1. Background

Social capital is one of the most successful notions exported from sociology to other social sciences and it is used to explain phenomena ranging from the performance of purely sociological inquiries to the success of housing programs in some communities but not in others, and the economic development and government efficiency of cities or nations.

Pierre Bourdieu (1986) assumes that social capital is “the product of investment strategies, individual or collective, consciously or unconsciously aimed at establishing or reproducing social relationships that are directly useable in the short or long term” and “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition […] which provides each of its members with the backing of the collectivity-owned capital, a ‘credential’ which entitles them to credit, in the various senses of the word”. Bourdieu’s particular application of the concept relates to understanding how individuals draw upon social capital to improve their economic standing in capitalist societies. In such societies, Bourdieu claims, economic capital is the fundamental resource and his concern is with how social capital and cultural capital may be instrumental in increasing an individual’s economic capital. According to Putnam and other researchers, social capital is the “features of social organization, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions.” (Putnam et al., 1993). Paldam (2000) considers that it is due to Putnam’s works that social capital moved from being a specialty for network sociologists into a major research topic for many scholars. In line with recent considerations, social capital is institutions, formal and informal relationships, attitudes and values governing interactions amongst people, contributing to economic and social
development (Iyer, 2005) as well as playing a major role in explaining individual
behaviour at the microeconomic level (Dasgupta, 2000). Bagnasco (2003) recognizes
that Coleman (1988) – one of the pioneering scholars that have worked on social
capital – is sensitive to the micro-foundation of macro-phenomena, to the need for a
sociological explanation to lend analytical attention to concrete situations in which
actors act and to the effects of their interaction. Mohan & Mohan (2002) state that
Social capital is alleged to have beneficial effects on both individuals and communities,
generally by the stimulation of economic development by making certain resources
available that otherwise would be lacking.

Since the last decade, the World Bank, which traditionally promoted a neo-liberal
approach to achieving development and growth, now acknowledges social capital as a
useful tool for poverty reduction (Grootaert, 1998) while it actually runs a particular
working program on social capital, aiming at promoting specific policies in many
countries. Social capital approaches are the attempts to capture the ‘intangible’ or non-
economic aspects of society that promote economic growth or broader positive
development. In this sense, social capital is seen as a vital policy ingredient for ensuring
the effectiveness of various interventions. Its popularity can be seen as part of a wider
recognition that economic development models have failed to explain why some areas
appear to have been able to develop while others have not (Lee et al., 2005). As far as
social economists are concerned, they are likely to be more receptive to certain
sociological interpretations of social capital as a context-dependent and policy-
responsive phenomenon (Wallis et al., 2004). The complex set of relations and
motivations that comprise the concept of social capital are highly context-dependent,
but – to the best of our knowledge – it has not been integrated in geographical analyses
as yet.

All diverse applications of the social capital concept have been accompanied by much
confusion concerning the meaning of social capital and some controversy about its
alleged effects (Portes, 2000). Portes (1998) claims the social capital concept does not
embody any idea really new to sociologists while the set of processes encompassed in it
are not new and have been studied at other levels in the past. Although many
economists also remain critical of the concept of social capital as an economic
phenomenon, and if there seems to be a broader agreement in the literature more about
what social capital does than what it is (Portes, 1998), one cannot deny that it
contributes to the understanding of the way a society’s institutions and shared attitudes
interact with the way the economy works; this is what mainstream economics have
puristically shied away from (Solow, 2000).

Social capital literature tends to emphasize the role of families in constructing social
capital, be this within family networks or beyond to community networks. For Bourdieu
(1979, 1980, 1993), parental support of children’s development is a source of cultural
capital while social capital refers to assets gained through memberships in networks. He
sees the family as the main site of accumulation and transfer of social capital. Putnam
(1995) states that “the most fundamental form of social capital is the family” while
Newton (1997) argues that “the family may also be the most fundamental source of
social capital.” The approach of the above researchers is mainly focused on the
importance of social capital within the family in children’s education and the transfer of
human capital from parents to children. In this paper, we seek to draw attention to the qualities of relationships related to family land property that result in territorial development. Our attention is focused on exploring the way social capital is created, based on family resources and property management, within a definite geographical context. The main assumption of this paper is that family relations founded in land is a social capital that may promote local development. In other words, we explore whether forms of land ownership and landed property relations, inherited from previous stages and modes of production, comprise a form of social capital that play an important role in the development process. This study is focused on non-market processes and the relation between land, family, society and local tourism development, integrated in the indigenous population. In some way, we are trying to answer at the question set by Furstenberg (2005) about how families and groups generate, accumulate, manage and deploy social capital for the welfare of families and their individual members within the context of a rural community in transition to tourism.

