

CONCEPTS OF THE TERRITORIAL CAPITAL A TERÜLETI TŐKE KONCEPCIÓI

Absztrakt

A területi tőke koncepciója közel egy évtizede jelent meg a modern regionális tudomány terminológiai rendszerében. A területi tőke kategóriájának bevezetése azért fontos, mert a korábbi mérések a materiális javakat, a közgazdaságilag könnyen mérhető változókat vizsgálták. A területi tőke tényezőit több modell is próbálta már rendszerbe foglalni, tipizálni, bizonyos logika alapján strukturálni. Ebben a tanulmányban ezeket a definíciós modelleket mutatjuk be.

Abstract

The conception of the territorial capital appeared about ten years ago in the terminological system of the modern regional science. The introduction of the category of the territorial capital is important because earlier measurements have only examined the tangible assets and the variables that can be easily measured economically. Several models have already tried to include in taxonomy, to type and to structure the factors of the territorial capital. In this study we introduce these defining models.

Kulcsszavak: Területi tőke. Intangibilis javak. Versenyképesség. Területi tőkejavak klasszifikációja.

Keywords: Territorial capital. Intangible capital assets. Competitiveness. Taxonomy of territorial capital assets.

INRODUCTION

The conception of the territorial capital appeared some years ago in the terminological system of the modern regional science. The introduction of the new terminology is justified because basic vertical and horizontal changes have occurred in the regional processes as a result of the expansion of globalization. In the area globalization has changed the economic, social, cultural and geographical elements and the quantity, quality and the distribution of the capital goods connecting to them. The new category, the conception of the territorial capital can be used to measure and analyze the changed territorial structures and the tangible and intangible capital assets that can be found there. The conception of the territorial capital examines those material and intangible assets which determine the local competitiveness. In this study we introduce the terminology, the classification and the models and the results of the defining experiment of the territorial capital. In the first chapter we examine the functions, innovation possibilities, major characters and the character of its methodical process of the territorial capital. After this we present the defining models of the OECD, Camagni and Tóth territorial capital.

MATTERS AND METHODS

The meaning of the territorial capital

The economic growth¹ of a territory is determined by a factor depicted by several economic, sociological, anthropological and social psychological terminologies. To analyse them more and differently, the conception of the territorial capital is an adequate possibility. This is relatively a new category in the regional science which examines the economic, social, geographic and cultural factors of the region, it is able to – almost without exception – conceptualize and operationalize the tangible and intangible assets that can be found in the region. The territorial capital is a complex measuring tool which can be used to examine and measure the tangible and intangible capital factors of the space structure. The intangible capital assets have been thought to be immeasurable but the territorial capital paradigm convert them to be operationalizable this way the territorial relation systems can be learnt more accurately by the regional empiric researches. It considers the tangible and intangible capital assets together and common.

The introduction of the category of the territorial capital is important because earlier measurements have only examined the tangible assets and the variables that can be easily measured economically. However the value of the certain territory or region is influenced not only by the tangible but also by the intangible capital. “” The regional GDP cannot be the only measurement of the differences because the GDP of the regions can approach to each other while the difference between the situation of the people and societies is increasing. The Barca report, which was made by Fabrizio Barca in 2009 April, claims that the development and efficiency are supported the most if we use and utilize in the furthest extent the endowment, possibilities, potential and territorial capital of every region. With the territorial capital based approaching we can point out that the advantages and disadvantages of the regions measured in regional GDP are not exactly as much as they are shown by the regional GDP”. (Tóth 2010: 79) Bourdieu has also reasoned by this: “We can judge the structure and operation of the social world correctly if we introduce the concept of the capital not only in the form known from economics but we introduce it in all forms of appearance.” (Bourdieu 2004: 123) As a matter of fact the economic development does not always contribute to the reach of welfare because the redistribution channels and the resource allocating mechanisms are dysfunctional on the given territory (Barca 2009). The territorial capital is able to execute the analysis and operationalization of the spatial endogen growing processes and to work out further programs for development with its complex indicator system. The improvement of the economic indicators is only one from the regional growing criteria, because the improvement direction of the spatial processes cannot be expressed in an adequate way by the GDP.

