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A Matter of Size and Generosity: Assessing the Complex Relation between the Welfare State and Social Capital

Emanuele Ferragina
Sciences Po (OSC-CNRS et LIEPP)
emanuele.ferragina@sciencespo.fr

www.sciencespo.fr/liepp

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A Matter of Size and Generosity: Assessing the Complex Relation between the Welfare State and Social Capital *

Emanuele Ferragina
Sciences Po (OSC-CNRS et LIEPP)

Abstract

Using confirmatory factor analysis and several regression models, this paper assesses the relation between different welfare state configurations and social capital in 19 European countries over two decades. The results suggest that welfare state configurations characterized by high degrees of decommodification and restrained levels of social spending are associated with higher social capital scores. Moreover, the positive relation between decommodification and social capital is stronger than the negative association observed with social spending. At the theoretical level, on the one hand, the findings seem to partially confirm the concern of neoclassical and communitarian theorists for the negative correlation between large size welfare states and social capital. On the other hand, they support the contention of institutional theorists that there is a strong positive association between high degrees of welfare state generosity and social capital.

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Introduction

The article investigates the association between different welfare state configurations and social capital over two decades. Is the presence of a large and generous welfare state correlated with higher social capital scores? Addressing this question is interesting from a societal, theoretical and empirical perspective. In an era of 'permanent austerity' (Pierson 2001) – characterized by a considerable amount of reforms (Hemerijck 2013) – it is crucial to investigate the evolving relation between the welfare state and societal issues. Scholars have often analyzed the welfare state as an independent variable of interest, evaluating its association with outcomes like inequality, poverty (Esping-Andersen and Myles 2010), economic performance (Hall and Soskice 2001), and coverage of old and new social risks (Ferragina, Seeleib-Kaiser and Spreckelsen 2015). In this context of rapid change, also the relation between different welfare state configurations and social capital should be of interest for policy makers and the general public. This is because, as emphasized by the founding fathers of sociology (Durkheim 1893; Weber 1930), societies characterized by weak secondary groups and low levels of trust are more vulnerable to external shocks during the process of modernization.

At the theoretical level, one argument, supported by neoclassical and communitarian theorists, is that large welfare states are associated with lower levels of social capital (the so-called 'crowding out hypothesis'). Neoclassical theorists postulated that large size welfare states provide excessive coverage against social risks and, as a consequence, might contribute to the creation of dependence among individuals (Barr 1992). In a similar vein, communitarians (Etzioni 1995; Nisbet 1969) suggested that overly

extended welfare states rule out private control over the small things of life (Wolf 1989). According to this approach, state-driven activities replace spontaneous solidarity and voluntary activity with bureaucratic ties. In turn, the prevalence of bureaucratic ties should be negatively related to social norms and trust. Diverging from neoclassical and communitarian theories, institutionalists (Rothstein 2001; Skocpol 1996) highlighted that certain welfare state configurations might be positively associated to social capital (the so-called 'crowding in hypothesis'). In this respect, generous welfare states would tend to be positively related to social networks formation and embeddedness of common social norms, while means-testing social programs would tend to be negatively associated to social capital reproduction (Kumlin and Rothstein 2005). Accordingly, a generous welfare state should also positively relate to institutional and interpersonal trust.

The contention of these theories has been primarily assessed by employing social spending as a measure to capture the existence of different welfare state configurations. However, building on comparative social policy literature, we argue that while social spending is more suited to capture the 'size of the welfare state' – putting in operation the argument proposed by neoliberal and communitarian theorists, the degree of decommodification qualifies 'its level of generosity', being more apt to assess the contention suggested by institutional theorists. The remainder of the paper is as follows. The first part discusses the literature on the association between the welfare state and social capital; the second describes methods and data; and the third reflects upon the empirical findings gathered from Confirmatory Factor Analysis (CFA) and four regression models over two decades.

State of the Art

The concept of social capital revitalized a long-standing debate, originally brought forward by the founding fathers of sociology (Durkheim 1893; Tocqueville 1961; Tönnies 1955; Weber 1930), on the role of secondary groups and trust for the functioning of modern societies (Ferragina 2010). Putnam's contribution (1993; 2000) transformed the social capital debate into one of the hottest topics ever to have appeared in social science. For this reason, we adopt Putnam's definition[1] (1995: 67) in order to make our empirical measurement comparable with most previous sociological studies: "social capital refers to features of social organizations such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit".

The empirical assessment of the nexus between the welfare state and various aspects of social capital has intrigued scholars from different disciplines. Economists used experimental design and micro tax data to investigate whether public support to charities crowds out the propensity to donate or volunteer. Most studies, based on neoclassical theory, effectively find that public support crowds out voluntarism and the propensity to donate (i.e. Andreoni and Payne 2011); however, a handful of other research finds no evidence for it (i.e. Meier 2007), and some scholars even emphasize the existence of relevant crowding in effects (Khanna and Sadler 2000; Okten and

[1] However, Putnam's definition, despite being largely employed in the field, has not been universally adopted in the literature. Adler and Kwon (2002) collected the most influential definitions of social capital, yet their review did not clarify the terms of the debate (for a genealogy of social capital theory see Ferragina and Arrigoni Forthcoming). Thus, the definition and measurement of social capital remain highly contested issues (Ferragina 2012). For a radical critique of Putnam's definition see Portes (1998).

Weisbrod 2000). Differently from economists, sociologists employed qualitative case studies or large-N comparative designs based on survey data in order to analyze much broader questions (De Wit 2012). Also among sociologists there is no consensus. A large majority of studies indicate the existence of crowding in effects[2] (Brewer et al. 2013; Larsen 2007; Salamon and Sokolowski 2001), others do not find significant evidence for crowding out (Kääriäinen and Lehtonen 2006; Gesthuizen et al. 2008; Van Oorschot and Arts 2005), while fewer works highlight in specific cases (among people aged 60 and above, and among the upper and middle classes) the potential presence of crowding out (Scheepers et al. 2002; Scheepers and Te Grotenhuis 2005; Stadelmann-Steffen 2011).

While sociologists have mostly focused on one or more dimensions indicated by Putnam, economists have largely relied on specific observable variables for their measurements, i.e. volunteering, donations to charitable organizations, and in some cases also equated social capital to trust (i.e. Knack and Keefer 1997). Despite using different variables, the findings gathered from economics can provide interesting insights also to assess the wider relation between different welfare state configurations and social capital. In this sense, Eckel et al. (2005) argued, that the extent of crowding out is dependent on the perception of and information available to the individuals about the source of charity funding. On the one hand, government financing does not seem to crowd out private giving when the donors do not have information about state donation. On the other hand, the government does seem to crowd out private donations when the transfer amount from the state is communicated to donors. We start from this contention in order to

[2] Van Ingen and Van der Mer (2011) emphasize that generous welfare states support the reduction of participatory inequality.

formulate an original hypothesis on the nexus between different welfare state configurations and social capital.

Transposing and readapting Eckel's line of reasoning to sociological research, one might argue that, when a welfare state is generous across the board, providing good services and transfers to a large majority of the population, individuals might not have a clear perception of the amount of money directly spent for people who are worst off. This might mean that, the presence of a generous welfare state could be positively associated with dense social networks, widely embedded social norms, and high levels of institutional and interpersonal trust. On the contrary, in the context of a lean welfare state, services tend to be means-tested and social provisions are highly stigmatizing for the minority of people in need that receive help. Hence, this configuration of the welfare state should be negatively associated with social capital, contributing to foster a sense of distance between the upper-middle and the lower classes.

As outlined in the introduction, previous sociological studies have tested the association between different welfare state configurations and social capital, simply considering social spending. However, conceptually, social spending measures the 'size of the welfare state', while decommodification, as argued by many social policy scholars (Esping Andersen 1990; for a review see Ferragina 2011), seems a better proxy to capture 'the degree of generosity' displayed by different social security systems. Decommodification, defined as the ability of a welfare state to guarantee an acceptable standard of living to the population independently of market participation, differs from the other measure because it captures eligibility rules, restriction to entitlements, levels of replacement and cash allowances proposed by different social security systems rather than the simple spending (Esping-Andersen 1990). To sum up,

relying on social science theory, considering the contribution of experimental economics and comparative social policy literature, we hypothesize that high degrees of decommodification should be positively correlated with social capital, while at the same time, high levels of social spending should be associated with lower social capital scores.[3]

Methods and Data

This paper uses Confirmatory Factor Analysis (CFA) – a particular type of Structural Equation Modelling (SEM) – to measure social capital, testing whether the four dimensions of social networks, social norms, institutional and interpersonal trust combine into a single, yet multidimensional, concept. The scores calculated with the CFA are then regressed into the main micro and macro factors employed in the literature in order to investigate how different welfare state configurations are associated with high or low levels of social capital over time. We propose four different regression models to test this relation in the 1990s and 2000s.

(1) The Confirmatory Factor Analysis

We measure social capital with CFA for methodological and conceptual reasons (Muthén 1989). First, as defined by Putnam, social capital cannot be directly observed, but should rather be considered a latent variable. Second, by examining the covariance of a series of theory-driven observed items, CFA help us to capture the complexity of social capital with a single variable (Brown 2006). Following Putnam's theory, we already have a sense of which

[3] Reeskens and Van Oorschot (2014) have shown that crowding in and crowding out processes can coexist in the context of the current economic crisis.

observed variables should capture social capital, and on this basis, we employ a second order CFA to operationalize a suitable measurement. The first order CFA establishes the latent dimensions of social capital by quantifying the density of social networks, measuring the degree of embeddedness of social norms in society, and defining the level of institutional trust (interpersonal trust is directly observed in the survey). These three dimensions are measured using a series of observed items. Each observable item is represented in the CFA with a rectangle, while the latent variables are conventionally indicated with an oval. The second order CFA measures social capital from its dimensions.

Following CFA conventions, the black single-headed arrows represent coefficients or loadings in the model that reflect the relationships between the latent variables and their observed manifestations (the loading factors and error terms are reported close to the arrows). In addition, the grey arrows represent the correlation between the four latent dimensions among each other. The numbers shown are standardized coefficients that indicate the relative strength of the associations; larger numbers indicate stronger associations. Moreover, we display the correlation between each latent dimension and each observable item used to construct the social capital scores. Concerning the characteristics of the model, we use maximum likelihood as our method of estimation because data are normally distributed. In addition, in the results section, we describe the sample size, the treatment of missing variables, the battery of fit statistics, and the stability of the estimates across time and space. The software used to perform the analysis is Mplus.

The Dependent Variables

We measure social capital as a latent variable constructed from four dimensions often employed in sociological literature to capture Putnam's conceptualization (Paxton 1999; Van Oorschot and Arts 2005). The social networks dimension is defined as the involvement of people in formal associations and their interest in politics. It captures the density of secondary groups in society (Putnam 1993; Paxton 1999), and refers to Tönnies's Gesellschaft (1955) and Durkheim's idea of organic solidarity (1893). Membership and participation measure individual interactions within the micro-sphere, while interest in politics captures the link between individuals and the macro-social sphere (Gorz 1999). High scores in this dimension suggest a strong overall involvement with societal issues (Parry et al. 1992). Membership and participation scores are measured as the sum of individual membership and participation in several organizations.[4] Political interest is measured on a three-point scale that captures the frequency of political discussion with friends (Van Oorschot and Arts 2005). In accordance with amoral familism theory (Banfield 1958), we do not include informal social networks within this dimension but rather as an independent variable of the model (see micro variables).

The social norms dimension is the most contested of the four constitutive elements of social capital because it does not measure people's social relations or level of social trust, but rather their

[4] Including welfare service for elderly, handicapped/deprived people; education, arts, music/cultural activities; political groups; local community action; Third World development/human rights; environment/animal rights; professional associations; youth work; sports/recreation; women's groups; peace movements; health; other groups. Religious associations and trade unions are considered only to measure the participation score (in Scandinavian countries, membership in these organizations is almost compulsory).

behavioral characteristics (Ferragina 2012; 2013; Van Oorschot and Arts 2005). According to Putnam, this variable reflects the level of commitment to general morality in society. The social norms dimension is measured with three items that consider whether people 'always justify', 'never justify' or 'something in between,' for instance, when claiming state benefits that one is not entitled to, lying in his/her own interest, and bribing in the course of his/her duties.

