

BUILDING THE SOCIAL CAPITAL IN RURAL AREAS' SMES WOMEN COOPERATIVE, GARGALIANI, SOUTH-WEST PELOPONNESOS

Leonidas Papakonstantinidis
HTEI Peloponnesos GR
papakon@gmail.com

ABSTRACT

The purpose of this paper is to prove that the rationalization of the «*Integrated Endogenous Local Development*» should be proved to be a valuable policy mean, under the proposed methodological procedure of *Sensitizing Local People*, through the «*animation procedure*», toward developing their own skills, capacities and therefore their place, that are asked by the local SMEs Sensitization may be proved to be the fundamental methodological tool, for building the social capital at local level, by making valuable local people's «*intrinsic inclinations*»-a «*term*» which is stronger than «*capacities*»- under a new value system, and human communication. «*Sensitization*» - as the upper limit of the *sensitization procedure*- is been approached, step by step, especially: Establishing the «*bottom-up approach*» in planning the development procedure at local level, Establishing the «*animation procedure*» among local people, Analysing local people «*intrinsic inclinations*» in context with a «*system value*», Creating a «*team psychology*» among local people, Encouraging local people in finding and adopting the local «*Flag Theme*». The proposed procedure may be useful, especially in small, less developed and isolated rural areas. A case-study «*Women Cooperative, Gargaliani, South-West Peloponnesos*», is referred as a typical case of the development procedure, based on local people (women) *animation* in Greece.

KEY-WORDS

Sensitization, Animation, Social Capital at Local Level, «*intrinsic inclinations*» The «*Sensitized Community*» The «*SHIELD Model*», The Integrated Local Development, Techniques of Animation, Intrinsic Inclination Motivation

INTRODUCTION

The purpose of this presentation is to prove that the rationalization of the «*Integrated Endogenous Local Development*» could prove to be a valuable policy means, under the proposed methodological procedure of «*Sensitizing Local People*» towards their common development goal, by developing local people «*intrinsic inclinations*» In this starting phase, «*social capital*», i.e the ability of local agencies to joint up their own forces, so that to co-operate, in an efficient way, could prove to be the key-point for the development procedure, if it was possible to be developed through a «*sensitized bottom-up approach*».

«*Sensitization*» is a useful methodological approach, providing - in the starting phase - local people with the «community consensus», creating the conditions of a self-sustainable local development. In other words, «*sensitization*» may be a fundamental local endogenous conception, under which local people learn to be active members of the community, making their own skills and abilities valuable to their community's development procedure.

Sensitization is a process, as well as a way of thinking –a philosophy- motivating local people towards a common goal and providing them with new forms of an alternative behaviour, with respect to their own place «identity» : In fact, sensitization introduces a psychological reform : it lets people reform their perception, about the «market community»

«Community» should be concerned as «a big family», inside and at the same time, as an enterprise in its habitants' relations with other places or communities, for survival reasons

The 'concept' of the "big family" lets the community operate under a spirit of «human communication», human values, and respect to their own place's tradition and culture, or else, in respect with the «community identity»

This paper highlights to those sides of the integrated local development procedure, which could be improved, if they could be combined with the social capital, at local level, under the «*sensitization*» methodology, providing an innovative «bottom-up» approach, motivating local people to be active, in planning and applying «their own ideas» for their community development. A "*sensitized community*" is less depended on the outside decision making centre.

THE PROBLEM

Small less developed, rural areas are experienced by «poor cycles», due to the world existing system, which reproduces dependencies, especially, those of a «centre-periphery system». All crucial final decisions for their development are made by the centre. From this point of view, financing for those poor areas are absorbed by the centre. Besides, the small-and poor- rural areas are burdened by the «negatives» of «free market» operation.

The presented Model (The S.H.I.E.L.D Model, from the initial letters of «Sensitized Harmonic, Integrated Endogenous Local Development» may provide a «*shield*» against the «negatives» coming from the «free market» mechanisms' operation. It is based on the endogenous cooperation, which may improve the rural local places' competitiveness, in the world market. «S.H.I.E.L.D Model» describes an alternative form of cooperation, in which, «common place» is the «main point» («spatial discrimination», instead of «classes discrimination» of the Marxian theory) Based on «hidden local abilities» -*the intrinsic inclinations*- human communication (which is easier in the place with a small population size), more degrees of «free choices» and less degrees of psychological pressure and more harmony between biological-psychological-working rhythm , the presented (for the first time) Model «tries» to

make the Endogenous Local Force, «valuable» and useful, in the maximum, under the operation form, of an integrated strategic local plan At the same time, S.H.I.E.L.D Model «suggests» different ways by which local people could be more «happy» , with more degrees of «free choices» and biological-psychological «harmony», during the development procedure (in the stage of planning, as well as in the stage of realizing the development, at local level)

INTEGRATED LOCAL DEVELOPMENT AND THE SOCIAL CAPITAL

It's far from 80's, when the «poles theory»(F.Perroux) has no any more an important local development theory. The «endogenous integrated local development theory» has been adopted by the European Union and other world organizations. It's also far from those theoretical views, providing «market mechanisms», creating linkages, between local communities and decision making centers. As my supervisor , Rural Sociology Professor in Penn State University, Dr Kenneth Wilkinson, notes (1989) «....on the one hand, taking the view that improved rural well being is a goal of rural policy, it is apparent that the major step towards that goal would be to improve the access of rural communities to outside economic resources....But on the other hand, taking a critical perspective, linkages to the larger economy can be seen as «channels» for exploitation, as well as sources of rural community dependency : The centre, is where crucial decisions are made about the flow of capital in a centre-periphery system...» Also, Dr Lefebvre (1976) writes «...the centre organises everything is around it, arranging and hierachising the peripheries...Those, who occupy the centre and hold power, govern with the benefit of effective knowledge and principles...».