The territorial capital analyzes the whole of the tangible and intangible capital types can be found in the territory, it voluntaries to analyze the local resources. It shows how much and what kind of tangible and intangible assets have been accumulated, how these have been divided how large is the unutilized capital capacity, capital shortage. The tangible and intangible asset factors cannot be divided in an empiric way, these overlap each other in a diffuse way. The differentiation was important because the theoretical analysis is more accurate and deeper.

The territorial capital is a complex concept which is able to examine the deeper relationship system of the economic structure; it can determine the ability to attract of a space structure (ESPON 2011: 80-81). It maps the tangible and intangible capital elements that are located like points or clusters whose determining segments are the local community, the space

¹ Lengyel's (2012) study gives a plastic analysis about the difference in meaning between the economic growth, improvement and development.

economic conditions and processes, the geographical factors, the territorial milieu, identity and culture (Rechnitzer 2010: 2). The territorial capital presents the major character of a territory in a different way.

The territorial capital is a category concerning the territorial functions and relations (Illés 2009: 217), it is holistic, it has integrated perspective, and it is able to explain the territorial processes in its dynamics (Tóth 2011: 141).

The territorial capital conception and normative perspective that build on each other, can be differentiated well. The descriptive perspective, as its name refers, collects the tangible and intangible capital elements from the space structure in a descriptive way and presents them in a taxative way. It is continued by the normative aspect as it works out problem solving models and alternatives to treat the discovered dysfunctions, reduces the spatial differentiation, it determines the background conditions of the territory development conceptions and it point out directions for intervention. The definition and measurement of the territorial capital is not for their own sake, it contributes to the determination of the development level of the given territory and contributes to its own development. The recognition of it has made the application of the territorial capital concept necessary in the regional science.

The novelty of the territorial capital is that it examines the intangible assets as well and it forms them to be sociologically and economically quantifiable, this way operationalizable. The intangible capital components can be measured no matter that they are characterized as intangible. The intangible – even if in a limited form – becomes measurable. “The territorial capital cannot be fitted into as a continuance of the material and immaterial capital types, but the intangible and physical components have to be totalized in the territorial capital” (Tóth 2010: 78)

To make the conditions of the exposure and reproduction of the immaterial capital components are becoming more and more important because the availability of the material commodities are limited. Presumably the intangible assets are going to gradually displace and finally replace the material commodities. (Tóth 2010: 77-78).

Marshall, one of the founders of the Cambridge school, called the attention for the first time for the significance of the territorial aspect of the intangible resources and nowadays one of the studies from the World Bank has started to emphasize the significant effect of these capital elements on the region. Marshall did not call them intangible commodities but being “in the air” commodities, and these constitute the character of the economic “environment”. He listed among its determinants the institutional network, the formal and informal rules, the local researchers of a given territory, the norms of the politicians and producers and their ability to validate their interest and the customs, practices used in the local economy.

The material and intangible capital components found in the region can be connected to the individual, community and the space structure in the same way. The mobility of most part of the immaterial capital assets is not as fast as of the material capital because, we have to recognize, the intangible assets are connected closely to the individuals or the community, this way they are determined socially. Smaller part of the intangible assets is connected to the geographical space and these regularly cannot be moved. The commodities connected to the individuals are influenced by the factors of the domestic and international migration. Sociology, one of the disciplines of the regional science, plays a central function in its analysis.

A smaller set of the immaterial assets belongs to the space structure, are geographically determined, and they are the space itself, by itself it represents immaterial value. The geographical situation and region is not mobile that is why if an unmoveable space represents some kind of intangible value, it represents localizational advantage, stable and calculable value in the territory. Let us recognize the unsteadiness of the economic processes

have different effects on the intangible resources, the change in the economic structure can directly and faster be measured on the change of the material capital components, the affects of the crisis cannot be felt or they can be felt much later on the intangible capital assets.

