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Social capital in contemporary Europe: evidence from the European Social Survey

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Abstract
Social capital is an increasingly popular concept among scientists, politicians and the media. It is regarded as a remedy for many of the failures of modern society and seen as wonder glue conducive to feelings of happiness and to better performing economies and democracies. In this article we are not so much concerned with the consequences of social capital for society, but we focus on why some people have higher levels of social capital than others. We argue that this is not only due to a number of personal characteristics but also to contextual or country features. We therefore formulate hypotheses about the effects of individual and macro or country characteristics that were tested using the survey data from the European Social Survey (2002). The results demonstrate that the impact of macro characteristics is rather modest compared to the effects of individual attributes. It also seems that social capital is a multifaceted phenomenon that cannot be captured by one single measure.

Introduction
A recent promising development within the social sciences has been the emergence of intensified research on social capital (e.g. Flap 1999; Paxton 1999; Portes 1998; Putnam 1993, 2000; Swain 2003; Szreter 2000; Woolcock 1998). The notion of social capital originally referred to the production of individual-level goods (Bourdieu 1973, 1985; Coleman 1990; Loury 1977). Individual-level social capital theory assumes that individuals take an active stance when they try to produce a good life. Social capital (informal social connectedness and formal civic engagement) is, according to this theory, at least as vital as physical, financial and human capital for the well-being of individuals. Those with more social capital will better be able to realize their goals or defend their interests (Flap 1999: 8). More recent writings on social capital (Fukuyama 1995; Putnam 1995, 2000), however, have extended the notion of social capital from an individual asset to a feature of communities and even nations. In other words, social capital is regarded as a social fact, and as such something external to the individual ‘that can be “built” and...
pumped up by effective policy initiatives’ (Swain 2003: 196). It is assumed that entire nations can have different levels of social capital, which in turn affect positively the chances for democracy, industrialization, wealth, etc.

A popular view is that it is a remedy against all kinds of societal problems. Social capital is a very promising concept to solve ‘collective action problems’ (Uslaner and Dekker 2001: 176). It is recognized that it plays a crucial role in economic transactions and is linked with governmental efficiency, economic activity and growth (Fukuyama 1995; Knack and Keefer 1997), good governance and democracy (Putnam 1993, 2000) and even the reduction of violent crimes (Lederman, Loayza and Menéndez 2002). Therefore it may not come as a big surprise that social capital has been received with great enthusiasm from the mass media to the World Bank, the IMF and the OECD and to politicians in the White House. Social capital is seen as an important, if not the most important, resource to support economic and social development (OECD 2001: 9).

However, despite many convincing examples in several of the publications on social capital and the positive effects it has on society in terms of democratic development, economic advancement, collective action and feelings of happiness, the evidence that social capital really matters is not very strong. Beugelsdijk and Van Schaik investigated the relationship between participation in civil society and economic development in European regions and concluded that ‘social capital in terms of trust is not related to economic growth at the regional level in Europe’. When social capital refers to involvement in social networks, they find some evidence in favour of Putnam’s hypothesis that social capital matters for economic success. However, it is ‘not only the existence of social networks that contribute to regional economic growth, but also the actual level of involvement in it’ (Beugelsdijk and Van Schaik 2003: 141).

O’Connell (2003) even argues that social capital is not a very powerful determining factor in society. According to him, scores of studies yield evidence that social capital does not produce better-performing societies, but that the relationship is reversed. ‘Studies again and again highlight specifically that levels of social capital are a function of economic circumstances’ (O’Connell 2003: 244) and not the other way around!

Others (e.g. Portes 1998; Durlauf 2002) suggest that the virtues of social capital are exaggerated and that social capital can have serious negative consequences: ‘exclusion of outsiders, excess claims on group members, restrictions on individual freedom, and downward levelling norms’ (Portes 1998: 15). Swain (2003: 201) argues that social capital has ‘a dark side: the very existence of a group with social capital suggests that there are others without it; what benefits some necessarily excludes others’.

Such conclusions seem to demonstrate the wide conceptual confusion and major difficulties in using concepts like social capital. Apparently, different interpretations and usages of social capital yield different results as far as the importance of social capital for society and its citizens are concerned. The aim
of this article is not so much to investigate the importance of social capital for
the well functioning and performance of society, but to explore social capital at
the individual level. In fact, in this article we do not regard social capital as an
independent quality or mediating factor, but we focus on social capital at the
individual level as the dependent variable. We aim at understanding and/or
explaining differences in people’s degrees of social capital. Of course, others
have already tried to understand and explain the varieties in the degrees of an
individual’s level of social capital. Whiteley (1999), Uslaner (1999) and
Freitag (2003) have focused on a number of individual attributes and
we will make use of their arguments and analyses. What is new, however, is
the combination of both micro- and macro-level characteristics to understand
the individual’s level of social capital. As far as we know, there have been far
fewer attempts at explaining the individual’s levels of social capital from both
individual characteristics and macro features. Although Whiteley formulated
a number of hypotheses at both levels, his empirical analyses were confined to
the micro or individual level. We extend his analyses by also including factors
at the macro level and thus multi-level analyses are applied.

In the next section we begin by defining the concept of social capital
as a feature of individuals not, as is commonly done, as a characteristic of
society. Then we present our theoretical arguments explaining and
understanding differences in individual levels of social capital. As said,
here we will largely build on the work of Whiteley, but also on the works
of Uslaner (1999), Freitag (2003) and others. The arguments are not
from one theoretical point of view or from one theory. Most of the lite-
rature focuses on the societal consequences of social capital and not so
much on the sources of why people have a certain level of social capital.
We present some thoughts on the effects of some individual characteris-
tics and contextual features on social capital. Individuals are not living in
an isolated area, but operate in ‘geographically, historically and socially
specific contexts’ that affect their levels of social capital. In section four
we present the data sources, the measurements and our analytical
design; and the results of our analyses are presented in section five. In
section six we summarize our analyses and draw some conclusions.

What is social capital?
Although the concept of social capital is not new to the social sciences, it
was Putnam and his Making Democracy Work that made the concept attrac-
tive to modern social and political theories and public debates. Social capital
is considered an important factor with regard to social relationships
(Coleman 1990), the family (Boisjoly, Duncan and Hofferth 1995), achievement
at school (Sheedey 1997) and work (Burt 1998), as well as a working
democracy (Putnam 1993), economic development (Fukuyama 1995;
Knack and Keefer 1997) and a healthy civil society (Fukuyama 2000). In
this sense, social capital relates to several basic dimensions of social life. Accord-
ing to Coleman, social capital constitutes a basic component of a
logic of action, which eases social cooperation and the attainment of
collective common goods. Thus, social capital allows ‘the achievement of certain ends that would not be attainable in its absence’ (Coleman 1990: 302). Using such arguments, Putnam assumed the ‘civic community’ and social capital to be a basic prerequisite for a well-functioning democracy and a prosperous society: ‘When trust and social networks flourish, individuals, firms, neighbourhoods and even nations prosper’ (Putnam 2000: 319). No wonder that the genesis, maintenance and workings of social capital have gained importance in the social and political sciences and that the concept of social capital is appealing to international bodies (like the World Bank) and programmes dealing with economic transition and political changes. Social capital is considered ‘a silent partner that can bring about desirable aspects of economic and political development’ (Montgomery 2001: 228). However, since there are different understandings of social capital, our use of the concept needs to be clarified.