Taking into account those theoretical views, having also the personal experience of studying of about 5.000 small rural places in Greece, as well as in other European countries, during the 25 last years and taking part in planning the E.U LEADER Initiative (E.U Commission task force, 1989-1992), it seems to me that the major success of the Integrated Endogenous Local Development, would be the adoption of *local planning and local managing* the resources of a small rural place, by people living in the place. The effectiveness in the operation of the one sector of local economy has to multiply the output of another sector of the same local economy, in a whole strategic local plan, financed by the European Community.

During the last decade (1991-2001) a common sense at local level has been obtained through the «Local Action Group» operation and the «Business Plan» application at local level (NUTS III level, in E.U terminology)

HOW TO MOTIVATE SOCIAL CAPITAL AT LOCAL LEVEL: STEPS OF ANIMATION

L.E.A.D.E.R experience has motivated the scientific community in searching alternative effective ways, to succeed a continuous procedure of motivating the social capital , locally, as well as a stable relation between “motivating” the social capital and local development

From the one hand, traditional decision making centres tried to keep the control on communities development, for political reasons, as well as, on the development procedures. But on the other hand, *social capital* at local level had already obtained a new development dynamic, into European and national development strategy, and the question is : “how, a business plan, based on motivating the social capital at local level, should be combined with «orders» coming from the centre ? ..” The answer is : *motivating social capital at local level through the «sensitization» methodological procedure !!*

In my mind, «Sensitivity» is the limit of the sensitization procedure at local level, as well as the main stage of the development procedure.

Local People should to be informed about the main European leading trends and at the same time should to recognise their own local resources in order to make them valuable for their common welfare. It is necessary for them, to gain -time by time- a more and more *coherent perception* of their own place, problems, possibilities, risks and opportunities. It is, also, necessary to obtain the ability of communicating at local level, by discussing possibilities, perspectives, etc round the table,. It is necessary, for local people to create conditions for a “stable” and continuous dialogue, at local level, towards the common goal, of developing their own place.

Local people’s dialogue pre-supposes these people should to have an active contribution in planning and realising their (common) development procedure. The last one is the “hard step” of the Sensitization methodological procedure, under the constraints of the «carrying capacity» of the place (social-economic-environmental and psychological) i.e. the insist of the place to accept human activities, or investments, more than its possibilities.

From this point of view, four (4), (at least) STEPS are necessary:

FIRST STEP: Establishing the «Bottom-up Approach» in planning, at local level

Local authorities (in their majority, in Greece, at least) rather avoid to ask local people’s opinion for their own development choices and decisions. Local Authorities close co-operate with «experts», in order to prepare «just in time» the final local development «file», which must be submitted to the National and the Community Authorities, for finance. That it’s too bad. Even the best project is condemned to failure, if it should be ignored by local people. During the planning procedure, *transparency* should to be valuable for local development at all. Local people obtain, time by time the «utility psychology» in planning. They have the happiness of contributing in developing their own place. They know the problem. They are able to suggest the solution, even not acceptable.

It would be better to local authorities discussing with local people their own ideas, instead of providing, the «consultant offices», directly, with the asked information, without local people active participation.

SECOND STEP: Analysing local people abilities, skills and “intrinsic inclinations”, in context with a «value system»

Each of the members of community (man or woman) has, from the time of birth, a special ability *in a hidden situation*. This «talent» may be apparent in some age, or not

Much talented people are employed in something else, quite different from those are talented, with the result of a job failure, transferred to their personal, social and psychological life .

So, it's useful –in the proposed *sensitization procedure* to be cleared «who can do-what can do» better than other people in the community. From the time-point which could be recognized the «talented in something» at local level, then this man or woman should to be respected by other people for this specific “skill” (value system's community)

THIRD STEP: Creating a «team psychology» among local people

That's the most difficult step of the sensitization procedure:

During this phase, local people learn to recognise the «special ability», or «talent» of another person in the community. Local People learn to «work together» , helping each other in realising the «common development goal» Each of them learn to co-operate with others in the framework of «*Who will do this, with whom*» Each of them (man or woman) learn to be «a member of a local team» keeping his (or her) special role in the whole development procedure. Through a team psychology, one person has the possibility to promote his (her) own talent in «something» (whatever is) , or even to be a «*leader*» , been recognised by the other people into the «local team”

Working together, people learn their own “secrets”, and their specific skills , as well as their weaknesses, or possibilities. It is easier for those people to co-operate for a common goal, as “local development” would to be.

FOURTH STEP: Creating a «Theme with the ability of motivating local people»

Having integrated the above three steps, it is rather easy to local people go on the «sensitized procedure» by choosing the «central theme» for marketing and promoting their own place, in the outside hard competitive market : That is a theme , open in discussing, with «market success perspectives». The last one is rather necessary, as «market» is the basic survival condition, under the «globalization logic» .