On the basis of these it is clear that the regional economic processes are not only influenced by the economic externalities but by several social, cultural, religious and psychological factors. This relation system of course affects in the other direction as well: the religious, the cultural and the social structure are significantly determined by the structure of the space economy. They mutually affect each other and meanwhile they form themselves and each other². The improvement and openness of the regional science is proved by the fact that through its territory capital conception it adapts the methods and research results of the partner sciences this way it is able to analyze, direct and improve the territorial processes in a wider perspective.

The results originated from the territorial capital paradigm can be used in the territory development, creating territorial policies and in planning the market investments. The application of the territorial capital is not wanton and can not only be used on a theoretical base but it has advantages in the practice as well. It also fits to the interest of the business because it shows on which territories the higher territorial capital has accumulated, where the rate of investment is shorter, and it shows on which territories the territorial potentials can be utilized. The territorial capital gives an adequate conceptual and methodological base to measure the needs of the market based investments. In that case its task is to map the tangible and intangible capital assets of the territory with the use of which those kinds of products can be produced that serve the needs of the solvent demand. „This teoretical capital generates a higher return for certain kinds of investments than for others, since they are better suited to the area and use its assets and potential more effectively. (OECD 2001: 15-16)

The aim of the territorial capital is to make the intangible and material capital assets measureable by its individual methodological process and to determine the extent, the quality of the territorial capital and the distribution of the capital types. After this it creates a conception how the local society can utilize their endowment. As a result of this the territorial cohesion and the integration of the community improve, the space economy trend develop and the conditions connecting to the initiation of the competitiveness and welfare become available. The territorial capital is such a tool system in the territorial planning, in the city- and territory development, which gives help to the optimal and adequate utilization and strengthening of the capacities found in the certain region. “The country of the supply oriented territorial capital excellently summarizes and categorizes all the factors that can be important at the examination of the endogen development and at the working out of the development ideas organizing from the bottom. This country admits that territorial competition exists, the development is not automatic, and that is why the local community also has to be active to reach development and to work out a kind of “competition strategy” to strengthen the territorial capital”.(Lengyel 2012: 163)

With the help of the territorial capital paradigm such scenarios can be created which affects in the direction of the welfare on the regional level (Kai 2011: 57). The territorial capital also reflects on the possibilities and barriers of the developing directions, the territory capital and the territorial cohesion connect closely on the behalf of the improvement of competitiveness of the region (Ágh 2011: 42-43, Faludi 2006: 669). It is able to give a hand in a new way to join the underdeveloped regions because it considers those tangible and

² The work of Schleifer-Glaeser (2003) is outstanding economically; it examines the economic effect of the legal practice of the courts. But I have to mention Kőszegi Botond (2010), who researches the relationship between the human behaviour and the economic decision mechanisms, or Kuran's (2004) works, who analyzed the relationship between the Islamic and the economic growth.

intangible resources of the region that did not or only partly appeared in the regional planning. As a result of this only the elaboration of local resource allocating mechanisms and the characteristic individual conceptions concerning the region can result in adequate tool system and developing methods (OECD 2001: 16); only part success can be reached with the global planning that does not take the differences of the territorial potentials and the territorial differences into account.

In the category of the territorial capital the policy of subsidiarity appears significantly which means from the point of view of the development that the advantage originating from the expansion of the local specializations, the agglomeration and urbanization advantages, and from the economies of scale; it has to be stored, formed to be reproductive and sustainable.

The territorial capital, because of its characteristics, prefers bottom-up initiations, the decentralized, local intervention, the multi-level governing and the supply-oriented territory development. The multi-level governing, the democratic, decentralized political-community control and the policy of subsidiary are closely connected to the country of the territorial capital (Ágh 2007). In the territorial capital paradigm the interventional directions connect with the multi-level governing in other word with the preservation of the political autonomy of the territory, and the strengthening of the democratic, deconcentrated and decentralized institution system. It can be partly adjusted to the top-down governed development and the subnational level developments coming into life through state level redistribution mechanisms. (EU Területi Agendája: 10)

The territorial capital is based on complex, plural approach that is why its methodical system is also complex. It follows Max Weber's multidimensional methodical process; it prefers the techniques connecting to multi variable methods. In the regional economic processes everything is connected to everything, the interdependency between the systems and subsystems has already been proved without doubt theoretically and in an empiric way. We cannot put aside the social, political and cultural effects when we examine the regional economic processes, this is the only way how we can get complex result. (Csaba 2008) The effect mechanisms of the intangible capital elements affect in a significant way that appear in the concept of the territorial capital, moreover they can be measured with the help of this concept.

