SOCIAL CAPITAL AND WELFARE: DEPENDENCY OR DIVISION?
EXAMINING BRIDGING TRENDS BY WELFARE REGIME, 1981 TO 2000

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Abstract

Social capital is a contentious and multifaceted topic. A broad consensus has been reached, however, that norms such as trust, networks of association membership, and practices of volunteering and socializing are essential to its makeup. It is also increasingly recognized that such elements fall into two distinct types of social capital – bonding and bridging. Social structural influences, such as welfare, have an effect upon social capital. A common conservative conception is that welfare induces dependency and thereby erodes social capital; this can be called the ‘dependency hypothesis’. I suggest this is largely limited to bonding capital only, however. I suggest an alternative, that welfare cutbacks or contingencies upon mutual obligation or status preservation is socially divisive. I call this the ‘division hypothesis’, and it is relevant to the more definitively positive bridging capital. This paper shows trends in bridging social capital in nine OECD countries of differing welfare regime type from 1981 to 2000. It uses data from the most recent versions of the World Values Survey and Multinational Time Use Study. It suggests that welfare regime type, and importantly, welfare regime re-structuring, bears strong relations to national levels of bridging social capital.
1 Introduction

Social capital is a useful, if not definitive, concept for gauging the strength of societies. The concept is nonetheless a confusing one. It is historically derived, with multiple definitions; the most commonly accepted one being the OECD definition:

“Social Capital is networks together with shared norms, values and understandings that facilitate cooperation within or among groups” (Cote and Healy 2001).

It does seem appropriate to conceive of social capital as capital (Robison et al. 2002), and as an entity with multiple components. Elsewhere (Patulny 2004), I have argued that components appear to fall into the three main categories of norms, networks and practices. Further, these components appear to fall fairly well into line with the by now well-accepted distinction between bonding and bridging social capital.

However, there is confusion over how social capital is formed and influenced by wider social structural phenomena. Important and under-recognised amongst these is the influence of the welfare state. Arguments for and against the welfare state are commonly value-laden. Conservatives argue that welfare crowds out ‘natural’ networks of association, inducing dependency (Wolfe 1989), whilst progressives argue that welfare supports such networks of association through alleviating the worst excesses of market reform (Rothstein 2003). Both perspectives can be countenanced from an economic viewpoint as well, whereby conservatives could argue that welfare provides a rational incentive not too volunteer, thus eroding civil society, whilst progressives could argue that welfare reduces the risks inherent in interaction with strangers, thus increasing the incentive to participate. Little empirical research has been done to back up any of these assertions and to test the relations that flow between social capital and the welfare state. These issues are in need of examination.

In this paper, I will review theory concerning social capital measurement and critique, and suggest relations between social capital and welfare. I will then operationalise bridging social capital, selecting appropriate variables from international values and time use studies. Trends in each of the bridging social capital variables will be displayed, to try and make sense of the conflicting arguments and findings concerning the rise and decline of social capital across the world in relation to welfare. Trends in aggregated frequencies for countries representing the different welfare regime types will be contrasted, and conclusions drawn on this basis.

2 Social Capital and Welfare Regime Theory

2.1 Social Capital - Norms, Networks and Practices … and Structure?

Measuring social capital is a tough task. The concept is confusing, with an abundance of definitions and empirical measurement attempts. However, I have noted elsewhere after extensive literature review (Patulny 2004) that the major theoretical aspects of social capital fall within three broad parts. These three parts are norms (including trust)
networks (including associational membership) and practices (including volunteering). Norms and networks can be thought of as capturing the potential for cooperative action within a community, whilst practices measure the actual amount of cooperative action that takes place. I summarise each of these social capital aspects here in turn.

Norms are primary to any conception of social capital. They provide the motivational basis for social interaction through ritual (Durkheim 1961) and evolve over time through interaction of individuals and societies (Mead 1934); they are thus historically located with structural properties (about which I will say more below). The most appropriate norm for social capital is trust. Political scientists focus on trust as a cultural artifact, historically derived and largely beyond the ability of individuals to shape and engineer (Fukayama 1995; Putnam 2000); however they lack explanations for how trust changes over time. Economists see trust as a rational construct (Dasgupta 1988; Gambetta 1988; Good 1988), as depicted in reiterated prisoners dilemma scenarios and the gathering of information concerning the trustworthiness of others. Sociologists are divided, some seeing trust as rationally premised on information concerning the normative sanctions and rewards inherent within society (Coleman 1990), but others such as Luhman (1979) suggesting we must trust because we lack information concerning others. For Luhman, trust facilitates action within an information vacuum; a feature which has been linked to emotions (Barbalet 1998; Pixley 1999).

There is thus a contradiction – a rational trust based upon information and an emotional normative trust based upon a lack of information. I have suggested from this that there are two kinds of trust (Patulny 2004), and linked them to Uslaner’s distinction between generalised and particularised trust (Uslaner 1999a; Uslaner 1999b). Emotional-normative trust is generalised, and related to faith in strangers. It is linked negatively to information, in that subscribers to this kind of trust may trust in a ‘moral’ altruistic sense, above and beyond what their rational calculations tell them is appropriate (Mansbridge 1999). Rational trust on the other hand is particularised, linked to experience with specific other people (Uslaner 2002), and is linked positively to information, in terms of the expected sanction and rewards expected from associating and trusting those specific others (Coleman 1990).