Despite its widespread attention, the concept of social capital is far from clear. In his book Making Democracies Work, Putnam identifies social capital as a rather abstract and vague phenomenon. Social capital, he says, ‘refers to features of social organization, such as trust, norms, and social networks’ (Putnam 1993: 167). He proceeds by giving a number of examples to illustrate what he considers to be social capital, how it works, etc. From these examples, it remains unclear what the relationships are between the various components of social capital. At one point he argues that they are self-reinforcing and cumulative (Putnam 1993: 177), while on other occasions he regards them as a special form or as another form of social capital, or as one special feature of it (Putnam 1993: 170). In other words, it is unclear whether or not the components of social capital are at the same level or if one influences the others in causal terms. For example, he explains that social trust can arise from related sources: norms of reciprocity and networks (Putnam 1993: 177), while on other occasions he regards them as a special form or as another form of social capital, or as one special feature of it (Putnam 1993: 170). In other words, it is unclear whether or not the components of social capital are at the same level or if one influences the others in causal terms. For example, he explains that social trust can arise from related sources: norms of reciprocity and networks (Putnam 1993: 170), and that accordingly networks and norms should be prior to trust. In his more recent publication he defines social capital in similar terms: ‘social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arises from them’ (Putnam 2000: 19).

It thus seems as if Putnam confines the concept of social capital to the connectedness of people. This connectedness is also emphasized in other attempts to define or describe social capital. According to Coleman (1990), social capital has to do with people’s ability to associate with each other. Social relations constitute a capital asset of the individual, that is, ‘a resource that, once accumulated, can be drawn on or accessed as needed ...[a resource] that makes possible otherwise impossible goals’ (Boisjoly, Duncan and Hofferth 1995: 609). In other words, social networks are regarded as a kind of prerequisite to build up social capital. Engagement in networks and a dense social network are necessary conditions for the emergence of social capital. As Portes (1998: 6) states, ‘the consensus is growing in the literature that social capital stands for the ability of actors to secure benefits by virtue of membership in social networks or other social structures’. Social networks
enable the mobilization of social contacts from which an individual can benefit. In other words, social connections affect an individual’s life changes (Putnam 2000: 319) and produce higher levels of trust. This claim of Putnam is supported by Brehm and Rahm who indeed find that people who are more active in their communities had more positive beliefs about trustworthiness of others while ‘the effect of trust in others on levels of civic engagement is considerably weaker’ (Brehm and Rahm 1997: 1014).

However, the ties in civic networks must be of a specific kind. They must be trusting and reciprocal (see Paxton 1999: 93) and it seems more likely to assume that trust is not so much produced because of people being involved in networks, but the other way around. Thus, people get involved in networks or civically engaged because they trust others. Indeed, Stolle (1998) has found that trusting people join organizations while group membership does not make people more trusting. Tonkiss and Passey (1999: 262) argued that ‘trust can be viewed as the basis for voluntary association’ and this was confirmed, at least in the case of Romania, where trust in people appeared as one of the most significant predictors of voluntary activism (Voicu and Voicu 2003: 152). Also, Uslaner challenged Putnam’s claim that group membership produces trust. In fact, Uslaner (2000) not only did not find any support for Putnam’s claim, he also found no support for the opposite claim. Thus, group membership and informal socializing do not depend on trust but do not create trust either.

Whether involvement in social networks generates trust or not is a matter that is open to debate; however, it seems more accurate to assume that trust is present prior to engagement in social relations and associations because without ‘the subjective capacity to empathise, to trust and to reciprocate in social relations, strong and extensive networks would not be created and formal and informal associations would not proliferate’ (Newton 1999: 6).

The importance of trust is also emphasized by Francis Fukuyama (1995, 2000). He argues that interpersonal trust is basic for a wide variety of social relationships to emerge. He also argues that since transactions costs are low in instances of mutual trust, interpersonal trust is basic to a flourishing economy: ‘If people who have to work in an enterprise trust one another doing business costs less’ (Fukuyama 1995: 27). Mutual trust eases the cooperation between individuals. As Uslaner (1999: 216) writes, trust ‘provides the glue that binds people together in the absence of enforceable contracts policed by external agents’. Thus, trust is a ‘synthetic force within society’ (Simmel 1950: 326).

When social capital is regarded as referring to qualities in social relationships that enhance the capacity of the participants to achieve their interests and, which at a more general level, constitute a resource for social development, it is clear that interpersonal trust, mutual supportiveness, shared norms and understandings are among these important qualities. Coleman (1990) argues that the core of social capital is trust, which is based on norms
of generalized reciprocity. ‘Generalised reciprocity refers to a continuing relationship of exchange that is at any given time unrequited or imbalanced, but that involves mutual expectations that a benefit granted now should be repaid in the future’ (Putnam 1993: 172). Thus, one does something for someone else not because one expects immediate repayment, but in the vague expectation that the other might do something in return for you in the (near) future. Generalized reciprocity thus involves a degree of uncertainty, risk and vulnerability (Newton 1999: 4). Here the relationship with trust is clear: one relies on the firm expectation that the other will do something in return for what one has done for the other. Thus, generalized reciprocity is based on mutual trust and trustworthiness. The other way around, it can be argued that mutual trust is, in a way, the same as generalized reciprocity.

Although we have not defined the concept of social capital very concisely here, it will be clear that basic to the notion of social capital is that people spend their resources on others, that people invest in each other and that people can mobilize the resources of others. That can be either in closed networks of family and friends or homogeneous groups, or it can be in open networks of people in different groups. The first is known as bonding social capital, because it provides social, psychological and emotional support for the group members only and as such it creates a strong in-group loyalty: ‘bonding social capital constitutes a kind of sociological superglue’ (Putnam 2000: 23). Bridging social capital, on the other hand, strengthens a larger society in the sense that it promotes civic responsibility, tolerance and cooperation between people of different groups and, as such, links very heterogeneous groups together. Social capital bridges different communities or groups and ‘can generate broader identities and reciprocity’ (Putnam 2000: 23). We focus particularly on this latter interpretation and do not consider social capital in the narrow sense of spending resources on and investing in significant others that are near and dear to us only, but also of more distant and generalized others. The main components of social capital are: trust, norms of reciprocity and engagement in networks. How these components are mutually related is not further discussed here. It appears difficult to decide upon the relationships and possible causal chains. What is clear is that it is ‘an obvious chicken-and-egg problem in deciding which comes first: norms of trust and reciprocity without which networks cannot be created; or networks which help create norms of trust and reciprocity’ (Newton 1999: 7).