“Flag Theme” at local level , is an “open question” discussed by the majority of local people . In addition, this “open question” has the ability of motivating the majority of the community people, around it, *providing them innovating ideas in local activities.*

Each member of the community may be involved in the development procedure, doing something “new”, directly connected with this «central theme»

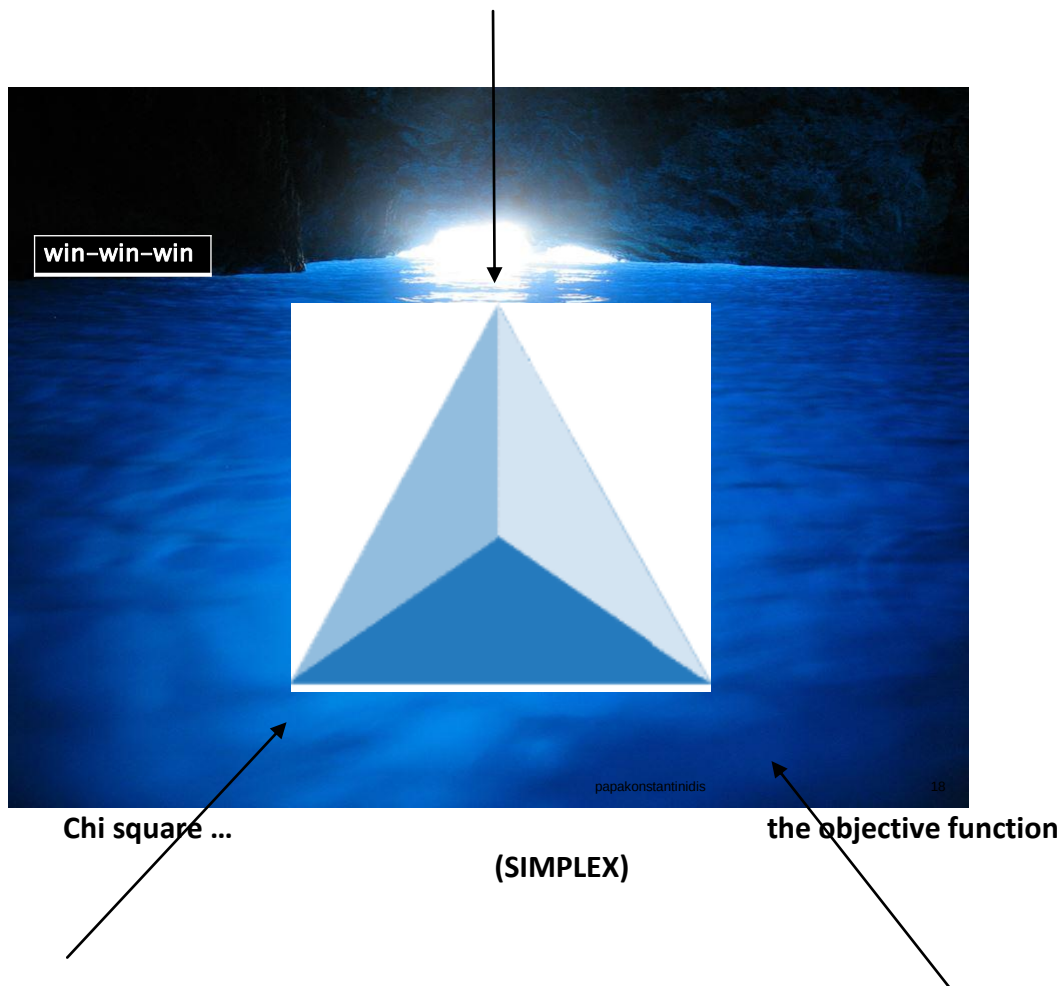
Central theme» provides the community with its own diversification, making the place a «unique destination» e.g for tourists. In other words, what is achieved through the «central theme» is the *«community identity», by using its social and local capital*

Flag Theme should to be an innovative idea, coming from the studying of nature, or, of an historical fact (e.g re-viving a custom, or a myth) or a past «name» of the place, or even of the output of human fantasy, able to attract people from other countries or places This «theme» may be resulted as the output of the *common work during the sensitization procedure* (e.g «Odyssea»(Aegeon Sea), «Arktouros»(Pindos), «Forest of Dadias»(Evros), «Zagoroxoria» (Epiros), «Flag of Revolution, in Kalavryta», «Twelve Gods in Olympos»(Pieria), «Faragi Samarias»(Krete), «Pindos Crossing» or past names i.e «Apidotia» (Nafpaktos), or even «Oil Roads» (in different greek places), or «Silk-town(Soufli)», or even a fantastic place , as the «Pirot Sea» for people who asking for adventures, or the «love valley» to attract people in love , etc. Local Activities may be concentrated around this central theme, for each place, providing it with its identity , which may be world «famous» attracting tourists’ interest and resources for its own survival in a «competitive» World market.

Math Analysis: The win-win-win papakonstantinidis model”

Since August 14, 2002 a new expression of the “sensitivity process” has been arisen:

The bargaining problem.....



