

Shifting Governance. Managing the Commons: the Case of Slovensky Raj National Park.¹

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Abstract:

This paper explores the role of social capital and governance in rural development within the Slovensky Raj National Park. Based on the theory of Common Pool Resources and Network Governance, the case study explores the external and internal influences on cooperation. Current decision making in the Park is still affected by post socialist relations. In particular, inefficient institutional design and non-robust governance of the resources have resulted in over-exploitation of natural resources and treating common property as open-access. On one hand, evidence emerged on domination of interpersonal trust and failure of institutional design. These were found as barriers for the National Park to be viewed by various actors as an asset. On the other hand, municipal and tourism networks show that cooperation is gradually moving from being externally to internally driven, while displaying characteristics of bottom-up development. A hierarchical governance structure is thus slowly opening up, shifting towards networks.

Key words: social capital, trust, robust governance, cooperation, common pool resources,

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Introduction

Generally, it is accepted that totalitarian regimes destroy social capital (Paldam and Svenson, 2000, Putnam, 1993) and that low social capital leads to a number of dysfunctions. It was also proven (Putnam, 1993) that there is a correlation between the duration of a dictatorship and deformation of trust and cooperation. Examples from Latin American societies show that a narrow radius of trust produces a two-tiered moral system, which serves as a cultural foundation for corruption, often regarded as a legitimate way of looking after one's family (Putnam, 1993). There are also experiences from democratic countries in Europe, Banfield (1958) and Putnam (1993), declares that low social capital has been identified as one of the major reasons for the inefficient local government of southern Italy. In contrast with western European countries, the regulatory processes of former command and control economies of central and eastern European countries (CEECs) can be characterised by closed, unidirectional decision-making, excluding all those who are not members of elite political structures, rejecting constructive criticism which might have indicated system change (Gatzweiler, 2002).

CEECs have undergone unprecedented political and economic changes since the fall of the Berlin Wall in 1989 and most of them have made considerable progress in the area of structural reforms. The former regime, represented by massive state interventions, state monopolies and absolute control over all actions – resulted in a dramatic decline of trust in formal institutions and erosion of personal relationships as the political elite was established. Interpersonal relations emerges as the only trustful institution left (Chloupkova et al 2003, Murray 2005). Formal 'grey/black' network (Paldam and Svenson, 2000) has been created as a result of these processes and converted into negative social capital (Portes, 1998). This is slowing the processes of democratisation and reform. Trust in formal institutions must therefore be restored, regardless of the difficulties, of time and effort, encountered in achieving this. Due to these factors, transition cannot be understood as a free evolution, since both democratisation in 1989 and EU integration in 2004 were driven externally². Evidence of growing participation and cooperation in transition countries of the CEE

² As an example the accession process to the EU cannot be simply understood as a definite response as this politically-driven process has resulted in a more or less mechanical transposition of formal norms and rules without either sufficient change in the institutional environment or the evolution of new social capital capable of reconstruction or building internal societal rules and norms.

has been reported by several authors (Hagedorn and Gatzweiler 2002) mostly linked to emerging markets.

The situation in the Slovak Republic may be unique. Firstly, the Slovak Republic, historically a part of a larger political unit (Austro-Hungarian empire 1300-1918, Czechoslovak Republic 1918-1993), was generally underrepresented at both the policy- and decision-making levels, and as such very seldom governed by its own representatives³. Thus, in comparison with neighbouring countries (Sauer 2005, Jílková 2003, Romancikova 2004) that built their national or regional governance structures themselves, there is an evident lack of skills in such institutions in Slovakia⁴. Secondly, Slovak traditional society is largely based on rather closed rural Roman-Catholics communities, with traditional and anti-reformist behaviour. The above-mentioned factors, add to the generally low social capacity in CEEC. It does apply also to informal cooperation, which is also hindered by “grey/black” network⁵. Prior to EU membership, decision-making was two fold: via elected representatives at the national and municipal levels; and via state authority, represented by the national government and districts. Most decisions were taken at the level of district authorities. Harmonisation with the EU legislation introduced shift of competencies from former district offices to municipalities and the newly established elected regional governments, meaning more power to regional and local level. Such processes are fully in the line of the post-sovereign European rural policy, which due to the creation of supra national actors and the growing role of sub-national level have resulted in a multi-levelled system of governing (Brenner et al. 2003). There is no single centre of authority and sovereignty today is multi-layered, fragmented and overlapping (Painter 2003). The shift of competencies to multiple authorities has the potential of increasing the role of actors from outside the formal decision making boundaries and their participation on the governance process. This results in governance structures which

³ Prior to 1945, most public representatives including teachers, attorneys or public servants were from Hungary (up to 1918) or the Czech Republic (1918-1939).

⁴ Although the first wholesale and credit cooperative in continental Europe (Gazdovský spolok 1845), was founded in Slovakia, this was the individual activity of a few strong regional actors acting in defence against the upper classes. A more common form of rural partnership was that of land ownership, cooperative or semiprivate ownership, finally destroyed by the nationalisation of all property in 1948.

⁵ Examples are taken from civic societies, which in the Slovak Republic are not necessarily representing real public interests. Very often interpersonal relations and individual interest dominates. Thus, rather than enabling the evolution of informal rules and partnerships, several non-profit organisations represent the interests of elite groupings close to governmental structures and funds.

may rely on networks of multi-level interconnected actors such as private, public or non profit units, rather than a hierarchy dominated and defined by the state (Stoker 1998).