The institutional trust dimension is captured via four items: the confidence in the education system, the parliament, the civil service, and the justice system (Van Oorschot and Arts 2005). Interpersonal trust is measured by looking at people's answer to the question, 'Generally speaking, would you say that most people can be trusted or that you cannot be too careful in dealing with people?' The rationale underlying these two dimensions of social capital is that society functions best when it is underpinned by a conducive environment in which citizens have a high level of confidence in their institutions and in each other (Barber 1983; Putnam 2000).

(2) The Regression Models

In order to test our central hypothesis concerning the association between different welfare state configurations and social capital, we propose four different models, repeated at two points in time. The first model includes all micro and four macro correlates (social spending, economic development, income inequality and labour market participation), plus country-effects. Moreover, the model is based on the observations collected in 19 countries: Denmark, Sweden, Finland, Netherlands, Austria, Ireland, Belgium,

Slovenia, Germany, Spain, Great Britain, Italy, Slovakia, Poland, Hungary, Czech Republic, France, Greece and Portugal.[5]

The other models (2, 3, and 4) are restricted to 11 countries and exclude the least developed welfare states for which the decommodification scores are not available for the entire period under scrutiny. These countries have less consolidated welfare states and shorter democratic histories, i.e. Greece, Spain, and Portugal in the Mediterranean area, and the Czech Republic, Slovenia, Slovakia, Poland, Hungary in Eastern Europe. The three models specifically investigate the association between decommodification, social spending and social capital, also controlling for the other correlates included in the first model. More specifically, the second model assesses the correlation between decommodification and social capital, excluding social spending; the third includes both decommodification and social spending; and the fourth includes social spending but excludes decommodification. The analyses were performed using SPSS.

There are two main issues related to the specification of these four regression models: first, the potential multicollinearity among the macro variables and second, the direction of causality. Multicollinearity is not an absolute problem but rather a matter of degree (O'Brien 2007) and might be particularly severe in the regression model investigating the association of social spending and decommodification with social capital simultaneously (model 3). For this reason, we also assess the correlation between these contextual variables and social capital in isolation (models 2 and 4).

[5] We selected the most consolidated and relevant (in terms of size) European welfare states. For this reason we excluded the Baltic countries, Romania, Bulgaria and also the smallest countries, i.e. Malta, Cyprus and Luxembourg.

Moreover, our regression models are unable to test the direction of causality. Scholars have tried to address this issue by focusing on the link between the welfare state and trust. In a sample of 102 countries, Brewer, et al. (2013) do find a significant association between welfare state generosity and trust, but not the opposite. By contrast, Bergh and Bjørnskov (2011) argue, on the basis of a smaller sample of developed countries, that trust is high in generous welfare states because trusting populations have historically supported the provision of generous social policies. In consideration of the contrasting empirical findings of previous studies and the characteristics of our data, we prefer to simply discuss the association between variables rather than theoretically infer causality. Other limitations of this study worth mentioning are those traditionally discussed in comparative survey-based studies: the items selected may not be strictly comparable across countries (Durlauf 2002), regression models might not have impressive explanatory power (Van Oorschot and Arts 2005), and the 'phantom menace' of omitted predictors bias has always to be accounted for (Clarke 2005).

Macro Independent Variables

As previously discussed, our central aim is to assess, considering both social spending and decommodification among the correlates, the relation between different welfare state configurations and social capital. On the one hand, social spending captures 'the size of the welfare state'. It is measured as a percentage of the GDP, and includes expenditure on old-age cash benefits, health care, disability, sickness, occupational injury and disease benefits, unemployment cash benefits, active labor market programs, family services and cash transfers, housing, and income maintenance. On

the other hand, decommodification captures 'the degree of generosity of welfare state systems' and is measured according to the eligibility rules and restrictions of entitlements, the levels of income replacement and the range of cash benefits provided to deal with traditional social risks of unemployment, sickness and old age.

To more clearly understand the difference between social spending and decommodification as proxies to capture the relation between different welfare state configurations and social capital, let's consider the examples of Denmark and France. The Danish welfare state system is more generous (the decommodification score is higher) than the French system (Esping-Andersen 1990). France, however, has the highest level of social spending in the OECD (2010). Hence, in line with the reasoning developed in the state of the art, one might expect the Danish welfare state configuration (higher generosity and lower spending than France) to be more positively associated with social capital than the French system (characterized by lower generosity and higher spending than Denmark). The regression models also include country-effects to capture additional features of the welfare state and their association with social capital.[6]

Building on previous literature (Helliwell and Putnam 1995; OECD 2001), the relation between economic development and social capital is measured using the GDP in PPP (Purchasing Power Parity) terms (for a summary macro variables used in the literature see Table 1). Income inequality, considered the most strongly correlated factor to collective action and social capital by Tocqueville (1961:8) and other scholars (Costa and Kahn 2003; Ferragina 2013; Knack and Keefer 1997; O'Connel 2003), is measured using the Gini

[6] The dummies that measure country-effects employ Denmark as a reference category.

coefficient. Labor market participation, measured with activity rates, is also often included among the core correlates of social capital (Ferragina 2012).

Table 1: Summary of the Main Social Capital Correlates

Macro Level				
Factors	**Theoretical perspective**	**Main Empirical Studies**	**Main Indicators**	**Correlation**
Economic development		Putnam (1993), Helliwell/Putnam (1995), Knack/Keefer (1997), OECD (2001)	GDP per capita	Positive
Income Inequality	Unequal societies are less conducive to associative participation and collective action than egalitarian societies (Tocqueville 1961)	Costa/Kahn (2003), O'Connel (2003)	Gini coefficient	Negative
Labour market participation	A more pronounced labour market participation is associated with higher social capital scores	Hall (1999)	Labour market participation	Positive
Welfare State	Some scholar suggests that a generous welfare state 'crowds out' social capital and collective action (Nisbet 1969; Habermas 1973; Offe 1984; Wolfe 1989; Etzioni 1995), while others argue the opposite (Skocpol 1996; Rothstein 2001)	- **Crowding out:** Scheepers et al. (2002), Scheepers/Te Grotenius (2005), Stadelmann-Steffen (2011). - **No evidence for crowding out:** Kaarianen/Lehtonen (2006), Gesthuizen et al. (2008), Van Oorschot/Arts (2005). - **Crowding in:** Brewer et al. (2013), Larsen (2007), Parboteeah et al. (2004) Salomon/Sokolowski (2001)	- Social expenditure - Welfare regime	Mixed evidence
Other macro factors are: racial fragmentation, fraction foreign born (Costa/Kahn 2003); labour force growth, black market premium, property rights, currency depreciation, institutional investor credit rating (Knack/Keefer 1997); transparency, R & D expenditure, work satisfaction, social satisfaction (O'Connel 2003); urbanization (Scheepers et al. 2002); corruption (Putnam 1993).				

Individual Level		
Indicators	**Studies using the indicator**	**Correlation**
Income, education	Hall (1999), Knack/Keefer (1997)	Positive
Age	Brehm/Rahn (1997), Hall (1999), Putnam (1995).	Positive
Gender	Brehm/Rahn (1997)	Mixed evidence
Employment status	Hall (1999), Van Oorschot/Arts (2005)	Sick and unemployed people tend to display lower social capital scores than the rest of the population
Religion	Arruñada (2010)	Protestants tend to display higher social capital scores than Catholics
Size of the city	Brehm/Rahn (1997)	Negative
Familism: a high concern for the immediate family reduces the propensity to act collectively (Banfield 1958)	Ferragina (2011)	Negative
Other individual level factors are: partisanship (Brehm/Rahn 1997; Van Oorschot/Arts 2005), region of origin, marital status, life satisfaction, Ethnic origin (Brehm/Rahn 1997); economic expectations (Brehm/Rahn 1997); sociability (Paxton 1999; Rothstein/Uslaner 2006).		

Source : Author's Elaboration

All macro variables are averaged out over a decade (1990-1999 for the first period and 2000-2008 for the second). This is because certain values might fluctuate considerably over one year, i.e. social spending might go up as a consequence of a large spell of unemployment rather than a real change within welfare state provisioning. For this reason, Sabatier (1988) and Ferragina and Seeleib-Kaiser (2015) indicate that, at least when interpreting institutional change, it is better to consider decadal averages rather than yearly observations.

Micro Independent Variables

The regression model complements the macro correlates with a comprehensive map of individual variables (see Table 1 for a summary of the main variables employed in the literature). Net household income is measured using quintiles[7] and educational attainment is split into five categories.[8] Gender is considered using the dummy variable male[9] and age is a categorical variable with four groups.[10] Religious affiliation takes into account the classical Weberian hypothesis of the protestant ethic[11] (Weber 1930). The first theoretical works on social capital discussed the different contexts in which it develops in rural and urban communities (Hanifan 1916; Jacobs 1961), hence the model also considers the size of the city of

[7] The top quintile is the omitted variable.

[8] Basic education, second stage basic education, (upper) secondary education, post-secondary/non-tertiary education, and tertiary education (the omitted variable).

[9] With female as the omitted category.

[10] Below age 23, aged between 24 and 50, aged between 50 and 65, and above age 65 (the reference category).

[11] Four categories are included: Catholic, Protestant, other religion, and people without religious affiliation (the omitted variable).

residence.[12] Employment status is a categorical variable that distinguishes between part-time, self-employed, retired, people performing family tasks and informal work, students, unemployed, and other groups. The omitted variable is full-time employed.

Alongside the usual suspects, the model also takes into account the amoral familism hypothesis. Banfield (1958: 85) theorized that those who care only for their immediate family and tend to stick to their own affairs are less inclined to act collectively and trust other people. He originally applied this theory to the South of Italy, but his work has been also used to explain the lack of social capital in other contexts (Ferragina 2011). Five items are used to capture Banfield's hypothesis: the level of concern for the immediate family,[13] for neighbors,[14] and for human kind;[15] the importance attributed to family;[16] and the level of disagreement with the sentence 'one should not simply stick to his/her own affairs.[17]

Data

The European Value Study (1999-2000; 2008) provides the micro variables for this analysis. The macro variables are gathered instead from a variety of sources: social expenditure data from the 'Social Expenditure Dataset' (OECD 1990-2008); Decommodification scores from the 'Comparative Welfare Entitlements Dataset'

[12] The variable includes four dummies: 0-10.000, 10.000-100.000, 100.000-500.000, more than 500.000 inhabitants (reference category).

[13] Measured with a three-point scale: high concern for the immediate family (the reference category), concern to a certain extent, no concern.

[14] Measured as concern for immediate family.

[15] See previous note.

[16] Measured with a three-point scale: family is not important (the omitted variable), family is quite important, family is very important.

[17] Measured with a three-point scale: 'you should not simply stick to own affairs' (the omitted variable),'you should to a certain extent' and 'you should not'.

(Scruggs 2004 and updates); GDP at Current Prices PPP and Labour Market Participation rates from Eurostat (1995-2008); and the Gini Coefficient from the UNU-Wider dataset (1990-2008).

Results

The result section is divided in two parts: the first illustrates the empirical findings gathered from the CFA, and the second describes the results of the regression models. In particular, while describing the findings for all correlates,[18] we focus our attention to the analysis of the associations between decommodification, social spending and social capital, as well as to country variation.

(1) The Confirmatory Factor Analysis

Our CFA is stable and reliable, as indicated by the sample size, the distribution of missing data, the characteristics of the items used to construct the social capital scores, and the fit statistics. First, the sample size is large enough to guarantee the stability of the models for both the 1990s and the 2000s.[19] Second, the items employed in the CFA display a small number of missing data.[20] Hence, as argued by Tabachnick and Fidell (2007), their handling with list-wise deletion (the method we use) should not constitute a problem.[21] Third, the descriptive statistics (average and standard

[18] The appendix includes detailed information concerning the four regression models for the 1990s and 2000s.

[19] It is generally advised to have at least 10 individuals per estimated parameter (Brown 2006); we are above this threshold – with around 18000 observations for the first model and 20000 for the second.

[20] Below 5% of the sample.

[21] In addition, we also performed a Missing Value Analysis (MVA) of each item, which shows that the number of extreme values (Defined as cases with values

deviation) indicate our models are based on items and dimensions with similar distributions over the 1990s and 2000s[22] (see Tables 2 and 3, in annex).

comprised between plus or minus two standard deviations from the average) is below the 5% threshold. These outliers are concentrated at the low-end, and only detected for the items used to construct social norms and institutional trust dimensions.

