International Sociological Association- I.S.A R.C 26

“Social Capital & Transformations in the Age of Globalization”

SENSITIZATION &

THE WIN-WIN-WIN MODEL:
AN ANSWER TO GLOBALIZATION IMPACT ON LOCAL COMMUNITIES AND COMMON PERCEPTIONS OF THE WORLD TENDINGIES

Case study: Community Redefinition –Tyhero Evros

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Jun, 2004
Sensitization and the Win-Win-Win Model: An answer to globalization impact on local economies and common perceptions of the world tendencies

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ABSTRACT
The paper deals with sensitization, based on knowledge transfer and knowledge creation, in the community. It is considered as a creative approach to conflict resolution, based on Nash “no-cooperative game” theory. It particular, it focuses on the “sensitization process” – a form of knowledge creation – as the reaction to a given information, which influences the socioeconomic behavior and therefore, the pure individual strategies, leading them to a converge. It may be concerned as an extension to Nash “non cooperative game” theory (win-win model) according to which, both parties involved in a negotiation may formulate winning strategies. Community involvement may be seen as a three-way negotiation. Taking part in such a negotiation each member of the community should ask himself three questions: “what is the best for me?” “what is the best for me and for the other?” and “what is the best for me, for the other and for the Community?” (as the third, “invisible” part in the bargain). As individual strategies are going to be converged, then a solid basis may be created for a real cooperation between the members of the community thus maximizing the socioeconomic profit for all the involved parties in a negotiation (win-win-win).

Key-words: sensitization, bargain, instant reflections, social cohesion, solidarity, “community-territory” redefinition, geographical mobility, depopulation, destabilization, “emotional instability”, increasingly “fear” – the “ocean feeling”, due to globalization, the “instant society” syndrome

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1. **Introduction:**

The paper aims to restore the local problem in the scientific dialogue, under the prism of globalization impact on “community”; it highlights the contemporary dynamics of social capital in the frame of “territory-community” redefinition, due to globalization phenomenon; the “instant community” due to labor mobility, followed by the “emotional instability”-the “ocean feeling”(Roman Rolan) provides us with the necessary material to deal with the community problem as a “market problem” in a parallel trace with the globalization problem; it provide us with the incentive to find out ways of therapy, or even ways as to involve the community in the bargaining problem; that is the paper contribution, in terms of sensitizing the community people

1.1 **Methodology**

The paper is divided in three separates parts according to the dialectic methodological approach:

- Firstly, the existing situation of the contemporary dynamics of social capital at local level is captured; social transformations due to globalization are going to be approached through

1.2 **Development trends: contrasting features**

Development trends in the last decades of the 20th century and early the 21st reflect two contrasting features: The first is sustained improvement in the living conditions in many countries captured by declining mortality rates, rising per capita incomes better nutrition, improved education levels, a more impartial judicial and legal system and broader civil and political freedom (at least before “September 11” event). It is being increasingly recognized that development is about the quality of people’s lives and expansion of their ability to shape their own futures. It involves more equitable education and job opportunities, greater gender equality better health and nutrition cleaner and more sustainable natural environment (World Bank Report, 2000)

The second feature consists of setback to real terms of the development due to wealth concentration, regional and local inequalities, the absolute poverty in large parts of the planet, lack of food and medical care in these parts, increasingly children mortality, increasingly economic migration trends, dramatic climate changes, due to human activities, armed conflicts, terms confusion: The last one consists what is nowadays called “numbers against welfare”, due to different messages [the “news-speak” of our Information Age].

1.2 **Social transformations impact on community due to Globalization**
2.2 The problem

Rural Communities are experienced by underdevelopment, due to the lack of information flow, low level of labor specification, low productivity of labor, low level of invested capital, low population income etc. People suffer of a low level of income and living quality. The result may be isolation, coming from the accumulated disappointment of those people, whose choices are exclusively depended on the metropolitan decision making center. (Cinneide M.O’, 1991) “Who holds the center, governs with the benefits of occupying the information flow” (Wilkinson K. 1991)

In that case, rural community has to try to succeed the suitable “economic size” for those free market competitiveness reasons, making valuable, its own (natural, environmental, architectural and historical) resources and advantages, therefore, promoting its “local identity” (Gannon A, 1990). The key-point in the development procedure is, therefore, the “community decision” as the first step towards social capital accumulation and “social stabilization” (Wilkinson K., 1991). But how?

How Less Developed Area’s economies, could be able to break the “poor cycle” in which they should had been trapped?

The answer should be:
Improving the information flow, through regional and local networks, promoting the spatial diversification (Wilkinson K., 1991) through local innovative applications. Modern Innovation Theory introduces the “knowledge creation and dissemination” at the very center of focus. This theory emphasizes the interactive and the dynamic nature of innovation and knowledge creation system (Fischer M.M 2002).

Intellectually, “bargaining theory” emphasizes “the interactive and the dynamic nature of human relations in an organized community” (The bargaining theory - Nash J.F, 1951).
Therefore, the analysis of this concept is mainly based on these parallel and concrete “systems”, “innovations”, with knowledge-creation and “human relations”. These “systems” are valuable in explaining the new trends in regional development.