In the area of environmental protection, the Ministry of the Environment serves as a central body at the national level. Responsibilities in nature conservation are under the executive control of the State Nature Conservation agency, represented in each region by the administrations of national parks. The system of nature conservation territories in the Slovak Republic was established in 1948 the main stress being on conservation. Because of the absence of market economy, outdoor recreation was limited by the State, who controlled visitors. Today national parks in the Slovak Republic are greatly increasing tourist numbers creating pressure for investment, and viewing with competing interests. The existing governance structure has not adequately adapted yet. The Park Administration acts as first contact point in rural development processes, paradoxically, it has only an advisory position to hierarchical authority, e.g. State Nature Conservancy and regional administrative units. With respect to nature conservation and regional development, there are difficulties in the coordination of responsibilities. This results from missing formal institutional links between the elected regional and local agencies, as well as between other related State actors (such as forest, agriculture and tourism authorities). An example of this lack of coordination is evident from the inadequate implementation of the Nature Protection Act, which required zoning of parks, compensation of removal of opportunities for non state owners within protected areas etc. To make matters worse, several legal provisions conflict with one another, especially those falling under the responsibility of the Ministry of Agriculture and particularly with respect to the management of forestry and agriculture⁶. Failure of the State to manage natural resources in an effective manner resulted in a de facto open access resource regime⁷. It is too early to analyse the effect of decentralisation of environmental governance as the process was initiated only in 2002, and is still not fully effective. Despite this, it is already possible to summarise that the fragmentation of nature protected areas still remains a problem, and makes management of protected areas difficult to coordinate.

⁶ For example, the Act on Nature Conservation declares the protection of nature as a fundamental priority within protected areas; however, the Act on Forests allows timber production within areas of nature conservation, even providing subsidies for activities in areas with extreme climatic conditions.

⁷ As defined by E. Ostrom, (1990) and further elaborated in this article.

Institutional changes transition from a command-and-control system (from 1990- still ongoing) and the EU integration (2004) form the key external drivers in our study. In particular how these are reflected in cooperation and learning process. Under the transition process, major issues analysed were the property rights regimes, in particular the failure of the State in managing natural resources (de facto in open access regime). Determinants studied within EU integration are the effects of EU membership on the rural context and trust building e.g. the positive and the negative aspects of decentralisation and emerging institutional innovations such as multilevel governance. Such drivers are to be determined as key factors of bottom up development, with effect on cooperation. In our hypothesis we state that however cooperation was first initiated by external drivers is now gradually moving towards being internally driven and thus allow establishment of robust governance structure of common pool resources. The general objective of this research, was to analyse processes of cooperation. In particular the role of multiple drivers in institutional changes and how they interact within a multilevel governance of Slovensky Raj National Park (SRNAP).

The paper first outlines the evolution of the governance and cooperation in CEEC and in the Slovak Republic in particular. Part 2 provides a basic theoretical framework concentrated along network definition of social capital, the role of trust and learning in cooperative processes, and finally how social mechanisms can influence multilevel governance and effective management of common pool resources. Part 3, provides a basic description of the model region and examines major problems as barriers for network governance, while part 4 concentrates on the description of the dynamics of ongoing cooperation processes among multileveled actors, defined as actor clustering. Part 5 deals with basic methodological concept, e.g. case study approach. Part 6, then explores major findings of empirical work which are concluded in last section.

2. The Concept of Social Capital and Governance

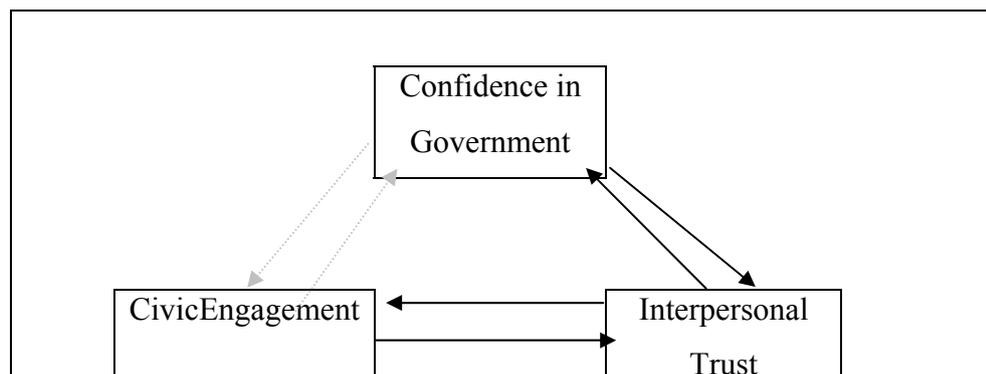
Social capital can be characterised according to the variety of different views or dimensions that have originated in the interdisciplinary character of this concept. This study endorses a rational choice theory approach, while also acknowledging the importance of social and political engagement (network approach). The rational choice theory sees social capital as a set of informal norms that promotes cooperation

to make effective market transactions (Fukuyama 2000). Using political or social engagement theory, social capital is viewed as the social ties or communities of association. According to Putnam (1995) social capital is represented by features of social life, norms and trust that enable actors to cooperate. Ostrom and Ahn (2003) defines social capital as rules used by those governing, managing, and using the system and those factors that reduce the transaction costs associated with the monitoring and enforcement of these rules. Finally Bourdieu (1985) defines social capital as the aggregate of the actual or potential resources that are linked to the possession of a durable network of more-or-less institutionalised relationships of mutual acquaintance or recognition.

Despite variations in the origin and differing definitions of social capital, the concept has common characteristics based on the formation of social networks. We see this as crucial for understanding the evolution of social capital in transition countries of CEE. An approach based on community bottom-up cooperation linked to social capital is seen as important for later stages of policy reform, in particular for countries in transition from directive to democratic regimes (Valentinov, 2004). The concept as adopted in our study is thus based on a network definition of social capital and endorses the notion of social capital as the nature of relationships between people and the social networks that they form (Murray 2005).

Furthermore, many authors distinguish factors of social capital formation especially trust, reciprocity and learning (Ostrom 2000, Sobel 2002, Valentinov 2004, Putnam et al 1993). To illustrate our approach we borrowed the concept of a structural model of social capital found in Figure 1. Trust as a major determinant of social capital is framed within the context of interpersonal trust (informal governance), which is developed through the learning process into the institutional trust (formal governance) (Brehm and Rahn 1997).

