Investigation Relationship between Social Capital and Efficiency
(Case Study: Saffron Producers of Ferdows County)

Karim NaderiMahdei*1- Mohammad Hassan Fotros2 -Seyyed Mohammad JafarEsfahani3

1- Associate Prof., in Agricultural Development, Bu-Ali Sina University, Hamedan, Iran.
2: Full Prof., in Economy, Bu-Ali Sina University, Hamedan, Iran.
3- Ph.D Candidate, in Agricultural Development, Bu-Ali Sina University, Hamedan, Iran.

Received: 14 April 2014 Accepted: 18 April 2015

Extended Abstract

1. INTRODUCTION
In general, rural development is considered a strategy for the improvement of poor people's economic and social life in rural areas and includes the spread of benefits among the poorest people in these areas. Rural development programs should be designed in order to increase productivity, improve efficiency, develop human resources, and expand employment while they don’t damage environmental foundations. In the first steps of development, the focus should be on those activities which enhance local productivity and income indirectly. Efficiency is an important factor in the promotion of productivity, especially in agro-economics of developing countries. Moreover, from social aspects, social capital is at the core of development and helps to start and implement new co-operations through creating trust and improving knowledge, awareness, and skills. In this regard, saffron is considered a strategic and important plant in Iran due to its special role in employment and entrepreneurship in agricultural sector and generation of high income for the country. Efficiency promotion of this plant can be a reliable strategy for future planning that leads to increasing productivity, income, and welfare of farmers and villagers. This is possible through better recognition of factors which influence and change efficiency. One of the important influential factors on efficiency is the development of capital resources; however, capital is not just physical. Human capital, such as skill, is an important part of production and productivity. Social structure is one of the main determinants of productivity promotion in economic affairs. In the absence of collateral capital, social capital can be an important factor to compensate. In the absence of social capital, all other capitals lose their effectiveness and make development difficult. Social capital is a certain set of informal norms and values which is shared by the members of the group whose cooperation is authorized. The norms create social capital when they include positive individualities such as honesty, honor commitments, and mutual communication. Also, social capital facilitates information flow and directs the society toward complete information conditions which in turn facilitates exchange and maximum efficiency. Social capital is a determined set of standards and informal values which are shared by people who co-operate in a group.

2. THEORETICAL FRAMEWORK
Improvement in the quality of tools and machines has led to the enhancement of labor productivity; however, capital is not just physical. Human capital, such as skill, is an important part of production and productivity. Social structure is one of the main determinants of productivity promotion in economic affairs. In the absence of collateral capital, social capital can be an important factor to compensate. In the absence of social capital, all other capitals lose their effectiveness and make development difficult. Social capital is a certain set of informal norms and values which is shared by the members of the group whose cooperation is authorized. The norms create social capital when they include positive individualities such as honesty, honor commitments, and mutual communication. Also, social capital facilitates information flow and directs the society toward complete information conditions which in turn facilitates exchange and maximum efficiency. Social capital is a determined set of standards and informal values which are shared by people who co-operate in a group.

3. METHODOLOGY
The present research is an applied study regarding objectives and a descriptive-correlational study according to data collection. Statistical population included all saffron producers of Baghestan, Borun, and suburbs of Ferdows County of whom 263 participants were selected randomly using Cochran formula. Ferdows is located in north-west of South Khorasan state. Data was collected by a questionnaire whose items had been written based on studies, experts' opinions, and social and economic conditions of the region. Validity of the questionnaires was confirmed by a panel of experts and its reliability for various items was approved by using Cronbach alpha, which was estimated between 0.76 and 0.85. Data were analyzed using DEAP2.1 and SPSS17 software. Accordingly, social capital was examined based on five
components of social trust, solidarity, shared values and norms, voluntary participation, and network of relations. Data envelopment analysis was used for the measurements of efficiency. Pearson correlation and stepwise regression were used according to the type and level of variable measurement in order to investigate the relationship between efficiency and social capital variables.

4. DISCUSSIONS
The results of this study showed that, the average efficiency of fixed and variable returns to scale was 80% and 92% respectively. The findings showed a significant relationship between efficiency and social capital's variables such as social trust, solidarity, shared values and norms, voluntary participation and network of relations. The relationship between individuals, norms, and customs helps to facilitate coordination, which finally leads to the increase of efficiency and productivity. The results of stepwise regression showed that, the three components of social participation, social solidarity, and social trust were entered into the regression equation in three steps and explained 34.8% of the total variation. Sin the first step, voluntary participation explained 20.6% of the variance and in the second step social trust explained 30.4% of the variance that improved R2. In the third step, a combination of voluntary participation, social trust, and social solidarity explained 38.4% of the efficiency variance.

Social and public participation are closely related, because they come out of the community’s context and cover different aspects of social life. Such a co-operation in social development, especially in rural areas has a special position whose ignorance will cause problems in different levels. It seems that, enhancement of efficiency level is due to trust in better promoting programs and modern ways of cultivation as well as productivity by farmers. Social solidarity guarantees that, people, groups, and different social levels obtain common mental models, develop their abilities, and use them for community. In such an atmosphere, favorable background will be prepared to accept modern thoughts, implement and test them, accept scientific opinions, and pay more attention to planning and policy-making about productivity and efficiency.

5. CONCLUSION
According to the results, it is obvious that, in order to enhance efficiency and rural development, soft measures of societies including social and cultural structures should be regarded along with the provision of hardware facilities. It should be noted that, professional consideration of these factors leads to the promotion and effectiveness of hardware facilities and improves their efficiency. In this context, the following points are recommended to strengthen social capital. One of the structural solutions to encourage social capital was establishment and strengthening of social institutions. It seems that, in Iran, trust in public institutes, which are run by the government, plays an important role in the creation of trust and social capital in social layers. Therefore, the government can increase social capital through participating people in decision making and by empowering and encouraging them on governmental institutes.

Rural people’s accountability and collaboration should be increased through educational and promotional programs along with issuing a valid document to reduce disputes over land boundary and to increase social cohesion. Social control should be strengthened according to social customs so that people are bound to respect values and norms. The system of social reward and punishment is another way to increase social capital and promote efficiency.

Key word: Efficiency, social capital, data envelopment analysis, saffron, Ferdows.

References
42. Rezvani, M. (2002). Planning rural development (concepts, strategies, process). *Journal of the Faculty of Literatures & Humanities*, 164(1), 221-240. [In Persian]

**How to cite this article:**