It is therefore, necessary, to start with the new trends in regional development policy, the Development procedure, in which “public participation” is the key-point.

Public participation presupposes that a methodological approach could be applied in the rural area, by easy steps towards motivating local people and involving the Community.

This methodological approach includes 5 steps, i.e. information, sensitisation, participation, involvement and partnership, in its main version.

The paper focuses on “sensitisation” as the main step of the methodological procedure, based on the “bottom-up” approach and the local people motivation, towards developing their place.

From this point of view, a definition of “Sensitisation” is given. Flag-Theme is the focus point for motivating local people, thus creating a local “team-psychology”.

In particular, the paper deals with “sensitization”, as a form of integrated information (knowledge creation and knowledge transfer), based on a 3-person pure individual strategies’ interaction (decision making). It could be concerned as an extension to Nash “non-cooperative game” theory.

It concerns the field of social sciences, especially, social behavior and socialization process, introducing a new methodological tool in planning regional and local development: Based on “links” between “tacit” knowledge and “codified” knowledge, in the framework of neural, regional (and local) networks, it could be proved to be a useful methodological tool for policy and decision makers, in planning and achieving the development process. It has been applied by the author more than 39 times – at empirical level- in promoting a “team psychology” for establishing rural tourism women cooperatives, in Greek rural areas (a case-study is referred).

The concept introduced by the paper may be concerned as a triple synthesis:
1. “Sensitisation” is a form of Integrated Information”.
2. Integrated Information leads to knowledge creation which influences pure “instant reaction” individual strategies in the bargain, through the changes in socio-economic behaviour, locally, due to sensitisation.
3. Instant reaction individual strategies in the bargain influence the rural development and rural tourism feed-back effect, due to the changes in socio-economic behaviour, at local level.
A case-study “Women Co-operative Gargaliani, South -West Peloponnesos-Greece” from the very recent past (2002) is referred, as an applied form of this “synthesis” which may be concerned as the contribution of the paper.

There is no running scientific discussion on this very specific field (the triple synthesis) I looked for it in “every stone”, but I did not find anything.

Scientific knowledge (even the most recent, 2002) in each of the three fields has been used by the author in a synthesis, on which, personal contribution has been based.

The three fields are mainly covered, recently, by the following scientific approaches from different directions:


1.1 Reference to literature connecting to the suggested idea

Rural tourism is a profitable local activity, in rural areas. So it is necessary, costs and benefits be measured (Gannon, 1990, M’O.Cinneide, 1991). At the same time, it may be concerned as a methodological tool for an integrated rural development, at local level (Wilkinson, 1992, Swarbrooke, 1999 et alle). In this paper, the “development side” is conducted. Rural tourism may be concerned as an important local initiative, in planning the integrated rural development program, which influences the socio-economic behavior, at local level (Torreta 1997). It is, therefore, necessary, local people be involved in the development procedure, round a local “flag theme” (Thirion, 2000). From this point of view, public involvement at local level, through a ladder of “easy steps” is the key point (Arnestein, 2000). This paper focuses on the “sensitization”, as the main step of ladder, as it influences both the direction and the communication of the development procedure. (Papakonstantinidis, 2002). During the first post-war period, N. Wiener (1948) highlighted the art of “cybernetic” suggested by Platonas (427-347 b.C). (Guillaumaud,1963, p. 17), according to which any system incorporates direction and communication. Wiener (1948) had also suggested that information -as a form of energy- should to be the crucial “link” between direction and communication (Guillaumaud, 1963) Changes in direction may be concern as the feed-back effect coming up from communication (see “reroaction”- Brillouin L, 1955).Alternately, “information” facilitates “tacit” knowledge’s externalization: It transfers “tacit” knowledge to “codified” knowledge and then, to the “systemic” knowledge (Fischer M. M, 2002, p 10) through neural networks. Neural spatial interaction modeling (Fischer M.M, 2002, pp 12-14) introduces the organizational knowledge, as a complex interactive process. It is characterized by a continuous and dynamic interaction between the two forms of knowledge : tacit and codified. Human relations are based on the above knowledge division (Fischer M.M, 2002)

From the other hand, socioeconomic relations –as a part of human relations- include the bargaining problem (Kuh-Nasar, 2001) Despite the rise of the marketplace with millions of buyers and sellers, who never interact directly, one-one deal between individuals, corporations, governments or unions, economists assumed (Kuh-Nasar S, 2001) that the outcome of a two-way bargaining was determined by psychology and was therefore outside the realm of economics [zero-sum, two players game- win-lose]. They had no formal framework, for thinking about how parties to a bargain would interact. Each participant in a negotiation was expected to benefit more by cooperation, than acting alone. Nash J.F (1951-introduction) visualized a deal as the outcome of either a process of negotiations, or else independent strategizing by individuals, each pursuing his own interest(win-win).

