



# **Social Capital and Urban Development**

**Documentation from the 2009 Sweden Conference  
on Urban Policies and Social Capital.  
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# Introduction

The 2009 Sweden Conference on Urban Policies and Social Capital took place during the 23rd-26th of September in the city of Lidköping, Sweden. In total around 190 participants gathered in order to share knowledge and ideas on the subjects of social capital and development, as well as draft innovative, practical responses to some of the social and environmental problems that we face today.

Academic researchers as well as practitioners from the private, public and non-profit-sectors, heralding from Scandinavia, Europe, the United States, and India attended the conference. Urban Policies and Social Capital was arranged by the Region of Västra Götaland through the project Dynamic Growth Capital together with Swedish municipalities and government authorities, organizations and the University of Gothenburg.



## Get-together at Rörstrand Center

# The Conference Begins

The first gathering of the conference took place on Wednesday evening, when thirty-five participants met at Rörstrand Centre - an old ceramic factory transformed into a centre for creativity - in order to listen to a short presentation, as well as of course, meet and engage in discussions with other participants at the conference. Per-Eric Ullberg-Ornell, one of the arrangers, made an unofficial opening of the conference.

The presentation held by Pierre Wetergren from the consultancy 5th Generation Continuity concerned his experiences of working with the management model Business Continuity Management (BCM). The speech, as well the discussions that it generated, revolved around how this particular management model - which basically

focuses on how the vulnerabilities that organisations are exposed to can be turned into competitive advantages - functions, what its implications are for social capital, and if it can be successfully applied in other countries than Sweden, one example of such a country being India. ✨



[Thursday, 24th of September]

## Session I

# Social Capital and Development

After the conference had been inaugurated by Marita Bengtsson, Head of the Municipality of Lidköping, and Bertil Jonsson, Vice President of the Region of Västra Götaland, it was time for the first session to begin. Focus would concern the wider issues of social capital and development. Around 150 persons waited eagerly in the audience.

## Evolution and Health

The first session involved two speeches on human evolution and its connections to happiness and health. Johan Frostegård, Professor in Medicine and Senior Physician, gave a talk about how our understanding of human evolution also influences our understandings of human behaviour and health. The point of departure was that, as we are all permeated with traces from human evolution, this also affects how we, as human beings, interact with and are affected by our surroundings. Insights about how evolution has shaped man can therefore, for example, help us understand how human health functions. Later on in the session, Björn Grinde, Professor in Biology from the University of Oslo, continued the discussion started by Johan Frostegård, by delving deeper into the question of how evolution has shaped our need for social relationships, and how this in return affects human happiness and quality of life. A phenomenon, such as happiness, is dependent on different kinds of stimuli, both internal and external, and evolu-

tion has had a big part in shaping the effects of these. “But was life really better in the Stone Age?” Björn Grinde asked. Not when it comes to general health, but in terms of happiness and mental health, it actually was.

**« The real challenge is not to construct buildings, nor putting a man on the moon, but to deal with human nature »**

**- Björn Grinde**

The reason for this is that there are mismatches in how society of today is formed, compared to how we, as human beings, are





created. Therefore, we should focus on living life in a way that takes advantage of the potential of our brains for rewarding us with happy moods. One very important way of doing this is to form our social relations to other human beings in appropriate ways.

## Social Capital and Regional development

The speech by Anna-Karin Berglund and Jan Torege from Sveriges Kommuner och Landsting (the Swedish Association of Local Authorities and Regions) also started with a focus on human evolution. Empathy, cooperation, as well as being able to adapt to change, are among the most important evolutionary strategies that we have, and this is something that we can learn from when thinking about why some municipalities develop in a more adequate way than others do. For example, by what means civil society can be connected to politics and the public sector is crucial for regional development. The reason for this is that coop-

eration between sectors allows for exchange of resources and competences, as well as is a way of legitimating the political process, said Anna-Karin Berglund and Jan Torege.

Later on in the session, the speech by Bert-Ola Bergstrand provided practical examples related to what had been said by Anna-Karin Berglund and Jan Torege. Bert-Ola Bergstrand, who also was one of the arrangers of the conference, summed up his experiences of working with the project Dynamic Growth Capital. He discussed how social capital can be used in regional and local development, as well as how he and his colleagues through this project had developed a method of working with the issue that lets academic knowledge be transformed into practical knowledge.