The territorial capital includes several capital components which split in a system-like way and they fit together. It has not had a mature, generally accepted definition yet, we can meet only attempts for the definition. It is made even more complicated by the fact that the different defining models accept separate capital elements. Of course there are overlaps, analogies among the models but we can often find differences as well.

Every region has different territorial capital and the deviation between the capital types can be different occasionally. We have to pay attention to the results of the deviation as well because if we average the value of the territorial elements when we generate the index, the evolvment of the information loss can occur.

Most elements of the territorial capital can be examined in an empiric way by quantitative processes.

THE INTRODUCTION OF THE TERRITORIAL CAPITAL MODELS

Several models have already tried to include in taxonomy, to type and to structure the factors of the territorial capital. In this chapter we introduce these defining models.

At the definition of the capital assets we exclusively introduce those definitions which we apply in the modern regional science and they appear in connection with the territorial capital concept. For example at the determination of the range of meaning only that

definition is accepted that is accepted in the regional science, we do not consider those originating from the structural, functional etc approaches. It is important to note that “the categories and contents of the new capital have not been defined yet” (Tóth 2010: 67)

The definition model of OECD

The territorial capital concept was first defined and applied in the report of the OECD (2001) titled Territorial Outlook. Though it was an immature definition, it can also be used well nowadays it is proven to be abiding. It has given such a complex meaning to this concept system whose concept elements are built on each other and we can experience overlaps in meaning.

The OECD (2001) differentiates three kinds of capital types in its territorial capital taxonomy: tangible factors, untraded interdependences and intangible factors. From the chart we can see that the geographical and economic factors belong to the tangible factors, the untraded interdependencies includes the unwritten tradition and milieu while we can list to the intangible assets the written laws and the institution system thought to be legal interregionally. According to OECD: “These factors may include the area’s geographical location, size, factor of production endowment, climate, traditions, natural resources, quality of life or the agglomeration economies provided by its cities, but may also include its business incubators and industrial districts or other business networks that reduce transaction costs. Other factors may be “untraded interdependencies” such as understandings, customs and informal rules that enable economic actors to work together under conditions of uncertainty, or the solidarity, mutual assistance and co-opting of ideas that often develop in clusters of small and medium-sized enterprises working in the same sector (social capital). Lastly, according to Marshall, there is an intangible factor, “something in the air”, called the “environment” and which is the outcome of a combination of institutions, rules, practices, producers, researchers and policy-makers, that make a certain creativity and innovation possible.” OECD 2001: 15.

It is clear from the above mentioned that the OECD differentiates three segments of the concept of the territorial capital the tangible factors, untraded interdependences and intangible factors. These three categories cannot be separated from each other, they can be separated only on a theoretical level, and in reality they mutually determine each other. The sum and combination of these three parts (beside the natural and territorial factors, the material and intangible capital associated to the members of the local society and the economic characters of the regions) give the value of the territorial capital. The OECD throughout emphasizes the social and cultural (historical) background conditions of the endogen development in its territorial capital concept. (OECD 2001: 15-16) These contribute mutually to the development of the competitiveness and the general regional development.

TABLE 1. Sources of territorial capital of the OECD

Tangible factors	Untraded interdependencies	Intangible factors
geographical location, size, factor of production endowment, climate, traditions, natural resources, quality of life or the agglomeration economies provided by its cities, but may also include its business incubators and industrial districts or other business networks that reduce transaction costs	understandings, customs and informal rules that enable economic actors to work together under conditions of uncertainty, or the solidarity, mutual assistance and co-opting of ideas that often develop in clusters of small and medium-sized enterprises working in the same sector (social capital)	the outcome of a combination of institutions, rules, practices, producers, researchers and policy-makers, that make a certain creativity and innovation possible.