“Land property structure” is here defined as the physical characteristics of land property, such as plots configuration and tenure, but first and foremost as the fundamental relations between land and society that land property may express. Family is considered in its broader form and includes membership related by blood, extended over many generations, legal and informal ties, including fictive or socially agreed upon kinship.

2. Study area and Methodology

In order to study social capital formation we have focused our attention on the limited area of Faliraki, which is one among the most important tourism agglomerations of the island of Rhodes. Rhodes is one of the oldest and leading tourist destinations in Greece. According to Greek National Tourism Organization (GNTO) data, international tourist arrivals on the island were about 214,000 people in 1970, rising to 800,000 in 1990, and reaching 1.3 million by the year 2004, when the island had a total accommodation capacity of approximately 75,000 hotel beds, and more than 35,000 beds in rented rooms, apartments and studios. Faliraki is a case study of an unplanned tourist resort, with less than 300 permanent inhabitants. According to data provided by the Hotel Owners Association of Rhodes and the estimations of the Municipality, in 2004 Faliraki had an accommodation capacity of 13,700 hotel beds and more than 9,000 beds in rental rooms.

This paper does not aim at measuring social capital, but at exploring social formations leading to its creation in relation with family land property as well as its role in the local development process. Information and data about land property structures and family relations were provided by the cadastre of Rhodes, a legacy of the Italian rulers of the island. Cadastral archives are available in hard copy, as at the time of the constitution of the Cadastre in the late 1920s. Thus, collecting the necessary primary data was an extremely arduous task, requiring time-consuming research in registries in the cadastral volumes. The cadastral survey provided absolute, credible and reliable primary data on land tenure, physical features and location of each land plot. Cadastral histories of land plots are extremely rich, as any act concerning properties is registered, and absolutely
reliable. Primary data available refers to a 393-plot sample, and covers the critical 30-year period, from 1965 to 1995, when the transition from the rural area to an area established as a tourist resort in the international market had taken place. 1036 property transfer acts have been studied (Table 1). This data has revealed the spatial and socio-economic process which has supported the formation of social capital.

Apparently, availability of reliable data, the nature and the scale of tourism development are the reasons for choosing the island of Rhodes for our approach to the social capital concept.

3. The social dispersion of land property

The island came under the Ottoman rule in 1522 and remained under its domination until 1912 when it was transferred to the Italians. In 1949, the island was integrated into Greece. The dominators of the island, both Ottomans and Italians, had always had a strategy identical to all rulers or colonizers; its main objective was the economic exploitation of land to their benefit (Madjarian, 1991). In order to bring about land exploitation, they instituted a legal land property regime, through the introduction of the cadastral registration system. The cadastral regime established by the Italians aimed at securing the credibility of the holder’s ownership rights, but also at legitimizing the Italian Government taking over all unclaimed or ownerless land. Land had to be cultivated, so as to generate considerable fiscal revenue, which was collected by the Italian Government; otherwise it automatically came under Government ownership, in accordance with the cadastral regime rules (Konstandinides, 1972).

Large private rural estates are generally scarce in Greece and the Dodecanese islands as well (Rokos, 1988). During Ottoman Rule in Rhodes, the Sultan ceded the fertile agricultural land to the Ottoman inhabitants of the island. They had fragmented land into small parcels, which were leased for a share rent to villagers of Greek origin (Billiot & abbé Kottré, 1881). Italian occupiers ceded the ownership of small land plots they used to rent from the Ottomans to the former sharecroppers. When the Dodecanese islands were ceded to Greece in 1949, the previous distribution of small land plots to the population was respected, while no radical incident modified agrarian structure (i.e. agrarian reform) or social structure. Consequently, from the Ottoman Age to today, rural land remains extremely fragmented into small land properties. In 1965, more than half of the existing land plots had a surface area of less than 0.5 Ha. Almost all large plots, especially those exceeding 10,000 m² were State owned. In addition, a high degree of land co-ownership characterized agrarian structures (table 2). As time went by, the land property subdivision phenomenon was further exacerbated by inter-generational inheritance practices, which exclude no one from land ownership. Like in any other Aegean island during Ottoman Rule, our investigation of the cadastral registration archives revealed that patrimony transfers had been taking place for a long time, with no testate successions (Visvisis, 1953; Saulnier-Thiercelin, 1985). All descendants are proclaimed heirs to the estate of the decedent, on an equal footing. Even in those rare cases where a will has been drafted, land is transferred in equal parts ab indiviso to all heirs. Property donations inter vivos of parents to their children concern 89% of the total number of transfers. Beneficiaries are all the children indiscriminately,
they acquiring equal parts of the parental patrimony *ab indiviso*. Moreover, according to data available, about 80% of the total number of non-market acts between 1965 and 1995 concerned only a part of the property rights of the plots transferred.