Understanding individual levels of social capital

In this article we do not consider social capital as a characteristic of society or social fact contributing positively to the well-functioning and performance of that society; rather we regard social capital as a quality of individuals in the sense that people can be differentiated according to their levels of social capital. Some individuals can be highly trusting, and may have a cooperative attitude and be very active in society, whereas others
may have low levels of trust, be less cooperative and less active. As such it may be considered a personal trait.

We are not so much concerned with the ultimate consequences of high or low levels of social capital in a society, but rather want to explore the socio-demographic and attitudinal attributes of an individual’s level of social capital. Thus, why do some people have higher levels of social capital and others lower levels or simply lack any social capital? In order to understand the differences in these traits at the individual level we not only focus on socio-demographic features of individuals, but also on the context people are living in. Individuals are not living in isolation but are part of a certain culture. It is likely that these national cultures also have an impact on individual levels of social capital. Apart from investigating the impact of individual characteristics we focus on such macro characteristics and include both simultaneously in the analyses. As far as we know, there have not been many efforts to combine individual and macro characteristics in one analysis. An exception is the study of social capital in civic and stressful societies (Rose, Mishler and Haerpfer 1997), but that study was confined to central/eastern European countries. Although Whiteley (1999) and Freitag (2003) formulate hypotheses at both levels, they empirically test the individual-level hypotheses only. Both Whiteley’s and Freitag’s arguments can and will be used in this article to formulate hypotheses and empirically test them at both levels.

**Individual-level characteristics**

It is often argued that contemporary society is highly individualized in the sense that increasingly people’s judgements on what is good and evil ranks prior to adherence and acceptance of the traditional norms. The individual’s personal freedom tolerates few restrictions; and individualism, anonymity and competition have gradually replaced senses of ‘shared space, close kinship links, shared religious and moral values’ (Forrest and Kearns 2001: 2125). According to some social observers, such developments are a real threat to the functioning of and living in modern society. People in modern, individualized liberal society are assumed to be egoistic, hedonistic, narcissistic, nihilistic and atomistic, etc. As a consequence of this development, an ego-centred, consumerist mentality of non-commitment is widely diffused, which has led to a reduced interest in public life that has consequently become seriously eroded. Individualism thus seems not very conducive to – if it is not indeed destructive of – the common good, and as such it destroys mutual trust and civic order in society and alienates its people. As a result, social capital is likely to deteriorate. Thus, we expect individualists to be low on social capital.

Whiteley (1999: 30) argued that ‘individuals with a strong moral sense which promotes empathy with others and a desire for fairness, are likely to be predisposed to trust other people in comparison with individuals who lack such a moral sense’. Indeed, it can be argued that because a moral sense sets limits to the members of a society to what they can and cannot do, and thus
makes us decide what is right and wrong and what is acceptable and unac-
ceptable (Wilson 1993: 25) a strong moral sense will be conducive to higher
levels of social capital. If one is of the opinion that everybody in society obeys
the law not because they are forced to obey, but because it is their duty, one
can rely on the others that they will not be free riders. As such, a strong
moral sense may promote trust and collaboration. Thus, individuals with a
strong moral sense will have higher levels of social capital.

If social capital is indeed a kind of personal trait, it may very well be
connected with what is called peoples’ political views, orientations and
ideologies. For example, a well-known and oft-applied distinction is made
between left and right ideologies. Although the understanding of left and
right may be as difficult as social capital and thus be far from clear and
highly confusing (Laponce 1970), the concepts of left and right are ‘gene-
 rally seen as instruments that citizens can use to orient themselves in a
complex political world’ (Fuchs and Klingemann 1989: 203). The core
issue in the left–right distinction is equality (Bobbio 1996: 60). The ‘left’
represents that part of society that favours a more just distribution of
income and wealth and that welcomes state intervention to achieve this.
On the other hand, the ‘right’ stresses a class society and the principles of
a free-market economy and independent individuals. According to such
understandings of the ideological differences between left and right, it may
be expected that people on the ideological left will emphasis cooperation,
solidarity and fraternity and consequently have higher levels of social
capital, whereas those on the right will stress competition, hierarchy, will
be in favour of the ‘struggle for survival’ and will have lower degrees of
social capital (see Whiteley 1999: 37).

Religion is another factor that may affect people’s degrees of social
capital. The relationship between religion and social capital has long been
of prime concern in the sociology of religion. Durkheim (1965 [1915])
argued that religion and social trust were positively intertwined, and that
religion was given a key role in the creation and maintenance of solidarity.
That religion is likely to be conducive to the creation of social trust has also
been argued by others. For example, according to Levi (1995: 48), social
trust is ‘a result of interactions among groups defined by ethnicity, religion,
or some other shared value’. Whiteley (1999: 37) argues that religious
people will have developed ‘an ethos which is trusting, altruistic and
favourably inclined towards cooperation with other people’. Religious
belonging is regarded by some as conducive to social capital since it con-
nects people to one another and is conducive to pro-social behaviour. Loury
(1977), Coleman (1990) as well as Putnam (1993, 2000) have argued
that religious involvement is ‘a social resource that generates the kinds of
networks, norms and relationships that help individuals and communities
attain important goals’ (Wuthnow 2002: 669). In this sense, religious
involvement can be seen as an important attribute – if not a prerequisite – of
social capital. Religious beliefs are also assumed to produce an ethos that is
trusting, altruistic and cooperative: ‘Faith creates communal bonds that
foster social connectedness, participation and moral behaviour’ (Uslaner 1999: 216). Thus, it is likely that religion is conducive to the emergence and maintenance of social capital both at the individual and societal level. At the individual level, we therefore assume that religious people will have higher levels of social capital than those who are less religious.

According to Whiteley (1999) and Freitag (2003), feelings of happiness and satisfaction are powerful predictors of trust and cooperative attitudes. These feelings will be based on positive past experiences (Alesina and La Ferrara 2002). If someone is hurt in the past, not treated nicely or even cheated, this will not only produce low levels of happiness and high levels of dissatisfaction but it will also affect levels of trust and willingness to engage in social actions: thus happiness, satisfaction and positive past experiences will tend to lead to higher levels of individual social capital.