From a different point of view, “sensitization” is a continuous process, through which a community becomes aware of the capacities and talents of its members as well as the potential of the resources that are available to it and sets a target for local development, and it is the key-point of public involvement. That could be achieved through a “team psychology” local population’s spirit round a
“flag theme” at local level, providing it with the collective choice and a new value system at local level, or, a step towards public participation (Papakonstantinidis L.A, 2002)

As a methodological tool, sensitization may be concerned as a form of knowledge creation leading to “integrated information”. It facilitates tacit knowledge from one person to be transferred to another person, as a “codified message”, thus to be incorporated, as a conceptual knowledge, in a cross-road neural, regional, or local network procedure(Fischer M.M, 2002) Conceptual knowledge influences – through the sensitization procedure- individual behavior towards socialization, thus, leading pure individual strategies and the community (as the third “invisible” part in the bargain) towards converging and therefore, developing sensitized strategies, so each of the three parts to win (win-win-win). That is the paper contribution.

1.3 Outlining the purpose of the paper: The “Win-Win-Win Model”

The paper based on Nash “win-win” Model, focuses on the sensitisation process, as an instant reaction to given information which influence the socio-economic behaviour, through knowledge creation and knowledge transfer. It aims to converge local people pure individual strategies in the bargain.

Taking part in such a negotiation each member of the community should ask him/her self three questions: what is the best for me? what is the best for me and for the others? and what is the best for me, for the others and for the community? Thus, “converging individual strategies” may be created, forming a solid basis for cooperation between community members and the Community itself (as the third-invisible part of negotiations) thus maximising the socio-economic profit for all the involved parts in a negotiation [pure co-operation, in its limit-point]

In particular, following the previous approach, the suggested form of “integrated information” lets people plan pure individual strategies in the bargain, each of them taking into account:

- what is the best for me, personally
- what is the best for me and for the others (as it maximizes my personal profit)
- what is the best for me, for the others and for the community as the third-invisible part of negotiations

The last one, suggested in this paper –based on “sensitization”- may be proved to be more important than the previous ones, as it incorporates pure individual sensitized strategies, based on the “integrated information” (market, real personal needs, social needs, community needs, environmental priorities etc). It is the result of a soft compromise between individual pursuit and social welfare, as the outcome of a better conceptual knowledge. The three forms of individual pure strategies are corresponded [1-1], to the following forms of the bargaining problem:

- zero sum, two players game (von Neuman and Morgenstern, 1947)- win-lose
- non-cooperative game/pure individual strategies (J.F.Nash, 1951) – win-win
- non-cooperative game/pure individual strategies + sensitization: win-win-win

(which is the concept of the proposed “Win-Win-Win Model” as a Nash “Non- Cooperative Game-N.C.G” extension, based on the critical review of the Nash’ “Win-Win Model” (trust theory)

The proposed “Win-Win-Win Model” by the paper, based on a “3-person integrated information” may lead the community members, as well as the community itself to a pure cooperation, towards local development. The suggested “idea” could be applied by the experts, in planning the development procedure in rural areas, especially, in planning the rural tourism development.

(It has been already applied by the author in creating a team psychology, towards establishing women rural tourism cooperatives in Greece, during 1983-2001)

The conclusions of the paper are based on the suggested “integrated information”, including “sensitization”, through knowledge creation and knowledge transfer, leading to successive coalitions, until the “pure cooperation” situation, as the limit-point of the process, through converging the “pure individual strategies” due to “sensitization”.

MAIN BODY

2.1 How to involve the local people through tourism
The purpose of Rural Development (including the Rural Tourism development) is to improve the quality of life of the local population, of a rural region. Rural Development should be based on the interest and the involvement of the community living area for the reasons, that:

- they know best what are their problems and needs
- they control many of the resources (land, buildings, local products upon which development is based
- their skills, tradition, knowledge and energy are the main resource for development
- their commitment is vital (if they do not support an initiative, it will die)
- they have their own Value System (customs, etc)
- they have their own communication code
- they have relative links (in most of the cases)

It is easy to understand, that these ideas emphatically apply to the development of rural tourism:

- Tourism can bring real economic and social benefits, to a rural area, but it can also bring real problems. So it is vital to sure, that the benefits are gained and the problems are avoided.
- This is best done by enabling the local people to understand what is proposed by way of tourist development
- Local people (residents) have a moral right to be involved in the development of an industry which can bring both benefits and costs to their community
- Moreover, the involvement of local people may encourage them to take a positive role in the tourism initiative

Instead of the question:

What can tourism do for me?,

then more difficult but necessary is the question:

What can I do for Tourism?

How, then, may the local people be involved in the process of tourism development?

In many European countries there is no strong tradition of what has been called “participated democracy” People in many villages and small towns are not used to taking part in public discussion of proposals, even where these proposals direct affect them. But the trend, toward participation, decision-making or bottom-up development can be observed, not only through Europe, but also all over the world.