Finally Erik Westholm - professor in Cultural Geography - talked about some heavy trends that we see in regional development in Sweden today. He focused on how demographics, information & communication-technologies, and climate and natural resources influence the developments that we see in the “new geography of Sweden.”

## Panel Discussion - Social Capital and Development

The first panel discussion of the conference involved discussions concerning three quite divergent topics. Jean-Marie Bergere, from the organisation Astrees, lead the discussion into the subject of job-creation and social capital. He presented experiences from a project in France called Alize. The aim of this project is to get large companies to support small and medium-sized companies by providing them loans and skills free of charge, a model that has been tried out in 20 different cities in France. Through cooperation between firms, development agencies, and public authorities, a mutual understanding between different stakeholders may develop, which in the long run can help SME's grow as well as secure the creation of new jobs.

But is the creation of new jobs or the growth of GDP the only indicators of societal development that we need? No it isn't, at least this is what one of the other panel members, Stefan Bergheim, thought. Stefan Bergheim, who works at the German Centre for Societal Progress, talked about different ways of viewing the concept of "progress" and how human happiness can be secured. Different forms of capitalism offer different prerequisites for human happiness, and social capital is an important part in this process, Stefan Bergheim said.

The next speech was held by political scientist Eric Uslaner, who focused on the question of how social capital is generated. Lately, some researchers have claimed that ethnic diversity leads to decreased generalized trust in society. However, Eric Uslaner, who has conducted research on the subject, argued that it is racial and economic segregation that reduces the generalized trust in society, not diversity; a statement that he would delve deeper into when presenting an academic paper later on in the conference.\*



## Session II

# Social Capital and Participation

The second session of the day, which dealt with the issues of social capital and participation, started with two grand presentations on social capital, the news media and life of the elite in the city of Gothenburg, Sweden, and ended with a panel discussion on the wide issues of participation, integration and multi-culture.

### Trust and the News Media

The second session started with a quite unconventional and grand presentation by Mikael Engström, who is the founder of TilliT (“Trust”), the largest newspaper in the world consisting of only positive news. Mikael Engström started his presentation with the somewhat bold statement that he has the solution to all our problems:

**« Life is so simple that  
you often don’t know  
how simple it is »**

**- Mikael Engström**

Mikael has a background in the IT-industry, but got enough of all the stress that he experienced working there. He wanted to change his life around and set out, without compromise, to start living his life according to his intuitions. He started the newspaper TilliT, because he believed that today’s newspapers, with all their negativity, do a lot to decrease the trust of people in society. A news-

paper with positive news, on the other hand, can contribute in spreading positive energy in society. While Mikael is in the middle of telling his story, a man suddenly approaches from the crowd, gesticulating with a newspaper in his hand; Pierre Wettergren, who held a presentation at the conference the day before, says that he wants to spread some good news to everybody:

“Bert-Ola, the coordinator of the conference, has only slept five hours during the last two days, and this is good news because, if it wasn’t for him, we wouldn’t have been able to attend this conference today.”

Mikael agrees that this is good news, and suggests that all the persons that are attending the conference should write down their own piece of good news on a piece of paper, and hand it to somebody else at the conference. “It’s a universal law”, he concludes, “that by doing this, fantastic things will happen”. And by these words, Mikael’s presentation has ended.



## The Gothenburg-Spirit and Political Power

Mikael Engström's presentation was followed by a more conventional, but equally as grand presentation, by Gunnar Falkemark, Professor in Political Science at the University of Gothenburg. He talked about what role social capital plays in the political and business life in Gothenburg, the second biggest city in Sweden. The unique community-spirit that exists in Gothenburg - usually called "Göteborgsandan" ("the Gothenburg-Spirit") - is a form of social capital that exists among the people in power in this city. It takes the form of cooperation between different actors in politics as well as in the public and private sectors, and it is permeated by distrust towards "enemies" from outside the city, as well as distrust towards common man. What Gunnar Falkemark is saying is that social capital can be a productive resource, as has actually been the case with the Gothenburg-spirit, but it can also hinder participation and can, citing Falkemark, be "a democratic threat".