Source: Own edition based on OECD 2001: 15-27.

The evolvement of the clusters had a significant function in the accumulation of the material goods (OECD 2001: 18), because the territorial advantages were strengthened with this and it determines the social processes as well with its multiplier function. It points out that it is necessary to develop the capital elements connecting to the satisfaction of the needs of the solvent demand. If it is not available, it will be necessary to develop new capital elements to this. In other words the territorial capital shows the resources of the tangible and intangible competitive advantages and disadvantages of the region.

Tóth Balázs István's definition model

Tóth differentiates the tangible and intangible segments of the territorial capital. According to him the tangible capital assets include the produced capital, the financial capital, and the investment capital. The operationalization of these can be made easily by the gross domestic product. According to Tóth the following can be listed to the conceptual elements of the intangible assets:

Intellectual capital

The Swedish research center, the Skandia (1995) began to use this capital type again in one of its reports, which meant the renaissance of this category in the sciences of society. The measuring method of the intellectual capital was explained by the Swedish Ricarda project.

Human capital

According to the document of the OECD connecting to the territorial capital the human capital has to be defined as all the abilities, skills, knowledge and competency which make the individual capable of establishing and increasing his welfare. According to a later document the human capital "means the treasury of abilities that was maintained and developed with the help of educational training or practice and it also means such knowledge which expands the labour force supply." (OECD 2003: 25) In other words such intangible assets can be listed here that can be obtained in the formal and informal socializing processes and its results appear in the structure of the labour force market. According to Bourdieu (2004: 123-125) to measure the profit ratio and the fiscal and economic return of the educational investment is the task of the human capital.

Psychic capital

Markman's (2007) study analyzes the functions of the psychic capital. During the acquirement of the human capital not only lexical knowledge can be obtained but can be acquire such attitude, behaviour and emotion which make the individual capable of accumulating higher incomes (learning written and unwritten norms, knowledge of protocol etc.)

Creativity capital

The creativity capital connects to the human and psychic capital in an organic way. While learning the individual accumulates knowledge, which gives creative and innovative ideas and this is essential in the case of regional economy development.

Knowledge capital

Stehr (2002) introduced this terminology in the system of the regional economics. This capital element fits to the above mentioned ones to the extent that it is necessary in the case of knowledge based economy in the work needing higher qualification. In the underdeveloped economies it is less needed.

Organizational capital

The organizational and the relational capital are also called structural capital. (Skandia 1995, Sveiby 1997). The category of the organizational capital appeared for the first time in Tomer's (1987) study which can be interpersonal and not connected to individual (inter organizational). Its tangible and intangible components can be highlighted "for example the basic and applied research, the results of the development, the value of the equipments developed by themselves, the valuable, introduced brand name – and infrastructural equipments – moreover the philosophy of management, the culture of the organization, formal and informal communication systems, relations, networks of investors, financial institutions and others." (Tóth 2010: 69) The organizational capital can be accumulated and reproduced by organization development, whose precondition is to have human capital. The accumulation of the organizational capital depends on the human capital.

Relation capital

According to the Skandia group the relation capital appears both in the individual and in the collective interdependency. In the territorial capital concept both relation system play important roles. Some say that the interpersonal capital assets cannot be listed here, only the relations independent from the individuals (clusters, networks, R&D, institutional system, etc.). (Tóth 2010: 69-70) "According to the definition of Capello and Faggiani (2005) and Camagni (2008) we consider the cooperation as relation capital between the economic characters even the knowledge transfer and the change of experience not only on the level of companies but also on the level of countries and regions, cities." (Tóth 2010: 70) Relation capital can be obtained only from the actually available relation structure.

