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# How sociability and trust impact on welfare attitudes. A cross-european analysis

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## Abstract

The bulk of the literature investigating the connection between social capital and the welfare state explores the impact of the latter one on various manifestations of the first one. The tested assumption is therefore usually related to the effects of the institutional arrangements on the existing resources. Our paper proposes a different approach, focusing on the effects of four social capital indicators on very general attitudes towards the welfare state. Using multilevel models, we show that the less formalized manifestations of social capital are negatively related to the support for a broader welfare state, while for the more formal ones the opposite holds true. Considering the relations between the welfare culture and the shape of the welfare state (as described in the literature), and our findings, we conclude that the institutional arrangements represent both a factor which models social capital, as well as a consequence of the latter one.

*Keywords: social capital; welfare attitudes; state; comparative research.* 

# Introduction

A well established literature describes the factors which determine the attitudes towards the welfare state. Self-interest theory, ideological attachment and contextual dependency are used to explain the variations across Europe. Few studies deal with the impact of social capital on welfare attitudes. They show that lack of confidence in institution may erode the social support of the welfare institutions (Edlund, 2006) and that higher levels of generalized trust may hinder the orga-

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nization of the welfare institutions. Other effects of social capital on the welfare attitudes still remain unexplored. Our paper tries to increase the knowledge in this domain.

The existing literature focuses rather on the consequences of the institutional welfare arrangements for the social capital (van Oorschot et al., 2005, 2006; Kumlin, Rothstein, 2005; Wolfe, 1989; Giddens, 1998; Kuhnle & Alestalo, 2000; Rothstein, 2001). On the other hand, studies dedicated to the social policy analysis discuss the interdependence between the welfare attitudes and the welfare regimes (Edlund, 1999; Evans, 1996; Oorschot, 2000; Svallfors, 1997; Taylor-Gooby, 1995; Gelissen, 2002).

The aim of our paper is to investigate the third side of the triangle formed by the welfare regimes, welfare attitudes, and social capital. We are testing for the effects that the manifestations of social capital have over the attitudes towards the scope of the welfare state.

Considering individuals, two types of factors may influence the legitimation of welfare regimes: the individual resources and the ideological / value orientation. Countries characteristics, such as type of welfare state or level of social inequality were also used as explanatory variables. The present analysis considers social capital as an individual resource, influencing the attitudes towards welfare state via own interest. Our hypothesis is that the social capital (SC) manifests in or referring to more formalized frameworks, such as participation in voluntary associations and confidence in institutions, increases the support for a large scope of the welfare state, while the SC located in more informal set ups, like generalized trust and frequency of social interactions, has an opposite effect.

The analysis focuses on European societies and uses the third wave of the European/World Values Survey (EVS/WVS). Since the explanatory models involve individual attributes and country level characteristics, we employ multilevel regression models for describing the relation between the manifestations of the SC and the welfare attitudes.

The first section of the paper considers the explanatory model for the attitudes towards welfare state, focusing on the potential impact of SC. The second section describes the analytical strategy and the data that we use. The results of the multilevel regression models are presented in the third section, while the final part discusses the implication of our findings and introduces topics for future researches.

# **Explaining welfare attitudes**

## Factors influencing attitudes towards welfare state

Previous studies have used two types of approaches for explaining the variation of attitudes towards welfare state. They either focus on the role of the individual characteristics, or emphasize the role of the country-level features. Individual level explanations cluster into two different sets. Some consider self-interest as main driver for the support for the welfare state (Koster, 2007; Gelissen, 2002; Svallfors, 2003; Andreß & Heien, 2001; Hasenfeld & Rafferty, 1989; Saunders, 1988). Individuals with poorer resources derive a higher marginal utility from the redistribution and are more interested to support highly redistributive policies and a universal welfare regime. The second cluster considers the impact of the ideological and values orientations (Jacoby, 1994; Peillon, 1996; Shivo & Uusitalo, 1999; Gelissen, 2002): the attitudes towards the welfare state are not the result of the own interest, but of people believes.