The triangular relation of 3 criteria on testing the truth of our proposal on existing the social welfare, even if social choice non-existing [Arrow Kenneth "The Impossibility Theory", 1951]

The NE concept is:

We will wait the coincidence of 3 balances, on the only one NE, that is:

$$\forall i, x_i \in S_i : f_i(x_i^*, x_{-i}^*) \geq f_i(x_i, x_{-i}^*)$$

when:

(S, f) ..a..game..with..n..players

$S = S_1 \times S_2 \times \dots \times S_n$..the..set..of ..strategy..profiles

$f(x) = (f_1(x), \dots, f_n(x))$..is..its..payoff .. function ,..evaluated ..at.. $x \in S$

x_i ..be..a..strategy..profile.. $x(x_1, \dots, x_2, \dots, x_n)$..then..player ..i..obtains..payoff .. $f_i(x)$

Payoff ..depends..on..the..strategy..profile..chosen..i.e..on..the..strategy..chosen..by..i
as...well..as..the..strategies..chosen..by..all..the..other ..players – except ...COMMUNITY

A..strategy..profile.... $x^* \in S$..is..a..Nash..Equilibrium..(NE)..if ..no...unilateral ..deviation
in..strategies..deviation...in..strategy..by..any..SINGLE..player ..is..profitable.. for ..that..player
that..is

$\forall i, \dots x_i \in S_i : f_i(x_i^*, x_{-i}^*) \geq f_i(x_i, \dots x_{-i}^*)$

..

On this point,

- The chi-square proved that answers from the “observed sample” coincident with the “expected frequencies”, that is the H_0 must be adopted
- The maximization of the objective function, under constraints coincident with all the above hypothesis

The coincident of these 3 criteria denotes the ideal environmental, social-economic situation

The effectiveness of state measures taken is measured by the deviation from this “ideal situation”

SEE AT GRAPHS

the aesthetic view- the economy of limited goods



dictatorshipAND win-win



Perfect tirade: win-win-winAND.....4-win (indeterminacy)

Let

H as the upper – right boundary of P

Obviously, $H \subset P$, is the efficient frontier of P

Let $t = (t_1, t_2) \in P$ be the vector of disagreement payoffs of person 1

and

person 2, respectively, $t_i (i = 1, 2, \dots) \in P$ being the payoff that person i

gets, if the parties fail to agree

Let $P^* = \{u \in P : u_1 \geq t_1, u_2 \geq t_2\}$ clearly, $P^* \subseteq P$

It is assumed, that t is fixed, i.e. t_1 and t_2 are DETERMINED. By the rules of the game

Let H^* denote the upper – right boundary of P^* . Thus, $H^* \subseteq P$

The BARGAINING, PROBLEM is, then :

"Given P and t , what will be the solution $\bar{u} = (\bar{u}_1, \bar{u}_2)$, that the bargaining

parties will eventually reach, ASSUMING all individuals.....act rationally ?

e



Classical theory, recognizing only ordinal utility functions, is capable of providing only two relevant rationality axioms. These are:

1. **Individual rationality (IR):** No person will agree to accept a payoff lower than the one guaranteed to him under disagreement; namely

$$\bar{u} \geq t_i, \dots (i = 1, \dots, 2) \dots \text{so that } \bar{u}_i \in P^*$$

2. **Pareto optimality (PO):** The agreement will represent a situation that could not be improved on to both persons' advantage (because rational participants would not accept a given agreement if some alternative arrangement could make both parties better off or at least one better off with the other no worse off). These two classical axioms limit the solution, u , to H^* (the "negotiation set" as definably Luce and Raiffa (1957)). But the negotiation set, which also happens to be the core of the game, is not a unique solution, u . Nash (1950) proposed a unique solution to the bargaining game which is based on the two classical axioms plus three additional axioms.

$$\max \text{..Utility..Function} : \dots \max U(x_1 \dots x_n)$$

$$\sum p_i x_i \leq M, \dots x_i \geq 0, \dots \forall x_i \in \{1, 2, \dots, n\}$$

These additional Nash axioms are:

Symmetry (SYM):

- Let P^* be "symmetric"; namely, if any vector, $(a, b) \in P^*$, then the vector (b, a) is also in P^* . Then, if P^* is symmetric, $U = U_2$.

Let... P^ ..be..."symmetric" ,..if ..any..vector.. $(a, b) \in P^*$*

then

the..vector.. (b, a) ...is...also...in.. P^ ..Then,..if.. P^* ...is..symmetric,.. $\bar{u}_1 = \bar{u}_2$*

Linear invariance

Let... $\bar{u}$..be..the..SOLUTION...of..the..BARGAINING..game,... G . Let G^ be the game that results from G if one party's utility function, U_j , is subjected to an order-preserving linear transformation, T leaving the other player's utility function,*

u_j unchanged. Then the solution $\bar{u}^*$ of the new game, G^* is the image of $\bar{u}$ under T i.e

$$\bar{u}^* = T\bar{u}$$

Let

• **Independence of irrelevant alternatives (IIA):** Let G be the bargaining game with payoff space P and disagreement payoff t , and let U be the solution of G

Let (hypothesis) G^* be the game obtained from G by restricting P to $Q \subset P$ such that $t \in Q$ and $\bar{u} \in Q$. Then u is also the solution of G^*

