

The Role of Social Capital on Citizens' Support of National Products: A Scientific Step toward Supreme Leader Ayatollah Khamenei's Orders

Alireza Sanatkhah*¹

Received 25 February 2020, Accepted 10 August 2020

Abstract

The present research tried to study a scientific step toward explaining orders of supreme leader Ayatollah Khamenei about the importance of citizens' support of national products. The main goal of this research was to study the effective social factors in citizens' support of national products. Statistical population was 400 persons of Kerman's people aged more than 15 years old. The theoretical framework of the research was based on integration of economic and social theories, and also theories of Fukuyama, Pantam, North were used. Data analysis was done by using SPSS 20 and AMOS 17. The results showed that the citizens support of national products can be affected by bridging social capital, social identity and supporting networks. These effects respectively were 32.0, 27.0, 15.0. The above variables could explain 2.29 percent of dependent variables of national products support.

Keywords: Social capital, Supporting identity, Supporting networks, Supporting participation, Economic development.

¹. Assistant professor, Department of sociology, Kerman Branch, Islamic Azad University, Kerman, Iran, asanatkah@yahoo.com (Corresponding author)

1. Introduction

Citizens' support of national products is one of the significant issues in economy of every country. If citizens refuse to buy national products, manufacturing and industrial factories will be closed. Therefore one of the important approaches of developing countries like Iran to prevent economic collapse has been to monopolize production and prevent importing of foreign goods, but these approaches were cross-sectional and could not improve pathological economy of countries. Supreme leader Ayatollah Khamenei with high wisdom made a proposal in 2012 that can be used in Iran to gain a sustainable and endogenous development. He named year 2012 as supporting of national work and product. He obliged Iran's government to adjust some solutions and doing legal follow ups to accelerate operating general policies of national production, and supporting of national work and products in the shortest time, to operate clause 1 of principle 110 of constitution. These policies determined by consulting with Expediency Discernment Council.

National production and supporting of national work and capital is a slogan if it gets the execution stage it can be a big step towards development. However, supporting national production requires the formation of a culture of domestic consumption.

This issue needs careful and elegant planning, and can't wait to happen in short time. A helpful issue to solve this crisis is citizens participation and support of national products and work. This participation depends on the citizens trust in government and national products.

The basic question in this research in first place is that is it possible to implement these solutions in present economic and social situation of Iran? And in second place what are the effective social issues in citizens' support of national production. In order to answer these questions like supportive identity and supportive participation, virtual social media have been defined and also the relation with citizens support of national production have been examined to have a scientific review for the possibility of realization of citizens support of national production. In this way a case study have done Kerman city, we tried to achieve the mentioned goal. The reason of choosing Kerman city among others Iran's city was existence of lots of rich mines like copper, coal, etc.

2. Background of the Study

Because of the novelty of the research topic specific, researches haven't done in this field. Since this topic is related to the researches have done about economic growth and development, we will mention some of them.

Iyer, Kitson and Toh (2005) in examining the relationship between Social capital, economic growth and regional development, examine the relationships between social capital, economic performance and regional development, and it stresses the complexity and variability across space of such relationships. In contrast to the conventional macroeconomic approach of using indicators of social capital in formal growth models, what is required is a more nuanced analysis that evaluates the impact of social capital by region. These data show remarkable diversity of social capital by region. Multivariate analysis is used to examine the impact of economic and social determinants of social capital and shows that education is important for nearly all indicators of social capital, and that ethnic diversity is associated with lower levels of social capital. Furthermore, analysis indicates the need to distinguish between local and non-local forms of social capital. The paper concludes by suggesting that future analysis of social capital will benefit from a more region-specific approach towards examining its development and impacts.

Aguilera (2016) examined the relationship between social capital and economic growth. The conversation about whether social capital has an implication on the growth of a country, has received increasing attention by economists in recent years. Research is now diverging from the belief that growth can only be explained by the traditional outputs such as capital, labor and natural resources. The econometric model in this paper uses panel data due to the more efficient estimators yield compare to cross-sectional or times series data. A positive relationship was found on the impact of social capital explaining the economic growth of the countries analyzed which is in line with previous empirical studies. The most robust results were found by using the FGLS model. The findings, suggest that the impact that social capital has on economic growth should not be overlooked by policy makers since it can help increase the development of a country.