### Panel Discussion - Social Capital and Participation

"Give us your thoughts on participation and influence", the conference moderator Hans Andersson requested, and from here the panel-discussion on social capital and participation started. The views and interests of the panelists pointed in quite a few different directions. For example, Dario Espiga - in Charge of Social Issues at the municipality of Gothenburg - focused on the issue of personal responsibility, and claimed that if you want a society where people

take responsibility, it is important that you also let them participate in society. A discussion followed, in which Consultant and Sociologist Esther Norregård-Nielsen, as well as some other participants, pointed out that participation is dependent on having access to certain social networks. Helen Rojas Lundgren, in Charge of Development Issues in the municipality of Botkyrka, near to the Swedish capital Stockholm, agreed with this and talked about participatory budgets and citizen-centered dialogs as possible ways of increasing social capital and participation in her municipality.

The discussion that followed dealt in large part with the questions of integration, multi-culture and how to increase political participation and participation in the workforce in today's society. Solutions that were given concerned things like using private employment agencies and internet-communities as help. One of the last statements that were heard before the panel discussion ended was the one of Carina Ohlsson - member of the National Parliament in Sweden - who claimed that:

**« Participation is dependent on a transfer of power from those who have a lot of it to those who have less. This is why increased participation is so hard to achieve »**

**- Carina Ohlsson**

## Session III

# Local and Regional Development

Around 130 individuals attended the third day of the conference. The first session concerned subjects, such as administrative strategies in Warsaw, creativity and the geography of social capital in present day Germany.

### Administrative Strategies in Warsaw

The day started with a presentation by Krzysztof Herbst, who drew on his own experiences from his many years of working as a consultant in the social development field. “How can social capital be used as a strategy in building Warsaw’s future?” Krzysztof Herbst asked. He tried to answer this question by focusing on different administrative strategies that exists within the area of social capital and development. The issue of social capital, Herbst concluded, should

be allowed to intervene in many different areas of public administration, not exclusively in the customary “soft” areas.

### Robustness and the Concept of Time

Mika Aaltonen continued by talking about what he called “the question of robustness, of how we are to survive in evolution”. There are basically different kinds of people and different attitudes when dealing with change, Mika Aaltonen claimed. By challenging the traditional, linear concept of time, he wanted to show us how more sensitivity towards what “time” actually is and how events are connected, can help us deal with change in a better manner. Mika Aaltonen’s speech was complex and quite a few of the participants had a hard time grasping it in detail, but it sure was one of the speeches that attracted the most discussions at the remainder of the conference.

« Future future  
Future present  
Future past »

« Present future  
Present present  
Present past »

« Past future  
Past present  
Past past »

- Mikal Aaltonen



## Civic Society in Germany

Axel Franzen – Prof. Dr. in Sociology from the University of Köln, Germany - continued the session by presenting a study conducted by him that dealt with the geography of social capital in present day Germany. “How is it possible to map the spread of social capital in a geographical area?” Axel Franzen asked. One way of doing this is simply by investigating the spread of associations in that particular area, and thereby you are also in the position to comment on the spread of social capital in the same area. The picture that evolved in Axel Franzen’s study proved to be quite complex, and it did not in any simple way go hand in hand with the established theories concerning social capital. An interesting discussion followed that concerned the quite technical question of how social capital can be measured. And from here the discussion, with the help of an utterance by Mika Aaltonen, took a quite different turn and delved into the issue of the worth of protecting the earth for future generations; something Mika called “The human archeology of the future”.

## Creativity & Entrepreneurship

Lately there has been quite a lot of talk about the concepts of the creative class and the creative economy, popularized by Political Scientist Richard Florida. A central idea that Florida brings forward in his mass-selling book, *The Rise of the Creative Class*, is that individuals, who belong to the “creative class”, do not value the strong ties that characterize some forms of social capital very highly; instead, they value a social capital con-

sisting of weak social ties. However, this is something that Tomas Eklund - Chief Analyst at Västra Götalandsregionen (The Region of Västra Götaland), did not completely agree with. In his presentation, he referred to current Swedish research that suggests that we, at least in Sweden, see an opposite tendency; here, family-life and security is something that the creative class values highly. Therefore, Eklund concluded, if regional growth is dependent on the ability of attracting individuals from the creative class, it is important that we focus on building regions, where individuals and their families can live safe, sustainable and responsible lives.