Figure 1. Structural model of social capital





Note: black arrows: relationships with confidence and trust; grey arrows: relationships without confidence and trust. Source: Brehm and Rahn (1997)

Central to this model is the reciprocal relationship between civic participation and interpersonal trust. The more individuals participate in their communities, the more they learn to trust others; the greater the trust that individuals hold for others, the more likely they are to participate. Which creates a virtuous circle in which trust promotes cooperation and cooperation promotes trust. This also increases confidence in the hierarchical structures of the State and reverse⁸. The structural linkage of figure 1 (confidence in government and civic engagement) has not been proven empirically⁹. This paper argues, that through the process of learning and repeated interaction, individuals are willing to cooperate (Brehm and Rahn 1997). Here the learning process can be understood as long-lasting change of behavior that is founded on change in knowledge; however it can only be observed through the results of this new knowledge in actual change of behavior (Siebenhuner 2004). Within the process of learning past experiences in the situation of cooperation can affect subsequent behavior and attitudes toward cooperating (Murray 2005).

In the context of emerging multileveled governance structure and ongoing learning processes, governance is shifting to new ways of conceptualization where the citizen is playing an active role (Goodwin, 1998) and boundaries between and within public and private sectors have become blurred (Stoker 1996). New European official policy statements now emphasize the role of partnerships and networks beyond the formal structure of governance (The Cork Declaration) characterized by informal social systems rather than by bureaucratic structures. Such a concept of governance has gained widespread attention across many scholars (Williamson 1979, 1991; Stoker 1996; Jones et al 1997; Goodwin 1998; Gulati 1998) and is known as network governance. The concept implies that governance has become a more complex and multileveled institution, partially usurping competences from the central State (Jessop 1994) and relying on networks of interconnected actors rather than a hierarchy dominated and defined by the State (Stoker 1998). Our theory integrates a general

⁸ Empirical evidence was manifested by for example Levi 1988, Scholz and Pinney 1995.

⁹ However a hypothesis was presented on the negative correlation between civic engagement and confidence in government by Tocqueville (1969).

theory of network governance (Jones et al. 1997) and common-pool resource theory (Ostrom 1990).

It asserts that this type of governance, by using different social mechanisms rather than authority, bureaucratic rules, standardization, or legal resources enhance cooperative behaviour and at the same time enable local actors seek collective arrangements that will promote their locality in an increasingly competitive local economy (Goodwin 1998). Jones, Hesterly and Borgaty (1997) defined these social mechanisms as the: restriction of access, collective sanctioning, macroculture¹⁰ (norms, routines, conventions) and reputation. Restricted access limits the number of players, macroculture enhance coordination among actors, reputation provides information about participants' actions and credibility, and collective sanctions discourage participants from yielding to incentives for short-term opportunistic behaviour. The above social mechanisms within network governance dovetails with Putman's approach (1993) to conditions that favour cooperation (the number of players are limited, information about each player's past behaviour is abundant, as well as graduated sanctions against violators) as well as Ostrom's review (2004) of the attributes of the communities that affect cooperative behaviour of actors. Ostrom (2004) identifies the values of behaviour generally accepted in the community norms, the level of common understanding that participants share about structure of action situation, size of the community and distribution of resources among those affected. The ways in which small-scale communities negotiate access to resources by setting up self-organized systems of participation and control are seen as more effective than government imposed regulations (Ostrom 1990). Thus in our understanding the social mechanisms derived from theory of network governance reflect Ostrom's theory of common pool resource. From different case studies of long term robust institutions for governing the common pool resources, she developed a set of general principles that increase performance of institutional design and robust governance of the resources and at the same time safeguard sustainable use of common-pool resources. There are the following: clearly defined boundaries, proportional equivalence between benefits and cost, collective-choice arrangements, monitoring, gradual sanctions, conflict resolution mechanisms, minimal recognition of right to organize and nested enterprise

¹⁰ Macroculture is a system of widely shared assumption and values comprising knowledge that guide actions and create typical behaviour patterns among independent entities and is shared by all participants not only top managers. In general, macroculture are enhanced by close geographic proximity, because of the increased likelihood and ease of interaction.

(Ostrom, 1990). The first three principles together help to solve core problems associated with free riding and subtractability of use. Monitoring, sanctioning and conflict resolution mechanisms can be thought of as feedback control for resource use. They transform information about the state of the system into actions that influence the system. Without regular access to low-cost and rapid conflict resolution mechanisms, the common understanding about what rules mean can be lost. Gradual sanctions preserve a sense of fairness by allowing flexible punishment when there is a disagreement about rule infraction. The lack of appropriate institutional design and robust governance of the resources (Williamson 1979, 1994; Ostrom 1999; Vatn 2005) may lead to a shift of costs to a third agent, stimulate over-harvest and free-ride or to say it in other words an open access regime which may have tragic consequences in the overuse or unregulated management of natural resources and biodiversity values. In this light network governance can be seen as dynamic process of organizing transactions, by explaining the influence of social processes over the costs of transaction exchange.

Thus in our case study we develop a framework for understanding the interplay of those social mechanisms and design principles especially macroculture, reputation and conflict resolution that can affect durable networks, and thus increase cooperation between rural actors while at the same time prevent tragedy of the open access.

3. Presentation of the Region and Problem Situation

The Slovenský Raj ('Slovak Paradise') national park SRNAP – with an area of 19,760 ha – was established as a protected area by law in 1964 and, in 1988, its status was changed to that of 'national park'. Most valuable natural value of the park is the relief that comprises a compact eroded benchland with a plateau cut by deep canyons, waterfalls, and small rivers. SRNAP is administratively positioned in the territories of both the Košice and Prešov regions, with Spišská Nova Ves serving as the regional centre influencing economic and social relationships both in the park and in its surrounding municipalities. The economic situation in the target region is not favourable due to regional disparities based on asymmetrical distribution of human resources and infrastructure and on geographical barriers. These characteristics render eastern parts of the country a periphery, unattractive for foreign investors, to export or to a qualified labour force (Williams, láž, 2005). There is a growing interest in

tourism in areas with high biodiversity as a source of income for the local population. Slovenský Raj is the only park in the country aiming to join European network of protected areas PanParks. The major mission of the PanParks project initiated by WWW International is to promote synergy between nature conservation and local development through sustainable tourism in European protected areas. Five PanParks principles, covering environmental, social, economic and cultural aspects are a forming precondition for the certification of candidates to the network and this makes them eligible for network benefits such as marketing programmes, projects in rural tourism, presentation of good practice etc¹¹.