The self-interest explanation states that people support the policies which are more appropriate for their needs and from which they get higher benefits. Age and gender are important from this perspective. Older people will express a higher demand for protection. They will support a broader state involvement in welfare provision (Iversen & Soskice, 2001; Edlund, 2006). The effect of gender is similar. In most societies, the house chores are likely to be the women's duty (Voicu et al., 2007), which makes women more dependent on market fluctuations (Orlof, 1993; Iversen & Soskice, 2001), and on the existing institutional arrangements (Andersen et al., 1999; Shivo, Uusitalo, 1995). Consequently they are likely to express less favorable attitude towards a weaker state. The same logic applies to other status groups which are poorer in resources, such as lower educated, poor people, unemployed, and retired (Koster, 2007; Gelissen, 2002; Svallfors, 2003; Andreß & Heien, 2001; Hasenfeld & Rafferty; 1989; Saunders, 1988; etc.). In this context, class is considered a determinant of welfare attitudes, the working class supporting a broader welfare state (Caughlin, 1980; Andersen, 1993; Svallfors, 2003, 1997; Edlund, 2006).

Considering the *ideological and value orientations*, the accent is on political orientation and materialist values. *Leftist people* are more likely to support universal policies and state intervention than the rightist ones. *Materialism*, in Inglehart's (1997) terms, increases the probability that one cares much more about fulfilling its self-interest than being concerned with the other people or the common well-being.

Previous studies have shown that both self-interest and ideological orientations are involved in shaping the welfare attitudes (Andersen, 1993). We also assume that the two factors complement each other in determining the support for the

welfare state and we use both sets of indicators as control variables in our analysis. Among the *country level determinants*, the effect of the *welfare regime* is the most often investigated (Svallfors, 1997; 2003; Gelissen, 2002; Linos & West, 2003; Jæger, 2006). Previous studies have indicated a higher support for the welfare state in the social-democratic regimes, a moderate one in the conservative and Mediterranean regimes, a low support for welfare arrangements and redistribution in the liberal and the radical ones. The effect is a lagged one: current levels of welfare attitudes will depend on the welfare state scope at a previous moment in time.

The effect of the *country economic conditions* on the welfare attitudes was tested by previous research, but the results are controversial. Lipset (1968) points out that the economic insecurity can determine a shift towards leftist attitudes, as an expression for the need for protection, while other scholars show that economic deprivation reinforces self-interest and decreases support for redistribution (Alt, 1979; Durr, 1993; Derks, 2004). *Unemployment rates* may be used as an indicator for both the state of economy, as well as for the individual security.

There are two different types of arguments about the effect of income inequality. Meltzer-Richard (1981) suggests that a low *income inequality* produces lower demand for redistribution and welfare provision, since almost everybody has access to same services and benefits. On the other hand, Kenworthy & McCall (2008) argue that income inequality might have the opposite effect. The higher the inequality, the lower the median-voter income is, therefore the lower would be the support for a broader welfare state. We think that the two perspectives are not concurrent, but describe complementary mechanisms, which probably lead to a very low or null effect of the income inequality within a society on the individual attitudes towards the scope of the state.

#### Social capital

The analyses of social capital have flourished in the last decades, building on the works of the three "founding fathers", Bourdieu, Coleman, and Putnam. Each of them has developed complex explanations on the role and the scope of the social capital (Portes, 1998; Mihaylova, 2004; Van der Gaag & Snijders, 2005; Matijù & Vitásková, 2006). Social capital consists in a latent capacity to cooperate, finding its manifestations through norms of sociability, social networks and trust. Since the norms of sociability represent a quite vast exhibit, we will focus only on networks and trust, an approach frequently used in the contemporary social sciences (Putnam, 2000; Paxton, 1999; Raiser et al, 2001; Anheier et al, 2004; Voicu, 2005; Matijù & Vitásková, 2006; Pichler & Wallace, 2007).

*Frequently meeting friends* involves a rich social life, with many social interactions. Individuals which are part of extended social networks can easier access resources controlled by others and benefit from them (Coleman, 1990). Usually

they are able to gather more information and to control more diversified resources (Voicu, 2005).

*Participating in voluntary association* involves an inclination towards creating the public good, leads to participative culture, and supposes openness to cooperation and helping others. Membership in associations can be seen as a particular case of meeting friends, but in a formalized space (Wilson, 2000).

Meeting friends and civic engagement are other manifestations of social capital. Friends may be close friends or random acquaintances, certain voluntary associations are likely to reunite exclusive members, setting no bridge between groups, but rather raising barriers to out-group communication. However, both friends and colleagues from voluntary association are more likely to holds different social statuses than, for instance, close kinship, neighbors or, in some cases, even workmates. They also provide access to a variety of other friends and association members, which serves as pillar for bridging groups and increasing feelings of social solidarity. Considering the aim of the analysis, we opted to treat membership in associations and informal sociability (meeting friends) as expressions of SC.