Individual differences in levels of social capital may also be found in several socio-economic characteristics of individuals, e.g. levels of education, age and gender. Education because it ‘supplies us with knowledge and information that form the basis of daily social interaction’ (Freitag 2003: 220), and because education makes people more open-minded and thus accepting otherness easier. As such they will have more bridging abilities than lower-educated people and thus are likely to have a higher level of social capital.

Age may be important to control for because it can be argued that older people are raised and socialized in less secure circumstances and thus it seems fair to assume that they are more ‘solidaristic’, more cooperative and more trusting of each other than younger people (Whiteley 1999). To this can be added what Gächter, Herrmann and Thöni (2004) have found in their research on trust and voluntary cooperation. Older people were less afraid of being exploited than younger people. This fostered their trust in the fairness of others, which correlated positively with cooperative behaviour. Thus older people are likely to be more cooperative and trustful than younger people.

Macro-level characteristics
As we argued above, growing levels of individualism are not very supportive of collaborative behaviour and mutual trust. As Fukuyama notes: ‘a society dedicated to the constant upending of norms and rules in the name of increasing individual freedom of choice will find itself increasingly disorganised, atomised, isolated and incapable of carrying out common goals and tasks’ (Fukuyama 2000: 15). According to Fukuyama, this easily leads to social disorder and conflict because individualistic society lacks social cohesion. Therefore we can expect that inhabitants of individualistic societies are lower on social capital than inhabitants of less-individualistic societies.

When it comes to the origin of social capital, Fukuyama (1995) argues that the differences in social capital can be attributed to differences in cultural and ethical habits which, in their turn, are ultimately grounded in religion. Also, Uslaner (1999) suggested that a country’s religious culture should play
a key role in the development of social capital. In a general way, these assumptions may be said to contradict the claims made by modernization and, especially, secularization theories. According to modernization theory, society has gradually transformed and become secular and highly individualized. Religion in modern society is no longer regarded as a core element, shaping people's world-views, their moral convictions, their private and communal lives and their politics (Van Deth 1995: 9–10). The prevalent view in secularization theories is that religion has gradually lost substantial parts of its former impact on social life. However, it can be argued that the cultural patterns today were established in a time when religion still played an important role (Inglehart 1997). ‘Despite the decline of hierarchical religion in modern societies, the cultural patterns it established long ago continues to play decisive roles in shaping contemporary trust relationships’ (Fukuyama 2000: 240). Religion is still generally seen as a main source to refrain from pure self-interest. Rokeach (1973: 128) demonstrated that people who attend religious services more frequently are more often inclined to be helpful. More recently, Wuthnow (1991) has shown that religiosity promotes volunteering, while others have demonstrated the importance of religious orientations and the involvement in religious institutions for charitable contributions and voting (Uslaner 1999: 216). Thus we may expect that countries where people are more religious will have higher levels of social capital than countries in which the population is less religious.

As we have argued above, at the individual level past experiences will also be relevant to the development of social capital. Negative experiences will not only lead to disappointment, dissatisfaction and unhappiness but also to distrust and the refraining from social participation. If society has performed well and/or is performing well, this will generate higher levels of trust and thus high levels of social capital. Thus, if most people in a society are happy and satisfied, high levels of trust and social capital can be expected to exist. Further, if people are often confronted with the misbehaviour of others, social capital will not be very high. If there is a collective feeling that others cheat you, why trust them or why engage in voluntary organizations and collaborate and be cooperative? Thus, if corruption is high, social capital is low. One could also argue the contrary, that when social capital is high and, therefore, societal trust is high, corruption will not appear.

Societies may also differ in levels of what is called moral sense. Such a moral sense is a society’s source of moral constraints and defines the limits of the behaviours of the members of a society (Wilson 1993: 14). A strong moral sense means that there is widespread agreement on the fairness or disapproval of certain actions. If, in a society, people share such high moral standards it can be expected that everybody will behave accordingly and that nobody is ‘free riding’. As a consequence, a strong moral sense enhances social capital. Thus, in a society in which most people believe in strong moral principles, high levels of social capital will exist (Whiteley 1999: 30).
Finally, modern people are living in an increasingly globalized world, meaning that people have the opportunity to get in touch with and generate awareness of very different experiences, habits and customs. In a way, it connects people globally and, as such, globalization may be conducive to bridging social capital, perhaps at the cost of binding social capital. Now that people no longer have to rely on immediate relatives, but more on communities with people far away, the radius of trust may be expanding and no longer be confined to family and kinship groups (Fukuyama 2000). However, as Forrest and Kearns argue, globalization may also have the opposite effect, ‘as the forces which bear down upon us seem to be increasingly remote, local social interaction and the familiar landmarks of the neighbourhood may take on greater significance as sources of comfort and security’ (Forrest and Kearns 2001: 2129). So, we make it an empirical issue and our analyses will demonstrate which of these opposing arguments and views are supported.

Data, measurements and analytical strategy
Data: European Social Survey (ESS)
The individual-level data that will be analysed does not need to be introduced since all contributions make use of the same data source: the European Social Survey conducted in a number of European countries and Israel during 2002. Since we focus on Europe, we excluded Israel from our analyses. Unfortunately, not all questions and items required to operationalize the theoretical concepts discussed so far are available for all countries. This has had serious consequences for our research, since it reduced not only the number of cases, but also the number of countries that can be analysed. Included in our study are Austria (AT), Belgium (BE), Switzerland (CH), Czech Republic (CZ), Germany (DE), Denmark (DK), Spain (ES), Finland (FI), France (FR), Greece (GR), Hungary (HU), Ireland (IE), Italy (IT), Luxembourg (LU), Netherlands (NL), Norway (NO), Poland (PL), Portugal (PT), Sweden (SE), Slovenia (SL) and the United Kingdom (GB).

As far as macro-level data is concerned, use is made of international data sources such as Transparency International (http://www.transparency.org) and Human Development Report (http://hdr.undp.org), but also by aggregating individual-level data from the ESS itself and the European Values Study 1999/2000 (Halman 2001, www.europeanvalues.nl).

Measurements
The dependent variable(s)
The popularity and frequent use of the concept of social capital has not yet resulted in unanimity on how it should be measured and empirically assessed. Narayan and Cassidy (2001: 61) state that ‘at operational level the interpretations of what social capital is and is not are diverse’. As a result, the ‘measurements of social capital are made in rather ad hoc, pragmatic and unsystematic ways’ (Flap 1999: 19). An effective and
reliable measurement is still lacking, perhaps because of the multidimensional nature of the concept.

It is obvious from our introductory discussion that social capital is a multifaceted phenomenon that needs multiple indicators. There seems to be some agreement on the main constituents of social capital, although the exact relationship between these components remains unclear. The measurement model we have applied combines four variables: (1) interpersonal trust; (2) confidence in institutions; (3) trustworthiness of the respondents themselves; and (4) engagement in social networks.