Existing practices of patrimony transfer reveal the existence of customary succession rules, persisting through time and rigorously egalitarian, since they lead to the conscious transfer of the family property to all members of the family alike. Consequently, the average numbers of co-owners per land plot in the study area increased from 2.49 in 1965 to 4.3 in 1995.

The widespread phenomenon of land property partition and co-ownership prove the great diffusion of land property amongst a great number of individuals and families. Small land ownership currently plays an important part in family properties and this has a considerable impact on social formations in Rhodes. Before tourism development, agriculture was the principal source of the modest income of the rural population. Fragmented land ownership favored the distribution of agricultural income among a large number of households. Due to the lack of large family estates, the formation of social classes based on revenue received by land exploitation was not possible. Rural societies were socially homogeneous, mainly consisting of small-scale farmers. The diffusion of agricultural land among a great number of households has been an advantage for the widespread development of tourism among local populations. Socially dispersed tourism development requires a minimum of economic investment from local populations, but also requires sufficiently numbered and structured local societies, so as to be able to self-invest and reap the benefits of tourism. The land ownership pattern in Rhodes is a major factor that encouraged the local population’s involvement in tourism. The extreme social dispersion of land property and the gradual development of tourism activities after the first important hotel investments in the area have generated incomes for broad population strata, through the direct investment in land by the creation of small tourism and leisure units, or through land sale.

The numbers of new hotels proliferated during the period of study (table 3). There is no quantitative evidence about rental rooms or leisure enterprises, but assuming that their creation requires a relatively small capital, these were also numerous. Working in family tourism businesses in Portugal, Mendosa (cited in Getz and Carlsen, 2000) concluded that those with capital could benefit from tourism, but others in the community could not. Socially diffused small estates in Rhodes provided the initial capital, necessary for the indigenous investment in tourism. The modest family revenues of farmers were primarily invested in small tourist and leisure businesses. Once initial small investments generated profits, new investments were to follow. In this way, a middle class, a *petite bourgeoisie* was formed in tourist areas of Rhodes, based on small and medium-scale tourism entrepreneurship, and with advanced levels of consumption and dynamism in investment, as Tsartas (2003) remarks for other Greek tourism destinations as well.

4. Social capital formation
Family relationships, land property and tourism businesses are closely interwoven. The existence of customary rules of succession, according to which inheritance is shared equally among heirs, proves the existence of close ties among family members. By the extreme social dispersion of land property and the existence of family ties, family property favors the spontaneous creation of social networks in different levels, while family in its broader form takes the attributes of social capital. Through marriage families are connected and enlarged, in the sense that social network begins more dense within the community, and expands outside it.

Land property appears as the means *par excellence* for “territorial expression” of family ties in a rural context. Kinship relations also play a prevailing role in the establishment of strong and coherent social networks, widely expressed in territorial terms. Studies on labor and property in Greek island communities show the complex family and kinship role in the socio-economic development process (Galani-Moutafi, 1993). Family relationships made mobilization of capital and human energy possible. Quantitative data are not available but, as it was revealed from our on-site survey common management of family resources safeguards the feasibility of joint investment projects and therefore, the creation of family enterprises. Frequently, brothers set up small-scale hotel units, catering enterprises, as well as retail outlets, or cousins invest in family-owned plots inherited via co-ownership *ab indiviso*, as proved by our cadastral research and our on-site inspection of 73 developed land plots in co-ownership, randomly selected. In 62 of them, enterprises operating them were family business, while in 11 land plots in co-ownership the existing building was rented to a third person. Capital invested in equipment is meager. The cost of initiatives is reduced to the cost of used materials, because usually it is possible to build on their own land, sometimes without any building license. Opaque, informal production practices appear, regarding both the creation and operation of tourism enterprises (CCID, 1994). Quite often, small and medium-size enterprises, and illegal rented rooms become legitimate, or they are transformed into small hotels, frequently properly managed. In 1995 only 33% of the total hotel beds capacity in the study area was distributed at the 83% of the hotels, which had an average capacity of less than 300 beds (Table 3); almost all these hotels were family owned and managed. Next to large hotel units, complementary services and parahotellery units proliferate, recording large profits in comparison to the capital invested. Solidarity, kinship and family ties are essential elements in the activities of small enterprises.