*Generalized or social trust* (Uslander, 2002) represents a predisposition to have confidence in people and not willing to deliberately harm or disadvantage others. Trust is a way to predict and simplify social interaction (Luhman, 1979), strengthening and being strengthened by the relations. Trusting people acts as a prerequisite for cooperation (Misztal, 1996; Sztompka, 1999; Uslander, 2002) and social solidarity (Sandefur, Laumann, 1998).

*Confidence in institutions* is close to the Putnam's concept of norms of cooperation (Raiser et al., 2001; Mihaylova, 2004), acting as a specific form of trust which concerns the general functions of society.

# *Why social capital would determine the attitudes towards the (welfare) state*

As a form of capital (Robinson et al., 2002), the social capital has an influence on attitudes towards welfare state. This influence is partially mediated by the effect of self-interest. However, the relation between the social capital and the welfare attitudes is not similar with that between other type of resources and these attitudes, some aspects of social capital strengthening the support for universal welfare regime, while other weakens it.

Social capital provides three different important benefits: influence and control, information, and social solidarity (Sandefur and Laumann, 1998). The last two are of special interest for the shape of welfare attitudes. Extended social network provides access to more information about the labour market and increases the opportunity to find a job or a better one (Franzen, Hangartner, 2006), without

implying the help from any state institution. More, they enable access to the resources controlled by the network (Portes, 1998), including child care, health care, various material resources and benefits, etc.

Trust relays on social networks and in turn, increases the opportunities for mutual aid, reciprocity and solidarity (Coleman, 1990). As a 'building block of social solidarity' (Welch et al., 2005), trust implicitly helps people to cooperate to achieve common goals and provides them with a tool for reducing exposure to risks.

Built on trust, social solidarity leads to generalized exchange among individuals, helping them to cope with individual crisis, to maintain health, to care for children and older people or to deal with poverty, helps poor people to deal with the consequences of poverty, by providing each other help when they are in need (Suttles, Street, 1970). More, trusting other people involves certain reliance on the others for getting help when in need. On the opposite, less trust that others will provide help means more request for state support.

A dense social network may help people in solving some personal problems, providing them with information and social support when they are in need, without any visible state intervention. Scheepers et al (2002) found a negative relation between government spending on social security and the number of friends, larger spending being associated with fewer friends. One can assume that a person with large social network does not relay so much on state for providing help, because she/he is provided first by own social ties. Such person is less likely to support a universalist welfare state.

The generalized trust and the frequently meeting friends are less formal manifestations of the social capital. There is no institutional framework to set up the rules for such phenomena. On the opposite, the participation in voluntary associations and the confidence in institutions have a formalized framework to rely upon. Association membership supposes conformation with certain general rules which apply to any organization.

Koster (2007: 538) notices that both the voluntary associations and the state provide welfare benefits in a formalized way. However, they are not necessary concurrent, but rather complementary. In societies that have a higher rate of involvement in voluntary associations, people enjoy spending time together and doing things for collectivity. They use to find out collective solutions to some issues like environmental pollution, social inequality, or poverty. We expect that such people are likely to entitle a collective body, such as the state, to be responsible for finding adequate answers for some of these problems. Without diminishing individual involvement in collective actions, this only increases the representation of the state as legitimate actor in various areas of the social life.

On the other hand, participation in voluntary association lead to stronger socialization effects, the associations' members being more socialized into civic

values pattern (Hooghe, 2008). Civic activism means more involvement in the political system too, people transferring their preferences and attitudes to the political decision makers (Verba, 2003) and being influenced by the values promoted by the system. Therefore, we expect to find higher support for the universalist welfare state among associations' members from countries with higher social spending. In the same countries, non-civic active residents will tend to claim less involvement of the state. They are less involved in the creation of the public good, in Coleman sense (1990) and are likely to care less about it.

Following the same logic, when public social expenditures are low, the selfinterest explanation may become stronger. Members in associations may feel the need to get support from the state, and they are likely to claim for a higher public involvement in order to ease the fulfillment of the goals of their associations, which represents their own interests. At the opposite, non-civic active individuals, despite their non-participative tendency, when social expenditures are very low, may feel the need for support, particularly due to their lack of integration in formalized social networks. This is for instance the case of immigrants in the US, which found solutions in claims for public support or joining rather bonding social networks (Beito, 2000).

Overall, we expect a quadratic effect of the interaction between membership in associations and public social expenditures.

Two different approaches are employed for explaining relation between confidence in institutions and attitudes towards redistribution and welfare state: distrust/dissatisfaction thesis, respectively trust as heuristic theory. They were tested manly for the US case.