[22] With the only partial exception of institutional trust – in this case the average has declined over the 2000s. However, as for the other latent variables, the standard deviation remains similar over the two periods, indicating that the distribution of data around the average has not significantly changed.

Table 2. Descriptive statistics macro variables and national averages for social capital and its dimensions, 1990s and 2000s

	Independent Macro Variables										Dependent Variables									
	Social Expend.		Decom.		GDP		Gini Coeff.		Labour Market		Social Networks		Social Norms		Institutional Trust		Trust		Social Capital	
Countries	90s	00s	90s	00s	90s	00s	90s	00s	90s	00s	99	08	99	08	99	08	99	08	99	08
France	28.1	29.6	30.3	27.4	18620	24333	28.8	27.6	68.5	69.5	-0.01	0.16	-0.35	-0.28	-0.01	0.08	0.21	0.27	-0.04	0.03
Great Britain	19.1	20.0	20.6	21.7	19200	26544	31.6	33.7	75.3	75.5	0.05	0.11	0.08	0.15	0.07	-0.04	0.34	0.38	0.04	0.04
Germany	25.7	26.6	28.6	27.1	20160	25444	26.2	27.2	70.9	73.2	0.03	0.13	0.18	0.16	-0.05	-0.10	0.33	0.31	0.01	0.01
Italy	21.3	24.4	23.6	26.9	19460	23944	31.4	31.3	59.6	62.1	-0.11	-0.03	-0.04	-0.08	0.06	0.03	0.39	0.34	0.01	0.01
Spain	21.2	20.9	Mis.	Mis.	15200	22344	34.0	31.4	64	69.0	0.57	0.80	0.10	0.11	0.11	0.09	0.60	0.62	0.20	0.25
Netherlands	23.8	20.8	35.1	35.2	20600	29022	27.0	27.3	73.1	77.2	0.24	0.32	-0.21	-0.23	0.00	0.09	0.29	0.35	0.03	0.09
Belgium	26.0	26.2	32.6	32.3	20300	26544	28.0	27.7	63.9	66.1	0.46	0.47	0.44	0.36	0.21	0.37	0.67	0.76	0.23	0.29
Denmark	27.3	27.2	36.5	35.2	21400	27600	20.3	24.0	79.6	79.9	0.64	0.15	0.08	-0.14	0.15	0.13	0.66	0.71	0.23	0.14
Sweden	32.1	28.7	41.3	35.8	20200	27256	21.5	23.5	75.9	77.5	0.19	0.13	0.26	-0.07	0.18	0.10	0.36	0.39	0.10	0.07
Ireland	17.2	15.9	24.3	28.3	18700	30689	33.0	30.7	66.1	69.9	0.25	0.16	0.04	-0.18	0.16	0.02	0.33	0.37	0.09	0.05
Austria	25.9	26.9	28.6	28.7	21540	27811	25.6	25.6	71.1	72.6	-0.16	-0.09	0.09	0.08	0.06	-0.04	0.12	0.17	-0.05	-0.05
Portugal	15.6	21.6	Mis.	Mis.	12780	17400	36.4	37.0	70.8	73.2	0.40	0.43	0.10	0.18	0.14	0.20	0.57	0.65	0.17	0.21
Finland	29.4	25.3	33.5	30.5	17940	25444	22.5	25.8	71.9	73.6	0.21	-0.02	-0.28	-0.18	-0.23	-0.13	0.24	0.21	-0.04	-0.06
Greece	17.4	20.7	Mis.	Mis.	13540	19867	34.6	33.6	63.5	65.6	-0.16	-0.05	0.18	-0.23	0.01	-0.13	0.18	0.28	-0.04	-0.05
Poland	21.9	21.1	Mis.	Mis.	7500	11222	29.7	32.1	65.8	64.2	0.21	0.25	-0.04	-0.35	-0.16	-0.20	0.25	0.30	-0.01	-0.01
Czech Republic	17.3	18.9	Mis.	Mis.	12140	17044	25.8	25.2	72.2	70.4	0.35	0.17	-0.41	-0.34	-0.01	-0.01	0.16	0.13	0.01	-0.02
Slovakia	18.4	16.7	Mis.	Mis.	8160	13144	24.4	25.4	69.5	69.5	-0.14	-0.09	-0.08	-0.02	-0.01	-0.20	0.22	0.21	-0.05	-0.08
Hungary	21.6	22.0	Mis.	Mis.	8520	13489	24.1	26.7	59.2	61.0	0.10	0.60	-0.01	0.12	-0.04	0.10	0.22	0.24	-0.01	0.13
Slovenia	21.8	21.1	Mis.	Mis.	12620	18800	22.3	22.7	67.9	69.3	0.17	0.20	0.00	-0.05	0.03	0.02	0.34	0.37	0.05	0.06
Average	**22.5**	**22.7**	**29.6**	**29.2**	**16389**	**22724**	**28.0**	**28.7**	**69.2**	**70.8**	**0.15**	**0.19**	**-0.14**	**-0.05**	**0.24**	**0.07**	**0.33**	**0.36**	**0.04**	**0.05**
STD	**4.5**	**3.8**	**6.2**	**4.6**	**4554**	**5610**	**4.6**	**3.9**	**5.3**	**5.0**	**0.59**	**0.47**	**0.79**	**0.81**	**0.40**	**0.43**	**0.47**	**0.48**	**0.21**	**0.21**

Abbreviations. Social Expend.: Social Expenditure; Decom.: Decommodification; GDP: Gross Domestic Product; Gini Coeff.: Gini Coefficient; Labour Market: Labour Market Participation; Mis: Missing; 90s: 1990s; 00s: 2000s; 99: 1999-2000; 08: 2008; STD: Standard Deviation.

Source: Author's elaboration after EVS (1999-2000); OECD (1990-1999); (Scruggs, 2004); Eurostat (1995-1999); UNU-Wider (1990-1999).

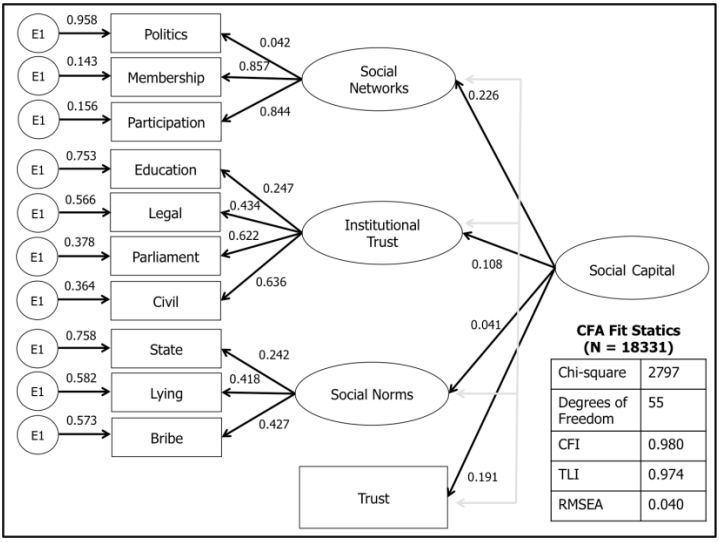
Tables 3. Descriptive statistics micro variables (including items used to measure social capital and its dimensions), 1999-2000 and 2008

Independent Variables					
Variables	**N. of categories**	**1999-2000**		**2008**	
		Mean	**Std**	**Mean**	**Std**
Income	5	2.701	1.254	2.657	1.186
Education	5	2.865	1.722	3.000	1.372
Gender	2	0.464	0.498	0.450	0.497
Age	4	1.440	0.882	1.581	0.908
Religion	4	1.143	1.264	1.277	1.292
Size of the city	4	1.125	1.048	0.928	0.956
Employment	8	2.103	2.089	2.065	2.088
Concern immediate family	3	0.305	0.647	0.331	0.671
Importance of family	3	1.840	0.422	1.818	0.439
Concern neighbourhood	3	0.968	0.772	0.933	0.789
Concern human kind	3	1.044	0.777	1.093	0.763
Stick own affairs	3	1.148	0.864	1.216	0.849
Dependent Variables					
Variables	**N. of Categories**	**1999-2000**		**2008**	
		Mean	**Std**	**Mean**	**Std**
Politics	3	1.360	0.951	1.351	0.951
Membership	2	0.540	0.498	0.500	0.500
Participation	2	0.310	0.463	0.300	0.458
Education System	3	1.820	0.749	1.760	0.739
Legal	3	1.410	0.830	1.470	0.828
Parliament	3	1.250	0.792	1.250	0.800
Civil	3	1.310	0.748	1.250	0.798
State	10	7.720	2.042	7.710	2.066
Lying	10	7.150	2.197	7.220	2.101
Bribe	10	8.170	1.681	8.190	1.603
Trust	2	0.330	0.471	0.360	0.481

Note: (1) N. = Number, (2) Std: Standard deviation.
Source: Author's elaboration after EVS 1999-2000 & 2008.

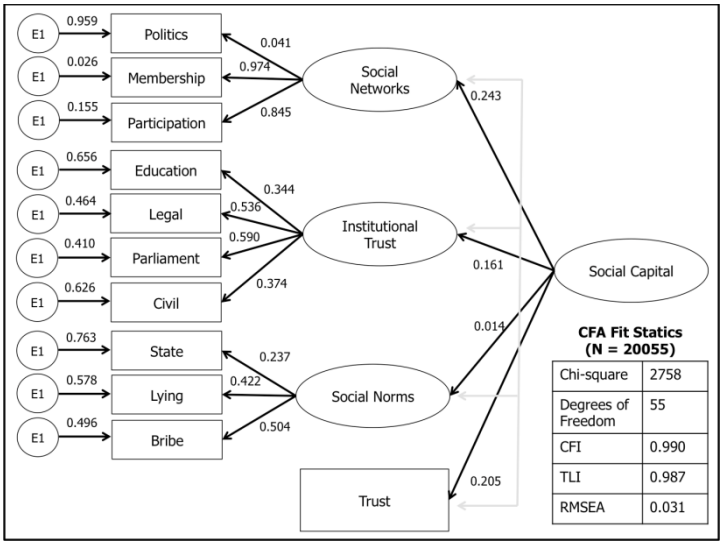
Fourth, the model fit the data well, as shown by the most commonly employed indices in SEM literature (Brown 2006), i.e. the Tucker Lewis Index (TLI) and the Comparative Fit Index (CFI) are above the threshold of 0.9, and the Root Mean Square Error of Approximation (RMSEA) is below 0.05 (Figure 1 and 2).

Figure 1. Confirmatory Factor Analysis, 1999-2000



Source: Authors' elaboration after EVS (1999-2000).

Figure 2. Confirmatory Factor Analysis, 2008



Source: Authors' elaboration after EVS (2008).

After this scrutiny, we suggest that the data support the contention that dimensions of social networks, social norms, and institutional and interpersonal trust can be combined into a single trait. We argue, on the basis of Putnam's theory, that this single trait captures the degree of a person's social capital. All dimensions selected to measure social capital co-vary such that a high score on one is likely to be associated with a high score on another (Table 4). These dimensions load significantly on the comprehensive concept of social capital, which reflects dense/weak social networks, positively/negatively embedded social norms and high/low levels of institutional and interpersonal trust (Figures 1 and Table 2). Moreover, the observed items used to construct the dimensions of social capital are significantly correlated among each other (Table 5, see annex). For this reason, when discussing the findings of the

regression models, we will focus on social capital rather than on its individual dimensions. Most of the time,[23] the correlations will be similar.

Table 4. CFA Correlation matrix social capital dimensions, 1999-2000 and 2008

1999-2000 Model					
	Social Networks	**Social Norms**	**Institutional Trust**	**Trust**	**Social Capital**
Social Networks	1	0.101***	0.156***	0.244***	0.713***
Social Norms		1	0.154***	0.084***	0.369***
Institutional Trust			1	0.161***	0.582***
Trust				1	0.688***
Social Capital					1
2008 Model					
	Social Networks	**Social Norms**	**Institutional Trust**	**Trust**	**Social Capital**
Social Networks	1	0.103***	0.269***	0.275***	0.696***
Social Norms		1	0.102***	0.074***	0.249***
Institutional Trust			1	0.219***	0.689***
Trust				1	0.727***
Social Capital					1

Note: *** Significant at the 0.01 level.
Source: Author's elaboration after EVS (1999-2000; 2008).

[23] However, we will also discuss the presence of relations following different directions.