Cultural capital

The meaning of the category of the cultural capital is connected to the work of Bourdieu (2004) in the regional science. The reason why this category is more and more important is that knowledge, in a wider extent the culture, as an intangible capital element, can be converted into economic capital. We can highlight three types of the cultural capital: the cultural capital being in the (1) incorporated form, (2) objective form and in the (3) institutionalized form. We can list among the incorporated assets the emotions, attitudes, behaviour, mentality and habit that we acquire at home by learning through formal and informal socializing mechanisms. During the reproduction strategies the acquirement of the non-lexical knowledge and skills happen in this field. Only the affected individual can be responsible, other individual cannot be involved into it. The competencies acquired this way become the property of the individual with the help of which he can transform his available resources into other capitals. It is typical that the more incorporated cultural capital is

available the higher extent it can be transformed into other capital. To measure the incorporated assets the time is used that is needed to acquire the assets, which can be several years, even decades.

The convert of the objected cultural capital is easier and faster than the previous one. The process of the accumulation of this is foregone by the existence of the incorporated capital and it depends on the other. It is easy to measure; this capital type is usually manifested in the possession of books, lexicons, paintings, works of art, valuable artistic works. We have to take into account that through inheritance or disposition inter vivos only the devolution of ownership occurs, the transmission of the knowledge and competency does not occur in every case.

The cultural capital element has a major role in the evolution of the territorial processes and in the regional growth; the cultural capital significantly determines the economic expectations of a territory. (Radvánszky-Sütő 2011) The society of the territory has accumulated a kind of special tacit knowledge by their tradition, local history and relation system that has become the organic part of the territorial capital.

The institutionalized cultural capital element is objectified in academic compellation and symbols. Science is unequivocally creating levels and hierarchy and in the life of university it means the recognition of competencies. It can be measured in the tertiary institutions and the research institutes of the certain region by the number of people having academic grade. It is worth considering those academic grades which assumes about the instructor that he will pass over marketable knowledge in the region. (Polónyi-Tímár 2001).

Social capital

In the regional science the social capital means social integration which is one of the conditions of the economic development. According to Bourdieu (2004) the social integration measures the success of the individual's integration and the individual's belongingness to the society; the belongingness to the group in itself makes profit. "The social capital is the aggregate of the actual and potential resources which belong to the ownership of the constant network of the institutionalized relation based on mutual acquaintance and recognition or in other words they are such resources that are based on the belongingness to a group." (Bourdieu 2004: 130) The social capital embraces only those social relation systems which can be mobilize on the economic, psychic, social, etc. behalf of the individual. It depends how much and what kind of capital types the mobilizable people have already collected. We have to highlight that the individual's relation net usually include those layers where he comes from. In other words those having higher and more capital elements for the solution of their problems can mobilize easier such people who also accumulated several kinds of capital types – and it is true vice versa which generates and reproduces regional inequality. The social capital does not evolve by itself; it has to be created artificially and has to be maintained to make profit.

Significant relationship can be pointed out between the space structure and the social capital, the social capital belongs to a territory. The social events and activities are connected to a space where the capital conversion and the accumulation can happen. The maintenance of the relation is a conscious activity which needs time and financial expenditure.

The belongingness to certain formal or informal groups means capital in itself directly or indirectly. At the evolvement of the clusters the relation net is widened by the mechanism of join with which even profit can be reached.

CAMAGNI's definition model

Camagni (2008, 2009) in the classification of the factors of the territorial capital highlights not only two factors (material and intangible) but determines three components (material,

mixed goods and intangible).³ By this we get a more accurate meaning of the territorial capital. He defines the nine elements of the territorial capital on the basis of the manifestation of the competition and the different goods.