Chakrabarty (2013) studied the relationship between social capital and economic growth. This research has looked at the trust levels on different type of information we receive. Bonding and bridging social capital are the two types of social capital formalized in theory. For our study, we operationalized it into as “parental decision”, “friends”, “immediate relatives”, “professional/career guidance” and “personal decision”. What is striking from our survey is that such a finding can be interpreted and indicated that individuals in our society are more self-motivated and self-initiated. This is completely from a sociological angle.

Apart from this, all major findings indicate that future education decisions depend on the level of education acquired till date. Whether, we trust professional networks also depend on the satisfaction level from our previous outcomes. Although the majority of the respondents switched to personal-based decisions after higher-secondary level of education, in future we’d definitely trust on professional guidance. Thus, the findings are not exhaustive and further conclusions can be drawn.

Woodhouse (2006) studied the relation of social capital and economic development in Australia. The results show that cities that have a higher level of social capital also show a higher level of economic development .Other results suggest direct effects of social capital on economic development. Wong (2013) also looking for the relation between social capital and recession. The results of his study show that recession has not equal effect on women and men. Voluntary organizations and NGO’s can be effective in making social capital for poor people. But their big problem is lack of fund and financial issues. Lua in his study reviews the social capital and economic integration of immigrants in rural areas of China. The results show that there is a relation between social capital and individuals’ income. Since increasing the income will increase the social capital too. Other results of this study indicate the level of social capital between villagers and urban dwellers is not equal; the social capital of villagers is higher.

3.Theoretical framework

Since there is not a specific theory about relation between social capital and citizens support of national products .In this research we tried to use a combination of sociology and economics theories. Research makes us aware to know that supporting of national production have a near relation with concepts of economic growth and development. In contrary to popular beliefs economic development requires governmental or market economy, in economics “the new instructional economic” school believes that economy must be an optimal composition of market institution. But these institutions should be combined in such a way that not only minimize exchange fees (in privet contracts among economic agents) and free riding but also improve other economic performed indicator (Rnani, 2006).

Doglas North claims that formal and informal institutions, including legal structure and rules of the game, have a basic role in understanding of economic performance. Social capital is one of the key concepts presented in this field. The role of this concept is very significant in economical performance of nations, regions, societies and also companies.

Economic development issue can make a distinction between fundamental and proximate causes of development. Proximate causes relate to accumulation of production institutions, like capital and work force, and also effective factors in efficiency of these institutions like economy and technology change. By moving from proximate causes to fundamental causes, attention switches to institutional framework of economy and its social capacity. In here discussing social capital happens during discussing fundamental causes of development. But each level of social capital influences development.

The effects of different types of social capital can refer to Fukuyama’s theory (1999). “Generalized trust means the level of trust to other members of society“. Here generalized trust is important and it measures the level of trust among family members. Fukuyama believes that if trust goes beyond family members, capital supply and presence of efficient manager will be limited, and it’s not in favor of the private Corporation. High level of trust has economic value. Because by reducing exchange and contract fees, execution of the contract fees in controversial environment will maximize economic efficiency.

It means that social capital by making an economical and political stable environment in first place affects investment and in the next stage changes that happened in investment affect development (Kormendi and megure, 1985; quoted from Renani, 2006, p. 277).

But in order to review the relationship between social capital and national production support, Putnam's theory also should be used. In his opinion, social capital has two kinds of capital bonding and bridging social capital. Bonding social capital is related to homogenous groups like family members and close friends (Putnam, 2000), and bridging social capital happens when people from different background communicate in social media.

Social capital has lots of advantages. These advantages affect development in different ways (GRootaert and Van-Bastelaert,2002).

As mentioned earlier, social capital will make a platform for financial development via better information flow. A high level of social capital is the result of lots of social interactions. Then increasing social capital information flow will increase the heterogeneity of information between both sides of contract. This decrease not only increases trust but also increases demand and benefit of the financial contract directly (Guiso et al., 2000).

Based on the above theoretical framework multivariate hypothesis of research are discussed which are as follows:

1. There is a relationship between bridging social capital, supportive identity and citizens support of national production.
2. There is a relationship between bridging social capital and supportive social networks and citizens support of national production.
3. There is a relationship between supportive participation, supportive identity and national production support .
4. There is a relationship between supportive participation, supportive networks and national production support.
5. There is a relationship between bridging social capital and supportive participation.