With networks, two basic types are likewise identified, closed and open. Closed networks, as captured by Bourdieu (1986) and Olson (1982), see rewards going to their members on the basis of being able to close the network off to outsiders, and exclude them from its resources. Open networks see rewards shared across and outside the network, and are more in line with the civic society ideas of Putnam (2000). Conflict over which of these networks represents ‘true’ social capital has fuelled much of the debate and criticism of social capital. Further, other authors, such as Granovetter (1973), Coleman (1990), Burt (2000) and Lin (2001) assert that it is not the act of closure but of brokerage between networks that grants rewards. However, these authors acknowledge the need for closure to create the value inherent in brokerage; without exclusive network boundaries, there would be nothing to broker across.
Recent definitions of social capital from Woolcock and Narayan (2000) and Putnam in his later work (2000) suggest both closed and open networks are legitimate forms of social capital, and are captured in the terms bonding and bridging. Bonding is essentially an inward looking network, focused upon experience and familiarity, and private rewards. It is located in numerous contexts, ranging from the smaller units of family and work to the broader communities of place, ethnicity and potentially even class. Bridging capital, on the other hand, is outward focused, inclusive, and public-good oriented. Such capital is typified by membership in generalised voluntary associations. I have suggested that the bonding/bridging distinction relates to the two types of trust mentioned above, though the relations may seem counter-intuitive. Bonding, though bearing connotations of emotional connection, is actually relevant to people we know. It may bear emotional aspects (e.g., love and care), but it will always involve judgments concerning the other’s trustworthiness. It is therefore, at least to some extent, rational and information based. Bridging on the other hand, whilst seemingly bearing the opposite connotation of being impersonal and unemotional, is relevant to strangers. Since they are strangers, and since we lack knowledge about them, we can only interact with them through a leap of faith. We must trust on the basis of feelings and norms.

With practices, the issues are as much about measurement as conception. Putnam (2000) and Robinson and Godbey (1997) note the decline in informal social and voluntary activity, and assert from this that social capital it is not just association – or network membership – but an active practice (of volunteering) as well. One cannot assume that because one is a member of an organisation, one actively contribute to society through that organisation. Wollebeak and Selle (2002) disagree, finding no difference between active and inactive members. However, a more precise measurement for establishing generalised social capital activity can be found through examining time use data. Time use data is useful for accurately capturing day-to-day incidence of volunteering, daily amounts of volunteering, and different types of voluntary activity – formal vs informal – and Putnam (2000) uses time use data in these ways to back up his associational findings. However, whilst he, like others who measure social capital as time based practices (Ruston 2003; Urwin et al 2002), identifies activities such as volunteering, socialising, and informal care as relevant to social capital, he fails to translate these activities into the bonding/bridging distinction.

There are also several problems with the social capital concept. I have discussed such problems in greater detail elsewhere (Patulny 2004), but will reiterate them briefly here. Problems include tautology, or the propensity to confuse social capital indicators with outcomes in measurement (Portes and Landolt 1996), ownership of social capital, whether collective (Putnam 2000) or the well-placed individual (Bourdieu 1986), bonding and bridging social capital crowding each other out, and negative social capital/victim blaming (Portes and Landolt 1996; Grieg et al. 2003). Possible solutions to these problems were provided in earlier work, but all link to the absence of analysis of social structure in social capital. The issue of social structure underlies each of these criticisms. A basic definition of social structure is of ‘institutionalised social arrangements [including] rules and resources implicated in the reproduction of social systems’ (Jary and Jary 1991: 635). The concept of structure is essential to sociology in capturing the
very real presence of social inertia; that part of society that is fixed and largely beyond the power of agents to alter. Structure influences social capital, by influencing the object of trust (orienting trust towards either individuals or collectives), and enabling closed groups to gain ascendancy as forms of negative social capital. Studying social capital as agency without structure robs social capital analysis of subtlety and insight.

Overall then, social capital can be conceived of as norms, networks and practices clustered into either rational-bonding or normative-bridging dimensions. Bonding is based on a rational process, whereby trust is particularised and oriented towards an individual or a small, familiar group about whom one has plenty of information concerning their trustworthiness. Networks are typically closed, and volunteering efforts potentially limited to helping network members only. Bridging is based on an emotional process, whereby trust is generalised and oriented through social norms towards generalised ‘others’ we don’t know very well. Networks are open, and volunteering efforts are for the benefit of the greater society; true civic association (Patulny 2004). Whether bonding or bridging capital, however, the strong influence of social structure should not be ignored; and one of the most important structural elements is welfare. I suggest that there is a need for comparative analyses of social capital across different welfare states and regimes.

2.2 Putting Structure Back in – Welfare, Dependency and Division

Studying welfare states is almost as problematic as studying social capital. There is, however, a useful typology readily available in the form of Esping-Anderson’s classification of welfare states into three broad regimes: Liberal, Social Democratic and Corporatist. This depiction is widely recognized, though it has been criticised on the grounds of inadequate variation in welfare types (there may be more than three regimes) and inappropriate country placement within certain regimes. However, it still remains the most useful way of classifying countries, on the basis of their provision of transfers and services and the values that underlie such provision, and has been used as such by numerous authors (Esping-Anderson 1990; Goodin et al. 1999; O’connor et al. 1999).

It is important to examine regimes, and not just welfare states, as regimes incorporate values, and such values are relevant to social structure and the locus of cohesion within a nation. Values are particularly relevant to liberal welfare, where the welfare state is seen as residual rather than central and is therefore subject to considerable political fluctuation (Esping-Anderson 1990). Welfare is commonly regarded amongst liberal countries as impacting negatively upon the potential for collective action among families and communities (Wolfe 1989). This point of view suggests that when the government provides for people, they lose the capacity or motivation for self-provision. Their ‘natural’ networks and civic activity are ‘crowded out’ by government activity. There is also a strong belief that welfare in the form of unemployment benefits undermines the motivation to work, and with it, a sense of social attachment. It is a common liberal belief that forcing the unmotivated back into the workforce through the removal of unemployment benefits will cause a change of heart concerning social participation. Welfare reform is a social ‘double-positive’ for liberals then, in that the winding back of
state services will end the crowding out of civic activity, and the winding back of unemployment benefits will inspire individuals with new motivation to engage civically as well as economically. Winding back welfare should encourage more volunteering. I will call this the dependency hypothesis.