Interpersonal trust is measured by three questions: ‘Generally speaking, would you say that most people can be trusted or that you can’t be too careful in dealing with people?’ Answer categories range from 1 (You can’t be too careful) to 10 (Most people can be trusted); ‘Do you think that most people would try to take advantage of you if they got the chance, or would they try to be fair?’ with answers from 0 (Most people would try to take advantage of me) to 10 (Most people would try to be fair); and ‘Would you say that most of the time people try to be helpful or that they are mostly looking out for themselves?’ with answers from 0 (People mostly look out for themselves) to 10 (People mostly try to be helpful). Factor analysis was used to calculate scores for each individual where high scores indicate high levels of interpersonal trust.

Confidence in institutions is measured by asking people whether or not they personally trusted a number of ‘governmental’ institutions, such as a country’s parliament, the legal system, the police, politicians, the European Parliament and the United Nations. The answer categories were 0 (No trust at all) to 10 (Complete trust). By applying factor analysis on these items, scores were calculated for each case in our data set in such a way that high scores indicate high levels of institutional trust.

Engagement in social networks can refer to two forms of engagement: engagement in informal networks or relations (being socially active) on the one hand, and involvement in formal networks or relations (being a member of and/or doing voluntary work for an organization) on the other. The degree to which one is informally connected is measured by three indicators: (1) the importance of friends in the respondent’s life, with answers ranging from 0 (Extremely unimportant) to 10 (Extremely important); (2) ‘How often do you meet socially with friends, relatives or work colleagues?’ with responses ranging from 1 (Never) to 7 (Every day); and (3) ‘Compared to other people of your age, how often would you say you take part in social activities?’ with answer categories ranging from 1 (Much less than most) to 5 (Much more than most). Scores were calculated by applying factor analysis on these items. High scores indicate high levels being socially active in society.

An indicator for the degree of people’s involvement in social networks can be found in the number of organizations in which one is an active member. However, information is not available for all countries in the ESS project: namely, the Czech Republic and Switzerland. Therefore we do not rely on reported membership in voluntary organizations, but on the
importance of voluntary activity for the respondent. The question was: ‘How important are voluntary organizations in your life?’ with responses ranging from 0 (Extremely unimportant) to 10 (Extremely important). Another question included was: ‘To be a good citizen, how important would you say it is for a person to be active in voluntary organizations?’ with answer possibilities ranging from 0 (Extremely unimportant) to 10 (Extremely important). Sum scores were calculated in such a way that high scores indicate that formal engagement is considered important.

At the individual level, the four indicators of social capital are only modestly correlated (see Table 1). Trust measures appear strongest correlated, but these measures do not correlate with the importance of formal and social engagement. As a consequence, it does not make much sense to try to create one measure of social capital. It means that social capital at the individual level is a multifaceted phenomenon that cannot be reduced to one simple measure. Knowing that one person trusts others does not mean that that person will also find it important to be socially active or formally engaged in society. This result resembles findings based on data from the European Values Study. Investigating the relationship between religion and social capital, it was concluded that the correlations between the various components of social capital were very weak (Halman and Pettersson 2002: 75–76). Such low correlations demonstrate the need to analyse the various components separately.

As Halman and Pettersson (2002) concluded, the associations between the distinctive components of social capital were substantially stronger at the aggregate level (Table 1) for most of the measures. Countries with high levels of interpersonal trust appear to have not only higher levels of institutional trust, but also consider social activism to be more important. However, societies with high levels of interpersonal trust do not have populations that find it important to be formally engaged: in fact, the correlation turns out not to be significant!

High levels of institutional trust also appear to be associated with more importance given to social activism, but not with the importance of formal activism, although the latter correlation is in the expected positive direction.

Disregarding the correlations among the four components of social capital, we present the levels of the various components in the different

<table>
<thead>
<tr>
<th>(N=21)</th>
<th>Interpersonal trust</th>
<th>Institutional trust</th>
<th>Social activism important</th>
<th>Formal engagement important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpersonal</td>
<td></td>
<td>0.754***</td>
<td>-0.782***</td>
<td>-0.060</td>
</tr>
<tr>
<td>Institutional</td>
<td>0.403***</td>
<td></td>
<td>0.462*</td>
<td>0.095</td>
</tr>
<tr>
<td>Social activism</td>
<td>0.229***</td>
<td>0.144***</td>
<td></td>
<td>0.293</td>
</tr>
<tr>
<td>Formal engagement</td>
<td>0.078***</td>
<td>0.146***</td>
<td></td>
<td>0.220***</td>
</tr>
</tbody>
</table>

*p < 0.05; **p < 0.01; ***p < 0.001

Table 1: Correlation coefficients between the 4 indicators of social capital at individual level (lower-left corner) and macro level (upper-right corner).
In Figure 1, the mean country scores on the various components are displayed. The importance of being formally active is also presented as a standardized score in order to have the same scale as the three other indicators of social capital.

Levels of interpersonal trust are highest in Denmark, Sweden, Finland, Norway and also in Ireland and the Netherlands. The lowest levels of interpersonal trust are found in Greece, Poland, Hungary, Slovenia and the Czech Republic. Institutional trust is highest again in the Scandinavian countries but also in Switzerland, and lowest again in Poland, Slovenia and the Czech Republic and also in Portugal. Social activism is more important to people in Norway, Sweden, Denmark and Portugal than to people in Hungary, Italy and Poland. When it comes to formal engagement, this is more important to people in Luxembourg and Italy than to people in Hungary and the Czech Republic.

It is not easy to find a clear pattern in Europe, although on most measures, people in the Scandinavian countries score higher than in eastern Europe; however, there are exceptions. The variation in these measures demonstrates once more the need to explore the various components of social capital separately.

**The explanatory variables**

In the 2002 European Social Survey, a module on basic human values was included and several items could be used to measure individualism, defined as emphasizing personal freedom and autonomy.\(^1\) The values module describes some people and their main characteristics, and the respondent is asked to indicate how much each person was or was not like the respondent. The answer categories were 1 (Very much like me), 2 (Like me), 3 (Somewhat like me), 4 (A little like me), 5 (Not like me) and 6 (Not at all like me).

---

\(^1\) These items were not available for Italy and Luxembourg which means that we have had to exclude these two countries in most of our analyses.
Individualism appears from the answers to the items: ‘Thinking up new ideas and being creative is important to him. He likes to do things in his own original way’; ‘It is important to him to make his own decisions about what he does. He likes to be free and not depend on others’; ‘Being very successful is important to him. He hopes people will recognize his achievements’. Factor analysis was applied and factor scores were calculated and high scores on this dimension signifies that the respondent was individualistic.