Where local people are unusual to public discussion, of such matters, it may be necessary to move towards public involvement by easy steps. This idea was expressed (Arnstein G. 2000) by a ladder which people could climb (diagram 1):

Diagram 1

partnership
involvement
sensitisation
information

To explain the diagram, in a little:

- A first step may be information (in its integrated form-see the “win-win-win model”, below), which people are told about possibilities of their area.
- The next step may be sensitisation, by which local are encouraged to reflect on the character of their area, the natural, cultural and human resources of the area, the ways in which these resources might be used for tourism, the kinds of visitors who might come, and the impact that tourism might have upon the local economy and environment.
- This may then lead to active participation in the debate upon the development of tourism and in the decisions are made
- This, in turn provoke the direct involvement of people in pursuing and contributing to the tourism development program
This direct involvement may then form the basis for the creation local partnerships or associations which may undertake aspects of the tourism development or on the protection and enrichment the resources which are associated with it.

Europe is rich in examples of local groups who care for nature reserves, small museums, historic buildings and other parts of the natural and cultural heritage: very often, part of their work is the reception of visitors. An initial interest in developing tourism can lead to an enhance pride among the local people for the heritage of their place, including wildlife, local history, historic and archaeological places, traditional arts, and crafts, ethnic and spiritual riches etc.

Raising the local sensitivity in this way, can be a major factor in community development and in encouraging a sustainable approach in local life.

The process of public involvement can be much assisted by training -education.

Where people become interested in their local heritage, in possible entrepreneurial activity, by themselves, or in a communal initiatives to promote tourism, they may become open to learning more.

Training may then, be offered by local authorities, local development agencies, on N.G.Os, in topics, as leadership, management, problem-solving, group dynamics, and building partnerships, and links with other organisations.

There may be opportunities for public education on tourism with a focus on the benefits and costs of tourism, the way of which enterprises can be developed and how to cope with tourists from different cultural and language background.

Having in our mind the ladder of public involvement one might say that the top step would be cooperative action. But, tourism, with its small enterprises, and the need to link together the many different services, which a visitor may need, offer a natural ground for such cooperation.

The idea for such cooperation tends to evolve naturally out of a common need or interest among potential members of a group; it may be expressed in a share vision or a flag theme (see below, the “flow diagram” 2) which motivates the group and sustains their active participation in the developing process, around an “open-discussion theme”, at local level, which has the ability to make people to converge their own interests and expectation on this “theme”, which is provoked as a “central theme”. See the “Flow-diagram” 2:

**Flow-Diagram 2**
*“The Flag Theme”*

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Local Abilities  
Leadership  
Properties Priorities  
Flag Theme  

Active Participation Roles in planning/ implementing  
Creating a team psychology among local people  
Jointing the endogenous forces on a common goal  

Converging individual strategies on a “common goal”, through cooperation (DIRECTION AND COMMUNICATION)  
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*“Flag Theme” is a “central theme” which concentrates local resources, skills, abilities, leadership (which is a “talent”), as well as “priorities” and properties at local level and, in its turn, leads to cooperative action.*
operating as an incentive, mobilises local people to actively participate in planning and implementing the integrated endogenous, local business plan, as well as to create a team psychology among people and joint local population forces under the “umbrella” of the “flag theme”.

Sensitisation, may be regarded as the main step of the ladder.

“Sensitisation is a process, through which a community becomes aware of the capacities and talents of its members as well as the potential of the resources that are available to it and sets a target for local development, including tourism development. Thus, sensitisation can be seen as a means of enhancing human communication within a community, leading to community activation and development and hence promoting the principle of sustainable rural tourism development at local level”

Terms Redefinition
To start with “development” it is necessary to redefine it, in the frame of the “New Age of Globalization and Information” conditions: Definitions given during the industrial Age are not accepted in the post-industrial period; what kind of development is needed, now? A higher per capita income via economic growth should be an objective of the economic policy, under the new conditions? How market should eliminate the increasingly inequalities and / or restore environmental parameters? How technological changes should contribute in a more equal wealth distribution, or in a global welfare? These are some questions, or challenges for the development planners. They have, firstly, to redefine the “field” of their planning intervention policy For example, what “area” is in the “New Age”? The “cybern-space could be included? What a regional area is? The expansion of big cities or the metropolitan centers provides us with new data, about terms as “regional”, or “local” defined during the industrial period. Terms as “territory”, “place”, “community” “space” “spatial analysis” etc defined during the industrial period for the specific needs of industrial development have no mean in the post-industrial period Industrial Age provided us with a more cl"ar terms definitions “Space is defined by the relations between people who live in a place” (Perroux 1955) But nowadays the “fictitious workers” for example living in Tokyo offer their “job” in New York City, through the cybern-space. These people are closer to “job” environment than home. Besides “economic dualism” in those cases must be excluded People in U.S, usually offer their work in a different State from those where they live. They take the plane every day, to go to their jobs. People usually spend more and more hours per day in the “enterprise environment” than home The have no “free time” They are used to concern job as home and home as job, with impact on family life (Schor J,2001) It is therefore estimated that a definition gap really exists. From this point of view, development planners have to redefine fundamental terms as “territory-community” in the frame of New Age conditions for development planning and policy.