It is important to remember that liberal views, though popular for their sharp and easily salable policies, are in no way inevitable or comprehensive. They are not inevitable because they encompass only one set of norms that happen to prevail at the present time. Present liberal views have what Goodin et al (1999) call a ‘Type I alpha-error’ focus, or a strong concentration on minimising the ‘error’ of paying welfare to the undeserving. Such a view ignores the presence of a second kind of ‘Type II beta-error’ which is equally valid when viewed through the lens of a different, more egalitarian set of values; this is the error of failing to help those genuinely in need. Failure to catch the cheats may undermine motivation to social participation – but equally so might failure to redress social deprivation.

Likewise, liberal views are not comprehensive. In particular, they fail to adequately recognise the social structural elements of welfare, or understand the significance of the divide between generalised bridging and particularised bonding social capital. Liberals assume that post-welfare re-engagement with society will be generalised; that people will leap straight from welfare dependency into civic volunteering on behalf of strangers. There is no reason to assume why people should do so. Welfare recipients, however detached, still live within a social structure that supports certain norms of participation and trust. When the wider society of ‘strangers’ and their elected government remove that structure, they undermine such norms. This engenders a need for more rational calculation to compensate for the normative vacuum. New norms will eventually be negotiated, accounting for what has taken place, but on the face of available information, such norms are likely to be ones of generalised suspicion. This is so because welfare reform takes place under the rhetoric of ‘catching the cheats’; it seems unlikely that ex-recipients will be thankful and reciprocate generously to a broader public that treats them as ‘guilty until proven innocent’.

Changing norms and an increased requirement for rational calculation suggest that any post-welfare re-engagement will be particularised rather than generalised – bonding, rather than bridging capital will be developed. Reduced welfare translates to ‘tougher times’, and a frontier spirit that encourages parochialism as much as self-reliance. To put it another way; if times are so tough that the state can’t or wont support people even under conditions of their greatest need (ie unemployment), then a viable threat exists to that person and more particularly, to those they hold to be nearest and dearest. It is highly likely they will turn to those with whom they share the closest bonds first; their bonding capital (ie family). Promoting bonding over bridging is problematic, in that it does not constitute civic activity, does not automatically link with all the positive benefits attributable to bridging social capital (Knack and Keefer 1997; Helliwell 2002; Paxton 1999; La Porta 1997; Halpern 2001; Marmot and Wilkinson 1999), and most particularly, it can actively work to undermine bridging by encouraging closure on the basis of division and exclusion. Punitive and suspicious welfare reduces payments and potential
for social inclusion amongst the most needy, creates a stigma around the unemployed (Esping-Anderson 1990), and accompanies movements towards systems of open-ended accumulation at the top-end of society that increase inequality. Inequality heightens social division, by shifting the ‘locus of participation’ – the central range of income needed to share in a ‘normal’ and socially inclusive life – upwards and out of the reach of an increasing number of people. It becomes harder and more demanding to ‘keep up with the Jones’. Inequality should link negatively with trust, and indeed it does in the empirical findings of a number of authors (Uslaner and Brown 2002; Schwabish et al. 2003). From these issues, I note an alternative point of view that welfare cutbacks are socially divisive and erode bridging capital; I call this the division hypothesis.

It is important then to examine the different welfare regime types and their links to social capital, keeping in mind the two potential outcomes of welfare reform - dependency versus division. Putnam analyses the relations between US state welfare systems and social capital, and finds no conclusive evidence of dependency or division (Putnam 2000). However, his research is not definitive, as the differences between the welfare systems of US states are likely to be quite marginal when compared with differences in welfare regimes between countries on an international basis. More investigation is needed to confirm either hypothesis. It is also important to point out that both hypotheses assume a certain direction of causality; from welfare to social capital. This should be kept in mind in the interpretation of results.

The liberal regime, as noted, is market oriented. It is relevant to most English-Speaking countries. Liberal regimes have undergone the most extensive change over the past twenty years. Reductions or changes in liberal welfare such as increasing means-testing, mutual obligation, tax-credits and workfare have been well documented by a range of authors (Goodin et al. 1999; Goldberg 2001; Evans 2001; O’connor et al. 1999), along with an accompanying rise in inequality (Smeeding 2002). I examine trends in employment and inequality in Table 2 below, in confirmation of this. Such changes constitute a winding back of welfare. If the ‘dependency hypothesis’ is correct, these changes should be accompanied by an increase in social capital. If the alternative ‘division hypothesis’ is correct, these changes should see a reduction in social capital, particularly in trust. Previous empirical research suggests that social capital levels, with the exception of trust (Inglehart, 1999; Uslaner 2002), are high in all liberal countries, though some authors raise concerns over the equal distribution of social capital among the population; that some classes and races are being excluded from participation (Wuthnow 2002; Hall 2002).

In the social democratic regime, the emphasis is upon universalism in the provision of welfare so as to encourage social inclusion and reduce stigma. This regime is concentrated among Scandinavian countries. The archetypical country is Sweden, but other countries include Finland, Norway and the Netherlands. Social democracies are oriented towards minimizing beta error, and are built upon solid values of social equality rather than market provision. If the dependency thesis is correct, social capital should be low in such countries, whereas if the division thesis is correct, it should be high.
Empirically, all indicators of social capital indicators are reportedly high and equitable in the social democratic countries (Kumlin and Rothstein 2003).