Distrust/dissatisfaction thesis assumes that people who do not have confidence in institutions or are dissatisfied with their activity are less likely to support policies promoted by them (Edlund, 1999, 2006; Hetherington, Golbetti, 2002). Therefore, those who distrust the government wish to restrict their activities and to reduce the public spending. Edlund (2006) found little support for this approach for the Swedish case.

According to trust as heuristic theory, confidence in institutions is particularly salient when a certain policy involves the sacrifice of the own interest. In this context, the higher level of trust in institution will increase the public support for the respective policy because people trust the institution which promotes it (Hetherington, Golbetti, 2002; Rudolph, Evans, 2005; Rudolph, Popp, 2009; Rudolph, 2009). Studies carried out in United States seem to support the second approach, especially in explaining public support for targeted program such as racial policy (Hetherington, Golbetti, 2002) or attitudes towards taxes (Rudolph, 2009).

While the second approach seems more appropriate for explaining the effect of confidence in institution on public support for targeted programs, the first one seems to be more suitable for the relationship between confidence and the general

orientation towards the welfare provision. The focus of the present investigation is the general scope of government in providing welfare and we assume that the distrust thesis is most suitable in this case. We expect to find a positive relation between confidence in institution and welfare attitudes, higher level of confidence generating an increased support for a large scope of government.

Controlling for the factors mentioned in previous studies to have an impact on attitudes towards the welfare state, we intend to test two *core hypotheses:* 

(H1) the higher the stocks of «more formalized» manifestations capital social is, the higher the support for a broader scope of the welfare state.

(H2) the higher the «less formalized» social capital is, the lower the support for the welfare state.

A *complementary hypothesis* adds. It relates to the quadratic joint effect of the public social expenditures and membership in associations, that we have already discussed.

#### Data and measurements

Our hypotheses involve testing the effect of two sets of predictors, located at individual, respectively at societal level. Multi-level regression is appropriate for data analysis, allowing to simultaneously control for both types of variables. Similar analyses flourished during the past few years (Gelissen, 2002; Blekesaune & Quadagno, 2003; Blekesaune, 2007; Koster, 2007; Kumlin & Svallfors, 2007), but no one considered the impact of the social capital on the welfare attitudes.

When studying the total variance of the dependent variable, the variance among countries proves to be much smaller than the variance among individuals within countries. This is also reflected in the value of the ICC, which indicates that about only 9% of the total variance is among countries. A chi-square test of the estimated between-country variance component proved to be highly significant (chitest = 4062.8, df = 31, p<0,0005). Therefore multilevel regression is appropriate for analyzing the data.

We have run several regression models. Firstly we have included only predictors for the individual level, but not the SC manifestations (see *Table 2*). We add in the second model the social capital indicators, to see if they increase the explicative power. Subsequent models 3 and 4 add the second level predictors, respectively the cross-level interactions. Since employment status and age are also collinear, due to the "retired" category, we avoided including them as independent variables in the same model, and we have built a separated model (model 5). Due to the reduced number of cases, we do not include all the country level predictors in the same model, except for model 6, which introduces Gini and GDP (Model 6). The results of this last analysis are only tentative. For the multilevel-regressions we use HLM 6. Listwise treatment of the missing values is employed for the individual level.

#### Data

The data used to test the hypotheses comes from the 1999-2001 wave of the values surveys. European, respectively World, Values Survey (EVS/WVS) are comparative studies, investigating the values orientation in many domains. Descriptions of the samples and methodology are available on their websites: www.europeanvalues.nl, www.worldvalues.org.

The advantage of using EVS/WVS data resides in the large number of countries included in data set, which allow comparisons among different types of societies. The combined EVS/WVS 1999-2001 survey comprises representative samples for 81 societies, among which 45 are European. All national samples are random representative samples.

For the country level variables we are using official statistics, mainly provided by Eurostat and by the National Statistics Offices. The number of countries included in the analysis was limited to those listed in Table 1, due to the availability of comparable data for all the considered indicators. Consequently, the present analysis was carried out for 32 European societies, for which full information is available. At individual level a total of 46743 cases were employed.

#### Dependent variable

Our dependent variable is a 10-point scale opposing two different views about welfare provision: "Individuals should take more responsibility for providing for themselves", respectively "The state should take more responsibility to ensure that everyone is provided for". 1 stands for a strong support of individual responsibility, while 10 indicates full support for state intervention in welfare provision. As Svallfors (1997) reported, there are high correlations between various indicators of the attitudes towards the welfare state as a whole and of its action in specific fields, such as providing minimum income, job creation, reducing income inequalities, etc.