4. Conceptual and Operational Definitions of Research Variables

4.1. National production support

In economics, there is a concept as national product, which refers to the monetary value of every commodity and services that are produced during a specific period, for example a year. But national production support is a new concept that we bring it up in the present research .From one side this concept rooted from economic concepts and from another side it is related to social platform. National production support refers to the citizens' support of domestic products.

4.2. Supportive Social Capital

If in definition of social capital we point out to institutions, relations, values and norms that influence behaviors and interactions among people (Grootaert, 2002) and if social capital is those networks and norms that enable people to act collectively (woockock et al., 1999), so supportive social capital points to institutions, interactions, values and norms that promote supportive identity and makes networks and at last causes supportive participation in individual and also national production support in people.

4.3. Supportive Identity of Individuals

Identities are group of concepts that in defining a social role or status helps the person to know who she/he is. Individuals' identity has two parts. First part is an identity that is taken directly from society and includes signs and environmental resources, second part refers to individuals' mental criteria and others abstract behaviors (Burk, 1997, 836; quoted from Iman, 2003). Supportive identity refers to the specific type of perceptions and signs that individuals receive in a way that promote their supportive orientation of Iranian products. Interpreters believe that others' perception of buying Iranian products is from an environment that promote supportive orientation.

4.4. Supportive Networks

Supportive networks refer to communicative networks between people that can be make and expand in cyberspace (social networks)and in face to face

meetings. These kind of networks can be called supportive networks if they promote citizens’ support of national products, by using available processes (like advertising in cyberspace) or encouragement in face to face situation (by friends or family members).

4.5. Supportive Participation

Supportive participation refers to active participation of individuals in supporting national production. This kind of participation can happen formally through buying stocks, participating in stock market or individuals formal or voluntary employment in industrial factories or mines and other institutions.

Table 1. indicators and introductions of citizens support of national production

Description	Variables	indicators
Separation based on industry type and national products, petrochemical products (like detergents and polymers) Electronic products(TV, cell phone, and phone...),car products and similar products(car, bus and motorcycle), spinning products (clothing)	Trusting in quality of products Trusting in after sale services Trusting in price according to quality	supporting through trust
The person has no choice but to buy the product. The product is exclusive or foreign products are expensive, the person can’t afford to buy it The person can afford to buy foreign products but prefer to buy Iranian products.	Buying out of compulsion Buying for support	Supporting through buying
If the person be able to invest he/she prefer to invest in national products. People orientation to buying stock or participating in stock market	Suggesting others to buy a product People’s orientation for investment and buying stock	Supporting through encouraging Supporting through investment
People think to what extent using Iranian product raise their social dignity. And seems good by buying Iranian products.	Raising social dignity or prestige suitability of products with people taste	Supporting identity in individuals
Advertising Iranian products in virtual networks like face book and... How much advertising and encouraging for buying Iranian products happen in formal or informal face to face meetings.	Virtual Non-virtual	Supporting networks

To what extent is it possible for a person to participate in supporting national products?
 Participation in producing through stock
 Participation through formal or voluntary employment.

Supporting participation

Table 2 .Indicators and introductions of social capital

introduction	indicator	component	variable
Do people participate in charity activities like :financial aid to the poor people	Participating in charities	Actively participation	
Do people participate in rituals like religious mourning ceremonies, prayer sessions, Quran teaching sessions, etc.	Religious participation		
Helping children and elderly, and financial aids in earthquake and voluntary assistance for injured people	Collaborative participation		Bridging social capital
Taking part in conferences, festivals , parent – teacher meetings	Organized participation		
Membership in cultural groups (art group, Besij, Islamic association, cultural associations	Cultural groups	Civil participation	
Participating in voluntary associations (participating in NGOs, local groups, individuals history of activities like solving problems of neighborhood, city or an organization .	Associations		
Political discussion with friends and following political news	Political discussion	Political participation	
Participation in elections (presidential, municipal and Assembly of experts elections).	Political activities		
The extent of the person’s relationship with the family (family, relatives, friends, neighbors, people of city	Public communication	Social media	
Individuals' social relationship with others (in bus, subway, taxi, park and cinema)			
Trust in institutions and public and private organizations	institutional	Trust	