2. The “concept”
What we try to success is to redefine “territory-community” term as a discerned localized spatial unity by both, the political-ideological and strategic dimension, which paper focuses on: In particular it has to be proved that “territory-community” redefinition must be seen as the limit of a continuous sensitization process. For this,
the hypothesis of a transferred perception from “space” to “territory” and from “relations” to “bargain” including “territory” is made.

By this hypothesis, the definition problem is transferred from the existing “static” situation, to a new dynamic situation level: A sub-spatial unity (society, community) may be formed through the bargaining instant reflections strategies or behaviors, in which this unity “participates” as the third or invisible part of negotiations between two bargainers. This could be done in only one position, i.e. the limit of the sensitization process. “Territory-Community” term should be defined on this limit.

It is, therefore, necessary to start with the “new trends in regional development policy”, which provide us with useful methodological tools as knowledge creation and knowledge transfer. Using these tools in the “bargaining problem”, it is necessary to analyze pure individual winning strategies (Nash “Non-cooperative Game Theory”- win-win model) in the bargain. Information— as a form of energy which increase as it is spent— may be the “link” between knowledge creation and the bargain. In particular, “Information” is a power factor in pure individuals winning strategies. The more information, the more possibilities for someone to “win” in the bargain. Redefinition of the “territory-community” term is achieved by using what we call Integrated Information; it is a “combination” of answers given to each of participants in the bargain, meeting three different questions in the same person, especially, “what is the best for me, in relation with the best of the other AND the best of this sub-spatial unity (as the third-invisible part of the bargain) – the 3-person information” (or the win-win-win model). Each of the participants, using the integrated, or 3-person information in the bargain, a new bargaining behavior (the win-win-win behavior) may be born, closer to “pure cooperation” than competitiveness. The last one may be concerned as a survival necessity: “During next decades, climate conditions may be proved to be the only one “enemy” or competitor against human activities” (U.S Environmental Committee Report, February 2004).

On this limit-point “territory-community” term redefinition meets fluent situation /evolution in the post-industrial period, as the outcome of this win-win-win process. In particular

The proposed concept, based on the Modern Innovation Theory tries to reverse the given static perception of a decision making center generating policies imposed to individuals, to a pure deal; policies are formulated through bargain, after the sensitization process has been completed, or during the sensitization process. By its turn it claims that each of bargainers has incorporated —through the sensitization process— a minimum of sub-space unity values (solidarity, participation, offering self knowledge) From this point of view, sensitization “meets” the “third or unknown side” of information. The last one is the most important tool during the “Information Age” (the 21st century) Besides, Information may be concerned as an “Integrated Information” if and only if it includes both, knowledge, equivalent to strategic power AND sensitization, for each bargainer [the 3-person information, in one person] Territory-community term has therefore to be redefined, at the limit-point of information integration, through the sensitization process.

3. Literature connecting to the subject

“Globalization of economies without global rules may lead to a gap between market economy and human society” (Warlas, 1980) Indeed this gap is nowadays obvious, even if sizes are better than decades before, due to new technologies. But
“New technologies “attack” to “space” and “time” variables toward eliminating them’ (Ricardo Petrella, 2001)

“State” substance trends to retreat, under the globalization of economies phenomenon “...each big city follows a global metropolitan strategy breaking down traditional links with its state operation...” (R. Petrella, 2001)

the meaning of “active citizens” who participate both in planning and achieving the development procedure may be rather an utopia, than a real situation [Papakonstantinidis, 2002 & 2003]

People have, nowadays much more than one choices, to meet their needs [the “McDonalds syndrome” (Papakonstantinidis, 2000) ] as the result of a production—consumption far from meeting real needs- the “market society” (Zahareas, 1986)

During the globalization procedure, people more and more feel “placeless” without a real point of concern, as they are more and more depended on markets (T. Meyer, 2000)

“Space” “State”, “Regions” definitions nowadays may be impossible under “placeless conditions”, due to “market economy” followed by their dependencies on money market all over the world. (Chomsky 1973. Petrella, 2001, Grougman, 2003 )

In the opposite, under those conditions, may be easier, the “territory-community” term to be defined, as “the political alternative position” to economies globalization phenomenon for the reasons of the lack of “global rules” or even a minimum of “bargaining ethic” (Marinoff 1999)


“Territory-Community” (or the “informal sector” of the economy) may be achieved by three discerned local variables:
1. Local Initiatives (example Rural Tourism) participation, family employment
2. Local Cultural Identity, Participation, customs, ethic-communication codes
3. SMEs at local level, local entrepreneurship AND SMEs involvement the community and building capacities at local level

Literature connecting to the subject of “SMEs involvement the community development”, as well as “building capacities” in context with SMEs involvement the development process, suggests the analysis of three main schools of thought:

the School of Central Europe the English-Saxon School and the “Mediterranean School of Thought. In particular:

The “Central Europe School of Thought”
The keyword of “Central Europe’s School of Thought” is synergy [István Kerepeszki, Lados M-Hungarian Academy of Sciences, Lelovics A, - Slovakian Forum Institute and al] This “School” describes the advantages and the role of SMEs in the development of local economy. Flexible SMEs are the engine of local economic development by creating employment. However, most SMEs work ‘alone’, using double efforts. Co-operations and synergies make more efficient the (local) economy. By this reason, it is highlighted the importance of the link between the global and the local economy. The integration of local economy into the globalised market is
required. For this, local SMEs have to be in supplier position. That is why the need for promotion of SMEs.