Three major problem areas related to rural development and nature conservation can be identified in SRNAP, namely property rights and user interests; governance structure; and cooperation structure.

Property Rights and User Interests

Property rights represent the fundamental issue in nature conservation in the Slovak Republic. As documented in all former communist CEECs, state property was promoted against private and common property. The government failed to manage the resource in an effective manner (design and implementation of effective rules limiting access and defining rights and duties) and created de jure state property but de facto open access (Ostrom 1990) with all the inherent effects of this e.g. free-riding, overexploitation etc. Further privatisation of land in 1990s oriented more on moral and political targets rather than effectiveness¹² resulted in increase of land fragmentation and market failure so called tragedy of the privates (Hann 2000). The present ownership structure in the Slovak national parks is diverse, with almost 50% held in either private or community hands (47% in the case of the Slovenský Raj national park). An absence of appropriate incentives to encourage sustainable behaviour of non state owners¹³ and absence of general principles that increase performance of institutional design and robust governance of the resources has resulted in the expansion of unsustainable economic activities, e.g. intensive tourism

¹¹ See also www.panpark.org

¹² Privatisation not based on the property rights theory e.g. fulfilling basic attributes property rights regimes and governance (Hagedorn, Gatzweiler2002).

¹³ The Act on Nature Conservation adopted in 1995 implemented compensation for removal of opportunities for income generation by private and municipal owners. The governmental order to administrate such a right came into force at the end of 2001 and the application process is very complex, not transparent and is lacking state support. By the end of 2002 only two owners were able to get compensations but none of them from SRNAP.

and the timber industry. The key question today revolves around who will control the local assets, either generating decent revenues in the long term (if managed in a sustainable way) or much greater short-term benefits based on natural resource exploitation?

Governance Structure

Based on the historical evolution of governance (as described in the introduction), it is possible to state that the present governance structure in the Slovak national parks is complicated even in comparison with neighbouring transition countries. Park territory is held under the competence of numerous mainly hierarchical authorities and divided between more administrative units. Such multiple decision-making structures without proper governance rules have a significant effect on the coordination of responsibilities, resulting in various conflicting situations such as forest fires, overuse, illegal activities in the parks or ignorance to several legal provisions as discussed in the introduction. In SRNAP for example, the general territorial competences presiding over the park are shared by 15 municipalities and two regional governments; specific competences are held by several state organisations, such as the water management, fire and forest authorities. The Nature Conservation Administration lacks any legal power but is responsible for preserving biodiversity, and thus is heavily limited in carrying out its responsibilities. As a result, unique park territories have been seriously affected by fire and/or by uncontrolled numbers of visitors.

Cooperation structure

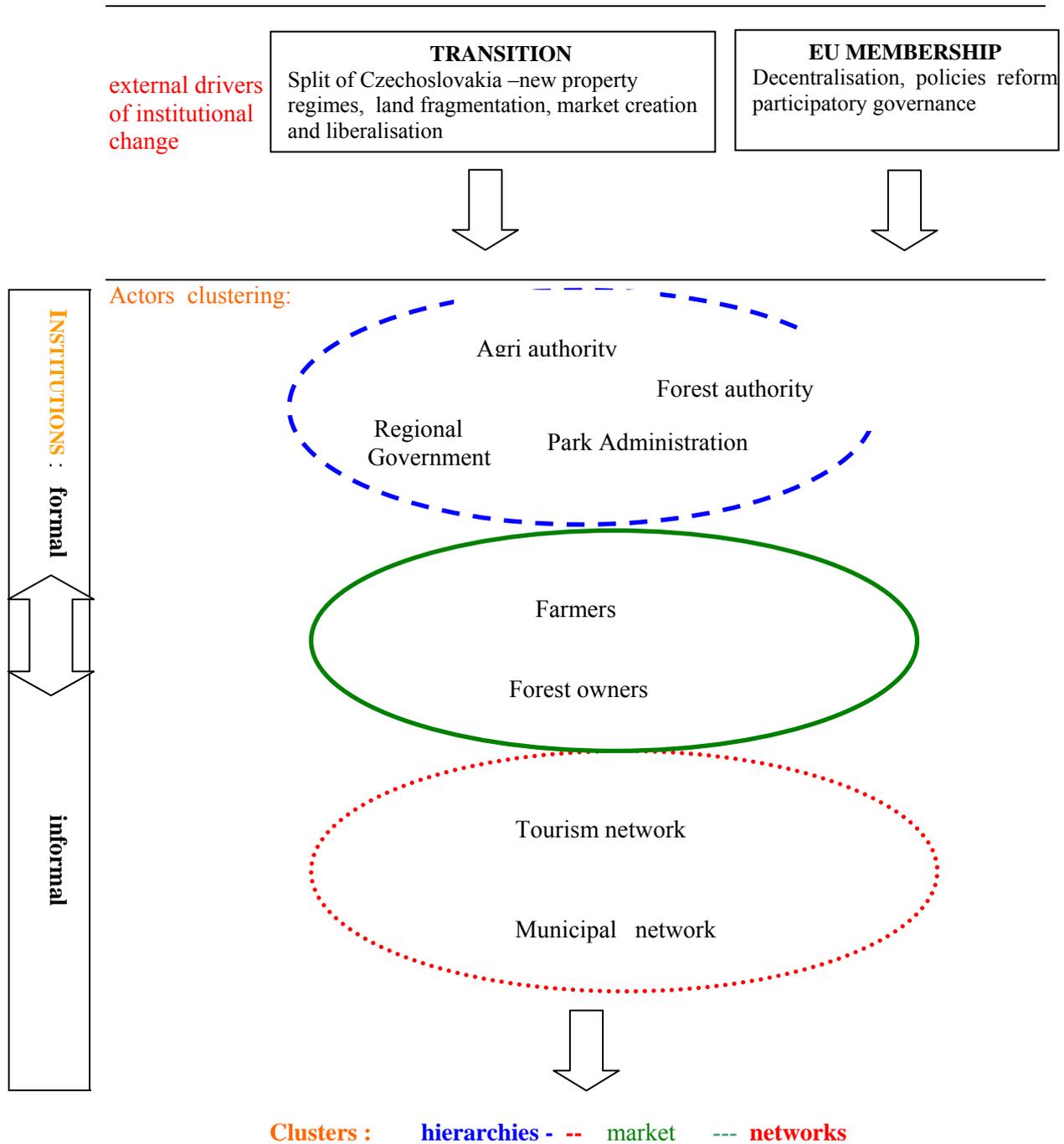
Community cooperation such as the development and implementation of rural policies and alternative economic programs is weak due to the widespread lack of communication and cooperation between key actors. Partnership and trust among regional actors is so eroded and paralysed that even powerful policy incentives (financial or institutional) are not sufficient to motivate them to carry out joint actions. Illustrative example are the difficulties in implementing the PanParks certification, in particular, the ability of the park community to cooperate in the development and implementation of a Sustainable Tourism Development Strategy which requires multi-level actors cooperation which has not been reached in SRNAP so far.