Trust in people

public

In what extent characteristics like fairness, hard working, forgiveness and bailment exist in people

beneficial

5. Methodology

The present research has done in a survey design. However, qualitative research also is used, in other words research method can be called a mixed qualitative – quantitative method but the difference is that qualitative research is used just for exploratory research. Statistical population of the research was people more than 15 years old who live in five districts of Kerman city. According to the latest statistics (according to the census 2006) Kerman's population are 515114 ,which 263552 of them are men and 251562 of them are women. To determine the sample size Cochran formula with 95% accuracy is used, that the number of sample is increased to 400. In exploratory qualitative method number of samples is based on theoretical saturation that 25 persons participated in in-depth and free interview. Qualitative sampling, targeted sampling, quantitative sampling based on quantitative sampling strategies, multi-stage sampling were used. That means a mix of systematic, cluster and stratified sampling according to age and sex were done. Validity structure is used regarding validity of research and Cronbach's alpha is used for research reliability.

6. Data Analysis

The sample size of the present research includes 368 people, 8.52% men, 2.74% women. Average age of the participants was 34 and 8.53% are indigenous and 2.46% are exotic and immigrants and are not originally from Kerman. 68 % of participants were single and 32% were (married, divorced, widow). The average number of family members in Kerman was five. 6.58% of participants were unemployed.

We evaluated bridging and bonding social capital separately. The results show that the social capital in Kerman city are bounding .But bridging social

capital is also in this city. Let's take a look at some components of social capital in Kerman city:

Collaborative participation scores also show bounding orientation of participants. In civil participation, the results show a low level of participation in associations like mobilization , Islamic association, parents and teachers community, councils, etc (mean scores is 2 out of 5).

Political participation is evaluated based on two component; political discussion and political activities. Mean score of political discussion with friends, following political topics in media, and through the internet are respectively 25.3, 37.3, 25.3, and political activities scores is reported more than 58.3 that are optimal scores and show a high level participation of citizens.

In social media the most participation was between family members and relatives (mean scores) are respectively (22.4 and 86.3).However, scores of citizens' participation with neighbors, public, parks and restaurants are respectively (49.3, 2.39, 3.3) that is optimal (out of 5).

Trust scores between individuals is reported more than 3(out of 5). Institutional participation scores that measure the level of bridging trust for police and judiciary are more than 3(out of 5). Also scores of public trust are reported lower than 3(out of 5) as trust strangers is 39.2.

We asked participants to answer these questions about supportive virtual networks: In what extent cyberspace users are desired to introduce Iranian or foreign products .The results show that there is no specific difference in introducing Iranian and foreign products by users except in automobile industry, clothing, health and medical supplies (the mean score for foreign products is respectively 51.3, 59.3, 18.3 and for Iranian products 99.2, 17.3, 27.2).

We asked this question about supportive participation: some of the citizens are able to invest (by buying stock or participating in stock market) to what extent there is an investment situation in the country. The results show that Iran's government created participation condition in the last few years, as buying stock and participation in stock market of automobile manufacturing, petrochemical, electronic, production of health and medical supplies. Mean of

most of the items is more than 3.3(out of 5) .However, participation in electronic industry is lower than other industries .

About supportive identity we tried to know participants idea about in what extent using Iranian product compared with foreign products increase social dignity(social prestige) of individuals and suitability of Iranian products with Iranian taste and culture. The results show mean score of social dignity in all industries is more than 3 (out of 5).However the maximum mean is for petrochemical industries and electronic (40.3, 43.3) and minimum mean is for health and medical production (10.3).

In suitability of national products with Iranian taste and culture there is no optimal mean, and mean score is lower than 3 (out of 5). This shows that Iranian tastes are changed and national products have not been adapted to these changes.

Table 3 is compiled about the multivariate regression model test for different types of social capital and citizens support of national products. At first, correlation between variables that are derived from research hypothesis was examined. The results show meaningful correlation among variables and confirm all research hypotheses.

