (2000). Nahapiet and Ghoshal (1998), for example, found that social capital contributes significantly to improving the organizational advantage of a firm. For example, these authors argue that social capital is necessary for the development and dissemination of knowledge in organizations. Social capital is an important resource because "individuals work together effectively and efficiently when they know each other, understand each other, trust each other and identify themselves to each other" (Bolino et al., 2002, p.507). It is in this perspective that Nahapiet and Ghoshal (1998) argue that social capital is composed of specific factors; as such, social capital is an intangible and specific resource whose management can provide a competitive advantage. Also, companies that have a large social capital they are more efficient than those with low social capital. The high performance is due to the quality of interpersonal relationships between individuals, which are hardly assessable and inimitable. In the same sense, Leana and Van Buren (1999) emphasize the existence of a significant and positive relationship between social capital and the ability of the organization to facilitate the engagement and involvement of employees, to manage the collective action and to develop better performance.

Based on theories and advanced social capital, this article, based on the results of an exploratory study based on interviews conducted as part of our doctoral research analyzes the influences of social capital on the performance of cooperatives saffron, in the area of production of saffron territory Taliouine, Morocco. We try, as a first point on the basis of a brief review of the literature around the concept of social capital to try the one hand, to define the concept and these approaches and other forms of study its postulated effects on performance. We present then a second point in our fields of study, the intervention and an analysis of the first results of our survey methodology.

## 1. Social Capital and Performance

### 1.1 Social Capital: definition, approaches and forms

## 1.1.1 Definition of social capital

Borrowed from sociology, the concept of social capital has been the subject of an extensive literature in economics. Thus, many studies have sought to understand the role of sociological characteristics in individual and collective performance or economic development and found in the concept of social capital in a relevant way to specify it. The concept of social capital as we accept today originated there over thirty years, thanks to the works of sociologists such as Jane Jacobs (1961), Bourdieu (1979, 1985). Then, after Coleman (1988), Fukuyama (1995, 1999), Woolcock (1998) and the American political scientist Robert Putnam (1993, 2000). researchers in the fields of economics as Durlauf (2001), Helliwell (2001, 1998, 1996) Gleaser (2001.1999), Knack and Keefer (1997) and health (Lynch et al 1998). Wilkinson (1999; 1996). Kawachi et al (1997) have also contributed to it. However, if we return to the genealogical evolution of the concept we can find its beginnings from the nineteenth century in the writings of Alexis de Tocqueville or in the work of Emile Durkheim (1893), and early twentieth century in Lyda Judson Hanifan research (1920) which we have current terminology. Hanifan already identified the public and private benefits of social capital when he said that the whole community should take advantage of enhanced while the individual, for its part, cooperation, civic engagement be in an essential form of support. The author then defines social capital as "tangible substances that Count for most in the daily lives of people: namely good will, fellowship, sympathy, and social intercourse among the individuals and families Have you make up a social unit" (Bourdieu, 1986).