The same module on values included items tapping into the idea of moral sense. This can be defined as a kind of decency, fairness and sympathy (Wilson 1993). This appears from the following characteristics of people that were presented to the respondent who was asked to indicate how much each person was or was not like the respondent. The answer categories were 1 (Very much like me), 2 (Like me), 3 (Somewhat like me), 4 (A little like me), 5 (Not like me) and 6 (Not at all like me).

The items included were, ‘It is important to him to be humble and modest. He tries not to draw attention to himself’; ‘It is very important to him to help the people around him. He wants to care for their well-being’; ‘It is important to him always to behave properly. He wants to avoid doing anything that people would say is wrong’; ‘It is important to him to be loyal to his friends. He wants to devote himself to people close to him’. Factor analysis was applied and factor scores were calculated so that a high score represents a high moral sense.

Left–right orientation was simply measured by the well-known and oft-applied ten-point scale (Fuchs and Klingemann 1989): ‘In politics people sometimes talk of “left” and “right”. Using this card, where would you place yourself on this scale, where 0 means the left and 10 means the right?’

Religiosity is included in the ESS by three questions, one on being religious, one on church attendance and one on prayers. Being religious was measured by the following question: ‘Regardless of whether you belong to a particular religion, how religious would you say you are?’ with answer categories ranging from 0 (Not at all religious) to 10 (Very religious). Church attendance was measured by the question: ‘Apart from special occasions such as weddings and funerals, about how often do you attend religious services?’ with responses ranging from 1 (Every day) to 7 (Never). Prayer was measured by the following question: ‘Apart from when you are at religious services, how often, if at all, do you pray?’ with answer categories ranging from 1 (Every day) to 7 (Never). Factor analysis was applied and factor scores were calculated. Higher scores indicate higher levels of religiosity.

To measure the degree of happiness or satisfaction the survey asked: ‘Taking all things together, how happy would you say you are?’ with responses ranging from 0 (Extremely unhappy) to 10 (Extremely happy). In order to assess life satisfaction, the survey asked: ‘All things considered, how satisfied are you with your life as a whole nowadays? Please answer
using this card, where 0 means extremely dissatisfied and 10 means extremely satisfied’. We calculated sum scores.

In order to assess past and recent experiences/evaluation of the current situation, the ESS included a number of questions asking whether or not the respondent was satisfied with several issues and circumstances. The degree of satisfaction was indicated by a ten-point scale ranging from 1 (Extremely dissatisfied) to 10 (Extremely satisfied). The survey also asked: ‘On the whole, how satisfied are you with the present state of the economy in [country], where 0 means extremely dissatisfied and 10 means extremely satisfied?’ and ‘Now thinking about the [country’s] government, how satisfied are you with the way it is doing its job, where 0 means extremely dissatisfied and 10 means extremely satisfied?’; ‘And on the whole, how satisfied are you with the way democracy works in [the country], where 0 means extremely dissatisfied and 10 means extremely satisfied?’; ‘Now, using this card, please say what you think overall about the state of education in [the country] nowadays with 1 representing extremely bad and 10 extremely good’; ‘Still using this card, please say what you think overall about the state of health services in [the country] nowadays?’ Factor scores have been calculated, with high scores indicating positive experiences/evaluations.

Age is simply calculated by subtracting the year of birth from the year of the survey. Seven categories were used to distinguished levels of education: 0 (Not completed primary (compulsory) education); 1 (Primary education or first stage of basic education); 2 (Lower level secondary education or second stage of basic education); 3 (Upper secondary education); 4 (Post-secondary, non-tertiary education); 5 (First stage of tertiary education (not leading directly to an advanced research qualification)); and 6 (Second stage of tertiary education (leading directly to an advanced research qualification)). For gender we use: 0 (Male); 1 (Female).

Macro characteristics
Some of the macro characteristics are simple aggregates of the individual-level variables. For example, the country’s levels of individualism, religiosity, happiness/satisfaction and moral sense are the country means of the measures described before.

For corruption, the website of Transparency International (www.transparency.org) provides the ‘Corruption Perceptions Index’, which is based on several surveys of experts and general public views of the extent of corruption in a country. Apart from moral sense, we included a measure assessing the degree of civic morality in a society based on the most recent European Values Study. In EVS/WVS (see Halman 2001; Inglehart et al. 2004) a number of behaviours and issues were presented, and respondents were asked to indicate whether or not such behaviours and issues could be justified or not on a scale ranging from 1 (Not at all justified) to 10 (Completely justified). Included in our measure of moral sense are three
behaviours: claiming state benefits illegally, cheating on taxes and accepting a bribe. Factor analysis was applied and factor scores calculated, and the country mean scores are included as country characteristics measuring civic morality (a high score indicating that such behaviour cannot be accepted).

Globalization refers to the increased exposure to modern communications and flows of information. The spread of modern communications and information can be measured by the number of telephones, mobile phones and Internet use. The Human Development Report 2004 includes figures on the number of fixed telephones, mobile-phone subscribers and Internet users (all per 1000 people) in each country (UNDP 2004). Using factor analysis these three indicators yielded a factor that we use to measure the degree to which a population is exposed to modern flows of communication and information and, as such, it indicates the degree to which a society is globalized. The higher the score on this composite variable, the more globalized that society is.

Analytical strategy
We have furnished evidence that creating one scale of social capital that includes all aspects, e.g. interpersonal and institutional trust, social activism and formal engagement, is not feasible since the correlations between the distinctive attributes are too low. Therefore, we analyse the four dimensions of social capital separately. Since we are not only interested in individual-level determinants but also in macro-level determinants of social capital, we apply a multi-level analysis using the HLM5 computer program (Raudenbusch et al. 2001).

Results
The results presented in Table 2 provide evidence that the explanations for the four components of social capital are not similar and consequently our hypotheses are neither confirmed nor rejected unequivocally.3

Differences in individual levels of interpersonal trust, for example, cannot be explained from individual characteristics as levels of moral sense and religiosity, but the other hypotheses at the individual level appear to be essentially confirmed. This is not the case with regard to macro-level characteristics. Societal features that appear important for an individual’s level of interpersonal trust are the levels of corruption, civic morality and individualism. The higher the level of corruption in a society, the less people in that society are likely to trust each other. High levels of civic morality, on the other hand, are supportive of interpersonal trust as are lower societal levels of individualism. These findings are in line with our expectations but our hypotheses with regard to other country characteristics are not confirmed.

High levels of institutional trust indeed appear to exist among higher-educated people, those who are more religious, more satisfied and those who have positive life experiences. Societal characteristics that seem to

3 In the analyses Italy and Luxembourg are excluded, because these countries do not have indicators to measure individualism and moral sense.
matter for individual levels of institutional trust appear to be the degree of globalization, religiosity and satisfaction. The more globalized a society is, the more people in that society trust their institutions. This finding confirms Fukuyama’s suggestion (2000) that the radius of trust has increased. The more religious a society is, the more people in that society trust their institutions, although higher levels of satisfaction appear not to be very conducive to higher degrees of institutional trust among the citizens.