Table 5. Correlation matrix items used to construct social capital dimensions, 1999-2000 and 2008

1999										
	Politics	**Membership**	**Participation**	**Education**	**Legal**	**Parliament**	**Civil**	**State**	**Lying**	**Bribe**
Politics	1	**0.215*** **	**0.155*** **	-0.220***	0.046***	0.133***	0.047***	0.078***	-0.008	0.008
Membership		1	**0.544*** **	0.020***	0.056***	0.081***	0.035***	0.053***	0.012	0.024***
Participation			1	-0.004	0.021***	0.059**	0.026***	0.030***	0.017***	0.007
Education				1	**0.324*** **	**0.287*** **	**0.341*** **	0.063***	0.083***	0.061***
Legal					1	**0.413*** **	**0.412*** **	0.037***	0.071***	0.070***
Parliament						1	**0.567*** **	0.048***	0.062***	0.052***
Civil							1	0.079***	0.101***	0.057***
State								1	**0.303*** **	**0.302*** **
Lying									1	**0.410*** **
Bribe										1
2008										
	Politics	**Membership**	**Participation**	**Education**	**Legal**	**Parliament**	**Civil**	**State**	**Lying**	**Bribe**
Politics	1	**0.185*** **	**0.146*** **	-0.023***	0.090***	0.166***	0.098***	0.061***	0.009	0.038***
Membership		1	**0.605*** **	0.064***	0.087***	0.134***	0.142***	0.073***	0.031***	0.029***
Participation			1	0.022***	0.041***	0.072***	0.082***	0.072***	0.034***	0.029***
Education				1	**0.324*** **	**0.300*** **	**0.286*** **	0.044***	0.052***	0.060***
Legal					1	**0.435*** **	**0.260*** **	0.052***	0.056***	0.061***
Parliament						1	**0.331*** **	0.039***	0.042***	0.037***
Civil							1	0.011	-0.001	0.009
State								1	**0.320*** **	**0.356*** **
Lying									1	**0.443*** **
Bribe										1

Notes:
(1) *** Significant at the 0.01 level.
(2) The correlations between the factors included in the same social capital dimension (social networks, social norms, and institutional trust) are highlighted in bold.
Source: Author's elaboration after EVS 1999-2000 and 2008.

The dimension with the highest loading into the social capital variable is social networks, followed by interpersonal and institutional trust, while the social norms dimension seems to play a less important role (Figure 1). The social network dimension is mostly characterized by membership and participation in associations and less by political interest. This confirms Putnam's theory (1995) that considers voluntarism to be the main component of social capital, as well as our own contention that social norms are the least decisive element of the construct. The observable items selected for the CFA proportionally shape the social norms and institutional trust dimensions, while trust is measured as a single observable item. Further, as one might expect from the picture dressed by descriptive statistics, the fit of the model, the factor loadings, and the correlations between the dimensions of social capital are highly stable over time[24] (Figures 1 and 2, Tables 4 and 5) and space.[25] This stability makes meaningful the comparison of our regression models over the 1990s and 2000s.

(2) The Regression Models

Assessing the Central Contention of the Paper

Looking at descriptive statistics for the macro correlates, the average values for social expenditure, decommodification, the Gini coefficient and labour market participation are stable over time, while the standard deviations shrank. This decline is especially pronounced for the decommodification score (Table 2). On the other hand, GDP per capita – mainly because it is measured as an absolute

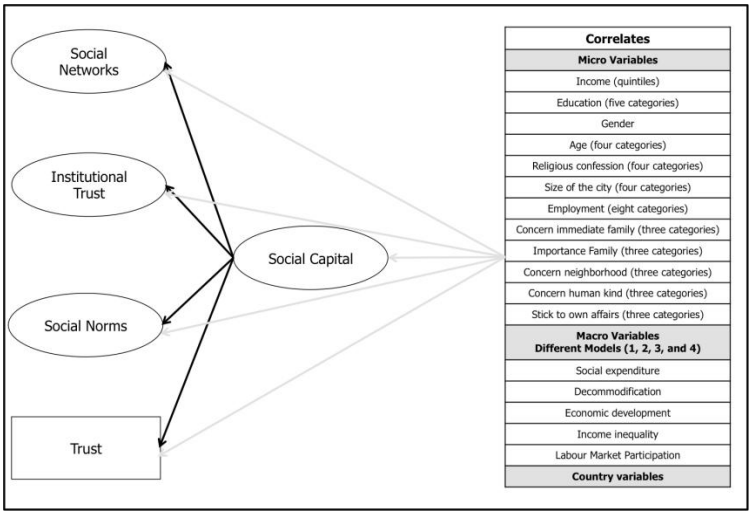
[24] The only exception to this result is the loading of the observed item 'civil' in the latent dimension institutional trust – which sharply declines over time (Figure 2).

[25] We have also run the CFA for each nation obtaining similar factor loadings, errors, correlations and fit statistics.

value while the other variables are measured as percentages – displays a higher average and standard deviation over the 2000s. Moreover, also the averages and standard deviation for the micro correlates are stable over time and space (Table 3, in annex).

As previously discussed, our argument is based on comparisons between four regression models (Figure 3 synthetically describes these models, which are provided in appendix). The first tests the association of a series of micro, macro and country variables with social capital in 19 countries. The second, third and fourth assess, in a restricted sample of 11 countries, the salience of the relation between social spending, decommodification, and social capital (see Table 6). While in the first model (with 19 countries) the association between social spending and social capital flips from positive in the 1990s (cf. Van Oorschot and Arts 2005) to negative in the 2000s. In the third and fourth (with 11 countries), the association is stably negative (Table 6). How can we explain this flipping sign in the first model and the negative relation in the others?

Figure 3. Basic structure regression models



Source: Author's elaboration.

Table 6. Regressions explaining the variance of social capital and its dimensions from macro factors, controlling for the other micro and macro variables employed in the models (T-Standardised), 1990s and 2000s

Variables	Model 1 19 Countries		Model 2 11 Countries		Model 3 11 Countries		Model 4 11 Countries	
	1990s	2000s	1990s	2000s	1990s	2000s	1990s	2000s
Social Capital								
Decommodification			**7.29**	**26.99**	**14.41**	**22.45**		
Social Expenditure	**3.46**	**-11.43**			**-20.45**	**-6.93**	**-16.16**	**-16.25**
Economic Development	14.90	19.83	2.21	-4.68	-7.71	-8.25	-6.34	-6.02
Income Inequality	-11.81	-24.71	-4.16	-15.29	-16.53	-2.21	-22.32	-17.56
Labour Market Participation	9.88	12.33	8.81	15.97	NS	14.16	NS	6.30
Social Networks								
Decommodification			15.29	28.80	17.99	21.95		
Social Expenditure	-3.35	-27.28			-10.11	-13.07	-3.78	-22.57
Economic Development	10.77	24.08	2.99	-3.31	-2.17	-11.74	NS	-9.51
Income Inequality	-17.22	-35.77	1.34	22.20	-5.60	NS	-12.01	-19.07
Labour Market Participation	8.77	4.89	4.62	12.90	NS	9.99	NS	2.10
Social Norms								
Decommodification			4.16	9.68	8.95	4.86		
Social Expenditure	-4.00	NS			-13.71	-11.10	-11.16	-13.93
Economic Development	8.04	6.83	NS	-4.20	-7.26	-10.93	-6.36	-10.50
Income Inequality	-2.94	NS	-2.78	11.06	-11.10	-3.53	-14.69	-9.35
Labour Market Participation	NS	NS	6.94	6.15	2.15	3.66	NS	2.03
Institutional Trust								
Decommodification			NS	10.40	3.83	11.74		
Social Expenditure	7.55	2.03			-7.61	-5.43	-6.66	NS
Economic Development	4.85	6.43	NS	NS	-3.61	-2.77	-3.25	-3.90
Income Inequality	-1.85	-11.94	-2.41	NS	-6.80	-4.52	-8.47	-4.74
Labour Market Participation	6.44	10.17	9.47	5.61	6.51	6.66	6.35	2.53
Trust								
Decommodification			4.16	15.00	8.95	12.22		
Social Expenditure	NS	-11.43			-13.71	-4.59	-11.16	-9.89
Economic Development	9.53	19.83	NS	-3.66	-7.26	-5.85	-6.36	-4.68
Income Inequality	-6.46	-24.71	-2.78	7.33	-11.10	NS	-14.69	-11.40
Labour Market Participation	10.23	12.33	6.94	12.80	2.15	11.55	1.83	7.54

Notes: (1) The model includes all other control variables (their effect on the variance of social capital is shown in the appendix tables 1A/2A/4A/5A).
(2) Model 11 Countries include: France, United Kingdom, Germany, Italy, Netherlands, Belgium, Sweden, Ireland, Austria Denmark and Finland.
(3) Linear regressions for Social Capital, Social Networks, Social Norms and Institutional Trust; logistic regression for Trust.
Source: Author's elaboration after EVS (1999-2000; 2008), OECD (2010), Scruggs (2010), Eurostat (1995-2008), UNU-Wider (1990-2008).

One possible explanation of the results gathered from the first model might lay in the spending increase in countries where social capital is historically low (i.e. France +1.5%, Italy + 3.1%, Portugal +6%, and Greece +3.3%) and the decrease where it is traditionally high (i.e. Finland -4.1%, Sweden -3.4%, and the Netherlands -3%) (Table 7). Additional models, run excluding the Mediterranean countries, seem to confirm this argument, showing the existence of a negative relation between social spending and social capital in the 1990s. The negative correlation also persists when social spending is measured in absolute terms rather than as a percentage of the GDP. Moreover, the positive relation detected in the 1990s for the full sample seems to be driven by the positive association between spending and institutional trust (Table 6). This correlation weakened over the following decade, and this might be due to the general decline of institutional trust in Europe (Table 2).

Table 7. The correlation between social spending and decommodification over time

	Social Expenditure			Decommodification		
Countries	**1990s**	**2000s**	**Change**	**1990s**	**2000s**	**Change**
France	28.1	29.6	**1.5**	30.3	27.4	**-2.9**
Great Britain	19.1	20	0.9	20.6	21.7	1.1
Germany	25.7	26.6	0.9	28.6	27.1	-1.5
Italy	21.3	24.4	**3.1**	23.6	26.9	**3.3**
Spain	21.2	20.9	-0.3	Mis.	Mis.	Mis.
Netherlands	23.8	20.8	**-3**	35.1	35.2	0.1
Belgium	26	26.2	0.2	32.6	32.3	-0.3
Denmark	27.3	27.2	-0.1	36.5	35.2	-1.3
Sweden	32.1	28.7	**-3.4**	41.3	35.8	**-5.5**
Ireland	17.2	15.9	-1.3	24.3	28.3	4
Austria	25.9	26.9	1	28.6	28.7	0.1
Portugal	15.6	21.6	**6**	Mis.	Mis.	Mis.
Finland	29.4	25.3	**-4.1**	33.5	30.5	**-3**
Greece	17.4	20.7	**3.3**	Mis.	Mis.	Mis.
Poland	21.9	21.1	-0.8	Mis.	Mis.	Mis.
Czech Republic	17.3	18.9	**1.6**	Mis.	Mis.	Mis.
Slovakia	18.4	16.7	**-1.7**	Mis.	Mis.	Mis.
Hungary	21.6	22	0.4	Mis.	Mis.	Mis.
Slovenia	21.8	21.1	-0.7	Mis.	Mis.	Mis.
Correlations						
Social spending 1990s and 2000s [Full Sample]						0.85
Social spending 1990s and 2000s [Restricted Sample]						0.86
Decommodofication 1990s and 2000s						0.92
Social spending and decommodification 1990s						**0.84**
Social spending and decommodification 2000s						**0.29**
Change of social spending and decommodification						NS

Source: Author's elaboration.

If we turn to the models with a restricted sample, the negative correlation between social spending and social capital can be tentatively interpreted by relying on previous literature and also on the central hypothesis of this paper. First, the relation between a large welfare state and social capital might be effectively negative as claimed by neoclassical and communitarian theorists. Second, as argued by Brewer et al. (2013), social spending might have a crowding in effect on social capital in less developed welfare states, until they reach maturity when additional spending might display a crowding out effect. Interestingly, scholars investigating the effect of government spending on charitable association in less developed and mature states refer to a similar 'saturation' effect (Borgonovi 2006; Brooks 2000; Nikolova 2015). However, our empirical models cannot assess this hypothesis, but rather provide some additional grounding to previous interpretations.