The corporatist regime, like the social democratic, also provides extensive welfare, though the emphasis is upon the preservation of status hierarchies. Corporatism is common in continental European countries. Corporatist welfare is a form of social insurance, and is essentially linked to the status of one’s work – the quality and duration of one’s employment links to one’s benefits (which is unfortunate for those without work). Nonetheless, with such high levels of spending, if the dependency thesis is correct, social capital should be low in such countries. However, delivering welfare along status hierarchy lines is also socially divisive, whether it is on the basis of work status as in Germany (Klammer and Backer 2001) or Italian clientelistic lines (Morlicchio et al. 2001). Thus, if the division thesis is correct, social capital should be low. Empirically, social capital is reported to be fluctuating in Italy (Putnam 1993) or high in Germany, as far as membership in voluntary associations goes at any rate (Offe and Fuchs 2002).

3 Data and Methods
I proceed now to measure bridging social capital across a number of countries representative of the three welfare types. I limit myself here to measuring only bridging social capital for two important reasons. Firstly, because bonding capital is too difficult to measure. Numerous measures and dimensions of bonding proliferate, and definitive measurement is beyond the scope of available data and this paper. Bridging capital is easier to measure and will be operationalised below. Secondly because, as previously mentioned, most of the positive links between outcomes and social capital mentioned in the literature relate to bridging social capital. It thus becomes the more appropriate type to measure.

In order to test these scenarios, international data was required. It was necessary that such datasets span the various bridging indicators across Esping Anderson’s three welfare regimes. The World Values Survey (WVS) and the Multinational Time Use Survey (MTUS) were established as the most appropriate instruments for generating the relevant value, network and practice data. Nine countries were common to both datasets, and these nine cover the three welfare regime types. Four liberal countries were available, including the US, the UK, Australia, and Canada. Three corporatist countries were available, Germany, Austria and Italy. And two social democratic countries were available, Norway and the Netherlands. Ideally, Sweden would have been included as the archetypal social democracy. However, Norway and the Netherlands remain acceptable substitutes within the literature (Esping-Anderson 1990).

Information is largely unavailable on the data quality of most WVS surveys. Details are unavailable, for example, on sampling issues for particular WVS countries and response rates. There are some potential issues with sampling bias, as a combined selective/random sampling approach was used. Selection may affect randomness and representativeness. However, sample quality is reported to be higher in industrialised
countries (Inglehart 2002), and weights are used to correct for biases. In any regard, the data is the only kind available for examining the necessary social capital indicators across the relevant countries, unlike competing surveys such as the European Social Survey (ESS). Data quality is good for the MTUS survey as a whole, as this combines time use data from national surveys conducted in large part by the leading statistical agencies from each country. Information is gathered from one or two-day diaries for the most part, the Netherlands an exception with 7-day diaries. Response rates are reasonable for all countries and waves except the Netherlands 1995 survey (20% return), though applying weights to all data should correct for this. The Australian data from 1987 and 1997 is unweighted, however, as weights were unavailable at the time of calculation.

Four variables were available to cover the relevant aspects of bridging social capital. These were norms of trust, networks of membership, and practices of volunteering and socializing. Each of these is discussed in turn below.

3.1 Norms – Trust

Measures of trust are diffuse on the basis of whether they are measuring trust in; people in general, specific groups (family, friends workplace), government and institutions, etc. Most of these measures are however particularised, relevant to specific networks which are usually closed and therefore are more appropriately conceived of as bonding capital. Only the most generalised trust construct is relevant to measuring bridging capital. There is a commonly used question in the WVS intended to measure such generalized trust. The question asks:

‘Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?’

This question is widely used to measure and compare generalised trust across different countries, but is not without its criticisms. One criticism is that cultural differences can affect interpretation of the question. However, Uslaner (2002) notes that the measurement of trust by the general WVS question is a good representation of ‘confidence in strangers’, useful for capturing inter-country comparisons in spite of cultural differences precisely because it is such a general question. Harre (1999) argues that aggregating generalised trust scores across countries ignores local practices of trust and distrust. However, these are more relevant to bonding than bridging capital. He also suggests that a normative bias in discursive trust - people saying they trust, as this seems the right thing to say – may not be reflected in actual trusting practices. However, a normative bias is avoided in the WVS question by structuring it as a ‘double-barreled’ question, where one must modify ones generalised feelings and norms of trust by ones generalised feelings and norms of wariness (being careful). The fact that the majority of people in most countries around the world answer ‘no’ to the double-barreled question (as will be seen below) is testament to the lack of normative bias.

Berry and Rodgers (2003) criticise the double-barreled nature of the question in that it is not mutually exclusive – one can agree with both aspects. They also argue that measuring generalised trust is inappropriate because the question has no specific and conditional
object (what or who we trust, and under what circumstances). However, their assertion that a definitive and conditional object is necessary to establish trust shows the trust they have in mind is particularized and contingent upon information. It is rational trust, relevant to bonding capital. Trust at the generalised level should not be precisely and specifically defined in the generalised context because of its relation to uncertainty (Luhman 1979). The only level of calculation that should enter such a question is to choose between two uncertain feelings – trusting and wariness – so as to avoid normative bias in answering the question. As a validity test, Knack and Keefer confirm the acceptability of the WVS measure, noting that trust levels across countries as measured by the WVS question correlate well with results from wallet-dropping experiments (Knack and Keefer 1997).

3.2 Networks – Voluntary Organisation Membership
The membership variable was calculated on the basis of respondents indicating that they were members of at least one formal voluntary organisation. Variables indicating membership in ‘sports organisations’ and ‘other organisations’ were missing from the 1981 wave of the WVS. As a consequence, the voluntary membership variable was calculated including sports and other organisations for comparative and regression analysis, and both including and excluding them for historical analysis (see under historical analysis, below).

There was some potential to measure social capital practices through an additional question attached to the membership question concerning activity. Respondents were asked in three waves of the WVS survey whether they had completed any unpaid work on behalf of the organization. However, in 1995 this question was changed to whether respondents were simply active or inactive members of the organisation. This change induced a much-increased rate of positive response (Patulny et al. 2003), and confounds any attempt to use this variable as an indicator of practices. For this reason, membership only will be used.