**The English-Saxon School of Thought**

Micro businesses are in this “School of Thought” focus. It defines micro business as household or family business with less than 10 employees. Micro businesses Networks and Rural Development Agencies. [Lutz Lachewski, Germany (2003); Barlett Debbie, U.K, 2002; Berg Astrid, Denmark (2000); Dower Michael U.K (2002), Yitzak S, 1997 U.S and al]. The keyword of its “concept” is entrepreneurship. This “School” explains both the positive and negative description of entrepreneurship (of micro businesses). In the negative sense, they ‘cannot survive’. In the positive sense, they are ‘excellent’ and they can generate employment. The classic representatives of this “School” (Lachewski, Yitzak) argue for ‘positive government actions’ regarding the positive approach to entrepreneurship. A widely used instrument for the support of micro businesses is to establish an intervening agency, which has usually been state agency. This School develops its analysis on the nature and objective of state and business relation. It tries to break down into three parts of the analysis, i.e formalisation, access to business community and speak to business community. The concept suggested by the English-Saxon School focuses on the weak and contradictory points of state and business relation.

**The “Mediterranean School of Thought”:**

This “School” utilises both directions to SMEs involvement in local capacity building. [Papakonstantinidis (Ellas); Toraman (Turkey); Lambrou (Cyprus); Raul Abeledo-Imedes (Spain), Giuseppe Abbati (Italy), Ian Micallef (Malta), Hassan el Charkaoui (Morocco), Midani T. (Tunisia) and al- see at minutes- The “Mediterranean-Ellas” World Conference, TEDKNA, 2003] It focuses on poor rural areas, the most targeted area of rural development. The concept has built up guidance for an integrated local development on the basis of endogenous resources, in context with local people intrinsic inclinations.

Mediterranean School of Thought discusses on four crucial elements of rural (local) development, i.e bottom-up approach, the hidden talent, creating team psychology, need for a flag theme [see at “Euracademy” end-of-project conference; summary minutes- Gyor Hungary- 2003, November]

**4. Analysis: New trends in Regional Policy; knowledge creation, dissemination**

Regional Science is a rich discipline at the cross-roads of economics and geography that deals with:
- urban and regional economics problems
- transportation and spatial interaction problems
- natural resources problems

The progress made in these three major fields could be summarized in:
- spatial analysis
- regional economic modeling, in particular, spatial interaction modeling and
• regional development and policy analysis

Research on Regional Development and Regional Development Policy has been developed by two major “Schools of thought” that have participated in the debate on innovation, knowledge/information and regional development (Fischer M.M, 2001):
• those, which concentrate on institutions and industrial organizations and
• those concerned with technological change and learning

The first one has been already surpassed by the evolution and the technological change: “Industrial organizations theory” had been a useful methodological “tool” in explaining the development procedure, during the industrial period and the industrialization / urbanization procedure (Poles Theory, Stages of Growth, Balanced and Unbalanced Development etc).

It is estimated, that during the post-industrial period, research on regional development, should be better expressed by the second “School of Thought” concerned with technological change and learning, introduced by the Modern Innovation Theory, in terms of:
• Knowledge creation and dissemination at the very center of focus. This Modern Innovation Theory emphasizes (as the above referred) the interactive and dynamic nature of innovation (Fischer M.M, 2002)
• Innovation is viewed as an institutional and localized –not placeless- social process (Fischer M.M, 2002)
• Following the previous approaches, based on literature, it is concluded that considerable advance over the network school of innovation has been made by a decisive shift in focus from firm to territory, from knowledge – creating firm to knowledge- creating territory, (on which the win-win-win suggested approach has mainly been based).

4.1 Innovation and knowledge-creating, as an Interactive Process- Information

A system of “innovation” is “a set of actors or entities such as firms, other organizations and institutions that interact in the generation use and diffusion of new –and economically useful- knowledge in the production process” (Fischer M.M, 2002) There is no general agreement about the specification of the sets of actors and specifications Following the above mentioned, let us see, now, the “innovation” as an interactive process: Research is interacted with the general scientific and technological knowledge “pool”, based on the “logic” of the firm-specific knowledge. This “knowledge pool” is interacted with a number of firm-specific knowledge base interactive systems, i.e potential market, invent and analytic design, redesign and produce, distribute and market (Fischer M.M, 2001)

From the other hand, “knowledge” is the most strategic resource and knowledge creation becomes the key for firms to stay abreast of product and process innovation.