4. Presentation and Clustering of Actors.

In general, actors are understood as discrete individuals, corporate or collective social units coming from different groups and networks (Faust and Wasserman 1994). For the purposes of this study, actors are understood as any individual, any grouping of individuals or any organisation having key roles in ongoing rural processes or certain interests, responsibilities in the management of the resource regimes of the community. The selection of actors for our analyses was based on previous experience and knowledge from SRNAP and on the impact/importance approach, where importance represents actors role in community, e.g. how powerful are actors to influence action situation in the community and rural innovations such as agrotourism and impact is determined by the effect of action situation on actors or how strongly they are influenced by action situation. In our case, actors with at least a median effect or impact were chosen.

Actors involved come from different fields, and comprise of a multiple actors setting. Using the concept of network governance described in theoretical section, in particular social mechanisms, actors were than clustered depending on the type of governance (Williamson 1991). Cooperation between the groups, the interaction of formal and informal institutions and the role of trust in the adaptation process for multileveled governance formed major attributes of clustering. Actors were then clustered into the following three groupings: the 'hierarchies'; the 'market' and the 'networks' (Figure 2).

Figure 2: Governance structure in SRNAP.



4.1. The ‘hierarchies

The ‘**hierarchical**’ cluster is composed of organisations with formal responsibilities in a specific field of expertise. Their cooperation relates to their exercise of these responsibilities by means of formalised institutions. None of them are economically active in the regions. The cluster comprises of the State agriculture authority, forest authority, the park administration and the regional government.

The State agriculture authority (the Chamber of Agriculture) is an organisation established by the State to coordinate, inform and support the implementation of state agricultural policies. Agro-tourism is seen as an economic opportunity for underdeveloped region.

The forest authority is a State organization with formal responsibilities in the field of forestry. It acts on district level where the cooperation with another clusters (especially with the market cluster - landowners) is based on formal responsibilities for keeping evidence of forest in the area, according to the type of owners and the upkeep of a register of forest owners. Due to the cross-over of responsibilities with the Ministry of the Environment and several controversial provisions in the legal setting as described in introduction¹⁴ the State agriculture authority and forestry authority have an antagonistic relationship with the park administration. Relationships with other actors are regarded as rather neutral.

The regional government Kosice in the region is represented by the Spišská Nová Ves department, which was established by the Act on Regional Administrative Reform (passed in 2001) according to EU regional policy and in order to decentralise power. The regional government received major responsibilities in regional development, environmental protection as well as social policies. Although reform is not yet complete¹⁵, it is evident that the regional government will play a crucial role in regional planning and decision-making. As this body is rather new in the regional executive, analysis of the impacts of its activities in the region is not yet possible. For the same reason, the organisation suffers from a lack of professional skills to undertake its responsibilities in regional planning and nature conservation. In spite of this, a strong degree of interest was clearly expressed in rural development, with a particular leaning towards tourism. The administration of the Slovenský Raj national park, with its limited competences in nature conservation, serves as the State expert body for the management of protected areas and holds a very delicate position in this grouping. Its competences are very clearly spelt out in a framework of unclear rights and governance rules. Due to this position, the park administration suffers from a

¹⁴ E.g. conflicting categorisation of the forest resulting in perverse subsidies for timber within nature protected forestland etc.

¹⁵ Financial decentralisation effective from 2005 will for the first time in the history of the country decentralise the collection of income tax; 70% will remain at regional level, 23% at municipal level and only 7 % will be allocated at the central level.

relatively poor reputation in the region¹⁶. However, its initiative to certify the park under the Pan Parks scheme is unique and goes beyond both its formal responsibilities and standard practice in other Slovak national parks. Such an initiative is based on the personal attitudes of key representatives in the administration, who employ numerous informal institutions to undertake this task. Examples of this are informal consultations, joint activities with tourism networks and the administration's membership (as an observer) in the Microregion network. It is possible to state that the park administration on one side acts as hierarchical actor fulfilling legal obligations given by State administration and the law, on the other side, elements of network approach can be identified, however these separate activities of park representatives toward rural cooperation are based on interpersonal trust.

4.2. Market

The **'market cluster'** consists of non state agriculture and forest land owners, with different, often competing economic interests within the park territory and its buffer zone. A common characteristic of the cluster is their exclusion from the decision making process. The nature conservation act restricted their private property and users rights, and the State failed to compensate them for the restriction of income generation potential as described in part 3. Thus willingness for cooperation outside the groups is largely affected by such situation.