Nash demonstrated that under the above five axioms the solution,

$$\bar{u} = (\bar{u}_1, \bar{u}_2)$$

Is the point, satisfying,

$$(\bar{u}_1 - t_1)(\bar{u}_2 - t_2) = \max_{u \in P} [(u_1 - t_1)(u_2 - t_2)]$$

such that,

$$u_i \geq t_i, i = 1, 2$$

END of ANALYSIS



PROPOSAL

The win-win-win papakonstantinidis model-the environmental protection

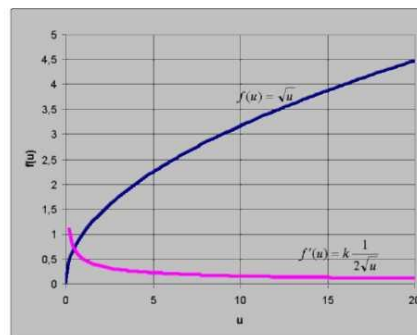
proposal

The win-win-win papakonstantinidis model-environmental protection, marketing : clear business

The “win-win-win Equilibrium”

From the two graphs above, and the “Pareto Efficiency” conditions is resulted that the “utility functions” follows the law of diminishing marginal returns, The law of diminishing marginal returns, includes the marginal productivity and law of variable proportions (**Turgot (1727-1781)**)

It is
$$\text{If } u = f(x) \text{ is a utility function, then } \frac{d(f(x))}{dx}, \text{ or } f'(x) \text{ is its MARGINAL UTILITY FUNCTION}$$



ΠΑΠΑΚΩΝΣΤΑΝΙΝΙΔΗΣ 2008

As the "rational...individual...objective...is...to...MAXIMIZE...individual...profit then, on the MAX POINT, in his / her Utility function, the additional / marginal quantity must be zero or in the neighborhood of ZERO

1. It is assumed that the MAX Utility function for all people $\Rightarrow$ MARGINAL UTILITY = ZERO, If U_A, U_B, U_C are UTILITY FUNCTIONS of A, B, AND C, then the product $U_A * U_B * U_C$ responds "social welfare". So if the product $U_A * U_B * U_C = \text{MAX}$ then $MRS = 0$, that's the END of the development process (IDEAL CASE). We can measure the result in terms of deviation from ideal case. The "win - win - win papakonstantinidis" EQUILIBRIUM

'Pareto Efficiency'

Pareto efficiency, also known as "Pareto optimality," is an economic state where resources are allocated in the most efficient manner, and it is obtained when a distribution strategy exists where one party's situation cannot be improved without

making another party's situation worse. Pareto efficiency does not imply equality or fairness.

PARETO...EFFICIENCY

MAX...Utility...Function :...MAX..U(x₁,...x₂,...,x_n)

$$\sum p_i x_i \leq M, \dots \forall x_i \geq 0, \dots \forall x_i \in \{1, 2, \dots, n\}$$

p = price, ...x_i = quantities $\sum p x_i$ = sum.of..all,, $p x_i$

M = FRONTIER...MAX..sources..for..allocation

$$U_i = u_i \times p_i$$

$$U_A = u_A \times p_A$$

$$U_B = u_B \times p_B$$

$$U_C = u_C \times p_C$$

U = pleasant..exp eriance...according ..to....a..strictly..personal...positive..list

u = individual....utils..(not..measuring)

p : probabilities, these..pleasant...exp eriance's..utils..to..occur..in..the...A.B.C...individuals



The bargaining problem is a “share problem, not a binomial term¹
 From this point of view, “payoffs” are the incentives, for which 2 bargainers

¹ In this term, scientists (rontos and alle) have not right, as they try to solve it, by probabilities bargaining problem is a mainly a sharing problem

start negotiations The final [agreement or not agreement] are the outcome

In this proposed method, we recognize that

“When two negotiators pushed by expected payoffs

$$U_A, U_B, U_C$$

when

$$U_A = x$$

$$U_B = y$$

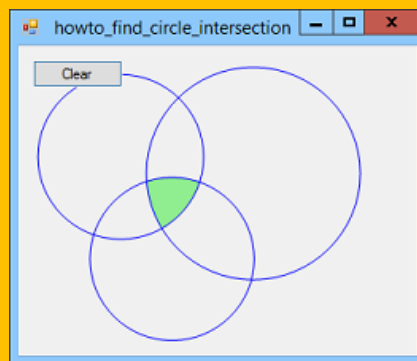
$$U_c = (100 - x - y)$$

$$U_A \cap U_B \cap U_C = U_A \times U_B \times U_C = MAX \Leftrightarrow (U_A \times U_B \times U_C)' = 0$$

$$xy(100 - xy)^n = MAX \Leftrightarrow [xy(100 - xy)^n]' = 0$$

generally,

$$(f(x) * g(x))' = f'(x) * g(x) + f(x) * g''(x)$$



But,

$$U_A \cap U_B \cap U_c = U_A * U_B * U_c = \max$$

$$(U_A * U_B * U_c)' = 0$$

$$u_i = f_i(s)$$

$$xy(100 - x - y)^n = \max \rightarrow [xy(100 - x - y)^n]' = 0$$

$$[xy(100 - x - y)^n]' = x'y(100 - x - y)^n + xy'(100 - x - y)^n = xy[(100 - x - y)^n]' = 0$$

$$xy(100 - x - y)^n]' = y(100 - x - y)^n + x(100 - x - y)^n + nxy(100 - x - y)^{n-1} = 0$$

$$(f(x) * g(x))' = f'(x) * g(x) + f(x) * g'(x)$$

$$[xy(100 - x - y)^n]' =$$

$$y(100 - x - y)^{n-1}(100 - x - y) + x(100 - x - y)^{n-1}(100 - x - y) + nxy(100 - x - y)^{n-1} = 0$$