TABLE 2. A theoretical taxonomy of the components of territorial capital

Rivalry	High rivalry (private goods)	<u>Private fixed capital stock</u> <u>Pecuniary externalities (hard)</u> - <u>Toll goods (excludab.)</u> c	<u>Relational private services operating on:</u> - external linkages for firms - transfer of R&D results <u>University spin-offs</u> i	<u>Human capital:</u> - entrepreneurship -creativity -private know -how <u>Pecuniary externalities (soft)</u> f
	(club goods) (impure public goods)	<u>Proprietary networks</u> <u>Collective goods:</u> - landscape - cultural heritage (private "ensembles") b	<u>Cooperation networks:</u> - strategic alliances in R&D and knowledge -p/p partnerships in services and schemes <u>Governance on land and cultural resources</u> h	<u>Relational capital:</u> -associationism - cooperation capability - collective action capability - collective competencies
	(public goods)	<u>Resources:</u> - natural - cultural (punctual) <u>Social overhead capital</u> - infrastructure a	<u>Agencies for R&D transcoding</u> <u>Receptivity enhancing tools</u> <u>Connectivity</u> <u>Agglomeration and district economies</u> g	<u>Social capital (civicness):</u> - institutions - behavioural models, values - trust, reputation d
	Tangible goods (hard)	Mixed goods (hard + soft)	Intangible goods (soft)	

Source: Camagni 2009: 123

In the taxonomy of the territorial capital the following things have significant meaning: financial resources, local engineering infrastructure, human resources, marketable knowledge that can be found locally and can be developed, the relation network, the inheritance of objects and history which determines the identity of the territory.

³ In the study we list the mixed goods to the intangible capital elements.

A.) Public goods and resources

According to Camagni the material capital and the infrastructure found in the territory can be listed to this category. They are the fundament of the attraction of the economic territory. The advantage of this can be distorted by the increase of the farming lease, the amortization, and the unsustainable and environment polluting use of the land. These can be corrected by decentralized regulation and perhaps the damages can be restored from the resourced gained from the fines.

B.) Intermediate, mixed-rivalry tangible goods

We can find those private and public goods in this group which are parts of the engineering infrastructure, the communication system, the road system and the cultural inheritance. If the function of the cultural inheritance strong in the certain local space, the local identity and belongingness will be important, the economic and social interactions will improve, which encourage the economic growth.

C.) Private fixed capitals and toll goods

The private fixed capital belongs to this traditionally. The long term goal is to create such a regional environment that this capital type should stay and accumulate in the region. To reach this, several legal, social and economic conditions have to be available. The private capital will not transmigrate if the products produced in the region fit to the solvent demand of the region. To the toll goods belong all the goods that are owned by the society and charged with a rental fee and from this fee their amortization, maintenance and operation are paid.

D.) Social capital

Like at the approach of the other concepts, Camagni list the social capital to the intangible assets. This is collective and – as its name refers to – of social origin. This capital element gives cohesive strength and organizing policy in the region or even on the interregional level in the economy, institutional and social relation system. It includes the written and unwritten norms of the society, which affects intensity and quality of the interactions significantly influencing the economy. The social capital contributes to the improvement of the market efficiency as there is a need for the creation of the formal and informal communication channels to improve the innovative potential. According to the author, the social capital can be economically quantifiable on the basis its effect on the space economic processes which manifests first of all in the trust appearing in the economic and social relations. If this trust exists between the characters, this creates such an advantageous economic milieu which makes the certain region even more attractive for the other companies.

Trust determines not only the every day life but the economic processes as well. (Hodosi 2011) In economics the function of the trust is to reduce administrative (costs originating from the collection of information which would be collected in the case too if it was not obligatory) and transactional costs (costs originating from the collection of information which is told to be obligatory by the law) if there is a trustful relationship between the economic organization and its partners. Trust makes it possible that there is no need for institutions dealing with enforcement of legal and ethical norms. Trust is formed easier in the special, socio-cultural proximity. Trust is such a cooperative attitude convention by which the suspicion decreases or disappears in the interpersonal relationship. Trust between the interpersonal and economic unity has price reducing function. One of its prominent and rare examples for this was the modern diamond merchantry where the Jewish merchants did not sign any contracts, they did not introduce administration with high costs but they completed the swap by shaking hands. This trustful nexus minimalized the costs connecting to the business processes. This business process is rare but represents the role of the trust in the economy.