The grouping of farmers is relatively diverse with respect to orientation and type of activity but the farmers tend to be rather passive in terms of cooperation outside of their grouping. More dynamics are associated with those farmers intending to adopt rural innovations, for example rural tourism, as these began to form rural-tourism associations, of which some of them are founder members. They also declared an interest to cooperate with the tourism network. Another type of landowners belonging to the market cluster are different forest owners (state forestry, city forestry, cooperatives and individual owners). They have economic interests mostly in the forest industry. Particularly important are cooperatives as a type of forest ownership, due to establishment of various informal rules and their interests towards alternative practices such as rural-tourism. In summary market cluster is characterised by

¹⁶ Very often perceived as representing a barrier to economical development in the region and further elaborated on in part 6 of this paper.

competing, mostly economic interests and formalised cooperative rules applied exclusively within each group.

4.3. Networks

The final cluster is that of the **'networks'**, which are voluntary groupings of individual or collective actors with rural interests, whose actions are based mainly on informal rules, in contrast with bureaucratic structures within firms (market) and formal contractual relationship (Jones et al 1997). Here the political authority is no longer associated with relation of subordination and one way control (state/hierarchy) but with a set of flatly operating system where institutions and individuals are interlocked in multiple, reciprocal relations of autonomy and dependence (Bang 2003). Open-ended contracts within 'networks' are not derived from authority structures or from legal contracts. However some members may establish formal contracts, but these do not define the relationship among all of the members (Jones at al, 1997). Their voluntary character and rural interests determine their relative dynamic activities in the region. The process of institutionalisation of some informal rules into their operation, such as access to information, mechanisms of conflict resolution and costs sharing, is specific to this grouping. Two actual networks represent this cluster: the tourism network and the self-government municipal network.

The self-government municipal network is based on municipal activities, has voluntary membership and is formed through bottom-up processes. The Group consists of two actors Microregion Slovenský Raj ('Microregion') and the Association of Municipalities of SRNAP ('the Association'). These two actors integrate municipalities located around the park boundary, three of these located directly within the territory of the park itself. The original motivation for their formation was due to concern over the execution of the new competence of several municipalities. This was given to them in the early stage of decentralisation, in particular the maintenance of technical equipment (wooden and iron ladders and steps) necessary to enter the park. In addition to responsibilities in the field of visitors' security, such a shift of competence moved new owners into the strategic role as the only subjects practically controlling access to the park. 'The Association' was established in 1992, using existing experience and heritage of the former regime's tourism agency. Due to this, cooperation was mostly restricted to the original

competence, which was the maintenance and upkeep of pathways in the park; the generation of financial resources to undertake this task and activities controlled by the most powerful member municipality. Based on dissatisfaction of several members, 'Microregion' was established in 2003 as an entirely new structure with new rules of operation derived from partnerships and experience obtained during the transition process (1989-2003). In contrast with 'the Association', its ambitions is to support the endeavour of SRNAP to join PAN Parks, support nature conservation in SRNAP, diversify cultural activities and support traditional crafts and cooperate in the provision of tourism services. At present, membership of the two networks is quite fuzzy, since several member municipalities have dual membership. These two groups are effectively rivals however, represent the first informal partnerships and cooperative processes in the region.

The tourism network is of a different character due to its very specialised interests. The grouping is composed of different kinds of actors with mixed type of actions connected to tourism. The first of these are agencies established by formal processes, represented by the regional development agency in Spišská Nová Ves. The second grouping comprises voluntary commercial tourism agencies, tour operators for bed and breakfast facilities or individual clients both operating exclusively within the target region. The Regional Development Agency represents State interests while the Civic Associations for agro-tourism development are new actors and support the adoption of agro-tourism in the region. In between these extremes, two actors – the farmers and the rural tourism associations - represent the specific interests of members within the grouping. Their relation to most of the other actors is co-operative or neutral. Finally, the association of tourist entrepreneurs differs slightly from the previous. It comprises of independent entrepreneurs in tourism, offering mostly accommodation or others tourism services. Within the region of Spiská Nová Ves, we identified 2 of those kinds of associations; one which consist of entrepreneurs mainly from north-east of region and second representing the south of the region. Both of them are based on voluntary association; however members have to pay membership fees. The aim of these associations is to support tourism and sport activities within region. The main benefit of being a member of that kind of association is reducing transaction costs for promoting individual tourism.

5. Methodology

For this paper we decided to use a case study approach, given that it makes it possible to explore more variables, themes and subjects within specific real-life context (Gray 2004; Yin 2003) in particular the exploration of cooperation which is determined by local organisation and localised responses to social dilemma (Murray 2005). In order to have more measures as well as the issue of validity and reliability of case study data, diverse methods for data collection were adopted. These methods are first of all semi-structured interviews which were conducted in the period of May-July 2005. They were constructed using the *Guidelines for Interview* developed within the IDARI project in early spring 2005 and were adapted to the local conditions. In total 28 actors were approached by project team members; of these, two refusals were given and 26 interviews completed. The average length of interview varied from 30 to 90 minutes. Moreover we have used policy documents and regulations from local stakeholders and other literature and statistics as secondary data sources and interview records of primary data gathered for another case study within the IDARI project, focused on tourism activities. To encourage overall data triangulation all interviews were conducted directly in the area of SRNAP which enabled direct observation as another method of data collection and verification, with the aim to observe the local activities in their natural setting and better understand situation in the park area.

6. Shifting governance in SRNAP

Trust framed within the context of interpersonal trust as introduced by Brehm and Rahn (1997) and applied in our study by structural model of social capital (Figure 1) form first part of our analyses. In general, trust between actors was observed on an individual level, based on interpersonal attitudes and relations between individuals. There is a specific attitude by the actors to the Roma community¹⁷. Trust in formalised networks was less, providing evidence from formal membership. Firstly, there are still a considerable number of actors who prefer opportunism and behave as free-riders (not being a member) due various reasons, such as lack of benefit or, on

¹⁷ Here, low trust generally prevailed depending on the historical context and/or importance of the problem to the actor and the community and is reciprocal. Due to its specific character, the complex Roma issue is considered in a separate report.

the contrary, membership is understood rather as an obligatory step towards achieving a formal reputation. Membership in regional or local non hierarchical groupings was perceived in positive terms as representing a benefit for members' activities. They especially appreciated the possibilities for cooperation, the realisation of common projects and information dissemination. Only two representatives, both from municipalities, declared an eventual loss (or costs) of membership in the case of non-realised projects; as well as this, the membership fee was assessed as a loss in the case of formal membership.