$$It...must:xy(100 - x - y)^n = \max \rightarrow \lim_{x \rightarrow \infty} [xy(100 - x - y)^n] = 0$$

$$\sup...that..(100 - x - y) \neq 0$$

$$y(100 - x - y) + x(100 - x - y) + nxy * 1 = 0$$

$$(x + y)(100 - x - y) + nxy = 0 \Rightarrow \left(\frac{x + y}{xy} \right) (100 - x - y) = (-1)n.....by..putting,..... \frac{x + y}{xy} = \lambda \succ 0$$

$$\lambda(100 - x - y) = (-1)n \Rightarrow (100 - x - y) = \frac{-n}{\lambda} = (-n) \frac{1}{\lambda}$$

$$but,.....(100 - x - y) = \%..Community.. "share" ..of ...o..budget,,b = 1.....EXPECTED..payoff ... from.."b = 1"$$

$$\%..Community...share = (-n) \frac{1}{\lambda} (b).....the..(-n)...denotes,,the..reduction$$

$$result...which..comes..from..the..Community.."reaction" ..in..any..BARGAIN ,(by...its..3rd...role,....i.e$$

$$as..an..Agent..of ..the..CITIZEN. - .PRINCIPALrelation ,..Arbitrator ,,,and ..as..the..$$

$$Indepented ..3rd..barty)..to..the..total..budget.."b" ...of ..the..BARGAIN$$

$$then,...the..i^{th} ..player; s.best..mixed ...strategy(probability = ..a..lottery ..over..$$

$$a..trinomial...distribution),is..the..best..strategies..for..himself ,as..well ,as..the..best...STRATEGIES$$

$$..for..the..other..players,aswell ..as..the..best..strategy..$$

$$for..the..Community..(the..common...welfare)$$



Probability Rule

To take into consideration, the uncertainty of the outcomes of Von Neumann and Morgenstern joint work **(Neumann, John von and Morgenstern, Oskar 1946)** addressed situations in which the outcomes of choices are not known with certainty, but have probabilities attached to them.

A notation for a lottery is as follows: if options A and B have probability p and $1 - p$ in the lottery, we write it as a linear combination:

$$L = p(A) + (1 - p)B$$

Generally,

$$L = \sum p_i A_i$$

where,...

$$\sum p_i = 1$$

notes :

A, B, C...do,,, not...cooperate.. forward

A, B, C...must..collaborate..in..and..during..the..barg ain..(ins tant..reflection..winning..strategies)

"C"...exp resses...not...only..the..rest..(no..barg ain..participants),, but...also..the..total..community..the..word cultural...heritage, world...cultivation...the.." human...being"... " Homo...Sapiens"

From...this..point ..of ...view,...Community...participation..in..any..barg ain...between..TWO(2)..is..necessary

Also,..COMMUNITY – the.." c" .. factor..MUST...exp ress..the.." Community..Fear".. from..the...barg ain,..between..A, B

For..this.." Community..participation"..is..captured ..as...(100 – x – y)ⁿ, where..n = the.. fear.. factor..(nonlinear), while..

the..A, B..utility .. functions...must..be..linear

$$\lambda = 1, x * \% \dots \frac{n}{1} \% = 100\% = \max(\text{quite..unequality..and..unjustice..in..distribution...of..A, B, and..Community})$$

$$\lambda = 2, x * \% = \frac{n}{2} \% = 50 - 50 - 0$$

$$\lambda = 3, x * \% = \frac{n}{3} \% = 33,3333... \text{IDEAL}... \text{SITUATION}$$

$$\lambda = 4 + x * \% = \frac{x}{4+} \% = \text{UNSTABLE. (THEOCHARIS – OSCILLATION) ...of..A, B, C..exp ectations}$$

PROPOSALS

1. A 3-person non cooperative bargaining game in its limit may be a form of COOPERATION among the involved parts, in its super-dynamic version, as integrated information let them create a 3-band codified knowledge, at the same time i.e
 - What is best for me, in a specific moment
 - What is the best for me in relation with the best for the others, at that moment
 - What is the best for me, in relation with the best for the others, as well as, in relation with the best for the community, as an entity, at that moment.
2. If it should be acceptable, then : Each person should make the best choices –at any time- in relation with the other persons' best choices, from the one hand, and the "community" from the other hand, as the third, invisible part of the negotiations-" The win-win-win game"
3. Rural community is the "weak partner" in the bargaining game, in terms of the «collective choice». In the opposite, rural community may be concerned as a good partner in producing and consummating products. This operation is necessary for the system's survival and its extension From this point of view, each "person"-included the Community - may be "a possible consumer" thus depended on choices = power in their own possession, in a "reaction system"
4. "Rural Community position", in the bargain must, then be strengthened and, also, encouraged by the people's "collective choice", at local level as the result of the Sensitization procedure (at local level)
 1. "Sensitization" may be concerned as a form of "transferred knowledge" - a kind of information flow- let people transform their own "tacit knowledge" to "codified knowledge" thus to complete their "socialization" procedure, at local level, so each of them to incorporate (the mainstreaming Principle) that his "winning strategy" at any moment, passes through the "Community profit", in terms of environmental protection, social cohesion, community identity, cultural identity, mutual supporting, solidarity.
 2. Thus, "Sensitization" –in the form of knowledge creation and knowledge transferred- may be proved to be a useful (rural and local) planning tool, as in most of rural areas, people are going to get an "urban behavior in a rural bias"(Papakonstantinidis, 2002).
 3. That presupposes a mutual respect and recognition, among the members of the rural, community In that case, what is need is a "local people sensitization" in order to create a "team psychology", at local level, as well as an integrated local development plan, coming from the base (bottom-up approach)
 4. The only one "solution" (the equilibrium point, as above mentioned) should be the "pure cooperation, among the parties, at local level" in order to create a strong bargaining "pole", as the result of an "instant reaction" due to given information (transferred knowledge).