Third, one can explain the negative correlation between social spending and social capital also taking into account the variation over time of decommodification. Social spending went up in large European countries, notably France, Italy, Germany, United Kingdom (and Austria), while decommodification did not significantly increase. Moreover, where social spending declined, i.e. the Netherlands and Ireland, there was no parallel decrease in the decommodification score (Table 6). This seems to confirm our original argument that in order to understand the relation between different welfare state configurations and social capital, one must consider both social spending and decommodification. Higher decommodification scores are effectively associated with higher levels of social capital. Moreover, countries that maintained high decommodification scores, and at the same time contained social

spending, i.e. Denmark and the Netherlands, are among those where the levels of social capital are high in both decades.

A positive mechanism relating certain welfare state configurations to social capital might derive from the fact that, over time, generous systems manage to reduce the perceived cultural distance between the majority of the population and people at the bottom of the income distribution. In this respect, Larsen (2007) argued that the high density of social capital in social democratic welfare regimes (as compared to liberal countries) is associated with the absence of a poor and culturally distinct under-class. In turn, the absence of such a cultural distinction is strongly related to high decommodification scores. Thorpe (2003), analyzing the Danish case, echoed Larsen's findings, showing that the traits of generous welfare states represent a form of bridging social capital, which fosters the belief among the population that they are part of a broad national community.

However, as signaled by the high correlation between social spending and decommodification over the 1990s (0.84, see Table 7), the relations observed might be biased by the presence of an elevated multicollinearity. If one considers the third regression model (which includes both social spending and decommodification), the Variance Inflation Factor (VIF) is slightly superior to 3.26 Hence, the degree of multicollinearity is above the commonly accepted threshold of 2.50 (O'Brien 2007). For this reason, model 2 and 4 test whether the association between social spending, decommodification and social capital remains unchanged also when the two contextual variables are separately considered. Model 2 confirms the existence of a positive correlation between decommodification and social capital.

[26] While for the other macro variables are below 2.

Similarly, model 4 corroborates the negative association between social spending and social capital (Table 6). This means that, even if the third model might be biased by multicollinearity, our results are consistent when social spending and decommodification are analyzed in isolation. The issue of multicollinearity between decommodification and social spending does not seem to persist in the following decade. In this case, the correlation between decommodification and social spending drops at 0.29 (Table 7) and the VIF below two. This is explained by the fact that changes in spending and decommodification over the two decades are uncorrelated (see Table 7). Hence, one might argue that our hypothesis has more salience for the 2000s.

Following the prescriptions proposed by Rohwer (2010) for models including a considerable number of macro variables and little institutional variation, we also run several regressions employing in turn only one or two macro variables. The direction of all correlations is unchanged. In this respect, it is important to emphasize, that due to the small number of countries included in models 2, 3 and 4, our results are not generalizable, but only applicable to the 11 countries included in the sample.

Turning to the other macro correlates, economic development seems to be positively associated with social capital in the first model, with 19 countries considered. In particular, economic development is positively and strongly correlated with social network and trust dimensions (cf. Van Oorschot and Arts 2005). However, the association turns negative when we employ the three models with a restricted sample of countries (2, 3 and 4) (Table 6). At the substantive level, there might be a 'saturation' effect (similarly to social spending): GDP is positively associated with social capital until the country reaches a certain level of

development. After this 'critical juncture,' other variables, such as income inequality, could perhaps become more important. At the methodological level, it might also be that the GDP in rich European countries no longer perfectly reflects economic development. (Costanza et al. 2009).

Unlike economic development, income inequality seems to always be negatively associated with social capital (cf. Knack and Keefer 1997; Table 6). There are several mechanisms, analyzed in the literature, through which this association might come into play. First, inequality depresses social networks because people from different status groups have fewer opportunities to share common goals (Lancee and Werfhorst 2012). Second, economic resources might affect social networks and, in general, civic and social life. Hence, a high level of inequality depresses the participation of the underclass (Lancee and Werfhorst 2012; Larsen 2007). Third, the high level of inequalities result in growing social distances between people. Consequently, individuals may feel powerless and opt out of social engagement (Uslaner and Brown 2005).

Furthermore, and related to our research hypothesis, the positive correlation between income equality and social capital seems to also support the argument that a generous and redistributive welfare state might foster the creation of social networks and trust. This interpretation seems to be confirmed by another empirical finding: when the decommodification score is included in the model, the relation between income inequality and social capital weakens (Table 6). Decommodification seems to absorb a part of the association originally explained by income inequality. Finally, labor market participation is positively correlated with social capital (cf. Ferragina 2012). Also in this case, decommodification seems to

soften the correlation between labor market participation and social capital (Table 6).

To sum up the core findings of this section, social spending (read welfare state size) seems to be negatively correlated with social capital,[27] while decommodification (read welfare state generosity) displays a positive association. Moreover, our empirical model seems to show that the positive correlation between decommodification and social capital is stronger than the negative relationship displayed with social spending (Table 6).

Country Variation

Social capital is higher in Nordic countries, at a medium level in conservative and liberal countries, and quite low in Mediterranean and Eastern European countries (Cf. France). Only Scandinavian countries seem to constitute a cohesive cluster, while there is more variation within the other regime types (Table 8). In Nordic countries, the voluntary sector operates in close partnership with the public sector, and this high level of synergy might have contributed to social capital reproduction (Henriksen and Bundesen 2004; Klausen and Selle 1996). The Swedish case is somewhat different from the other Nordic countries. According to our measurement, there was no significant difference between Sweden and Denmark in the 1990s. However, in the following decade, the gap between these countries grew and Sweden dropped many positions in the social capital ranking (Table 8). A potential explanation of this finding might be the dramatic drop of the Swedish decommodification score

[27] With the exception of a weak positive relation in the model with 19 countries for the 1990s.

(signaling a decline of the generosity level[28]) (Table 2). Once again, however, we emphasise that we cannot infer causation, but simply provide food for thought that these relationships must be further assessed.

Table 8. Regressions explaining the variation of social capital by country, controlling for the other micro and macro variables employed in the models (T-Standardised), 1990s and 2000s

Countries	Social Capital 1990s (Model 1)	Countries	Social Capital 2000s (Model 1)
Denmark (reference)		Denmark (reference)	
Sweden	NS	Netherlands	NS
Finland	-3.457	Finland	-8.826
Netherlands	-3.816	Slovenia	-10.233
Austria	-11.528	Ireland	-14.452
Ireland	-13.964	Sweden	-15.523
Belgium	-18.501	Belgium	-18.974
Slovenia	-18.529	Great Britain	-21.300
Germany	-18.651	Austria	-21.955
Spain	-18.944	Spain	-24.332
Great Britain	-20.663	France	-24.644
Italy	-21.563	Italy	-24.774
Slovakia	-22.272	Czech Republic	-25.688
Poland	-22.300	Slovakia	-27.475
Hungary	-23.218	Germany	-28.695
Czech Republic	-23.247	Poland	-29.756
France	-23.304	Greece	-30.447
Greece	-24.385	Portugal	-30.873
Portugal	Missing	Hungary	-32.830

Notes: The model includes all other control variables (their effect on the variance of social capital is shown in the appendix tables 1A/2A/4A/5A).
Source: Author's elaboration after EVS (1999-2000; 2008), OECD (2010), Scruggs (2010), Eurostat (1995-2008), UNU-Wider (1990-2008).

[28] Scholarship is divided on the actual retrenchment of the Swedish welfare state. Anderson (2001) argues for retrenchment, while Lindbom (2001) suggests that the Swedish model is not losing its universal features. Furthermore, our findings contrast with Rothstein's (2001) analysis. Hence, the potential decline of Swedish social capital in parallel with welfare generosity requires further investigation.

As we might expect from welfare regime theory (Ferragina and Seeleib-Kaiser 2011), the other country clusters are not as homogenous as the social democratic regime. In conservative countries, volunteering is far less pronounced than in Scandinavia and frequently stands in an instrumental and somewhat strained relationship with the state. It is more likely that in this setting the welfare state and the third sector (often related to religious activities) are a substitute for each other (Anheier and Salamon 2011). There are significant differences between Austria and Belgium on the one hand, and France and Germany on the other. In Austria, employment policies have been slightly diverging from other conservative countries and they have been influenced more strongly by Keynesianism (Scharpf 1991). In Belgium, social democratic principles have accompanied the largely dominant Christian Democratic nature of the welfare state because the Socialist party, often a junior element in governmental coalitions, has considerably influenced policy-making. The existence of some social democratic features[29] in these two countries becomes clearly apparent when they are compared to France and Germany – which are considered 'pure' conservative models (Ferragina and Seeleib-Kaiser 2011).

The residual nature of the welfare state and people's strong reliance on the market for social provisions and social services make liberal countries highly heterogeneous. The empirical model suggests that Ireland, with its conservative features (Daly 1999), has higher levels of social capital than the United Kingdom (cf. Ferragina 2012). Mediterranean countries have lower levels of social capital than Liberal countries, and the determinants of this shortage have

[29] Esping-Andersen (1990) classified Austria and Belgium as social democratic countries according to the decommodification score.

been widely discussed in the literature (Putnam 1993). Despite the generalized low level of social capital, there are important differences between Italy and Spain on one side and Greece and Portugal on the other (Ferragina 2012). The divergent pattern in the Mediterranean area might also be due to different levels of welfare state consolidation (Ferrera 1996).

Finally, Eastern European countries also display low social capital scores. This has been explained as the enduring legacy of communism, which might have contributed to the reduction of social ties and interpersonal trust (Raiser 2001; Volker and Flap 2001). The only remarkable exception is Slovenia, where social capital seems to be particularly high. One interesting element and potential explanation of the Slovenian case might be the positive and reinforcing role of income equality.

Micro Variables

The association (in terms of direction and size) between individual level variables and social capital is similar in both decades and confirm the previous literature (see Table 1 and Appendix). Income is the variable more strongly correlated to social capital (cf. Knack and Keefer 1997). Education is also positively associated with social capital and its dimensions (cf. Hall 1999), with the remarkable exception of social norms. Men tend to display higher social capital scores than women (mainly because of their stronger involvement in social networks, see Brehm and Rahm 1997), except for when it comes to trust and social norms dimensions. Older people tend to have more social capital than younger generations. However, the model cannot disentangle the generational from the real age effect (cf. Hall 1999). Protestants tend to have higher social capital scores than Catholics and the difference is very pronounced (cf. Arruñada

2010). People living in cities with fewer than 500,000 inhabitants tend to have more social capital than those living in large cities; this is true for all dimensions of social capital except interpersonal trust (cf. Brehm and Rahm 1997). The unemployed are likely to record low social capital scores, while social capital is higher among students and people with stable jobs (cf. Van Oorschot and Arts 2005).

The amoral familism hypothesis seems to be generally applicable to these phenomena (cf. Ferragina 2011). People more concerned with their immediate family tend to display lower levels of social capital, while people concerned with their neighbourhoods and human kind record higher social capital scores. Furthermore, those that consider family important have a higher level of social capital than other individuals. This means that social capital does not seem to be negatively associated with family values, while excessively concentrated bonding ties might be negatively related to social networks and trust.

Conclusion

The paper contributes to the literature with an assessment of the relation between different welfare state configurations and social capital, emphasising the association between welfare state size and welfare state generosity over two decades. In this regard, our main finding is that, among the most developed welfare states, high degrees of decommodification are positively and strongly correlated to social capital, while social spending seems to display a negative association. Moreover, the positive relation between decommodification and social capital is stronger than the negative relation with social spending. Our results seem to partially confirm

the concern of neoclassical and communitarian theories for the negative relation between welfare state size and social capital, while they support the contention of the institutional theory that generous welfare states are positively associated with social capital. Alongside the welfare state, low-income inequalities and high labor market participation are positively associated with social capital, while the effect of economic development remains much less clear.

Scandinavian countries and the Netherlands have the highest level of social capital in Europe, and conservative and liberal countries are in the middle of the ranking, displaying substantive differences (Austria, Belgium and Ireland have higher social capital scores than France, Germany and the United Kingdom). Some of these differences might be due to alternative social security features embedded in the dominant conservative and liberal layouts of these welfare states, e.g. social democratic influences in the case of conservative welfare states like Austria and Belgium, and conservative features in the liberal case of Ireland. Furthermore, Mediterranean and Eastern European countries have low social capital scores, with the remarkable exception of Slovenia. The positive correlation between the existence of a generous welfare state and social capital seems to be particularly persistent in countries where high decommodification scores go hand in hand with controlled social spending, i.e. Denmark and the Netherlands.

