

## Interaction between Individual and Collective Social Capital along Dynamical Social Process

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Tourist destination development has cooperative but competitive aspects. While solidarity among stakeholders are indispensable for providing collective goods such as promotion activities, individual organization will have an incentive to free-ride. Organizations seem to be rational if they invest in individual social capital (outside of community) rather than in collective social capital (colleague organizations), resulting in no provision of collective capital. A new idea to solve this puzzle lies in the dynamic nature of community development. The present empirical study on Japanese hot-spring destinations showed that whether outward or inward investment was more profitable to an organization depended on whether collective social capital did exist or not in a community. The amount of collective capital varied along upgrading stages of tourist destination development. At the first stage (organizations did not unite), making outward connection was beneficial to performance of each organization. While in the second stage (organizations had begun to cooperate), socializing with colleague organizations had become a better strategy for each organization. Data were collected by the questionnaire surveys of Japanese hot-spring inns and inns associations conducted in January to February 2007. Population was 1,515 inns and 55 associations. 779 inns returned questionnaires (51.4%), and 51 associations returned questionnaire (88.7%).