However, this concept far from being stabilized, its definition is questionable and raises various debates about the nature of capital and about its characteristics (Callois, Angeon, 2004). Weber was already noted in 1971 that man has three types of resources to improve their living conditions: economic resources, political and symbolic resources (social relations). However, until the late 1970s, the concept of social capital is only lightly used. In 1980, Bourdieu (1980) gives the following definition: "Social capital is the set of actual or potential resources which are linked to possession of a durable network of more or less institutionalized and acquaintanceship inter-recognition; or, in other words, to membership in a group, as a set of elements that are not only with common properties (likely to be perceived by the observer, by others or by themselves) but are also united by permanent and useful links. Coleman (1988) suggests it more functional definition of social capital: "it is embedded in interpersonal relationships resource, a particular form of capital which makes possible social action; it is originally developed between agents (ability to share information, existence of rules and sanctions to be imposed in a particular community, etc.)". Social capital is defined by the interpersonal relationships that characterize a social structure. For him, the concept of social capital refers to: obligations, expectations and relationships of trust that an individual has with others on a network, access to information an individual opportunities, standards sanctions and accepted by the members of his organization, authority and responsibilities it holds as a member, the types of organizations to which it belongs voluntarily (by being a member of an association). Social capital is characterized by its effects: it facilitates action between individuals. Robert Putnam (1995, 1996, 2000) also presents remarkable work around this concept. His approach is called constructivist, its definition highlighting both the utilitarian nature of social relations but also proactive attitudes and behaviors (strategic) that characterize individuals who have a share capital. He defines it as "features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit." He also proposed a functional definition, which introduces the concept by what it produces: "By analogy with notions of physical capital and human capital - tools and training That Enhance individual productivity - social capital Refers to features of social organization: such as networks , norms and social trust that facilitate coordination and cooperation for mutual benefit. For a variety of Reasons, life is easier in a community blessed with a substantial businesses stock of social capital. In the first place networks of civic engagement foster sturdy norms of generalized reciprocity and encourage the emergence of social trust. (...) Finally, dense networks of interaction probably broaden the participants" sense of self, developing the I 'into the we ', or (in the language of rational-choice theorists) enhancing the participants' 'taste' for collective benefits' (R. Putnam, 1995, p.67). Political scientist, R. Putnam gives prominent place in the civic culture of societies as the fundamental factor explaining the functioning of societies. Francis Fukuyama (1995, 2000) took over the definition given by Putnam but by bringing more Coleman's approach. In Trust: The Social Virtues and the Creation of Prosperity (1995) and The Great Disruption: Human Nature and the Reconstitution of Social Order (2000), he analyzes the process of the return of moral values, the reconstruction of a new social order based on solidarity. Fukuyama has a very simple theory: the ability of a nation to develop the institutions that will make powerful and efficient depends on the ability to trust its people, that ability is rooted in the values inherent in culture: "The one of the major lessons that can be drawn from the study of economic life is that a nation's prosperity and competitiveness are conditioned by a single pervasive cultural characteristic: the level of confidence in own society." The author places at the center of the capital the concept of trust as a key indicator to measure social capital. For him, "Social capital is a skill that stems from trust in a company or some of its components. It can be incorporated in the smallest and most basic, family, as well as in the larger as the nation and in all intermediate groups social groups. Social capital differs from other forms of human capital because it is usually created and transmitted through cultural mechanisms like religion, tradition, and historical patterns." Fukuyama raised the capital in the center of his analysis of the reconstruction, the post-industrial age, the American society. It identifies the social capital cooperation, trust and solidarity within communities as many values that serve to cement the building of a free, pluralistic and tolerant society. He written as such: "It is to get around the problem of cultural relativism that this book concentrates not on cultural norms writ broad goal was some subset of social norms that Constitute capital. Social capital can be defined simply as a set of informal values or norms shared among members of a group allowded that cooperation among them. If members of the group come to expect others that will behave honestly and reliably, then they will come to trust one another. Trust is like a lubricant that makes the running of any group or organization more efficient "(Fukuyama, 2000). It also argues that: "One of the major lessons that can be drawn from the study of economic life is that a nation's prosperity and competitiveness are conditioned by a single pervasive cultural characteristic: the level of company-specific "(1995) confidence. he defines trust as "the expectation that arises within a community of regular behavior, honest and cooperative, based on commonly shared norms."

The analysis of the proposed definitions shows that if some of them reveal common approaches to the concept, the terminology used frequently differs. But it is especially in the way social capital is conceptualized and operationalized as the deepest differences are significant (Narayan and Cassidy, 2001). Indeed, beyond these differences, there are common themes to all definitions and approaches to social capital that enable us to better understand the meaning. Thus, we can take that first, most authors agree that social networks and social norms are constitutive elements of social capital. Similarly, they believe that trust is an additional element - for some central- to explain the presence of social capital in a community. Some see social capital as a resource that people can use to achieve some of their objectives. Similarly, possess social capital; the individual must be connected with other individuals. Finally, the authors agree that social capital can emerge from all levels of society. As Stone and Hughes (2002) note, the literature identifies social capital in the family, local networks, social networks, formal and informal institutions and state level itself. For OECD (Healy and Côté, 2001), the concept of social capital is directly associated with relationships in civil society. However, trust and networks also include organizations and public institutions. Social capital is embedded in the norms and institutions that include all public entities.