At this point, we must highlight two important challenges to our findings. First, both the use of decommodification and social spending to capture different welfare state configurations has been criticized in the literature (Scruggs 2007; Ferragina and Seeleib-Kaiser 2011). In particular, the decommodification score, despite being the most used indicator to measure the existence of different welfare regimes (Scruggs and Allan 2006), is based on the generosity

of social protection for the average (production) worker (Ferragina and Seeleib-Kaiser 2011) and does not fully account for the levels of social protection guaranteed to young people (Scruggs 2007) and women (Lewis 1992). Nevertheless, at present there is no better synthetic indicator to measure welfare state generosity in the literature. Second, the social capital concept has been criticized for its vagueness (Durlauf 2002) and, in addition, comparative surveys tend to capture only a certain type of social relations. These relations are normally entertained by the upper-middle class, but are much less frequent among the rest of the population that relies on other forms of social interaction (Orton 2006). This issue might be tackled by pursuing, a comparative qualitative analysis of people's alternative forms of social participation in parallel with quantitative measurement, especially for those who belong to the lower classes.

Discounting these important limitations, we want to provide a tentative macro hypothesis to interpret the strong association between different welfare state configurations and social capital[30] on the basis of our findings. Rothstein (2008) has argued that the existence of a sequence of feedback effects between the welfare state and social capital can explain the peculiarity of the Scandinavian case. He explained the high density of social capital in Scandinavian countries with a historical 'critical juncture,' in which these countries managed to set in motion a process of mutual reinforcement between generous social policy and social capital creation.

One might generalize this theoretical reasoning, claiming that the correlation between the degree of generosity of the welfare state and social capital might have been magnified over time by a process

[30] Other than the punctual explanations provided by Larsen (2007) and Thorpe (2003) that we have previously described.

of mutual reinforcement (positive or negative).[31] The establishment of a generous welfare state might have contributed to crowd in social capital and then, in turn, the increased social capital might have been conducive to widen popular and political support for the welfare state. Conversely, the consolidation of a residual welfare state might have contributed to crowd out social capital, and the decreased level of social capital might have reduced the support for generous social provisions. It is interesting to note in this regard that, in Sweden, the level of decommodification and the average social capital score have declined in parallel over the 2000s (Table 2). The situation is different in Denmark, where decommodification has remained high,[32] as much as the average social capital score. Perhaps big social processes are setting in motion in parts of Scandinavia, simultaneously undermining the generosity of the welfare state and the density of social capital. These processes might reverse the secular past positive and reinforcing feedback effect theorized by Rothstein (2008). However, this hypothesis and its potential general explanatory value might have to be scrutinized with a comparative historical analysis between Denmark and Sweden.

Paraphrasing Marshall (1963), we conclude that welfare states able to guarantee universal social citizenship over time through generous social provisions do not only reduce the risk of social exclusion, poverty, and inequality, but seem also to be largely associated with denser social networks, more embedded social norms and higher institutional and interpersonal trust in society.

[31] However, our model is unable to test causality, so this argument requires further validation.

[32] Although slightly declining during the 2000s.

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Annexes

Table 1A. Regressions explaining the variance of social capital and its dimensions (Model 1), 1990s

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Micro Variables	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**T**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**
Income 5																				
Income1	-0.28	0.02	-16.25	***	-0.03	0.02	-1.15	NS	-0.09	0.01	-7.87	***	-0.15	0.01	-10.68	***	-0.10	0.01	-17.29	***
Income2	-0.22	0.02	-14.20	***	-0.01	0.02	-0.31	NS	-0.06	0.01	-5.01	***	-0.14	0.01	-10.44	***	-0.08	0.01	-14.68	***
Income3	-0.16	0.02	-10.22	***	0.00	0.02	-0.17	NS	-0.05	0.01	-4.11	***	-0.10	0.01	-8.05	***	-0.06	0.01	-11.02	***
Income4	-0.07	0.02	-4.59	***	0.01	0.02	0.31	NS	-0.02	0.01	-1.93	NS	-0.04	0.01	-2.96	***	-0.03	0.01	-4.57	***
Tertiary education																				
Basic Education	-0.16	0.01	-12.09	***	-0.02	0.02	-0.98	NS	-0.04	0.01	-4.01	***	-0.13	0.01	-12.35	***	-0.06	0.00	-14.22	***
Second stage basic education	-0.10	0.01	-7.58	***	0.00	0.02	-0.22	NS	-0.08	0.01	-7.92	***	-0.14	0.01	-12.25	***	-0.06	0.00	-13.36	***
(Upper) secondary education	-0.04	0.01	-3.33	***	-0.03	0.02	-2.07	**	-0.03	0.01	-3.73	***	-0.08	0.01	-7.79	***	-0.03	0.00	-7.46	***
Post-secondary non- tertiary	-0.05	0.01	-3.96	***	-0.01	0.02	-0.70	NS	-0.09	0.01	-9.23	***	-0.09	0.01	-8.37	***	-0.05	0.00	-10.03	***
Female																				
Male	0.07	0.01	7.56	***	-0.09	0.01	-7.39	***	0.00	0.01	0.27	NS	0.01	0.01	1.59	NS	0.01	0.00	3.16	***
Age>65																				
Age<23	-0.08	0.02	-3.44	***	-0.44	0.03	-13.46	***	-0.03	0.02	-2.08	**	-0.04	0.02	-1.76	NS	-0.05	0.01	-6.56	***
23<Age2< 50	-0.01	0.02	-0.52	NS	-0.25	0.02	-10.16	***	-0.04	0.01	-3.04	***	0.00	0.01	0.00	NS	-0.02	0.01	-3.91	***
50<Age3<65	0.06	0.02	4.08	***	-0.08	0.02	-3.93	***	-0.01	0.01	-1.24	NS	0.04	0.01	2.89	***	-0.01	0.01	-2.22	**
No Religion																				
Catholic	-0.02	0.01	-1.79	NS	0.15	0.01	-10.79	***	0.08	0.01	10.95	***	-0.03	0.01	-3.03	***	0.02	0.00	4.54	***
Protestant	0.20	0.01	15.99	***	0.25	0.02	-14.59	***	0.18	0.01	20.53	***	0.18	0.01	16.75	***	0.13	0.00	28.36	***
Other Religions	0.12	0.02	7.17	***	0.09	0.02	3.95	***	-0.03	0.01	-2.75	***	-0.07	0.01	-5.09	***	0.01	0.01	0.87	NS

More than 500k inh.																				
Between 0 and 10K inh.	0.09	0.01	6.66	***	0.13	0.02	7.44	***	0.06	0.01	6.27	***	-0.02	0.01	-1.78	NS	0.03	0.00	6.92	***
Between 10K and 100k inh.	0.08	0.01	6.60	***	0.11	0.02	6.62	***	0.02	0.01	2.61	***	-0.01	0.01	-1.13	NS	0.02	0.00	5.53	***
Between 100k and 500k inha.	0.06	0.01	4.19	***	0.11	0.02	5.47	***	0.00	0.01	0.40	NS	0.00	0.01	-0.05	NS	0.02	0.01	3.62	***
Full time																				
Part time	0.05	0.02	2.86	***	0.02	0.02	1.05	NS	0.00	0.01	-0.19	NS	0.03	0.01	1.94	NS	0.02	0.01	2.56	***
Self-employed	-0.01	0.02	-0.28	NS	0.02	0.03	0.64	NS	-0.03	0.01	-2.33	**	0.03	0.02	1.75	NS	0.00	0.01	-0.05	NS
Retired	-0.04	0.02	-2.78	***	0.05	0.02	2.50	**	0.03	0.01	2.69	***	-0.03	0.01	-2.63	***	-0.01	0.01	-1.09	NS
Housewife	-0.10	0.02	-6.21	***	0.05	0.02	2.21	**	0.05	0.01	4.24	***	-0.04	0.01	-3.16	***	-0.02	0.01	-2.61	***
Student	0.11	0.02	5.00	***	-0.10	0.03	-3.27	***	0.04	0.02	2.73	***	0.08	0.02	4.54	***	0.04	0.01	5.13	***
Unemployed	-0.13	0.02	-7.19	***	-0.22	0.02	-9.07	***	-0.02	0.01	-1.41	NS	-0.04	0.02	-2.44	**	-0.05	0.01	-7.63	***
Other status	-0.10	0.03	-3.41	***	-0.01	0.04	-0.22	NS	0.03	0.02	1.41	NS	-0.03	0.03	-1.26	NS	-0.02	0.01	-1.90	*
High Concern Im. Fam.																				
To a certain extent	0.06	0.01	4.14	***	0.02	0.02	1.20	NS	-0.03	0.01	-2.45	**	0.02	0.01	1.77	NS	0.01	0.01	2.34	**
Not concerned	0.10	0.02	6.27	***	0.15	0.02	6.99	***	0.03	0.01	2.95	***	0.10	0.01	7.30	***	0.05	0.01	9.69	***
Family Not important																				
Family quite important	-0.03	0.03	-0.83	NS	0.19	0.04	4.63	***	0.04	0.02	2.02	**	0.01	0.03	0.47	NS	0.02	0.01	1.73	*
Family very important	0.00	0.03	-0.15	NS	0.37	0.04	9.45	***	0.07	0.02	3.55	***	-0.02	0.02	-0.69	NS	0.03	0.01	3.21	***
High Concern neigh.																				
To a certain extent	-0.04	0.01	-3.53	***	0.03	0.01	1.96	**	-0.05	0.01	-7.33	***	-0.04	0.01	-4.27	***	-0.02	0.00	-6.60	***
No Concern	-0.09	0.01	-7.40	***	-0.05	0.02	-2.83	***	-0.09	0.01	-10.67	***	-0.05	0.01	-4.77	***	-0.05	0.00	-11.32	***
High Concern Human Kind																				
To a certain extent	-0.08	0.01	-7.42	***	-0.09	0.01	-6.34	***	-0.01	0.01	-1.36	NS	-0.06	0.01	-7.04	***	-0.03	0.00	-9.28	***
No Concern	-0.14	0.01	-12.26	***	-0.17	0.02	-11.45	***	-0.05	0.01	-6.88	***	-0.11	0.01	-12.10	***	-0.07	0.00	-17.80	***
Not simply stick own affairs																				

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Disagree to a certain extent	-0.12	0.01	-10.36	***	-0.08	0.02	-5.20	***	-0.01	0.01	-1.14	NS	-0.06	0.01	-5.94	***	-0.04	0.00	-10.021	***
Disagree	-0.12	0.01	-11.88	***	-0.11	0.01	-8.24	***	-0.01	0.01	-0.78	NS	-0.09	0.01	-10.78	***	-0.05	0.00	-13.76	***
(Constant)	0.49	0.04	12.58	***	-0.19	0.05	-3.57	***	0.04	0.03	1.49	NS	0.66	0.03	20.58	***	0.16	0.01	12.08	***

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Macro variables	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig.**	**B**	**StdEr**	**t**	**Sig.**	**B**	**StdEr**	**T**	**Sig.**	**B**	**StdEr**	**t**	**Sig.**
Social Expenditure	-0.01	0.00	-3.35	***	-0.01	0.00	-4.00	***	0.01	0.00	7.55	***	0.01	0.00	6.11	***	0.00	0.00	3.46	***
Economic Development	0.00	0.00	10.77	***	0.00	0.00	8.04	***	0.00	0.00	4.85	***	0.00	0.00	10.42	***	0.00	0.00	14.90	***
Income Inequality	-0.03	0.00	-17.22	***	-0.01	0.00	-2.94	***	0.00	0.00	-1.85	NS	0.00	0.00	-2.35	**	-0.01	0.00	-11.81	***
Labour Market Participation	0.01	0.00	8.77	***	0.00	0.00	0.18	NS	0.00	0.00	6.44	***	0.00	0.00	5.04	***	0.00	0.00	9.88	***