A higher level of optimism was observed with respect to the agenda and the influence of national governance when compared to the supranational level i.e. the EU. Similarly, for local government, actors reported an increase in trust compared to interregional level (where newly established regional government is perceived as unknown structure with no direct effects arising from positive experiences of actors). It is possible to generalise that the lower the level of governance the higher the trust or that interpersonal trust prevails in the SRNAP community. A reciprocal relationship between trust and cooperation as described in first structural link of social capital model (Brehm and Rahn 1997 - Figure 1) was evident in our case study.

On the contrary, most of the actors declared a degree of reservation in trusting the park administration, which, despite limited competences, is perceived as the State representative for nature conservation in the park. The governance structure currently in place, has resulted in the inefficient use of resources and the treatment of common property as though it were open-access. Thus it is possible to argue that it is the failure of the national government in creating adequate institutional support for rural development regarding nature protection.

This weakly established governance structure creates various barriers also to market development. At present, decision-making allows the development of power games, in which individual interests prevail over the public: actors often behave strategically in order to put themselves in more powerful positions with good information and control over ongoing processes. On the contrary, those whose positions are not strong enough can be characterised by a loss of interest, apathy or even opportunism. In-depth interviews disclosed that many actors were not able to assess the competitiveness of their activities on the market, and that the role of active marketing

was generally underestimated¹⁸. Thus the national park is not understood as a product of regional economy but rather as an economic barrier to the execution of private or common property rights and rural policies.

Based on our findings, it is possible to say that the absence of appropriate formal institutions to govern common pool resources hinder cooperation and market development in the region. Thus low trust in certain formal institutions (hierarchies) allow emergence of new ways of governance in which state and market can be integrated to provide effective coordination, new structures, more efficient and more effective blend of governmental and nongovernmental forces (Goodwin, 1998).

The initiative of SRNAP to introduce the Pan Parks scheme serves as a good example, offering sufficient economic incentive and marketing instruments to support the local economy via biodiversity values in the park and thus promoting synergy between nature conservation and local development through sustainable tourism. Moreover the Pan Park scheme promotes cooperation within the park community. It joins the activities of park administration and the tourism association while the park administration membership (as an observer) in the municipalities' network, shifts the park administration towards a network governance structure. Such kinds of associations allow actors to interact with one another more frequently and to use open-ended contracts. This enables social mechanisms such as macro-culture (common values and norms shared across actors), reputation and conflict resolution to improve coordination and thus better cooperation in multi-actors situation such as SRNAP community.

The presence of macroculture in geographically concentrated areas enhances the likelihood of network governance emerging and thriving (Goodwin, 1998). This was also proven in our case study where actors declared that due to geographic distance and thus different common set of values of the communities, cooperation and establishment of one common tourism network within the territory of the park is not possible¹⁹. As a consequence three different tourism networks have emerged in the territory of the national park.

¹⁸ Exceptions to this were found in the national park administration, which emphasized the importance of the out-of-park investments and activities aimed at introducing controlled access to the park and to attract visitors by the cultural landscape outside park territory.

¹⁹ Actors from north of the park declare that they do not belong to the same community as actors from the south of the park.

Reputation together with previous experience in cooperation and interpersonal trust was determined as the key factors essential for actors' cooperation. One of the examples is the association of tourism entrepreneurs, which exists for almost 15 years. Trust and reputation developed within this association, increasing the willingness for collective problem-solving and thus increasing the potential for cooperation (to attract more guests to their guesthouses, they support infrastructure construction and improvement of tourism services within the region). Another example is the establishment of 'microregion' as a consequence of negative previous experience in 'the association' and negative reputation of some actors within that network. Since activities of 'association' were basically unilateral (focused only on the maintenance of technical equipment), this created dissatisfaction of some of their members and thus initiation of establishment of 'microregion' aiming for rural development within the region²⁰. Now 'microregion' is concentrated on coordination of different tourism activities, publishing of advertising tourism brochures or utilising EU funds.

In considering the mechanism for conflict-solving, half of the actors declared that they would first contact the individual who they thought was causing the problem; the other half would initialise a meeting of the entire grouping. Generally, we can summarize from this that actors do not expect solution of problems to come from outside and also that the existence of a regional or local leader has not been observed. Based on these findings, we can assume that the mechanism for solving conflicts within a grouping of actors in this case study is rather informal and that methods are case-specific.