At this point, it is necessary to introduce the term of the “organizational knowledge” as a complex interactive process characterized by a continuous and dynamic interaction between two forms of knowledge: “tacit” and “codified”. From this point of view, “knowledge conversion” –through “information” channels- are both valuable, for innovation diffusion and human relation progress (Papakonstantinidis L. A, 2003) Fluent literature (Reinsmann, Fischer, Nonaka, Takeuchi and others) introduced various processes of “knowledge conversion” based on the proved and “build” information systems incorporated in an organization.
Possible cases/orders, between “tacit” and “codified” knowledge produce the four (4) major processes of knowledge conversion:

- Tacit knowledge to tacit knowledge produces the sympathized knowledge (socialization)
- Tacit knowledge to codified knowledge produces the conceptual knowledge (externalization)
- Codified knowledge to tacit knowledge produces the procedural knowledge (internalization)
- Codified knowledge to codified knowledge produces the systemic knowledge (combination)

Each of these processes of “knowledge conversion” corresponds [1-1] to a specific type of information (as a form of human energy) (Papakonstantinidis L. A, 2003), particularly:

- Social Information-Sensitization
- External Information- Participation
- Internal Information-Involvement
- Combined Information-Networking

In the case of a mathematical problem, able to accept more than one possible solutions, we need more information, so that the number of possible solutions be decreased, until the limit of the “only one solution” (full information). Concluding, “information”- as a math term- is a function (probability “P”) of possible solutions before-Po and after-P the information has been taken. (Guillaumaud, 1963) In the case of a “full information system”, we have Po*P⁻¹ =1 [as the number of possible solutions before (Po) the information has been taken is equal to that, after the information taken ( P)] A set (sum) of more than one information, corresponds to a unique multiplication of relations, and therefore is illustrated in a logarithm function, as it transfers a sum to multiplication.

4.2 Socioeconomic Behavior, as an Interactive Process: Bargaining Problem

By its turn, each of the specific types of information- corresponded 1-1 to knowledge conversion processes- may lead individuals in four different types (1-1) of human (social and economic) behavior, according to “direction” and “communication” (see N. Wiener, 1948: Cybernetics):

- Socialization
- Participation
- Public Involvement
- Creating coalitions, or networks

Particularly, information as the tool of knowledge conversion process influences the economic behavior of individuals leading them in planning their own pure individual strategies, in the bargain.

Bargaining is an old problem in socioeconomic theory based on “Utility Theory” A two-person bargaining situation involves two individuals who have the opportunity, either to be competitors each-other (win-lose) [ see “games theory”, below], or to
collaborate for mutual benefit in more than one way. In the simple case, no action taken by one of the individuals without the consent of the other can affect the well-being of the other one. In fact we there is only one decision Economists (particularly, von Neuman and Morgentern, 1947) assumed that the outcome of a two-way bargaining was determined by psychology and was therefore outside the realm of economics (zero-sum, two players game. Each participant in a negotiation had expected –according to the bargain theory, before 1951- to benefit more by cooperation, than acting alone Equally, according that dogma, the terms of deal had depended on the bargaining power of each. No one had discovered principles, by which to winnow unique predictions from a large number of potential outcomes, under the dogma “contract without competition is indeterminate”

4.3 Games Theory & Nash Non-Cooperative Games Theory: Critical Review

That is illustrated in the “Games Theory”,(von Neuman and Morgenstern, 1947), explaining the strategies which are developed by individuals who have different needs, interests and expectations in a “bargain” and try to maximize individual profits (and, corresponding, to minimize individual costs)

Games Theory may be concerned as the base of strategic plans (good strategies) between two players in its pure version. It is a theory of explaining “reactions” in terms of strategies If the result for the one player is “good”, then it should be “not good” for the other. If one player is the winner, then the other should be the loser.(Filinis C, 1973) .Von Neumann and Morgenstern have developed a very fruitful theory of two-person zero-sum games. “...Their book also contains a theory of n-person games of a type which would call “cooperative”. This theory is based on an analysis of the interrelationships of the various coalitions which can be formed by the players of the game...Our theory on contradistinction is based on the absence of coalitions In that it is assumed that each participant acts independently, without collaboration of communication with any of the others...The notion of an equilibrium point is the basic ingredient for the N.C games theory. This notion yields a generalization of the concept of the solution of a two-person zero-sum game..... It turns out that the set of equilibrium points of a two-person zero-sum game is simply the set of all pairs of opposing “good strategies”......” (Nash, 1951)

If we put “+1” for win and “-1” for loose the resulting sum should be zero, (zero-sum, two players game), but the sub-space entity derives a zero sum outcome. In other words, the fundamental problem in nowadays is “what the bargaining social vision should to be , from a zero-sum game (win-loose) ?”