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Countries	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**
Denmark																				
France	-0.35	0.03	-12.08	***	-0.76	0.04	-18.87	***	-0.19	0.02	-9.27	***	-0.41	0.02	-16.92	***	-0.24	0.01	-23.30	***
Great Britain	-0.39	0.03	-14.13	***	-0.41	0.04	-10.73	***	-0.17	0.02	-8.45	***	-0.33	0.02	-13.96	***	-0.20	0.01	-20.66	***
Germany	-0.31	0.03	-11.17	***	-0.56	0.04	-14.36	***	-0.17	0.02	-8.50	***	-0.27	0.02	-11.46	***	-0.18	0.01	-18.65	***
Italy	-0.40	0.03	-13.87	***	-0.30	0.04	-7.45	***	-0.25	0.02	-12.34	***	-0.35	0.02	-14.44	***	-0.22	0.01	-21.56	***
Spain	-0.51	0.03	-15.90	***	-0.48	0.04	-10.78	***	-0.14	0.02	-6.04	***	-0.29	0.03	-10.63	***	-0.21	0.01	-18.94	***
Netherlands	0.10	0.03	3.21	***	-0.35	0.04	-8.24	***	-0.09	0.02	-3.98	***	-0.10	0.03	-4.09	***	-0.04	0.01	-3.82	***
Belgium	-0.16	0.03	-5.59	***	-0.65	0.04	-16.20	***	-0.20	0.02	-9.59	***	-0.37	0.02	-15.15	***	-0.19	0.01	-18.50	***
Sweden	0.17	0.03	5.51	***	-0.33	0.04	-7.68	***	-0.06	0.02	-2.76	***	-0.05	0.03	-1.81	NS	-0.01	0.01	-1.00	NS

Ireland	-0.28	0.03	-8.82	***	-0.28	0.04	-6.25	***	-0.09	0.02	-3.95	***	-0.33	0.03	-12.21	***	-0.15	0.01	-13.96	***
Austria	-0.14	0.03	-4.58	***	-0.42	0.04	-10.12	***	-0.04	0.02	-2.04	**	-0.29	0.02	-11.55	***	-0.12	0.01	-11.53	***
Portugal (Missing)																				
Finland	0.01	0.03	0.48	NS	-0.24	0.04	-6.53	***	-0.03	0.02	-1.58	NS	-0.07	0.02	-3.25	***	-0.03	0.01	-3.46	***
Greece	-0.35	0.04	-9.90	***	-0.73	0.05	-14.74	***	-0.47	0.03	-18.27	***	-0.47	0.03	-15.51	***	-0.30	0.01	-24.38	***
Poland	-0.52	0.03	-16.79	***	-0.29	0.04	-6.62	***	-0.19	0.02	-8.63	***	-0.42	0.03	-16.15	***	-0.24	0.01	-22.30	***
Czech Republic	-0.17	0.03	-6.36	***	-0.49	0.04	-13.05	***	-0.33	0.02	-16.82	***	-0.44	0.02	-19.32	***	-0.22	0.01	-23.25	***
Slovakia	-0.10	0.03	-3.26	***	-0.85	0.04	-20.90	***	-0.23	0.02	-10.81	***	-0.54	0.02	-21.94	***	-0.23	0.01	-22.27	***
Hungary	-0.49	0.03	-16.42	***	-0.49	0.04	-11.88	***	-0.19	0.02	-9.04	***	-0.39	0.02	-15.70	***	-0.24	0.01	-23.22	***
Slovenia	-0.27	0.03	-8.24	***	-0.42	0.05	-9.09	***	-0.23	0.02	-9.62	***	-0.44	0.03	-15.74	***	-0.21	0.01	-18.53	***

Notes: (1) *** Significant at the 0.01 level, ** Significant at the 0.05 level, * Significant at the 0.10 (2-tailed).
(2) Linear regressions for Social Capital, Social Networks, Social Norms and Institutional Trust; logistic regression for Trust.

Table 2A. Regressions explaining the variance of social capital and its dimensions (testing the decommodification hypothesis with 11 countries), detail macro variables (Models 2, 3, 4), 1990's

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Model 2	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**
Decommodification	0.03	0.00	15.29	***	0.01	0.00	4.16	***	0.00	0.00	1.08	NS	0.01	0.00	4.16	***	0.00	0.00	7.29	***
Economic Development	0.00	0.00	2.99	***	0.00	0.00	-0.82	NS	0.00	0.00	0.01	NS	0.00	0.00	-0.82	NS	0.00	0.00	2.21	**
Income Inequality	0.01	0.00	1.34	NS	-0.01	0.00	-2.78	***	-0.01	0.00	-2.41	**	-0.01	0.00	-2.78	***	-0.01	0.00	-4.16	***
Labour Market Participation	0.01	0.00	4.62	***	0.01	0.00	6.94	***	0.01	0.00	9.47	***	0.01	0.00	6.94	***	0.00	0.00	8.81	***

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Model 3	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**T**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**
Decommodification	0.04	0.00	17.99	***	0.02	0.00	8.95	***	0.01	0.00	3.83	***	0.02	0.00	8.95	***	0.01	0.00	14.41	***
Social Expenditure	-0.03	0.00	-10.11	***	-0.04	0.00	-13.71	***	-0.02	0.00	-7.61	***	-0.04	0.00	-13.71	***	-0.02	0.00	-20.45	***
Economic Dvp.	0.00	0.00	-2.17	**	0.00	0.00	-7.26	***	0.00	0.00	-3.61	***	0.00	0.00	-7.26	***	0.00	0.00	-7.71	***
Income Inequality	-0.03	0.00	-5.60	***	-0.04	0.00	-11.10	***	-0.02	0.00	-6.80	***	-0.04	0.00	-11.10	***	-0.03	0.00	-16.53	***
Labour Market Participation	0.00	0.00	1.08	NS	0.00	0.00	2.15	**	0.01	0.00	6.51	***	0.00	0.00	2.15	**	0.00	0.00	1.79	*

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Model 4	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**T**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**
Social Expenditure 1990s	-0.01	0.00	-3.78	***	-0.03	0.00	-11.16	***	-0.01	0.00	-6.66	***	-0.03	0.00	-11.16	***	-0.02	0.00	-16.16	***
Economic Dvp	0.00	0.00	-0.41	NS	0.00	0.00	-6.36	***	0.00	0.00	-3.25	***	0.00	0.00	-6.36	***	0.00	0.00	-6.34	***
Income Inequality 1990s	-0.05	0.00	-12.01	***	-0.06	0.00	-14.69	***	-0.03	0.00	-8.47	***	-0.06	0.00	-14.69	***	-0.03	0.00	-22.32	***
Labour Market Participation 1990s	0.00	0.00	0.13	NS	0.00	0.00	1.83	NS	0.01	0.00	6.35	***	0.00	0.00	1.83	NS	0.00	0.00	1.06	NS

Notes: (1) The countries included in the analysis are: France, United Kingdom, Germany, Italy, Netherlands, Belgium, Sweden, Ireland, Austria, Finland and Denmark.
(2) *** Significant at the 0.01 level, ** Significant at the 0.05 level, * Significant at the 0.10 (2-tailed).
(3) Linear regressions for Social Capital, Social Networks, Social Norms and Institutional Trust; logistic regression for Trust.
Source: Author's elaboration after EVS (1999-2000); OECD (1990-1999); (Scruggs, 2004); Eurostat (1995-1999); UNU-WIDER (1990-1999).

Table 3A. Summary R square and number of cases (Models 1, 2, 3, 4), 1990s

	Social	Social	Institutional	Tru	Social
R square 1	0.194	0.148	0.115	0.15	0.254
Number of	18370	18370	18370	177	18331
R square 2	0.179	0.121	0.071	0.12	0.230
R square 3	0.186	0.135	0.075	0.13	0.256
R square 4	0.163	0.129	0.072	0.12	0.243
Number of	11813	11571	11951	115	11183

Source: Author's elaboration after EVS (1999-2000); OECD (1990-1999); (Scruggs, 2004); Eurostat (1995-1999); UNU-WIDER (1990-1999

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Table 4A. Regression explaining the variance of social capital and its components (Model 1), 2000s

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Micro Variables	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**
Income 5																				
Income1	-0.25	0.02	-15.62	***	-0.06	0.03	-2.13	**	-0.18	0.02	-11.90	***	-0.18	0.02	-10.76	***	-0.13	0.01	-18.55	***
Income2	-0.21	0.01	-18.73	***	-0.05	0.02	-2.48	***	-0.15	0.01	-14.43	***	-0.17	0.01	-14.52	***	-0.11	0.00	-23.07	***
Income3	-0.18	0.01	-18.62	***	-0.01	0.02	-0.85	NS	-0.11	0.01	-12.75	***	-0.14	0.01	-14.61	***	-0.09	0.00	-22.05	***
Income4	-0.09	0.01	-10.90	***	-0.04	0.01	-2.67	***	-0.08	0.01	-10.82	***	-0.10	0.01	-11.76	***	-0.06	0.00	-16.39	***
Tertiary education																				
Basic Education	-0.17	0.01	-12.99	***	0.02	0.02	1.02	NS	-0.05	0.01	-4.08	***	-0.14	0.01	-10.67	***	-0.07	0.01	-13.13	***
Second stage basic education	-0.07	0.01	-7.08	***	-0.01	0.02	-0.83	NS	-0.05	0.01	-5.19	***	-0.12	0.01	-11.10	***	-0.05	0.00	-11.46	***
(Upper) secondary education	-0.10	0.01	-12.63	***	-0.09	0.01	-6.10	***	-0.07	0.01	-9.87	***	-0.12	0.01	-13.82	***	-0.06	0.00	-18.21	***
Post-secondary non- tertiary	-0.11	0.02	-7.04	***	-0.07	0.03	-2.74	***	-0.05	0.01	-3.31	***	-0.05	0.02	-2.97	***	-0.05	0.01	-6.69	***
Female																				
Male	0.06	0.01	8.88	***	-0.06	0.01	-5.46	***	-0.01	0.01	-1.60	NS	0.00	0.01	0.06	NS	0.01	0.00	2.57	***
Age>65																				
Age<23	-0.11	0.02	-5.58	***	-0.43	0.03	-13.04	***	-0.06	0.02	-3.26	***	-0.07	0.02	-3.72	***	-0.06	0.01	-7.72	***
23<Age2< 50	-0.06	0.01	-4.73	***	-0.23	0.02	-9.98	***	-0.08	0.01	-6.26	***	-0.05	0.01	-3.54	***	-0.05	0.01	-8.25	***
50<Age3<65	-0.01	0.01	-0.76	NS	-0.08	0.02	-3.82	***	-0.06	0.01	-5.71	***	-0.03	0.01	-2.58	***	-0.02	0.00	-4.90	***
No Religion																				
Catholic	-0.01	0.01	-1.76	NS	0.06	0.01	4.19	***	0.05	0.01	7.55	***	-0.04	0.01	-4.66	***	0.00	0.00	1.04	NS
Protestant	0.06	0.01	5.97	***	0.23	0.02	13.91	***	0.17	0.01	18.43	***	0.17	0.01	16.67	***	0.09	0.00	21.74	***
Other Religions	-0.09	0.01	-7.65	***	0.06	0.02	3.20	***	0.00	0.01	-0.14	NS	-0.07	0.01	-5.54	***	-0.03	0.01	-5.95	***
More than 500k inh.																				
Between 0 and 10K inh.	0.09	0.01	7.50	***	0.13	0.02	6.30	***	0.01	0.01	0.93	NS	-0.06	0.01	-4.78	***	0.01	0.01	2.04	**
Between 10K and 100k inh.	0.10	0.01	8.25	***	0.12	0.02	6.07	***	0.02	0.01	1.95	NS	-0.02	0.01	-1.43	NS	0.02	0.00	4.57	***
Between 100k and 500k inha.	0.09	0.01	7.01	***	0.14	0.02	6.23	***	0.04	0.01	3.20	***	-0.01	0.01	-0.71	NS	0.03	0.01	4.99	***
Full time																				
Part time	0.11	0.01	7.84	***	0.03	0.02	1.24	NS	0.02	0.01	1.21	NS	0.07	0.01	5.11	***	0.04	0.01	6.80	***