## 1.1.2 Approaches and forms of social capital

The diversity of definitions proposed reflects both the multifaceted and multidimensional complexity of the concept and

also the multiplicity of theoretical fields that are interested in the concept. As rightly noted by the OECD (Healy and Côté, 2001), we can distinguish four main conceptual approaches that have focused on the concept:

- The economic approach in which researchers have focused on the interests and benefit those individuals can take their willingness to engage with others and to invest in social capital as a resource in the same way than other types of capital.
- The policy approach that seeks focuses on the role of institutions and social and political norms in shaping human behavior.
- The sociological approach which aims to address the social determinants of motivations, characteristics of social organizations, trust, individual and social reciprocity and networks in action and their impact on the social, cultural and economic performance.
- Finally, the anthropological approach that develops the idea that individuals have a natural and instinctive tendency to associate and to forge a social order.

Two other major approaches to social capital can be distinguished in the literature on the concept: an approach in terms of values and norms (subjective dimension of social capital) and an approach in terms of relational networks. These different approaches can be found in the distinction between: cognitive social capital, that is to say, the mental processes of individuals, values, norms, beliefs etc, which predispose agents to cooperation and structural social capital, that is to say structures (organizations) in which agents act (Uphoff, 2000). Collier (1998) also distinguishes between two forms of social capital interdependent: the government social capital (institutions or organizations established by the State or the public sector) and civil social capital (organizations from civil society).

Franke (2005) proposes another typology also conceivable: a microeconomic approach that highlights the collective action value of social capital, the macroeconomic approach that highlights the value of integration and social cohesion and approach meso its instrumental value. The nature of the links between agents was specified by the now well known typology proposed by the World Bank (2000) and distinguished: the link between (bonding), the tie that binds (linking) and the link that connects (bridging). Links-type bonding together individuals of equal status (horizontal links) within the same community. They characterize relations community type, if people adhering to the same system of representation, they tend towards a "social closure" (Coleman, 1988) or discrimination. These links may be those within a family, tribe, ethnic group, village, community belonging, close friends, etc. The type links linking characterize interactions between agents with different statuses. These links are called vertical. These inter-group links need to be reaffirmed and are characterized by reciprocal transactions that require further exchanges (Angeon, Caron and Lardon, 2006).

According to these authors, the frequency of interactions tends to lead to the convergence performances. Finally type links bridging bind remote agents (this distance may be geographical or link is not enabled at all times). Bridging social capital refers to a virtual network. Relationships can be one-off, batch and rules observed are related to a non-reciprocal commitment agreement (Angeon, Caron and Lardon, 2006).

#### 1.2 Social Capital, vector performance

The issue of the performance of firms is at the heart of all the economic and managerial research considerations. The performance of the company is part of the classic repository competition. It is whether the firm has created value or if it is able to a particular horizon to create more than its competitors (Charreaux, 1998). One of the issues that emerge from the literature is to define the performance to better measure. According to Bourguignon (1995), the performance is a concept that in its anglo-saxon sense refers both to the action, its outcome and possibly to its outstanding success. This design differs from the French approach which tends to conceive the ultimate goal, that is to say the results. Although central to the management literature, the concept of performance is nonetheless ambiguous. However, if one takes the polysemic nature of the concept, the performance can be defined as "the achievement of organizational whatever the nature and variety of these objectives (Bourguignon, 2000).

On the effects of social capital on performance, literature developed on the question is very broad. In our case we agree, for the needs of our analysis, to the conceptualization, of Nahapiet and Ghoshal (1998) hose in a dynamic perspective, have shown that the development of social capital in the organization is a source of competitive advantage, because the existence of networks closes interpersonal relationships. These authors attribute to the capital three dimensions: structural, relational and cognitive.

Structurally for Nahapiet and Ghoshal (1998), the configuration of interpersonal relationships within the organization is necessary. Ownership by emotional ties between actors, this configuration facilitates the transfer of information (Coleman 1988), organizational learning (Fischer and White 2000), and the implementation of activities in the organization (Shah 2000). For example, Bolino et al. (2002) point out that the transfer of information and knowledge is more easily and "unbiased" when employees are interconnected within the organization. In addition, the implementation of activities in the organization is more efficient when employees know each other and share collective representations and values with which they identify. This identification creates an easier connection that will guide the actions of individuals to exchange information and resources in the interests of all members of the organization and the organization itself. The interconnection of relationships thus reduces coordination costs and transaction costs. On the interpersonal plane, Nahapiet and Ghoshal (1998) characterize the share capital by a high degree of trust, norms and perception of shared obligations and common identity. It denotes that characterization that people feel even more confident and motivated by reciprocity they all share common values, maintain emotional relationships and are inserted into the same identification structure. This identification structure strengthens back their sense of belonging. The conceptualization of Nahapiet and Ghoshal (1998) of social capital approaches the notion of "strong ties" used by Granovetter (1973) to describe the trust, reciprocity and emotional intensity in interpersonal relations. It appears that the relational dimension of social capital relates to the emotional relationships between employees who identify themselves by common traits. Thus, the working groups in which members have shared representations, adapt more easily to changes in the environment, are more flexible and therefore more efficient (Bolino et al. 2002).