**« A creative society is a safe, responsible and sustainable society »**

**- Tomas Ekberg**

Bengt Johannisson - Professor in Entrepreneurship and Business Development - continued to discuss the subject of creativity. “We live in a complex and constantly changing ‘network-society’“, he argued. And in this society, many structures - such as laws, rules and regulations - have a hard time keeping up with the constant changes. The entrepreneur, on the other hand, is a person that manages to keep up with the changes and constantly challenges the structures. “But how can we encourage entrepreneurship and creativity in today’s Sweden?” Johannisson discussed how we have to be careful in uncritically adopting models and solutions that have arisen in other parts of the world, such as the ideas of Richard Florida. For example, Swedish entrepreneurs differ



from those in the United States in that they are more bound to certain geographical spaces, as well as are less egoistic, individualistic and exhibitionistic. And when it comes to social capital, Sweden is characterized by high degrees of social capital in the workplace, by cooperation between economic classes, between society and enterprises and in economic clusters and innovation systems. Thus, if we want economic growth in Sweden, it is important that we construct models that are adopted for Swedish conditions. But, constructing creative models is not enough; we also actively need to engage in the solution of different problems. With other words:

**« Creativity is not enough, we also need “creativity” »**

**- Bengt Johannisson**

## **Panel Discussion - Social Capital and Urban Development**

The panel-discussion involved each panelist giving her or his own view on the role of social capital in development.

The first three speeches focused on social capital as a form of cooperation between different actors. Mats Helander, employed by Regionförbundet Östsam, which is an union of municipalities in the east of Sweden, as well as Hans-Martin Hansen, from the city of Lund, discussed how it is important to get different regions and cities to cooperate as a means for economic and social development. The key for achieving this, according to Mats Helander, is to strengthen the functions that are already shared between the different cities and municipalities; things like education, child-care and public transport. By doing this, a base for working together on the bigger, strategic issues can be attained. With other words, he saw this as “a platform, where social capital can grow”.

Hans-Martin Hansen on the other hand, talked about cooperation between urban and rural areas, a phenomenon that he used the word “rurbanization” to describe.

Finally, Björn Malbert, Professor in Architecture from Chalmers University of Technology in Gothenburg, focused on social capital as a resource that can be mobilized in research projects. “We have to give up the notion that excellence is something that is exclusively owned by the academy” Björn Malbert believed. Instead, we should focus on letting different actors cooperate in the research process. Hereby it is important that each actor has legal ownership to the projects, and that they all are acknowledged for the knowledge that they contribute with.

“But, is social capital something that can actually be used to solve problems and if so, what is the role of leadership in this process?” the moderator, Hans Andersson, asked.

Both Sara Lind - sociologist and economist - and Dr. Prasenjit Maiti - from the Indian Insti-



tute of Social Welfare and Business-Management in Kolkata, India - seemed to agree that social capital can function as a problem-solver. Drawing from her work at Sveriges Kommuner och Landsting (the Swedish Association of Local Authorities and Regions), Sara Lind claimed that building trust is often a better way of creating a secure and safe society, than using repressive methods, such as surveillance. And Prasenjit Maiti meant that by connecting social capital to issues of corporate social responsibility (CSR), increased self-representation can be attained. However, “social capital is nothing new”, Prasenjit Maiti continued: “In India, the local community has always been built up on trust”. To this statement Eric Uslaner answered and pointed out that at some instances in history, such as in ancient China, society was built, not on trust, but on formal hierarchies. Therefore, social capital is nothing we can take for granted.

But what about the moderator’s second question concerning the relationship between leadership and social capital? A participant in the audience answered to this question by stating that what we need is not more hierarchical structures, but less of them. Human beings need more opportunities to form their own lives. Most people involved in the discussion seemed to agree with this, but some, such as economist John Ballentine, also pointed to the importance of large, hierarchical structures in order for society to function properly. At the end of the discussion, Helen Rojas Lundgren, a strategist from the municipality of Botkyrka, stood up in front of the audience and encouraged us all to return to our municipalities and give some thoughts to the question of how social capital can be applied in practice. By the time that the newspaper TilliT (“Trust”) arranges its conference in Copenhagen in November, we would all hopefully have a good answer to this question, Helen Rojas Lundgren hoped.