5. From the other hand, an “a priori” cooperation, between the negotiators under a legal form, should be concerned a non realistic situation, under the “new economy conditions” A form of a non-cooperative operation, is a more realistic version, under the condition of a non-formal , innate agreement, at local level.

The limit of a non-cooperative bargaining game is a pure cooperation among all the involved parts.

- But local people have the common sense to understand –according to their information- that each of them, acting alone has a little power in planning and achieving successfully individual “winning strategies” in dealing with tour operators or clients in an open competitive market.
- If individuals, living in a rural community, have an **equal information**, then, it could be possible to understand that, trying to maximize their own profits, during a time period there is a unique moment in which, the “objective function” of each of these individuals, is going to be maximum, if and only if , they decide to transfer the bargaining problem, from a non-cooperative form, to another form, which is the absolute cooperation (in real terms)
- The “Sensitized Harmonic Integrated Endogenous Local Development- SHIELD” is a realistic rural development approach, combining “**direction**”(integrated local development) with “**communication**”(sensitized, harmonic, endogenous), according to the S.H.I.E.L.D Model (Papakonstantinidis, 1997)
- Rural Development is a much more complicated development procedure in the framework of the new economy system, as it is necessary to reverse the poor cycle economic situation, due to rural community’s small sizes. “Production diversification” and “actively participation” by sensitized local people, is the paper proposal
- Bargaining problem is the main problem under the new economy conditions. Especially, this problem is impeded the rural development procedure, due to rural community’s small sizes and, in its extension, to “little bargaining power” What is needed may be proved to be the “information flow” or ,“information diffusion”, as information could be concerned as a “form of energy” equivalent to “power”, which is useful in the bargaining “game”.
- “Information” should be concerned as a complicated term which means, at the same time, “know-how” and “action”, making the know-how valuable. In a non-cooperative world, under the new economy conditions, a full information version should be –according to the above analysis- a “3-person” (manifolds) thinking: “what is the best for me, for the others and for the community in a special moment, under special moment circumstances” The only ONE full answer to that question, should be the integrated “3-person” information (**Po = 1**) at the same person.
- Rural development is fully depended on this information: Individuals in rural areas make their own pure strategies, based on a percentage of information, under the non-cooperative “Nash” conditions, with the result of fail and disappointment, as the rules of the new economy are very strict. Indeed, “who holds the information flow, has the power” In a competitive open market, who has the “power” is able to make the “winning strategies”. So “power

accumulation” leads to “winning strategies” in the bargaining, succeeding more and more “power”. Rural community has the only possibility to succeed through local people cooperation “in the limit”, in real terms (not in legal). That means “if someone could decide, in a moment, a personal pure strategy, only answering to the question “what is best for me”, he should make, perhaps, a winning strategy, but only for one moment, as the next one, under circumstances, he could not make winning strategies, while cut the communication feed-back effect” Thus, Rural Development is based on rural community people, participating in a non-cooperative bargaining, through given information, at a special moment. If they had an integrated information, then it could be proved that the information sum, probably could lead them to the absolute cooperation, even if each of them had its own pure strategy (the non-cooperative game-Nash)

- Integrated Endogenous Local Development in Rural Areas must be based – according to our proposals- on Local People “Integrated Information”, under its double mean (“tacit” and “codified” knowledge and action, motivating the knowledge, thus, leading to “socialization”) It must have a “direction” (local population welfare) and “communication” (feed-back information)
- Integrated information must be given to local people living in rural areas, through the “sensitization” methodological procedure, at local level. “Sensitization” is the first and crucial “step” , towards integrated endogenous local development, based on local people’s “innate inclinations” which lead to “given roles” in the community development procedure (active “members” of the community, or “active citizens” , instead of “individuals”, lived in this rural community).
- Rural Community, as an entity -with the characteristic of “small economic sizes”- is experienced by “bargaining problems” in an open market. So, it is necessary for a Rural Community to formulate its “social capital at local level”, through a cohesive bargaining policy, as the outcome of a “minimum convergence” of more than one individual pure strategies, in a non-cooperative world environment (Papakonstantinidis, 2000).
- Sensitization as a methodological tool, should be able to create a “team psychology” among local people, thus succeeding, a base of individuals pure strategies’ convergence

Sensitized local people, having accepted and adopted a “3-person” integrated information, have, now, more possibilities to lead the rural development procedure to the only ONE winning “sustainable development” strategy, converging individual pure strategies of a non-cooperative “game” (bargaining), to a common development objective. Under the above conditions, convergence procedure of non-cooperative pure winning strategies has in its limit the “absolute cooperation”

Case study: Rural Tourism Women Cooperative –Gargaliani

Gargaliani is a small town (typical case of a Greek traditional place) in the South-West Peloponnesos, It is the “capital” of Trifilia District (Nomos Messinias) of about 5.500 (2001) habitants [5.953, 1971, 5.430, 1981]