Interpersonal trust which describes the relational dimension is due to the belief in the good intentions and reciprocity of each party; it also depends on the ability of the organization to ensure the protection of the interests of all its members. In the latter case, organizational identity influences the manifestation of interpersonal trust. It is in this sense that trust facilitates communication, exchange of information, knowledge and resources between actors (Tsai and Ghoshal 1998). Finally, individuals who are strongly bonded identify themselves as members of the same entity. Under these conditions, say Bolino et al. (2002), the group identification is positively associated with all forms of exchange and cooperation in the enterprise. This identification helps to better collaboration between employees in the organization. We consider that organizational identity plays an important role in the effectiveness of emotional relationships. Therefore, individuals that are inserted into emotional relationships can help each other and share their work force.

On the cognitive dimension, Nahapiet and Ghoshal (1998) argue that mutual understanding between stakeholders in the organization is through languages and shared stories. Thus, employees can resolve peacefully the issues that arise in their workplace or outside, to exchange ideas, help each other and share knowledge. The cognitive dimension of social capital includes not only the languages and common narratives, but also a shared vision that allow members of the organization perceive and interpret events similarly (Bolino et al. 2002). Since these representations and shared vision are included in their collective memory (Weick and Roberts 1993), employees can then anticipate and easier to predict the actions of others. All stakeholders of the organization are convinced of the reduction or absence of opportunistic behavior inclinations colleagues; their collective consciousness is then reinforced (Weick 1995), which is likely to increase the share capital and business performance (Bolino et al. 2002).

To some extent, this "shared vision" of labor relations stable and healthy promotes the emergence of organizational knowledge (Créplet et al 2002.) in some respects, the cognitive aspect of social capital induces necessary to the performance of the company intra-organizational cohesion. We argue that organizational identity strengthens the cognitive dimension of social capital in that it contributes to the pooling of collective routines, production and exchange of knowledge.

## 2. Social Capital and performance of cooperatives: the case of cooperatives saffron

#### 2. 1 Overview of the field of study

Our doctoral research focuses broadly on companies in the social economy and in particular on the case of agricultural cooperatives in the Souss Massa Draa region. In this article we look at the results of our research conducted with saffron cooperatives area Taliouine. This area is the traditional area of production of saffron and is located in the Souss Massa Draa Region (Southwest Morocco) in the Provinces of Taroudant (area Taliouine) and Ouarzazate (Taznakht). The "Saffron" space Taliouine, located west of Mount Siroua (far West of the Province of Taroudant), holds the major concentration of the cultures of saffron, about 500 ha (95% of area grown in Morocco). It is estimated that more than 3,000 the number of parcels of culture, staged between 1200 and 2400 meters. With the exception of a few parcels rainfed (unirrigated areas) on the montane substantially wetter, it is irrigated crops, mainly in an area of low rainfall (200 mm/year on average). Saffron is produced by 1,370 farmers families (2 plots per family, on average, over an area of approximately 3600 m²). 7-8000 people are directly involved in the production of saffron on this site. The extreme complexity of the terrain in this area of semi-arid mountain explains the dispersion of cultivated sites and their concentration around water points (springs, wells and pumping stations). Backed by some other crops mainly almond and food crops such as barley, corn and garlic, saffron occupies a very important place in the socio-economic and cultural dynamics of the area.

## 2.2 Methodology

In our response we adopted the method of interviews with the presidents of cooperatives surveyed. These interviews were conducted on the basis of an interview guide covering the different dimensions highlighted in our theoretical model and referring to the issues discussed in this article. Our investigation took place over three months from January to March 2014 and reached 17 presidents of active and successful cooperatives in the area. The choice of cooperatives surveyed was done on the basis of two indicators: business and financial results achieved on the one hand and the importance of investment committed other. The choice of these indicators was dictated by the need to clarify the role and contribution of social capital in these performances.