There is a further concern that certain organizations are closed, bonding based organizations. Van Schaik (2002) attempts to split organisations, dividing the voluntary groups from the European Values Survey into ‘Putnam’ groups (religious, education/arts/culture, and youth work) versus ‘Bourdieu/Olson’ groups (unions, political parties, and professional groups). He finds however that there is no distinction between these two types of groups in terms of flow-on effects upon outcomes. All such groups will thus be retained as bridging groups here.

3.3 Practices – Time Spent Volunteering and Socialising
Discrepancies in activity data in the WVS reinforce the appropriateness of using different data – time use data – to measure practices. Time-based membership was measured using the MTUS by looking at the average amount of time spent in relevant activities, in minutes per day. Time spent volunteering on behalf of a formal organization was the obvious activity to capture bridging social capital practices. However, two other activities
were prominent in the literature; socialising and informal care (Ruston 2003). Socialising is an ambiguous but likely indicator of bridging social capital. It may be relevant to either mixing with people we know intimately (bonding) or strangers (bridging). However, the extension of socialising beyond the family bounds is likely to make it more outward then inward looking. It will thus be included here as a potential additional indicator of bridging practices. Socialising was assembled as a variable put together by adding up time spent in the following activities, all of which would typically explicitly involve social contact – travel for leisure, excursions, participating actively or passively in sports, at the cinema or theatre, dances or parties, social clubs, pubs, restaurants, in conversation, and entertaining friends. Travel for leisure and excursions are included as socialising time in that, whilst each may involve time alone, both incorporate time spent in tour groups, and thus substantial social contact with strangers. Time spent in informal care is another potential activity sometimes used. However, I suggest that such a variable is more appropriately conceived as a form of bonding capital. It is therefore excluded from this analysis.

3.4 Final Variables – Bridging Social Capital
The list of variables to be used in measuring bridging social capital is as follows:

Table 1: Variables to be used in analysis

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<tr>
<th>Variables</th>
<th>Description</th>
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<tr>
<td><strong>WVS – Bridging Social Capital Norms</strong>&lt;br&gt;Trust</td>
<td>% persons who say that in general, most people can be trusted, as opposed to one needing to be careful with most people</td>
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<tr>
<td><strong>WVS - Bridging Social Capital Networks</strong>&lt;br&gt;Voluntary Membership</td>
<td>Member of at least one of the following formal voluntary organisations: church or religious group; sport or recreation group; art/music/education organisation; labour union; political party; environmental organisation; professional association; charitable organisation; any other voluntary organisation.</td>
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<tr>
<td><strong>MTUS – Bridging Social Capital Practices</strong>&lt;br&gt;Volunteering Activity</td>
<td>Mean time spent engaged in Volunteering (Min/Day)</td>
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<tr>
<td>Socialising Activity</td>
<td>Mean time spent engaged in Social activities (Min/Day) including – travel for leisure, excursions, participating actively or passively in sports, at the cinema or theatre, dances or parties, social clubs, pubs, restaurants, in conversation, and entertaining friends</td>
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4 Results
I compare bridging social capital variables for the target countries across different waves of the WVS. The most important social capital variable as identified in the literature is trust, and as such I will examine frequencies for this first, in relation to the type of welfare state it is associated with. Such a comparison forms a useful way to ‘type’ countries and informs further explanatory efforts.
4.1 Trust and Welfare by Country Type

I begin by presenting information on recent trust levels and welfare regime types for each of the countries. Information on welfare regime is provided, along with information on employment aspects and inequality derived from comparative international data (Tiffens and Gittins 2004), in support of the assertion made in section 2.2 that welfare has changed particularly within liberal countries. The countries are ranked from highest to lowest in order of positive ‘yes’ response to the generalised trust question from the WVS. The sample is of all persons from the most recent data available for each country, the relevant populations aged 18 to 75 (missing age value cases have been excluded).

Table 2: Trust, Welfare Regimes, and Welfare Changes

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<td>(a)</td>
<td>(b)</td>
<td>1998</td>
<td>2000-02</td>
<td>(f)</td>
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<tr>
<td>Norway</td>
<td>65.57</td>
<td>Social Democratic</td>
<td>0.5</td>
<td>0.1</td>
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<tr>
<td>Netherlands</td>
<td>60.86</td>
<td>Social Democratic</td>
<td>2.6</td>
<td>0.9</td>
<td>0.25</td>
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<tr>
<td>Australia</td>
<td>40.78</td>
<td>Liberal</td>
<td>1.1</td>
<td>0.4</td>
<td>0.31</td>
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<td>Canada</td>
<td>38.93</td>
<td>Liberal</td>
<td>1</td>
<td>-0.2</td>
<td>0.31</td>
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<tr>
<td>US</td>
<td>36.19</td>
<td>Liberal</td>
<td>0.2</td>
<td>-0.5</td>
<td>0.37</td>
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<tr>
<td>Germany</td>
<td>35.18</td>
<td>Corporatist</td>
<td>1.3</td>
<td>0.9</td>
<td>0.26</td>
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<tr>
<td>Austria</td>
<td>34.26</td>
<td>Corporatist</td>
<td>0.9</td>
<td>NA</td>
<td>0.28</td>
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<tr>
<td>Italy</td>
<td>32.66</td>
<td>Corporatist</td>
<td>0.7</td>
<td>0.1</td>
<td>0.34</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>30.32</td>
<td>Liberal</td>
<td>0.3</td>
<td>-0.8</td>
<td>0.35</td>
</tr>
</tbody>
</table>

(a) Trust scores are calculated from the WVS generalised trust questions. WVS Country Years: Australia and Norway 1995, all other countries 2000. Sample includes all persons aged 18-75

(b) Regimes are derived from Esping-Anderson (1990). The Netherlands is a special case in Esping-Anderson’s typology, blending features of a Social Democratic and Corporatist/Conservative. However, has been used as an archetype social democratic country in other studies (Goodin et al), and can be used as such for the purposes of our this study.