[Friday, 25th of September]

## Session III

# Economic Growth and Innovation

Session III dealt with the subjects of economic growth, innovation-systems and social capital. The session started with two practical examples of how social capital can be used within innovation-systems and ended with a panel-discussion on the subject.

## Economic Growth, Innovation-Systems and Economic Clusters

Lisa Fröbel held a speech about new ways of organising innovation-systems. She works at Peak Innovation, which is a company that conducts research within the areas of tourism, sports, and outdoor-life. They have settled for organising their research-activities within the organisational model called “quadruple helix”, a move that, according to Lisa Fröbel, has been crucial for the success of Peak Innovation. By having formalizing social networks between actors in the public, private, academic, and civil-societal sectors in different geographical areas of the world, an exchange of experiences, feedback and mutual-help has been possible and thereby a more innovative environment.

Lennart Anderberg, from the public-private partnership Futurum in the city of Alingsås, revealed a similar view when he stated that a society that wants to grow needs common meeting grounds, where different competences can be exchanged.

**« Arenas where people can meet and exchange experiences can function as lungs that brings oxygen into a situation »**

**- Lisa Fröbel**

## Panel Discussion - Growth and Development

Last on the agenda that day was a panel discussion on economic growth and development. Torbjörn Stjernberg, Professor in Business Management, started things off by pointing out that innovation systems are differently shaped in different market segments. This led to a discussion, where one of the main issues concerned how social networks are organised within different types of businesses and organisations. Jan Svensson from the organisation Coompanion was one of many of the participants that made a contribution to the discussion. Coompanion, he told the audience, is an organisation that supports the development of cooperative businesses in Sweden, and unlike many traditional companies - one example of which is Volvo - cooperative business ventures are based on social networks that are horizontal. And, he continued, he sees it as at least as important to base a business venture on a

well-functioning group, than on a good business idea. That social capital is important for promoting innovation is also something that other participants in the panel agreed upon. Björn T. Asheim for example, who is Professor in Economic Geography at Lund University, argued that the fact that social capital is something that promotes innovation is also one reason why countries like Sweden, Denmark and Finland have been pretty

successful in international economic rankings, even though they have relatively low amounts of entrepreneurship. Bengt Johannisson confirmed this by referring to his own research on so called “gazelle companies”. The success of these small, fast growing companies, is often at least as dependent on being constructed around a well-functioning social capital than on human and economic capital, Johannisson claimed. ✱

**« If you invest in social capital, there are billions to make »**

**- Lennart Anderberg**



# Academic Conference

After two and a half days of intense and stimulating discussions on the subject of social capital and development, it was time for the last day of the conference. Thirty-five participants gathered in order to listen to the presentation of five academic papers.

## Social Capital and Mobilization

First to present their paper were Malin Ericksson and Maria Emmelin, Researchers at the School of Public Health in Umeå, Sweden. Their paper “Mobilization of Social Capital in a Local Community” dealt with the question of how health-enabling communities are formed, and what the role of social capital is in this formation. The starting point of their research was a small and unprivileged town in the northwest of Sweden, where local residents had gathered together to form a community health centre. But what prerequisites are necessary in order to mobilize such social capital? the authors had asked themselves. After having completed the study, they could draw the conclusion that different kinds of actors - “politicians”, “entrepreneurs”, “enthusiasts”, “enemies” and so on - are needed, if such a mobilization is to occur. Therefore, if you want to mobilize people, the right kind of individuals sharing the right kind of social capital is a must.

The role of social capital in the formation of social institutions is also a subject that the next paper, written by Kerstin Klingborg and Inga-Britt Werner from KTH Royal Institute of Technology in Stockholm, Sweden, dealt with. The

authors had studied what role social capital plays in the conversion of housing to cooperative ownership in Sweden. Drawing on the Nobel laureate Ellinor Ostrom, they concluded that social capital indeed is important for such conversions to occur. In the follow-up to this study, the authors mean to examine whether conversions to cooperative ownership also has an effect on social capital formation in the particular group of people, where the formation takes place.