Table 3. Correlation coefficient of variables in research hypothesis

		Bridging social capital	Production support	Supportive participation	Supportive media	Supportive identity
Bridging social capital	Pearson Correlation	1	.419**	.163**	.161**	.230**
	Sig/ (2-tailed)		.000	.002	.003	.000
	N	345	345	345	345	345
Production support	Pearson Correlation	.419**	1	.215**	.268**	.385**
	Sig/ (2-tailed)	.000		.000	.000	.000
	N	345	345	345	345	345
Supportive participation	Pearson Correlation	.163**	.215**	1	.236**	.235**
	Sig/ (2-tailed)	.002	.000		.000	.000
	N	345	345	345	345	345
Supportive media	Pearson Correlation	.161**	.268**	.236**	1	.196**
	Sig/ (2-tailed)	.003	.000	.000		.000
	N	345	345	345	345	345
Supportive identity	Pearson Correlation	.230**	.385**	.235**	.196**	1
	Sig/ (2-tailed)	.000	.000	.000	.000	
	N	345	345	345	345	345

		Bridging social capital	Production support	Supportive participation	Supportive media	Supportive identity
Bridging social capital	Pearson Correlation	1	.419**	.163**	.161**	.230**
	Sig/ (2-tailed)		.000	.002	.003	.000
	N	345	345	345	345	345
Production support	Pearson Correlation	.419**	1	.215**	.268**	.385**
	Sig/ (2-tailed)	.000		.000	.000	.000
	N	345	345	345	345	345
Supportive participation	Pearson Correlation	.163**	.215**	1	.236**	.235**
	Sig/ (2-tailed)	.002	.000		.000	.000
	N	345	345	345	345	345
Supportive media	Pearson Correlation	.161**	.268**	.236**	1	.196**
	Sig/ (2-tailed)	.003	.000	.000		.000
	N	345	345	345	345	345
Supportive identity	Pearson Correlation	.230**	.385**	.235**	.196**	1
	Sig/ (2-tailed)	.000	.000	.000	.000	
	N	345	345	345	345	345

** Correlation is significant at the 0/01 level (2 tailed)/

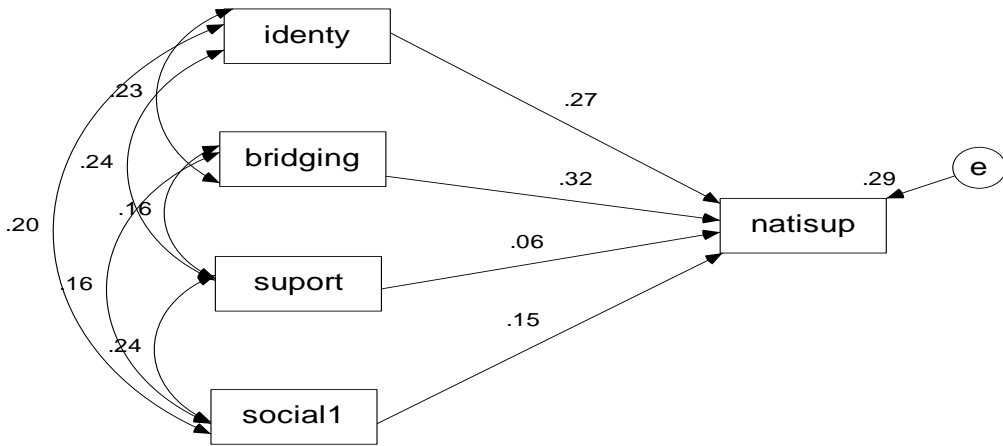


Figure 1. Correlation coefficient of variables in research hypothesis

Table4. Standardized Regression Weights

	Regression Weights	S/E/	C/R/	P	Standardized Regression Weights
natisup <--- identity	.437	.079	5.544	***	.266
natisup <--- bridging	.247	.036	6.862	***	.324
natisup <--- social1	.464	.148	3.130	.002	.149
natisup <--- support	.230	.170	1.352	.176	.065

Table 5. Squared Multiple Correlations

	R^2
Supportive participation	.292

Table 6. Covariance: (Group number 1 - Default model)

		Estimate	S.E.	C.R.	P
bridging <-->	social1	29.501	9.980	2.956	.003
identity <-->	social1	16.615	4.657	3.567	***
identity <-->	bridging	79.987	19.232	4.159	***
social1 <-->	support	9.243	2.172	4.256	***
bridging <-->	support	26.193	8.782	2.983	.003
identity <-->	support	17.550	4.131	4.249	***

The results show that variables entered in the multivariate regression model could explain the 29.2 percent of the changes of the dependent variable. On the other hand, standard regression coefficient show there isn't a direct meaningful relationship between supportive participation and supporting national production. But other variables have a meaningful relation with citizens' support of national production. In this meantime bridging social capital is most effective.