(c) Benefits are derived from the % of GDP spent on unemployment benefits by each country. Source: Tiffen and Gittins, p148, derived from ‘OECD Society at a Glance, 2002’.

(d) Rate is derived by measuring the number of unemployed as a proportion of the labour force. Source: Tiffen and Gittins, p74, derived from ‘OECD Historical Statistics’.


(f) Gini Coefficients are measures of income inequality, with numbers ranging from 0 to 1, and higher numbers indicating greater levels of inequality. Source: Tiffen and Gittins, p136, derived from LIS calculations.

Looking first for evidence of a welfare changes in liberal countries, it can be seen that over the period from 1980 to the turn of the century, unemployment benefits have shrunk in all liberal countries except Australia, and increased in all other countries. This is
largely a response to high levels of unemployment in many of these countries, and has accompanied a decrease in unemployment in Canada, the US and the UK. However, decreasing unemployment with increasing welfare expenditure in Australia and particularly the Netherlands defies a direct causal link between reform and employment, and suggests the changes were driven more by ideology than substantive-rationality. Australia alone among the liberals appears to have escaped a downturn in payments. However, a Labor social democratic government largely oversaw this period, and given their social democratic colours, the changes leading to the small aggregate increase in unemployment benefits are seen as inadequate, and even as a betrayal in certain quarters (ACCIRT 1999). In other words, the increase may have been seen as a fraction – or a decrease – on what should have been, contributing to a perception of punitive welfare. This perception has certainly become reality with the Howard government’s ascension and welfare reforms since 1996. In addition, the level of income replacement from unemployment benefits in Australia is substantially lower in Australia than in most other countries, further devaluing its small increases in welfare payments. Welfare, therefore, has clearly declined in liberal countries, and with it inequality has risen, with Gini coefficients rising sharply in the US and the UK, and rising above 0.3 for all liberal countries.

How have these changes relate to trust? It is important to first get a snapshot from the latest available data. It can be seen, in a manner consistent with the literature, that Social Democratic Scandinavian countries tend to be the most trusting, whilst Liberal Anglo countries such as Canada, Australia and the USA are middling in the range, and Corporatist European countries moving further south and east in Europe are low in trust. The UK is the lowest trusting country, but this is a recent phenomenon brought about by a sharp drop in the trust rates recorded for the UK, as we will see in the trends below. These blocks of countries are consistent with Esping-Anderson’s (1990) typology of welfare state regimes within OECD countries. What is especially surprising is that, with the exception of the UK (and even including the UK, until recently, as will be seen below) trust seems to cohere neatly along the lines of welfare types, ranging from high in the social democratic countries to middling in the liberal ones and low in the corporatist countries – no single country except the UK breaks this pattern. This may be a feature of a small sample (9 countries) but the consistency is surprising nonetheless.

The primacy of trust, and its apparent link to welfare regimes, demonstrates the importance of reviewing other values and practices in relation to it. As a consequence, each table presented in the following analysis will display information based on the above trust ranks, so that any appropriate patterns can be easily and immediately identified.

4.2 Trends in Trust
Trends in trust are visible in Table 3 below. The most immediate and important observation is that trust is declining in every Anglo-liberal country and increasing in all non-liberal countries in the sample. This is true whether changes in trust are measured in absolute terms across available years, or an average annualised basis. The lack of sharp
decline in trust from 1990 to 2000 for all social-democratic and corporatist countries, demonstrates that the Anglo-liberal decline (evident for most in the 1995 wave) is not part of a uniform global downturn or drastic change in the WVS survey during the 1995 wave. Changes particular to Anglo-liberal countries and welfare regimes are associated with the downturn. It is interesting to note that trust appeared to be increasing or stable in the liberal countries up until 1990, and suffered a downward turn sometime during the decade of the 1990’s. Canada’s downward turn in trust has only just become visible with the most recent 2000 wave of the survey; it is unclear whether such a downturn came with the others in the US, the UK and Australia in 1995, or at a later date.

These findings confirm those from the literature on trust mentioned in section 2.2 above (Putnam 2000, Inglehart 1997, Uslaner 2002, and Kumlin and Rothstein 2003). They cast doubts as well on the rosy depictions of social capital given by Hall (2002) concerning the UK. The UK’s result is particularly noteworthy in terms of the magnitude of the decline, the worst of all the countries and one that has rocketed the UK from the middle to the bottom of the table, below even the corporatist countries.

Table 3: Trust (percentage), all waves, WVS (a)

<table>
<thead>
<tr>
<th></th>
<th>WVS All Waves</th>
<th>Change Over Available Years (b)</th>
<th>Average Annual Change (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>62.1</td>
<td>65.4</td>
<td>65.6</td>
</tr>
<tr>
<td>Netherlands</td>
<td>46.4</td>
<td>56.3</td>
<td>.</td>
</tr>
<tr>
<td>Australia</td>
<td>48.5</td>
<td>.</td>
<td>40.8</td>
</tr>
<tr>
<td>Canada</td>
<td>49.4</td>
<td>52.4</td>
<td>.</td>
</tr>
<tr>
<td>USA</td>
<td>45.9</td>
<td>50.1</td>
<td>35.9</td>
</tr>
<tr>
<td>Germany</td>
<td>30.0</td>
<td>34.2</td>
<td>32.3</td>
</tr>
<tr>
<td>Austria</td>
<td>.</td>
<td>32.2</td>
<td>.</td>
</tr>
<tr>
<td>Italy</td>
<td>26.6</td>
<td>35.3</td>
<td>.</td>
</tr>
<tr>
<td>UK</td>
<td>45.0</td>
<td>43.2</td>
<td>.</td>
</tr>
</tbody>
</table>

(a) Includes all persons aged 18-75
(b) The main figure in the ‘change over available years’ column is derived from subtracting the most recent figure from the earliest figure available for each country.
(c) The main figure in the ‘average annual change’ column is derived by dividing the change over available years by the number of years between the midpoints of the earliest and latest survey ranges available for each country.