The interview guide is structured around three basic axes. The first axes reserved for identifying the importance of social capital in the area of saffron. The second axes survey data on the nature of social ties in the cooperatives and their manifestations. The third axes is focused on the effects of social capital on the performance of cooperatives.

#### 2.3 Discussion of results

#### 2.3.1 The social capital in the study area

Through time, the Saffron was one of the main supports of the economy of the area. Sale of stigma by producers is the main and sometimes the only income families. It was always used for the purchase of food, goods but also to respond to cyclical or temporary needs, such as weddings, funerals, the payment of debts ... In the area and around this culture; it denotes the presence of a strong social capital. Through the historical development of strong social relationships are woven (around and through culture) between families, neighbors, villages and communes. For the population of the area, saffron has always been a culture of great importance for the survival of the population, but also in its social organization. During culture, collection, processing, exchange and even her walking in all aspects of social life (moussems, parties, weddings) saffron turns a mobilizing factor and host of local social life and reflects a collective collaboration. Thanks, also, saffron everyone finds, is valued, and identifies itself as part of a community.

Socially around the Saffron has built a very special social organization. Indeed, the management of saffron land and irrigation water allows a typical social organization emerge at the same level of social affairs of the various villages of the area. The villages have always been managed by village councils whose members are selected from the producers of

saffron on the basis of the criterion of confidence they inspired and recognized in their decision-making wisdom. Another major event of this organization we find at the large village solidarity. Indeed, according to the people interviewed allegiance has always been to the village and not only for family (collective interests take precedence over tribal and individual interests) and in crises, problems or happy events all components of the community expressed their solidarity. This traditional organization, with its capital, is also reflected in recent years by the creation of many village associations which saw the accession of all the villagers to participate in socio-economic development and the creation of goods collective (construction of infrastructure and basic social services: roads, schools, literacy, health facilities, ...). This non-market local social coordination and "social networking" intense and economic changes experienced by the saffron market also played a fundamental role in the emergence of cooperative entrepreneurship in the area and led producers change their perception of the commercial act and to engage in the creation of cooperatives for a better organization, promotion and marketing of their product.

#### 2.3.2 The social capital, a real vector performance of cooperatives saffron

The analysis of the survey results attest to the true contribution of social capital as the creation of cooperatives that strengthen their performance. The vast majority of respondents agree that social norms shared favored better emotional relationships and trust that allowed one hand to facilitate the process of creating cooperatives and secondly to build a strong organizational identity in cooperatives created. This organizational identity has fostered cooperation, collective action, information exchange and allowed the development of better cooperation between the participants and their work skills that have resulted in improved product quality, cost reduction and improved economic performance for cooperatives.

Similarly, social norms have shared enables under these cooperatives, on the one hand the strengthening of ties between members and the development of interpersonal relationships and solidarity whether domestic or cooperatives in social life and community. And secondly, involvement, support and commitment of the players in collective actions and cooperative, and the tasks entrusted to them in a climate of mutual trust. Also, the capital contributed to the development of social capital cooperatives.

Moreover, in this area characterized by weak including physical and environmental territorial capital and high rates of poverty and social vulnerability, social capital and its human corollary largely explain the good performance achieved by the saffron cooperatives. Indeed, the results confirm that with the trust among cooperative members, their leaders have little benefit for greater autonomy in decision making. It follows a more decentralized and more taking initiatives that promote performance. Similarly, it allows them to develop relational networks dances facilitating access to resources and markets.

#### **Conclusion**

The objective of this article was to highlight the link between social capital and performance of cooperatives Taliouine saffron. Through our theoretical analysis, we have noted that social capital is a specific asset may provide a competitive advantage to an organization such as cooperative. The capital also has an influence on the ability of the organization to build an identity and adapt to environmental change. Thus, the more social capital is important, more organizational identity will be consolidated, that is to say, the sense of actors, their loyalty and obedience, social equity and the labor force developed a network of relationships dance and therefore increased performance. Our exploratory study when it has allowed us to confirm these hypotheses in saffron active cooperatives in the study area. The link between social capital and the performance of a company is thus complementary.

The results of this exploratory study remain to be confirmed in more detail by focusing on different aspects of performance and use of econometric tests. This is the phase in which we now get down in our survey questionnaire.

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