Bridging social capital is consisted of inclusive trust, civil, charitable collaborative participation and radius of people's extensive communication. But we see a high amount of bounding social capital. This is consistent with researches of (Amiri, 2006; Moedfar,2006; Ghasemi et al., 2011).

Supportive participation is an independent variable that doesn't have direct effect on the citizens' support of national production, but it may affect citizens' support indirectly .Unfortunately there is no evidence in theoretical framework for indirect relations and discovering indirect relations need more reviews. But supportive identity has a direct and meaningful relation with citizens' support of national products (an effect equals to 27%).This effect has a the highest regression coefficient after bridging social capital. It means that the more products are suitable for Iranian taste and cause a positive look from society (if people prefer to buy Iranian products they will have high social dignity). Most researchers studied positive relation of social capital and economic development (Amiri, 2006; Moedfar,2006; Ghasemi et al., 201). All domestic

and abroad researches emphasize on the positive effect of bridging social capital on economic development. Also in upcoming research the relation of bridging social capital and citizens' support of national product is considered positive (but it's not mentioned in the present research).

7. Conclusion

Citizens' support of national production is one the fundamental issues in Iran's economy .Some solutions like exclusive production; assignment of production units to semipublic organs couldn't save Iran's poor economy. Supporting national production is the last solution suggested by supreme leader Ayatollah Khamenei. But fulfillment of this demand needs more attention in social and economic factors.

The results of the present research show that one of the effective factors in supporting national production is social capital .Unfortunately this capital is more than just bounding type .However there is a weak social capital relationship that affects citizens' support of national production .Ayatollah Khamenei's orders encouraged institutes and organizations to support research projects specially those about social capital. One of the components of bridging social capital is popular networks. The research results show that using virtual social media caused an identity in people to support national products .An identity that brings social dignity because of using Iranian products.

References

- Aguilera, J. (2016). *Social capital and economic growth*. Lund University.
- Allahyarahmadi, R. (2013). Investigation of the role and effect of social trust in societies based on sociological theories, *Social and Behavioral Sciences*, 82, 780-783.
- Amiri, M. (2006). Investigation of the effects of intra-group and extra-group social capital on the economic growth of Iran's provinces. *Research Quarterly of Economic Studies*, 3 (6), 111-147.
- Azkiya, M., Firozabadi, A. (2004). Social capital and its role in production organizations (Case study of Karkheh Waterfall Area). *Journal of Iranian Sociology*. 5 (4), 49-72.

- Chuluunbaatar, E. (2014). The role of cluster and social capital in cultural and creative industries development. *Social and Behavioral Sciences*, 109, 552-557.
- Cojocarua, Ş. (2013). Partnerships in social economy. *Social and Behavioral Sciences*, 92, 197-201.
- Curry, N. (2012). The role of trust in the development of connectivity amongst rural elders in England and Wales. *Journal of Rural Studies*, 28(4), 358-370.
- Elmi, Z., & Sharepour, M. (2005). Social capital and how it affects the economy. *Economic Research*, 5, 239-296.
- Fukuyama, F. (1997). Social capital and the modern capitalist economy: Crating a high trust workplace. *STERN Business Magazine*, 4(1), 25-35.
- Ghasemi, V. (2011). Investigating the effect of extra-group social capital on economic development in Iranian provinces. *Strategy Journal*, 59, 243-270.
- Grootaert, C. & Bastelaert, T. (2002). *The role of social capital in development*. Cambridge: Cambridge University Press.
- Guiso ,L., Sapienza, J. & Zingles, A. (2000). *The role of social capital in financial Development*.
- Lua, Y. (2013). Social capital and economic integration of migrants in urban China. *Social Networks*, 35(3), 357–369.
- Moayedfar, R. (2006). *A study of the developments of social capital and its economic consequences in Iran*. Isfahan: University of Isfahan.
- Ranani, M., Emadzadeh, M. (2006). Social capital and economic growth: Presenting a theoretical model. *Journal of Humanities Research*, 21(2), 133-151.
- Sori, A. (2005). Social capital and economic performance, *Quarterly Journal of Economic Research*, 69, 87-108
- Wong, S. (2013). From economic meltdown to social crunch: Lessons about social capital and economic crises, *Social and Behavioral Sciences*, 72, 107–119.
- Woodhouse, A. (2006). Social capital and economic development in regional Australia. *Journal of Rural Studies*, 22(1), 83–94.