4.3 Trends in Membership

Examining changing rates of membership in voluntary associations is informative, and seemingly challenges Putnam’s thesis of declining association in the US – the WVS figures show that associational membership actually increased quite substantially in the US, from 1981 to 2000, peaking in 1995 (Table 4). This result however is consistent with Putnam’s claims. He suggested that the problem is not that membership is decreasing; rather that member activity is decreasing, and increasingly ‘passive’ society is appearing
in the US, with contributions of money rather than time. I will examine this further below when I look at volunteering.

It can be seen that, without accounting for sports and other organisations, the biggest increases in membership have occurred in the Scandinavian countries, which top the list of countries according to the latest data available. Accounting for sports and other organisations makes the increases in the social democratic countries less impressive, whether in absolute or annualised terms. However, with or without including sports and other organisations, the Netherlands registers the highest rates of membership of all countries and Norway registers the third highest rates, when looking at the most recent figures for each country. This confirms Rothstein’s arguments that strong welfare states do not erode the culture of civic membership. The results for the liberal and corporatist countries are mixed, with Germany and the UK showing sharp declines, whilst all other countries show an increase in membership. The declines in membership for Germany and the UK also contradict the respective findings by Offe and Fuchs (2002) on the one hand and Hall (2002) on the other that German and British social capital respectively is not declining.

Table 4: Voluntary Association Membership (percentages), all waves, WVS (a)(b)

<table>
<thead>
<tr>
<th>WVS All Waves</th>
<th>Change Over Available Years (b)</th>
<th>Average Annual Change (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1981</td>
<td>1989-90</td>
</tr>
<tr>
<td>Netherlands</td>
<td>53.2</td>
<td>71.8 (81.4)</td>
</tr>
<tr>
<td>Australia</td>
<td>59.7</td>
<td>.</td>
</tr>
<tr>
<td>Canada</td>
<td>56.0</td>
<td>53.0 (61.9)</td>
</tr>
<tr>
<td>USA</td>
<td>73.1</td>
<td>65.7 (70.3)</td>
</tr>
<tr>
<td>Germany</td>
<td>48.6</td>
<td>56.5 (70.6)</td>
</tr>
<tr>
<td>Austria</td>
<td>.</td>
<td>43.0 (50.5)</td>
</tr>
<tr>
<td>Italy</td>
<td>25.9</td>
<td>25.8 (32.9)</td>
</tr>
<tr>
<td>UK</td>
<td>52.1</td>
<td>43.2 (52.0)</td>
</tr>
</tbody>
</table>

(a) Includes all persons aged 18-75
(b) Two voluntary association variables, ‘sports organisations’ and ‘other organisations’, were missing from the 1981 wave of the WVS. The voluntary membership variable has been calculated both excluding these sports and other variables (main figure in each cell) and including them (figures in parenthesis in each cell). The figure in parenthesis in the ‘change over available years’ column is derived from subtracting the most recent figure from the earliest figure available after the 1981 wave, for each country.
(c) The main figure in the ‘change over available years’ column is derived from subtracting the most recent figure from the earliest figure available for each country.
(d) The main figure in the ‘average annual change’ column is derived by dividing the change over available years by the number of years between the midpoints of the earliest and latest survey ranges available for each country.
4.4 Trends in Volunteering

With volunteering, the positive link between welfare and social capital appears to be broken. There seems to be no direct relation between welfare regime and volunteering, with noticeable differences across all regimes (Table 5). The Netherlands rates quite highly in terms of volunteering, though this could be a potential artifact of the Dutch 7-day diary capturing voluntary activities specific to certain days of the week (eg Sundays) (Fisher et al. 2004). However, as diaries in all countries are randomly sampled across the week, the proportion of specific days (such as Sunday) should be the same for each sample regardless of diary length, ensuring each captures specific day activity equally. The Netherlands therefore shows substantial and increasing volunteering activity (though less so when increases are annualized, only 0.1 minutes per day extra every year), whilst several liberal and corporatist countries show little such activity. These findings confound the idea of welfare crowding out voluntary activity.

Putnam’s finding that time spent volunteering is decreasing in the US is confirmed, supporting the passivity thesis. The UK shows a substantial increase in voluntary activity; this is particularly interesting in that it seems to run counter to the sharp decline in voluntary membership noted above. Hall (2002) suggests that volunteering is increasing in the UK due to rising education and active government support for volunteering, but is becoming divided on the basis of class. I interpret these findings to suggest that volunteering in the UK is becoming more concentrated, with fewer people joining associations, but those who do join becoming more active. Given the high rate of average voluntary activity registered for Germany in 1990 (15.7 minutes per day), I can speculate that a similar scenario may also apply there, but there is insufficient information available to test this.