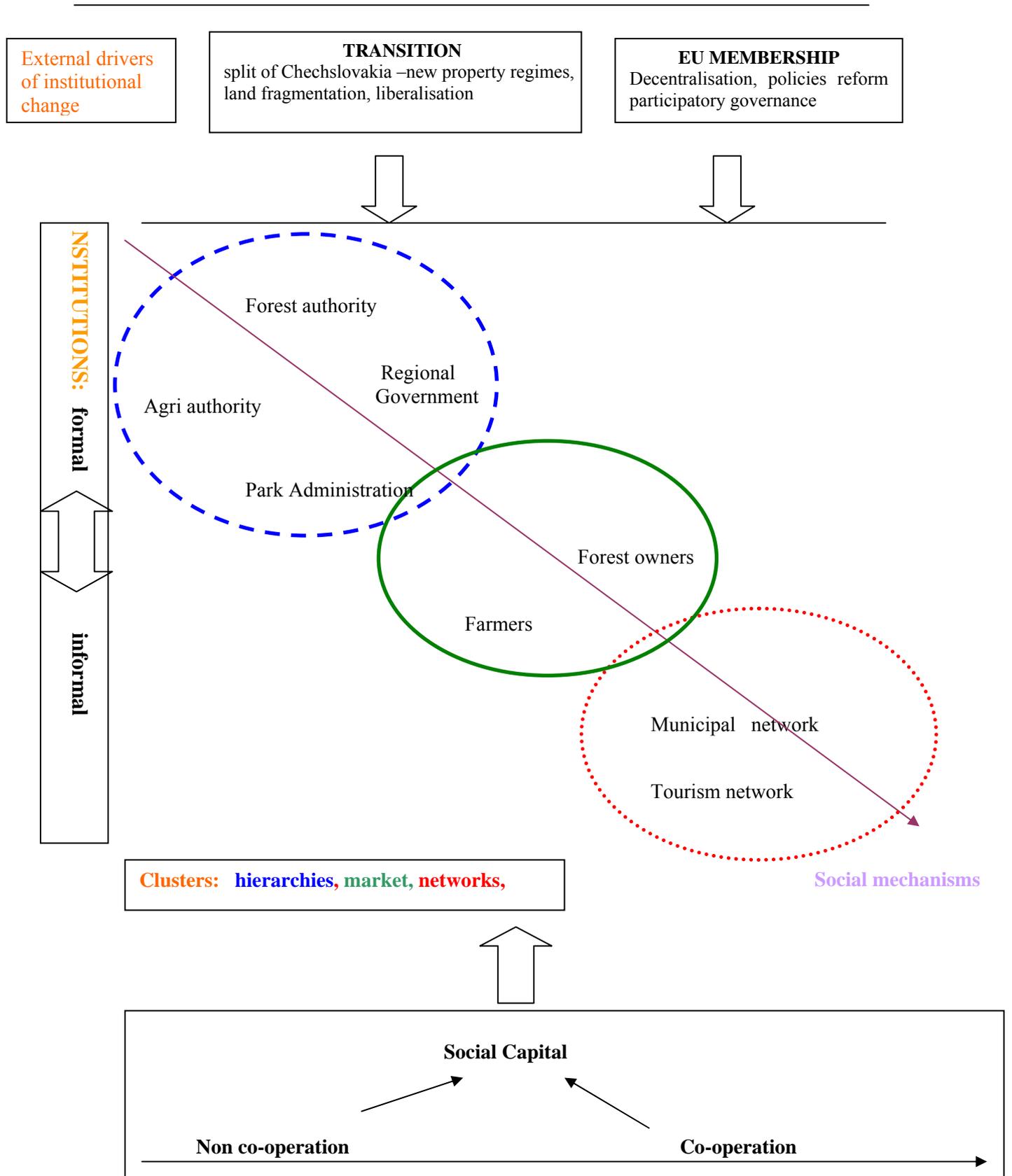
Despite some positive features described above, social mechanisms for cooperation have not been fully developed yet. Thus we may conclude that cooperation within hierarchies and imperfect markets is not understood as a vital part of governance, nor as a mechanism to reduce transaction costs. Such evidence was exhibited in our analyses where questions related to the costs of meetings and extra costs borne in building cooperation were not taken into account or were underestimated by almost all actors. This is due to imperfect market and the over-supply of labour. Further evidence proved that costs borne by actors operated also formerly as part of socialistic hierarchical structures higher than those whose organizational structures and rules were set up under the present regime. Such new structures, e.g. the 'network' cluster,

²⁰ For more details see part 4.

thus represent the only positive examples where cooperation reduces transaction costs. Especially within the associations of tourism entrepreneurs, members themselves confirm a reduction of transaction costs (specially in the area of advertisement) as one of the benefits to be in association.

To sum up, trust based on interpersonal relations dominates. This is not trust of the organisation as a whole; it is trust of known representatives. The State plays a central role in the issue of trust, although in this case, it is only perceived in a negative sense due to inefficiency in the prevailing governance. However, behaviour of newly established actors shows openness to discussion and formalisation of modern institutional components into their rules of operation. The hierarchical post-socialistic system with a limited exchange of information is slowly opening and allowing the emergence of network forms of governance. The use of social mechanisms enhances co-operative processes amongst particular actors as manifested also in Figure 3. The most visible evidence of this can be observed within grouping networks, where the character and intensity of cooperation is rapidly growing. Further dynamics of this grouping may generate additional expansion and thus increase the potential of the community to facilitate self-organisation and shift to multileveled governance.

Figure 3: Shifting governance in SRNAP



7. Conclusion

The governance structure in place is still traumatised by post socialist relation, particularly inefficient institutional design and non-robust governance of the resources and has resulted in inefficient use of resources and treating common property as open-access. Trust observed in our case study was relatively high, but dominated by interpersonal relations. This is not trust in an organisation as a whole; it is trust of known representatives. Thus the level of general trust in formalised rules lags behind interpersonal trust. The State plays a central role in the issue of trust, in particular failing to ensure a robust governance structure for common pool resources in protected areas under the multilevel actors situation and market economy. This was also found as a barrier for market development and national park to be view as an asset but rather an economic barrier to the execution of private or common property rights. Therefore we may summarise, that only first structural link (reciprocal relationship between civic participation and interpersonal trust) of Brehm and Rahn's (1997) social capital model was proven in our case study.

Furthermore low trust exhibited in formal institutions as proven in our case, determines establishment of complex and multileveled networks of interconnected actors rather than hierarchical governance defined by the central state. The theoretical foundation applied in our study integrates a general theory of network governance and common-pool resource theory by using different social mechanisms or design principles in order to manifest positive effect of such structures in enhancing cooperative behaviour. Our experience shows that, the use of social mechanisms, such as macrocultures, reputation and conflict resolution enhances co-operative processes and the learning process amongst particular actors. The most visible evidence of this can be observed within networks cluster, where the character and intensity of cooperation is rapidly growing and forming participatory governance as new institutional setting into their rules of cooperation. Thus there is a shift in governance structures within the SR national park. This may also indicate that institutional collapse might be overcome and the system is approaching the release phase. Further dynamics of this grouping may generate additional expansion and thus increase the

potential of the community to facilitate self-organisation and shift to multileveled governance.

It is possible to conclude that cooperation is gradually moving from externally to internally driven. Hierarchical governance structure thus is slowly opening up and enhancing coordination and cooperation between various actors. But radical changes in governance structure and management of the park are required in order to safeguard the high natural values of the Slovensky Raj national park as well as the expansion of a sustainable rural economy.

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