It is located in a plain, near Marathos, a popular destination for both Greek and foreign tourists, but, until 2002 local people were employed , basically in the

agricultural sector (oil olives, raisin, vegetables etc), fishing and tourism activities, during the summer, with a very low average annual income, between 1,500 and 1,800 euro

In November of 2002 the E.U Commission “Local Integrated Program” project organized a 3-months training course for local women related to the challenges and opportunities of **rural tourism** development

Fifty (50) women took part and this led to the formation of the “Gargaliani Women’s Rural Tourism Cooperative, which started with 35 members. The aim of the cooperative was to support the local economy; to provide a supplementary income to women in the area; and to improve the social status and cultural level of women villagers

During the 3-months training course, the “tacit” knowledge was transferred by the EU experts, to these women, in the form of conceptual and then to “codified” knowledge, through the “collective choice game”. Coming from different places (sea coast, plain, mountain places) the 50 women had different interests, as well as, different thoughts about the “form” and the kind of cooperative creation. During the course little by little, some kind of training women’s coalitions, were being formed, as a “team psychology” between them, was being created. E.U experts encouraged them to develop their converging efforts in this “team”, by sensitizing and involving them to the “community” procedure

One and half month after starting the training course, women had already decided on what they had to do through the collective choice psychological approach :

To create a cooperative mainly engaged in the production of traditional sweets, food and drinks with traditional recipes and pure material to provide authentic and unique tastes.

The cooperative started in the very early of 2003, supported by the new mayor. Among the delicacies they produce, are sweets, “pate” jams and preserves made of seasonal fruit; pastries and other traditional food, cheese pies. The cooperative also promotes traditional local customs through organizing weddings, christenings and other public celebrations, planned in a way that marks the area’s cultural identity. They provide catering services to conferences in and outside the area of municipality (with its local departments). Over the time, the women succeeded in building a team spirit encouraged by a small group of younger inhabitants, who acted as an “animator team” under the supervision of an outside expert (in particular, the author).

Through the game of “collective choice” they found their “flag theme” (Papakonstantinidis, 2002, p. 322-“the magic way” & 2003, p.359) namely, the home-made sweets to promote the local identity and “family games” in preparing meals and sweets which are offered during the first days of August as a cultural activity for tourists. Awareness of local problems, needs and resources was raised among the local community. People got involved in the decision making process regarding future development of their area through a “business plan” composed in the context of the “Urban Development” E.U Program/Initiative, formed a Local Action Group and started to ask for financial resources.

Now the women cooperative has 35 women and the average annual income per family has increased by 2.200



References

- Cinneide M.O' (1991) "Points on what Rural Areas are" Center for Development Studies, University College Galway (U.C.G) IRL
- F.A.O (1990) "A Global Management Approach" F.A.O Report (Rome)
- Filinis Kostas (1973) "Games Theory", KEIMENA Ed, Athens Gr
- Fischer M.M (2002) "Learning in neural spatial interaction models: A statistical perspective" Journal of Geographical Systems, issue 4 (3) p.p 30-38
- Gannon Agnes (1990) "Rural Development-Strategic Objectives" F.A.O Ed, Vienna,
- Guillaumaud J (1963) "Cybernetique et Materialism Dialectique", trnsl HRIDANOS Ed Athens Gr
- Harms Hans (1997) "Citizen Participation-A Response to the Crisis of the Representative Democracy" International Sociological Association (I.S.A) –special issue, Toronto Canada.
- Kokossis Ch. -Tsartas P. (2002) "Sustainable Rural Tourism" Papazissis Ed, Greece trnsl, p.p 322-325
- Kuhn H.W and Nasar S.(2001) "The essential John Nash" Princeton University Press. Princeton
- Nash John Forbs (1951) "Non Co-operative Game" [The prototype] Princeton University Ed, Princeton
- Neuman and Morgenstern (1947) "Game Theory and Economic Behavior" Princeton University Press, Princeton
- Papakonstantinidis L.A , (1996) "The Strategy of Development", MAREL-NIKAS Ed, Vol II, trnsl. Athens Gr.
- Papakonstantinidis L.A(2002) "The Sensitized Community" Typothito- Dardanos Edition, trnsl Athens, Gr
- Papakonstantinidis L.A (2003 March) "The Strategy of Economic and Regional Development" , Typothito-Dardanos Edition, trnsl, Athens Gr
- Papakonstantinidis L.A (1997) The S.H.I.E.L.D Model, International Sociological Association (I.S.A) Special Issue (R.C 26) Toronto Canada
- Schor Juliette(2000) "The Over-worked American" Le Monde Diplomatique (trnsl)
- Swarbrooke J (1999) "Sustainable Tourism Development" GABBI Publishing Ed, London
- Torreta Gullietta (1997) "Sociological Aspects in the Human Resources Management inside the Public Administration" International Sociological Association (I.S.A) R.C 26 , special issue, Toronto Canada
- Thirion Samuel: "Flag Theme and Local Development", LEADER Magazine, iss 8 Aug 2000 (p.p 31-34)
- Wilkinson Kenneth(1991) "Social Stabilization: The Role of Rural Society"- International Center for Development Studies –U.C.G –IRL, special issue,

Yitzak Samuel (1997) "The Changing Realm of Organisations: New Challenges for Sociological Practice" International Sociological Association (I.S.A0 –R.C 26, special issue, Toronto Canada