With regards to the importance of being socially and formally active, the results are also not uniform. People who are socially active appear to be higher educated and younger than people who are not. Being socially active is also more important for religious people and those who have higher levels of moral sense, who are more satisfied and who have positive life experiences. This kind of activism is also stressed more by individualistic people than by more collectivistic people! This latter result is not as expected, for we argued that individualists would be low on social capital. However, as a collective characteristic, individualism has the expected effect. People living in more individualistic societies appear to attach more importance to being socially active than people in more collective societies. Life experiences at the collective level have an opposite effect compared

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<table>
<thead>
<tr>
<th></th>
<th>Interpersonal trust</th>
<th>Institutional trust</th>
<th>Importance of being socially active</th>
<th>Importance of being formally active</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Model</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Intercept</strong></td>
<td>0.031</td>
<td>0.053*†</td>
<td>0.017</td>
<td>0.045</td>
</tr>
<tr>
<td><strong>Micro</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Left-right</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>0.066***</td>
<td>0.064***</td>
<td>0.020**</td>
<td>0.054*†</td>
</tr>
<tr>
<td>Individualism</td>
<td>-0.028**</td>
<td>-0.004</td>
<td>0.108***</td>
<td>0.205***</td>
</tr>
<tr>
<td>Moral sense</td>
<td>-0.010</td>
<td>0.015*†</td>
<td>0.038***</td>
<td>0.054*†</td>
</tr>
<tr>
<td>Religiosity</td>
<td>0.012</td>
<td>0.048***</td>
<td>0.044***</td>
<td>0.536***</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.089***</td>
<td>0.023***</td>
<td>0.116***</td>
<td>0.075***</td>
</tr>
<tr>
<td>Life experiences</td>
<td>0.239***</td>
<td>0.604***</td>
<td>0.026**</td>
<td>0.175***</td>
</tr>
<tr>
<td>Age</td>
<td>0.002*†</td>
<td>-0.001</td>
<td>-0.011***</td>
<td>0.003</td>
</tr>
<tr>
<td>Female</td>
<td>0.056**</td>
<td>0.011</td>
<td>0.043</td>
<td>-0.172**</td>
</tr>
<tr>
<td><strong>Macro</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corruption</td>
<td>0.069*</td>
<td>0.067</td>
<td>0.011</td>
<td>0.015</td>
</tr>
<tr>
<td>Civic morality</td>
<td>0.529**</td>
<td>0.349</td>
<td>0.175</td>
<td>0.179</td>
</tr>
<tr>
<td>Globalisation</td>
<td>0.051</td>
<td>0.259**</td>
<td>0.127</td>
<td>0.435</td>
</tr>
<tr>
<td>Individualism</td>
<td>-0.511**</td>
<td>-0.332</td>
<td>-0.629*</td>
<td>-1.404</td>
</tr>
<tr>
<td>Moral sense</td>
<td>0.071</td>
<td>0.331</td>
<td>0.397</td>
<td>2.347**</td>
</tr>
<tr>
<td>Religiosity</td>
<td>-0.022</td>
<td>0.252*†</td>
<td>0.036</td>
<td>0.020</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.055</td>
<td>-0.519*</td>
<td>0.207</td>
<td>0.355</td>
</tr>
<tr>
<td>Life experiences</td>
<td>-0.026</td>
<td>0.124</td>
<td>-0.316*</td>
<td>-0.843*†</td>
</tr>
</tbody>
</table>

**Variance components**

| Individual | 0.757 | 0.641 | 0.877 | 0.537 | 0.869 | 0.762 | 5.302 | 4.898 |
| Country    | 0.223 | 0.011 | 0.121 | 0.032 | 0.058 | 0.017 | 0.364 | 0.278 |

*p < 0.05; **p < 0.01; ***p < 0.001

*Table 2: Results of the multi-level analyses for each component of social capital (unstandardised coefficients).*
with individual life experiences. People living in societies with positive life experiences appear to be less inclined to find being socially active important than people in countries with more negative experiences.

The importance of formal engagement is also greater in societies that have less positive life experiences, while at the individual level the analyses yield that, as expected, positive life experiences generate higher levels of importance of formal engagement. As was the case with the impact of the level of individualism at an individual level on the importance of being socially active, formal engagement is more important for people who are highly individualistic. This contradicts our hypothesis at the individual level. At the macro level, individualism does not appear to be an important attribute. As far as the other macro characteristics are concerned, only levels of moral sense seem to matter for the importance attached to formal engagement in society. Those who are on the ideological left, who are individualistic, who have a high moral sense and who are religious, and who are male, appear more inclined to find formal engagement more important than their opposites.

Table 3: Overview of results at individual level.

<table>
<thead>
<tr>
<th>Expected impact on social capital</th>
<th>Interpersonal trust</th>
<th>Institutional trust</th>
<th>Importance of being socially active</th>
<th>Importance of being formally engaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualism</td>
<td>-</td>
<td>-</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Moral sense</td>
<td>+</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Left</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Religious</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Positive life experience</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Education</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Age</td>
<td>+</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Female (control)</td>
<td>?</td>
<td>+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Overview of results at aggregate level.

<table>
<thead>
<tr>
<th>Expected impact on social capital</th>
<th>Interpersonal trust</th>
<th>Institutional trust</th>
<th>Importance of being socially active</th>
<th>Importance of being formally engaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualism</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Moral sense</td>
<td>+</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corruption</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religious</td>
<td>+</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>+</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive life experience</td>
<td>+</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Globalisation</td>
<td>+/-</td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civic morality</td>
<td>+</td>
<td>+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Conclusions

Social capital gained popularity amongst scientists, politicians and the media. Increasingly, social capital is considered as a kind of wonder glue that is not only conducive to collective actions and feelings of happiness but also to the better performance of economies and democracies. Despite all these positive features, social capital appears to be a very complex concept that is not only understood or interpreted in very different ways but which is also investigated empirically using very different definitions and indicators. This contribution to the discussion on social capital is less concerned with the impact and consequences of social capital for society and more with understanding why some people have more social capital than others.

As far as the definition of social capital is concerned, the recent literature distinguishes between two kinds of social capital: bridging and bonding. In this article, we do not elaborate upon this distinction, mainly because the data does not allow us to make this differentiation. We recommend, however, that more attention is paid to this distinction in future studies. Both kinds of social capital may not only have opposite effects on society but the explanation of the existence of social capital may be quite different depending on the kind of social capital one focuses on. Bonding social capital may be less conducive to the good functioning of the broader society, because it promotes strong mutual ties within closed and narrow groups. As such it may be considered ‘negative social capital’ because it easily leads to the ‘exclusion of outsiders, excess claims on group members, restrictions on individual freedoms and downward levelling norms’ (Portes 1998: 15). Our definition and understanding of social capital refers to bridging social capital: the capacity to link heterogeneous groups together, overcome divisiveness and insularity and generate tolerance, mutual respect and cooperation (Wuthnow 2002: 670).