5. Concluding discussion

One can assert that family and landed property relations, as analyzed in this paper, provide a rather weak explanation of the relationships between social capital and the effects of landed property relations in its creation. But as Paldam (2000) underlined few years ago, “there is far more theory and speculation than measurement: social capital is a new field, suffering from a great lack of good, reliable data.” If land constitutes a privileged link between space and society (Di Meo, 1995), the present paper is an exploratory work on a foundation of social capital –land property and family– since it leads to local economic development, by using data reflecting contextual social and geographical realities.
In our area of study, social capital founded landed property relations has accomplished the social integration of tourism activities in local societies. There are equivalences between the old agrarian and the new socio-spatial structures of development, as land ownership renders the opportunities offered by tourism for the population’s involvement effective. Since allocation and exploitation modes of land property are family-orientated to a high degree, family regarded as a social capital seems to be a core element in explaining land property structures and socially diffused tourism development. As Mohan & Mohan (2002) also assert, while social networks may enable individuals to gain access to other resources of material or non-material kind, land shared by families and the community is characterized as a good, to which almost all people of the area have access, in contrast to simple social networks, which often rely on exclusion.

Rather than viewing actors of economic development as solely rational decision-makers, the social capital approach suggests that land property and business development are embedded in these concrete, ongoing systems of social relations. By disassembling cultural and social frames determining non-market property transfers, through which individual and family investment strategies on land evolve, one can better understand the social dimensions of development.

Finally, it could be claimed that family and kinship relationships, largely furthered by land interests, endow communities with social capital that greatly promotes local development. In this sense, structural elements of development, such as family and land property structures, do not lead to a deterministic vision of development. On the contrary, they prove how development is specifically interpreted and assimilated by local society, within a specific context. However, as Mohan & Mohan (2002) mention, “It is a truism of contemporary geographical thought that place makes a difference to the outcome of social processes. Social capital might thus have much to contribute to contextual explanations of geographical phenomena.” In this sense, social capital formation explored here, may be the ‘missing link’ in the development of local societies, as complementary to and catalytic for the other, better-known species of direct capitalist investments.

References


WORLD BANK (1998) Social Capital: The missing Link?

<table>
<thead>
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<th>Type of acts</th>
<th>Number of acts</th>
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<td>Transactions</td>
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<tr>
<td>Inheritances</td>
<td>131</td>
</tr>
<tr>
<td>Donations</td>
<td>171</td>
</tr>
<tr>
<td>Dowries</td>
<td>51</td>
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</tbody>
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Primary data source: Cadastre of Rhodes
Table 2: Percentage of land plots in relation to the number of their owners in 1965

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<tr>
<th>Number of owners</th>
<th>% of land parcels</th>
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<tr>
<td>1</td>
<td>48.4</td>
</tr>
<tr>
<td>2-5</td>
<td>27.8</td>
</tr>
<tr>
<td>6-10</td>
<td>14.9</td>
</tr>
<tr>
<td>&gt; 10</td>
<td>6.9</td>
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</table>

Primary data source: Cadastre of Rhodes

Table 3: The structure of the hotel industry in 1995

<table>
<thead>
<tr>
<th>Hotel units</th>
<th>Hotel capacity in beds</th>
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<tbody>
<tr>
<td>Faliraki</td>
<td>Rhodes island</td>
</tr>
<tr>
<td>38 %</td>
<td>43 %</td>
</tr>
<tr>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td>15</td>
<td>17</td>
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<td>5</td>
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<td>6</td>
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<tr>
<td>6</td>
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Primary data source: Hellenic Chamber of Hotels