Table 5: Volunteering, Minutes/Day, WVS Periods, 1976 to 1999 (a)

<table>
<thead>
<tr>
<th>WVS All Waves</th>
<th>Change Over Available Years</th>
<th>Average Annual Change (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Netherlands</td>
<td>12.2</td>
<td>13.2</td>
</tr>
<tr>
<td>Australia</td>
<td>.</td>
<td>4.3</td>
</tr>
<tr>
<td>Canada</td>
<td>5.2</td>
<td>8.5</td>
</tr>
<tr>
<td>USA</td>
<td>.</td>
<td>6.4</td>
</tr>
<tr>
<td>Germany</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Austria</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Italy</td>
<td>.</td>
<td>5.1</td>
</tr>
<tr>
<td>UK</td>
<td>.</td>
<td>5.1</td>
</tr>
</tbody>
</table>

(a) Includes all persons aged 18-75
(b) Due to data limitations, volunteering estimates from Australian 1987 and 1997 time use data are unweighted.
(c) The main figure in the ‘change over available years’ column is derived from subtracting the most recent figure from the earliest figure available for each country.
(d) The main figure in the ‘average annual change’ column is derived by dividing the change over available years by the number of years between the midpoints of the earliest and latest survey ranges available for each country.
4.5 Trends in Socialising

Finally, looking at rates of socialising, there is again little apparent relation to welfare regime, though certain aspects mirror volunteering. In a reversal from volunteering (Table 6), Norway shows the highest amounts of time spent in socialising of any country (187 minutes), and the Netherlands also shows large amounts of time in this regard. This provides support for the argument by Rothstein (2003) that whilst individualism is becoming more prevalent in some social democratic countries, it is still socially oriented and non-destructive of social capital, orienting activity to socialising rather than volunteering. Social capital practices are still strong. Canada and the UK, the countries with the largest gains in volunteering noted above, have also made considerable gains in socialising time (0.8 minutes per day extra every year for Canadians, and 3.7 minutes for the British). By the late 1990’s, British people in particular were spending an average of nearly three hours per day socialising. This confirms Hall’s findings of increased socialising within the UK. In contrast, Australia and the US, with the smallest increase and the only decrease in volunteering time, have both suffered extensive declines in socialising time. Americans have lost nearly half an hour a day of socializing (2.2 minutes per day less every year), with an average of less than two hours a day spent on this activity. The Australian results are to be treated with caution as the data used to calculate the 1997 rate is unweighted; however, a large decline on par with the US is nonetheless clearly suggested. Such declines suggest that Australia and the US are subject to time pressure associated with excessive work and work/family balance, and add impetus to the need to address these issues.

Table 6: Socialising, Minutes/Day, WVS Periods, 1976 to 1999 (a)

<table>
<thead>
<tr>
<th>WVS All Waves</th>
<th>1976-84</th>
<th>1985-89</th>
<th>1990-94</th>
<th>1995-99</th>
<th>Change Over Available Years</th>
<th>Average Annual Change (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>187.2</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Netherlands</td>
<td>157.8</td>
<td>162.1</td>
<td>159.5</td>
<td>162.1</td>
<td>4.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Australia</td>
<td>126.1</td>
<td>128.1</td>
<td>146.9</td>
<td>156.1</td>
<td>13.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Canada</td>
<td>142.2</td>
<td>128.1</td>
<td>146.9</td>
<td>156.1</td>
<td>-22.4</td>
<td>-2.2</td>
</tr>
<tr>
<td>USA</td>
<td>134.7</td>
<td>107.6</td>
<td>105.6</td>
<td>156.1</td>
<td>-22.4</td>
<td>-2.2</td>
</tr>
<tr>
<td>Germany</td>
<td>.</td>
<td>124.1</td>
<td>.</td>
<td>.</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Austria</td>
<td>.</td>
<td>104.0</td>
<td>.</td>
<td>.</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Italy</td>
<td>.</td>
<td>127.6</td>
<td>.</td>
<td>.</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>UK</td>
<td>149.8</td>
<td>.</td>
<td>179.4</td>
<td>29.6</td>
<td>3.7</td>
<td></td>
</tr>
</tbody>
</table>

(a) Includes all persons aged 18-75

(b) Due to data limitations, volunteering estimates from Australian 1987 and 1997 time use data are unweighted.

(c) The main figure in the ‘change over available years’ column is derived from subtracting the most recent figure from the earliest figure available for each country.

(d) The main figure in the ‘average annual change’ column is derived by dividing the change over available years by the number of years between the midpoints of the earliest and latest survey ranges available for each country.
5 Conclusion and Discussion

It becomes apparent that, on a country-by-country basis, the indictors are distinct but not unrelated. Volunteering levels may be largely incongruous with trust levels, and none of the indicators linearly corresponds to another. However, there is a fairly clear clustering of trust, membership and socialising into high and low groups, at the top and bottom levels of the trust ranks. Most particularly, high levels of every social capital indicator except volunteering are found within the social democratic countries, low levels are found within the corporatist countries, and the biggest changes are found within the rapidly restructuring liberal countries; the US has seen the biggest changes of all, with declines in trust, volunteering and socialising.

It is very important to note that neither the dependency nor the divisive thesis has been definitely proven. Causality is unclear. The reverse scenario of that which is described here may well be true: that high levels of social capital contribute to the development of universal forms of welfare, and low or declining levels contribute to reductions or punitive changes in welfare delivery. Or there could be a two-way, mutual/reciprocating causal pattern between welfare and social capital. However, a lack of causal proof does not change the significance of the visible associations, or the likelihood of certain causal directions. Welfare changes were underway in liberal countries in the 1980’s before the downturns in trust became visible in liberal countries in the 1990’s, and largely in response to rising unemployment levels rather than changing social values. Given this, it is more likely that the direction of causality outlined in this paper, from welfare to social capital, is correct than the alternatives. If this line of causation is accepted, it provides support for the ‘division hypothesis’ raised in this paper; that cutbacks and punitive changes to welfare erode bridging social capital. Welfare change may contribute positively to bonding capital, but this study cannot confirm or deny this. More definitively, the findings in this paper make it very unlikely that the ‘dependency hypothesis’ is correct. The high levels of bridging social capital evident in social democracies, and the declines visible in liberal countries refute any suggestion that welfare causes dependency and erodes generalised society. The overall results of this study provide some confirmation for the ‘division hypothesis’ and refutation of the ‘dependency hypothesis’ concerning welfare and social capital.
References