Considering social capital to be a characteristic of individuals, we assumed that differences in levels of social capital could be attributed first of all to a number of individual socio-demographic characteristics and a number of individual orientations. Hypotheses were formulated about the effects of age, gender and level of education and orientations such as left–right, individualism, moral sense, religiosity, life satisfaction and life experiences. Since individuals do not live in isolation, it is assumed that the context in which they live will affect their levels of social capital as well. We therefore formulated a number of hypotheses about macro or country characteristics having an impact on an individual’s level of social capital. Hypotheses concerned the impact of the societal levels of corruption, civic morality, globalization, individualism, moral sense, religiosity, satisfaction and life experiences. These hypotheses were empirically tested using the data from the European Social Survey. The hypotheses were not supported very strongly by the results of our analyses. What is clear is that the impact of macro characteristics is modest compared to the impact of individual attributes; however, it must be noted that the conclusions are
based on the full model of all individual and macro characteristics. This means that the effects are controlled effects. The macro characteristics are, of course, strongly correlated and this co-linearity strongly affects the results insofar as the correlation between the degree of life satisfaction and the level of corruption is very strong \( r = 0.89 \) while the correlation between life satisfaction and the degree of globalization is no less than 0.81.

Nevertheless many of our hypotheses at the individual level are confirmed, although our analyses seem to demonstrate the necessity to explore the distinctive components separately. Moral sense, religiosity and the level of education do not affect individual levels of interpersonal trust but they do have an effect (as expected) on institutional trust. It is a challenge to understand why these factors affect some components but not all of them. At least we have to rethink our theoretical notions on these effects. The same holds true for our theoretical expectations with respect to the assumed effects of the left–right orientation, individualism and age on social capital.

As far as the latter is concerned, we observed that young people believe social activism to be more important than older people do, which contradicts our hypothesis on the effect of age on social capital. It may be that young people are more inclined to find it important because they are at the start of their careers and may use these networks to find jobs, etc. Also, they are at a stage of building networks that already exist for older people.

Individualistic people consider formal as well as social activism more important than collectivistic people. Perhaps this is the evidence that individualism may not be equated with egoism, as was also concluded by Wuthnow (1991: 22–23) who found that ‘people who were the most individualistic were also the most likely to value doing things to help others’. Long ago, Yankelovich (1981) argued that the process of individualization reinforced the need for personal contacts and mutual involvement; and Inglehart (1997) argued and demonstrated that the greater emphasis on individual freedom and personal autonomy went hand in hand with a growing concern for quality of life, social concern, environmental activism and participation in human rights and peace movements. Thus, individualism should not necessarily be understood in terms of hedonism or egoism. On the other hand, the finding that individualistic people find social activism more important than collectivistic people may indicate that egoism is the motivating factor for individualists to emphasize social and formal engagement in society.

Education and age appear to have no effect on the importance of formal engagement. The question, of course, is whether our hypothesis that higher-educated people will have more social capital than lower-educated people makes sense in respect of this particular aspect of social capital. Why should lower-educated people be inclined to find formal engagement less important than higher-educated people? The same question can be raised with regard to the assumed effect of age on social capital. In other words, can these hypotheses be transferred to explain differences in degrees to which formal
engagement is found important? Formal engagement can be as important to younger and older people as well as lower- and higher-educated people. For younger and lower-educated people these networks provide possibilities for them to begin and develop a career. Older and higher-educated people are already involved in networks and want to maintain them because they are important for one or another reason. Thus, engagement in networks is equally important for younger and lower-educated people.

Macro features appear not to be very important, but in the few cases in which they have a significant effect most of these are in line with our expectations. Why are most macro hypotheses on social capital not substantiated when separately investigated for each component? Perhaps it is simply because the hypotheses cannot be translated to these different components. Apparently, the argument that there is a collective feeling that a particular society may be corrupt or that it has lower or no moral standards in terms of civic morality or moral sense is not true as far as the importance of social and formal networks in people’s lives.

However, although the collective positive feelings of past experiences do affect the importance of formal and social networks, the direction is not as predicted. In fact, positive feelings seem to hamper the importance of activism in society. This may be because such collective feelings make people feel that nothing has to be done and that everything has already been achieved. If that is indeed the case, then networks will not be considered important because they do not help with life achievement.

Neither positive feelings nor higher levels of societal moral sense affect individual levels of interpersonal trust. These interpersonal trust levels are influenced to a certain extent by the country’s level of civic morality and individualism. Religiosity appears to be only an important attribute in understanding an individual’s level of institutional trust, in the sense that higher levels of religiosity in a society enhance the level of trust in institutions. It is strange to find that higher levels of satisfaction do not enhance levels of institutional trust. This finding seems to reject some political theories of the legitimacy crisis or overload and ungovernability (Kaase and Newton 1995). The less a government is able to satisfy the fundamental needs of people, the less happy with their government and its institutions the people will be, and the less they will trust these institutions.

Not being able to resolve the increasing demands of people in modern welfare states, modern democratic states run into crisis (Kaase and Newton 1995: 210). The people’s increased expectations of what the government ought to provide have not been met in many countries, which has resulted in a serious decline in public confidence in the government. Higher standards of living, growing affluence, welfare for all, improved health and rising levels of education for each citizen have undermined ‘private initiative and responsibility’, and because ‘egalitarian and meritocratic ideology promised much more than could ever realistically be achieved’ a decline in respect for authority was reinforced (Held 1997: 242).
Thus, projected onto this single component of social capital – institutional trust – the hypothesis would be that high levels of satisfaction would produce high levels of institutional trust. The only likely explanation for finding the opposite is that a collective feeling of happiness is not the result of governmental performance, but is rather grounded in other factors. It is, as yet, unclear what these factors may be.

Finally, like Paxton (1999), we have not confined our study to a single measure of social capital but instead we have identified four measures (models) of social capital that appeared modestly associated at the individual level. Social capital appears to be a multifaceted phenomenon and one measure of social capital does not do justice to this complexity. It therefore seems quite unrealistic to continue talking about social capital as if it is one clear concept. Analytically it may imply that other kinds of latent variable models have to be used, e.g. latent class analyses (Hagenaars 1990; Vermunt 1996; Vermunt and Magidson 2000) may be a useful tool to distinguish profiles of people that differ in the degree to which they adhere to the key components of social capital.

References

Social capital in contemporary Europe: evidence from the European Social Survey


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