All these can be true vice versa: if there is low level trust between the business partners the transactional and administrative costs are going to increase, which results in the

loss of efficiency. In this case it is necessary to involve formal institutions which determine controls and if it is necessary to enforce the norms of the complicated contracts, the incidental litigious cases slow down the economic processes and innovation, the efficiency of production gets worse.

The determinants of the trustful relationship differ on micro- and mezo level. It is determined by four factors on the micro level: impressions at the personal appearance, the other partner's reputation, previous stereotypes, and whether the partner can be checked or not. Factors that are responsible for the evolvement and reproduction of the trustful relationship between companies: the history of the partnership of the company, the characters of the partner, the relationship of the management and the employees, the habits and attitude of the employees. Besides this the "structure of the company, the management form and the composition of the staff" are also important. (Hodosi 2011: 77)

We have to highlight that trust clears its costs not on a short term, but on a long term, this can be thought of as a strategic investment. As trust cannot be created, it has to be merited; its profit can be realized rather in a medium term or long-term. Even at the beginning of the relationship more costs appear at the foundation of the structure of trust. Let us think it over that to found, maintain the relationship costs money and time whose finance will have advantages only later (Tátrai 2003).

The economic function of trust can be analyzed from the aspect of the supply-demand. The coherence system can be recognized that has been described by the category of pure common-interest constructed by Schelling (1963). It means that "the pure common-interest includes the whole cooperative situation built on trust, which is characterized by the absolutely same goals and everybody has the same cost" (Hodosi 2011: 77).

E.) Relational capital

The relational capital is manifested in the cooperation of the economic characters which is determined by the efficiency of the information swap between them. The relational capital appears in three aspects: it reduces the distrust during the economic decisions, by the accumulation of the collective learning, lexical and non-lexical knowledge and experience the conditions of labour force conditions improve. Its third advantage is that in the regional collaboration the interaction between the economic characters shows improvement in quality, the strengthening of the informal relations means a common corporate system in the relations of globalization.

With the evolvement of such relations such local milieu is formed which can guarantee strategic economic advantages on the basis of the similar thinking, general ethics and language. Information circulation is faster in such a space structure which affects advantageously the market processes of the region. This organizes the collective activities of the local economic entities, it selects the unnecessary information during the economic decisions, and it can acquire knowledge and competencies adequate to the needs of the market. It is obvious the relation capital will return earlier at groups having higher livelihood.

F.) Human capital

According to the endogen growth theory the human capitals can have primer role in the regional economic processes, because it improves the local resources and attraction of the territory at the same time. The disposition of cooperation, the enterprising, creativity and the consultation between the characters of the market belong here.

G.) Agencies for the R&D transfers (agglomeration economies, connectivity and receptivity)

The social capital between the regional economic entities can be transformed into economic capital. Later from these bottom-up clusters can emerge those which can become the engines, determining elements of the economic growth. The more effective relations originating from the closeness, the urbanizing and agglomerating advantages can result in the improvement of

the local enforcement of interest. It can be measured in the quickness and accuracy of the information swap. We can adjust to the constant changes in the structure of globalized world economy and we can form the changes for our advantage in the case if we form such mentality and attitude which makes us appropriate for openness.

H.) Cooperation networks

In the conceptual structure of Camagni this segment stands in the middle – not accidentally. The capital element standing in the center of the model integrates the assets being in private and public possession, and the material and intangible ones. On the certain territory the factors of the economic growth are structured by the cooperation networks, which – as one of its functions – has a redistributive function with the knowledge and the institution of R&D, in other words with the innovation potential. They take part in the correction of the failures of the market and the government (Stiglitz 2000).

I.) Relational private services

The economic entities can form relations by the spontaneity of the market mechanisms, but they can initiate consciously non-market based relations (for example with universities, research institutions) from which profit can be obtained on the territory.

CONCLUSIONS

“Territorial capital appears as a new, fruitful concept allowing the direct consideration of a wide variety of territorial assets, both tangible and intangible, of a private, public or mixed nature.” (Capello-Camagni 2008: 28) The introduction of the terminology models is important because with the acquaintance of them we can make empiric analysis. The adaption of the theory in practice is a following study.

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