**« Urban life can be read as an archaeology of the present, if you can just read the signs »**

**- Phil Denning & Andrew McDonald**

## Social Capital and Urban/Suburban Life

The next three papers all discussed the subjects of social capital and urban/suburban life. John Ballantine Jr., scholar in Economics from Brandeis University in the USA, talked about the connection between social capital and quality of life in a suburban American setting. From his research, Ballantine could show that living in the suburbs is an aspiration for many people today, that the quality of life in these suburbs is quite high, and that social capital



plays an important part here.

Phil Denning & Andrew McDonald presented a case study of what manifestations of social capital that can be seen in Midlothian, an area in their home country Scotland. Examples of such are a community radio-station, cross-generational networking, social enterprises and last but not least, the “Gothenburg”; a type of workers’ pub and library that is influenced by a similar kind of institution that existed in Gothenburg, Sweden, long ago. Basically, what the authors showed in their presentation is how social capital is something that arises out of history, but constantly changes in order to adapt to the environments, in which it exists.

Finally, Eric Uslaner, Political Scientist at the University of Maryland in the USA, talked about a particular aspect of social capital, namely generalized trust. Lately, there have been intense discus-

**« When people of different backgrounds live apart from each other, they will not – indeed, cannot – develop the sorts of ties, or the sorts of attitudes – that lead us to trust people, who are different from ourselves »**

**- Eric Uslaner**

sions in the academic world on whether ethnic diversity has a deteriorating effect on generalised trust, something proposed by, among others, the famous political scientist Robert Putnam. However, Eric Uslaner argued in his presentation that it is not diversity that is the problem, but residential segregation and inequality; something that among other things is proven by the fact that persons, who have friends from other ethnic backgrounds than themselves, do not have lower generalized trust than people in general. And young people that interact with people of different backgrounds even have higher trust than people in general. Therefore, there may be real gains to be made, not only in integrating neighbourhoods, but also in letting children interact with children of different backgrounds. \*





## Some Concluding Remarks...

This conference has provided a valuable insight into how individuals from different sectors of society define and use the concept of social capital in their work with development issues. It is clear, however, that the wide disparity of views and opinions on what social capital is that were presented during the conference were seen as troublesome to some participants. Quite a few people at the conference could be heard saying that they did not know how to orient themselves in this vast land of views and opinions. To quote an utterance by Krzysztof Herbst during his own presentation: “I feel somewhat frightened by the fact that social capital has been so widely defined during this conference”. However, if we can just manage to see past the wide disparity of views and instead concentrate on the many common denominators, the conference gives us an almost unique synthesis of the main ways, in which individuals and organisations today relate to and work with social capital-related issues. This synthesis is unique, just because it has arisen as a result of a meeting between research and practice. Some of the main conclusions that can be drawn from what was said at the conference are:

- \* Human evolution has formed our ability to adapt to different contexts and also our ability to form social capital. Therefore, if we want a well-functioning society that is high on social capital, we need to organize society with respect to the way that evolution has shaped us.
- \* Certain forms of social capital are a prerequisite for a healthy and happy society.
- \* Social capital is something that renders cooperation possible, as well as bridges divides between different sectors and organisations. From this follows that social capital also can be used to reduce risks and increase our security.
- \* Social capital is important for innovation and entrepreneurship. Different forms of innovation-systems require different forms of social capital.

- \* Social capital in the shape of generalized trust is affected negatively by economic and residential segregation.
- \* Social capital, in the shape of social networks is a prerequisite for participation and mobilization, but it can also function as a barrier towards the same.
- \* Social capital is connected to the physical structures inherent in architecture and urban/suburban life. Architecture and city planning has an effect on social capital, but is also formed by social capital.
- \* Social capital is a prerequisite for Corporate Social Responsibility, but the latter might also be used to increase the social capital in society.
- \* Social capital is a by-product of history, but it may also be affected by city planning, architecture, as well as by letting different groups meet and participate in the societal development.

Except having provided an excellent chance to learn more about social capital-related issues, this conference brought another benefit, namely it provided opportunities for people to meet, social networks to develop, and trust to grow. To cite one of the conference participants:

**« One of the greatest advantages that this conference has provided is that it has given people a concept - namely social capital - around which they have got the chance to meet and exchange experiences. Thereby, the conference has actually lead to the formation of social capital »**