It is estimated, that the bargaining process has not been finished [social vision]

Bargaining process has been promoted by the Non Cooperative Games Theory: Indeed, this Theory introduced a concept of “ a priori coalitions” in the bargaining problem : Nash J.F (Nobel Prize, 1994) visualized a deal as the outcome of either a process of negotiations, or else independent strategizing by individuals, each pursuing his own interest. “A priori’ coalitions must be –according to Nash concept-excluded, as they don’t lead to “pure” individual strategies. From this point of view, bargaining problem is transferred

Following the literature (Kuhn W.H –Nasar S,2001) the n-persons games should have values. A 2-person anticipation should be defined as a combination of two one – person anticipations The one-person utility functions may be regarded as applicable to the two persons anticipations, each giving the result it would give if applied to the corresponding one-person anticipation which is a component of the two- person
anticipation. A probability combination of two two-person anticipations is defined by making the corresponding combinations for their components. Instead of define a solution directly, Nash asked what reasonable conditions any division of gains from a bargain would then to satisfy. He then using, under conditions, an ingenious mathematical argument ["An n-person game is a set of n players or positions each with an associate finite set of pure strategies and corresponding to each player i a payoff function pi which maps the set of all n-tuples of pure strategies into the real numbers" (Nash J.F, 1951)] showed that, a unique solution exists that maximises the product of the participants utilities.

A two 2-person (or an “n” n-person) anticipation is based on utilities, coming up from given information, equivalent to power factor in the bargain, as it leads to “pure individual winning strategies”. In particular, the more information, the more strategic power in the bargain. According to Nash, a priori coalitions must be excluded, as they do not generate “pure individual strategies. In the opposite, a game (bargain) based on “instant reflection strategies” may be accepted (trusts theory), as it generates pure individual strategies [the best for me, according to my expectation from the bargain, in relation with the best for the other part of negotiations, so both to win: win-win]

4. Conclusions- Proposal

What we propose on this point, is that “territory-community” (sub-spatial unity) must be included the bargaining problem, as the “third-or invisible part” of negotiations, through the “will”, behavior and the strategies developed by individuals who have opposite interests from the bargain. But how?

The answer is: “Through the sensitization process”, which let people in those sub-spatial entities have a deep information [i.e information and understanding] their own interest, in relation with their own bargaining environment, including competitors AND the “community”. From a different point of view, “sensitization” is a continuous process, through which a community becomes aware of the capacities and talents of its members as well as the potential of the resources that are available to it and sets a target for local development, and it is the key-point of public involvement. That could be achieved through a “team psychology” local population’s spirit round a “flag theme” at local level, providing it with the collective choice and a new value system at local level, or, a step towards public participation.

It is necessary, for this to deal with knowledge creation and dissemination [the modern Innovation Theory, suggested by the new trends in Regional Policy].

This theory emphasizes the interactive and the dynamic nature of innovation and knowledge creation system (Fischer M.M 2002).

Intellecutally, “bargaining theory” emphasizes “the interactive and the dynamic nature of human relations in an organized community” (The bargaining theory - Nash J.F, 1951) Therefore, the analysis of this concept is mainly based on these parallel and concrete “systems”, “innovations”, with knowledge-creation and “human relations”. These “systems” are valuable in explaining the new trends in regional development.

From this point of view, we have to introduce the “Information” term, which is directly related to knowledge creation, knowledge transfer and knowledge
dissemination Introducing “Information” -as a form of energy which is increased as 
it is spent- in the bargain, then individual “winning strategies” may be formulated. 
From this point of view, “information” may be concerned as a “power” factor for its 
owners. The more integrated information, the more individual strategic power in the 
bargain. “Community” may be seen as the “third- invisible” part of each 
negotiation between two persons- bargainers in a sub-spatial unity. In particular the 
paper deals with knowledge transfer and knowledge creation, applied on Nash non- 
cooperative game theory as a creative approach to conflict resolution. It focuses on 
“sensitization” process- a form of knowledge creation- as the reaction to a given 
information influenced socioeconomic behavior and therefore, pure individual 
winning strategies in the bargain, leading them to converge. 

It may be concerned as an extension to Nash “win-win model” (according to which 
both parts involved in a negotiation may formulate winning strategies): Territory 
involvement may be seen as a three-way negotiation. Taking part in such a 
negotiation each member of this “sub-spatial unity” should ask him/her self three 
questions: 

- what is the best for me? (zero sum, two players game: win-loose) 
- what is the best for me, in relation with the best for the other part of negotiation? 
  (Nash’s “Non-cooperative Game based on “instant reaction”: win-win) 
  and 
- what is the best for me, in context with the best for the other part and –at the same 
  time- in context with the best for the “unity” (as the third-invisible part of the 
  bargain)? [The suggested sensitization as the additional “win”] –win-win-win 

Thus, “converging individual strategies”, a new team behavior or team psychology 
may be created, forming a solid basis for a sub- spatial cohesion, through the 
sensitization process The “end” or limit of this process defines what we call as 
territory-community sub-spatial integration (thus maximizing the socioeconomic 
profit for all the “involved” parties in a negotiation) (win-win-win)