Self-employed	0.00	0.01	0.08	NS	0.02	0.02	0.73	NS	-0.08	0.01	-6.26	***	0.02	0.01	1.18	NS	-0.01	0.01	-2.26	**
Retired	-0.01	0.01	-0.60	NS	0.05	0.02	2.26	**	-0.01	0.01	-1.26	NS	-0.04	0.01	-2.90	***	-0.01	0.01	-2.10	**
Housewife	-0.04	0.01	-2.97	***	0.04	0.03	1.68	NS	0.00	0.01	0.25	NS	-0.02	0.02	-1.24	NS	-0.01	0.01	-1.63	NS
Student	0.09	0.02	4.67	***	-0.05	0.03	-1.40	NS	0.03	0.02	1.43	NS	0.08	0.02	3.99	***	0.04	0.01	4.66	***
Unemployed	-0.09	0.01	-6.08	***	-0.07	0.03	-2.69	***	-0.04	0.01	-2.81	***	-0.06	0.02	-3.77	***	-0.04	0.01	-6.34	***
Other status	-0.04	0.02	-1.96	**	0.06	0.03	1.70	NS	-0.04	0.02	-2.14	**	-0.01	0.02	-0.38	NS	-0.02	0.01	-1.85	NS
High Concern Im. Fam.																				
To a certain extent	0.10	0.01	9.03	***	-0.03	0.02	-1.36	NS	0.00	0.01	0.28	NS	0.03	0.01	2.84	***	0.03	0.00	5.53	***
Not concerned	0.09	0.01	7.18	***	0.06	0.02	2.77	***	0.02	0.01	1.61	NS	0.07	0.01	5.71	***	0.04	0.01	7.39	***
Family Not important																				
Family quite important	-0.03	0.02	-1.29	NS	0.05	0.04	1.16	NS	0.06	0.02	2.89	***	0.05	0.02	2.00	***	0.02	0.01	1.97	**
Family very important	0.02	0.02	0.94	NS	0.28	0.04	7.40	***	0.08	0.02	3.73	***	0.01	0.02	0.41	NS	0.03	0.01	3.39	***
High Concern neigh.																				
To a certain extent	-0.03	0.01	-3.94	***	0.00	0.01	-0.11	NS	-0.03	0.01	-4.24	***	-0.02	0.01	-3.02	***	-0.02	0.00	-5.40	***
No Concern	-0.10	0.01	-10.63	***	-0.05	0.02	-2.71	***	-0.07	0.01	-7.27	***	-0.08	0.01	-7.75	***	-0.05	0.00	-12.58	***
High Concern Human Kind																				
To a certain extent	-0.01	0.01	-1.66	NS	-0.06	0.01	-4.02	***	-0.02	0.01	-2.01	**	-0.03	0.01	-3.68	***	-0.01	0.00	-4.05	***
No Concern	-0.04	0.01	-4.09	***	-0.16	0.02	-10.75	***	-0.07	0.01	-8.30	***	-0.08	0.01	-8.48	***	-0.04	0.00	-11.55	***
Not simply stick own affairs																				
Disagree to a certain extent	-0.08	0.01	-8.58	***	-0.13	0.02	-8.59	***	-0.03	0.01	-3.55	***	-0.06	0.01	-6.58	***	-0.04	0.00	-9.98	***
Disagree	-0.10	0.01	-12.89	***	-0.10	0.01	-7.65	***	-0.03	0.01	-4.37	***	-0.13	0.01	-16.66	***	-0.06	0.00	-17.37	***
(Constant)	0.42	0.03	14.49	***	-0.09	0.05	-1.74	NS	0.15	0.03	5.64	***	0.74	0.03	24.68	***	0.21	0.01	16.62	***

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Macro Variables	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig.**	**B**	**StdEr**	**t**	**Sig.**	**B**	**StdEr**	**t**	**Sig.**	**B**	**StdEr**	**t**	**Sig.**
Social Expenditure	-0.03	0.00	-27.28	***	0.00	0.00	-1.61	NS	0.00	0.00	2.03	**	0.00	0.00	-0.01	NS	-0.01	0.00	-11.43	***
Economic Development	0.00	0.00	24.08	***	0.00	0.00	6.83	***	0.00	0.00	6.43	***	0.00	0.00	9.53	***	0.00	0.00	19.83	***
Income Inequality	-0.04	0.00	-35.77	***	0.00	0.00	1.78	NS	-0.01	0.00	-11.94	***	-0.01	0.00	-6.46	***	-0.01	0.00	-24.71	***
Labour Market Participation	0.00	0.00	4.89	***	0.00	0.00	-1.60	NS	0.01	0.00	10.17	***	0.01	0.00	10.23	***	0.00	0.00	12.33	***

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Countries	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**
Denmark																				
France	-0.22	0.02	-11.47	***	-0.55	0.04	-15.21	***	-0.25	0.02	-13.12	***	-0.43	0.02	-20.48	***	-0.21	0.01	-24.64	***
Great Britain	-0.21	0.02	-10.22	***	-0.24	0.04	-6.20	***	-0.35	0.02	-16.80	***	-0.33	0.02	-14.25	***	-0.20	0.01	-21.30	***
Germany	-0.25	0.02	-14.32	***	-0.40	0.03	-12.06	***	-0.40	0.02	-22.83	***	-0.34	0.02	-17.40	***	-0.22	0.01	-28.70	***
Italy	-0.24	0.02	-11.49	***	-0.08	0.04	-2.14	**	-0.45	0.02	-21.41	***	-0.38	0.02	-16.33	***	-0.23	0.01	-24.77	***
Spain	-0.40	0.02	-18.81	***	-0.37	0.04	-9.28	***	-0.30	0.02	-14.06	***	-0.35	0.02	-14.82	***	-0.23	0.01	-24.33	***
Netherlands	0.40	0.02	20.58	***	-0.23	0.04	-6.36	***	-0.26	0.02	-13.49	***	-0.10	0.02	-4.80	***	-0.01	0.01	-1.33	NS
Belgium	-0.07	0.02	-3.42	***	-0.48	0.04	-13.28	***	-0.26	0.02	-13.33	***	-0.36	0.02	-16.78	***	-0.16	0.01	-18.97	***
Sweden	-0.28	0.02	-14.79	***	-0.41	0.04	-11.39	***	-0.21	0.02	-10.76	***	-0.07	0.02	-3.03	***	-0.13	0.01	-15.52	***
Ireland	-0.22	0.03	-7.94	***	-0.31	0.05	-6.06	***	-0.24	0.03	-8.75	***	-0.33	0.03	-10.80	***	-0.18	0.01	-14.45	***
Austria	-0.22	0.02	-10.83	***	-0.41	0.04	-10.88	***	-0.31	0.02	-15.43	***	-0.33	0.02	-14.89	***	-0.20	0.01	-21.95	***
Portugal	-0.50	0.02	-22.46	***	-0.27	0.04	-6.42	***	-0.41	0.02	-18.62	***	-0.50	0.02	-20.27	***	-0.30	0.01	-30.87	***
Finland	-0.02	0.02	-1.04	NS	-0.11	0.04	-3.10	***	-0.15	0.02	-7.59	***	-0.16	0.02	-7.40	***	-0.08	0.01	-8.83	***
Greece	-0.41	0.02	-17.56	***	-0.62	0.04	-14.20	***	-0.50	0.02	-21.62	***	-0.48	0.03	-18.70	***	-0.32	0.01	-30.45	***
Poland	-0.41	0.02	-19.53	***	-0.43	0.04	-10.91	***	-0.45	0.02	-21.25	***	-0.40	0.02	-17.05	***	-0.28	0.01	-29.76	***
Czech Republic	-0.08	0.02	-4.02	***	-0.55	0.04	-14.43	***	-0.49	0.02	-24.16	***	-0.42	0.02	-18.49	***	-0.23	0.01	-25.69	***
Slovakia	-0.19	0.02	-9.19	***	-0.76	0.04	-19.85	***	-0.31	0.02	-15.43	***	-0.55	0.02	-24.35	***	-0.25	0.01	-27.48	***
Hungary	-0.40	0.02	-20.40	***	-0.23	0.04	-6.36	***	-0.48	0.02	-24.82	***	-0.43	0.02	-19.89	***	-0.29	0.01	-32.83	***
Slovenia	0.23	0.02	10.79	***	-0.13	0.04	-3.17	***	-0.22	0.02	-10.01	***	-0.42	0.02	-17.49	***	-0.10	0.01	-10.23	***

Note: (1) *** Significant at the 0.01 level, ** Significant at the 0.05 level, * Significant at the 0.10 (2-tailed).
(2) Linear regressions for Social Capital, Social Networks, Social Norms and Institutional Trust; logistic regression for Trust.

Table 5A. Regressions explaining the variance of social capital and its dimensions

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Model 2	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**
Decommodification	0.06	0.00	28.80	***	0.03	0.00	9.68	***	0.02	0.00	10.46	***	0.03	0.00	15.06	***	0.02	0.00	26.99	***
Economic Development	0.00	0.00	-3.31	***	0.00	0.00	-4.20	***	0.00	0.00	-1.65	NS	0.00	0.00	-3.66	***	0.00	0.00	-4.68	***
Income Inequality	0.06	0.00	22.27	***	0.05	0.00	11.06	***	0.00	0.00	-0.15	NS	0.02	0.00	7.33	***	-0.02	0.00	-15.29	***
Labour Market Participation	0.02	0.00	12.97	***	0.01	0.00	6.15	***	0.01	0.00	5.61	***	0.02	0.00	12.85	***	0.01	0.00	15.97	***

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Model 3	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**
Decommodification	0.05	0.00	21.95	***	0.02	0.00	4.86	***	0.02	0.00	11.74	***	0.03	0.00	12.22	***	0.02	0.00	22.45	***
Social Expenditure	-0.05	0.00	-13.07	***	-0.07	0.01	-11.10	***	-0.02	0.00	-5.43	***	-0.02	0.00	-4.59	***	-0.01	0.00	-6.93	***
Economic Dvp.	0.00	0.00	-11.74	***	0.00	0.00	-10.93	***	-0.00	0.00	-2.77	***	0.00	0.00	-5.85	***	0.00	0.00	-8.25	***
Income Inequality	0.00	0.01	0.76	NS	-0.03	0.01	-3.53	***	-0.02	0.00	-4.52	***	0.00	0.01	-0.02	NS	-0.01	0.00	-2.21	**
Labour Market Participation	0.01	0.00	9.99	***	0.01	0.00	3.66	***	0.01	0.00	6.66	***	0.02	0.00	11.55	***	0.01	0.00	14.16	***

	Social Networks				Social Norms				Institutional Trust				Trust				Social Capital			
Model 4	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**	**B**	**StdEr**	**t**	**Sig**
Social Expenditure 1990s	-0.08	0.00	-22.57	***	-0.08	0.01	-13.93	***	0.00	0.00	1.10	NS	-0.04	0.00	-9.89	***	-0.02	0.00	-16.25	***
Economic Dvp	0.00	0.00	-9.51	***	0.00	0.00	-10.50	***	-0.00	0.00	-3.90	***	0.00	0.00	-4.68	***	0.00	0.00	-6.02	***
Income Inequality 1990s	-0.07	0.00	-19.07	***	-0.06	0.01	-9.35	***	-0.02	0.00	-4.74	***	-0.05	0.00	-11.40	***	-0.03	0.00	-17.56	***
Labour Market Participation 1990s	0.00	0.00	2.10	**	0.00	0.00	2.03	**	0.00	0.00	2.53	**	0.01	0.00	7.54	***	0.00	0.00	6.30	***

Note: (1) The countries included in the analysis are: France, United Kingdom, Germany, Italy, Netherlands, Belgium, Sweden, Ireland, Austria, Finland, and Denmark.
(2) *** Significant at the 0.01 level, ** Significant at the 0.05 level, * Significant at the 0.10 (2-tailed).
(3) Linear regressions for Social Capital, Social Networks, Social Norms and Institutional Trust; logistic regression for Trust.
Source: Author's elaboration after EVS (2008); OECD (2000-2008); (Scruggs, 2004); Eurostat (2000-2008); UNU-WIDER (2000-2008).

Table 6A. Summary R square and number of cases (Models 1, 2, 3, 4), 2000s

	Social Networks	Social Norms	Institutional Trust	Trust	Social Capital
R square 1	.294	0.134	0.137	0.183	0.307
Number of	20055	20055	20055	19479	20055
R square 2	.204	0.121	.103	.168	0.271
R square 3	.215	0.130	.106	0.17	0.274
R square 4	.183	0.128	.095	.159	0.24
Number of cases	11863	11863	11863	11510	11863

Source: Author's elaboration after EVS (2008); OECD (2000-2008); (Scruggs, 2004); Eurostat (2000-2008); UNU-WIDER (2000-2008).

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Directeurs de publication:
Bruno Palier et Etienne Wasmer

Sciences Po - LIEPP
27 rue Saint Guillaume
75007 Paris - France
+33(0)1.45.49.83.61
liepp@sciencespo.fr