#### Independent variables - Elements of social capital

A four point scale stands for the *frequency of meeting friends*. It asks how often one spends time with friends: 'every week', 'once or twice a month', 'a few times a year', 'not at all'

For *membership in associations*, EVS/WVS questionnaire asked people if they belong to 14 types of association: religious, political parties, labor unions, women, peace, environmental, third world-development/human rights, professional, charity, youth, sports, cultural. The EVS questionnaire included a category of voluntary association labeled "other", but this is not asked in the WVS, so we have excluded. Since we are interested in a general predisposition to be active in formal associative organizations, we have computed a dummy variable of membership in at least one type of voluntary association.

Only a rough measure for *generalized trust* is available, asking the respondent to choose between 'most people can be trusted' and 'you can't be too careful in dealing with people'. We have recoded it as dummy variable (lâtrust, 0âdistrust).

| country           | State vs.<br>Individual | Generalized<br>trust | % members in at<br>least one type of<br>association | confidence in institutions | meeting friends<br>at least once a<br>week |  |
|-------------------|-------------------------|----------------------|---|----------------------------|--|--|
| Albania           | 6,40                    | 24%                  | 68% 0,07  |                            | 30%  |  |
| Austria           | 4,00                    | 34%                  |   | 64% -0,05                  |  |  |
| Belarus           | 5,64                    | 42%                  | 45% -0,20   |                            | 57%<br>51%                                 |  |
| Belgium           | 5,13                    | 31%                  | 64% -0,29   |                            | 49%  |  |
| Bulgaria          | 5,23                    | 27%                  | 19% -0,14   |                            | 58%  |  |
| Croatia           | 5,19                    | 18%                  | 39%   | -0,24                      | 69%  |  |
| Czech Rep.        | 4,91                    | 24%                  | 54% -0,36   |                            | 46%  |  |
| Denmark           | 4,42                    | 67%                  | 82% 0,17  |                            | 60%  |  |
| Estonia           | 6,06                    | 23%                  | 31%   | 0,01                       | 41%  |  |
| Finland           | 4,59                    | 58%                  | 78%   | 0,03                       | 60%  |  |
| France            | 4,05                    | 22%                  | 35%   | -0,20                      | 58%  |  |
| Germany           | 4,25                    | 35%                  | 49%   | -0,03                      | 49%  |  |
| Greece            | 5,62                    | 24%                  | 54%   | -0,21                      | 74%  |  |
| Hungary           | 6,10                    | 22%                  | 28%   | 0,13                       | 37%  |  |
| Iceland           | 4,59                    | 41%                  | 93%   | 0,21                       | 62%  |  |
| Ireland           | 4,60                    | 36%                  | 54%   | -0,14                      | 72%  |  |
| Italy             | 5,62                    | 33%                  | 41%   | 0,03                       | 62%  |  |
| Latvia            | 6,66                    | 17%                  | 27%   | 0,27                       | 38%  |  |
| Lithuania         | 5,38                    | 25%                  | 15%   | 0,27                       | 34%  |  |
| Luxembourg        | 4,39                    | 26%                  | 58%   | -0,03                      | 62%  |  |
| Malta             | 5,13                    | 21%                  | 40%   | -0,09                      | 42%  |  |
| Rep. of Moldova   | 6,85                    | 15%                  | 42%   | -0,28                      | 35%  |  |
| Netherlands       | 4,68                    | 60%                  | 92%   | 0,01                       | 67%  |  |
| Poland            | 5,75                    | 19%                  | 24%   | 0,07                       | 36%  |  |
| Romania           | 4,85                    | 10%                  | 19%   | 0,07                       | 34%  |  |
| Russian Fed.      | 5,70                    | 24%                  | 32%   | -0,12                      | 36%  |  |
| Slovakia          | 6,34                    | 16%                  | 61%   | -0,09                      | 45%  |  |
| Slovenia          | 6,53                    | 22%                  | 47%   | 0,09                       | 58%  |  |
| Spain             | 6,34                    | 36%                  | 28%   | 0,01                       | 65%  |  |
| Sweden            | 4,26                    | 66%                  | 95%   | 0,00                       | 66%  |  |
| Turkey            | 6,28                    | 16%                  | 7%  | -0,57                      | 65%  |  |
| Ukraine           | 6,05                    | 27%                  | 32%   | -0,06                      | 42%  |  |
| (theoretical) min | 1 (individual)          | 0%                   | 0%  |                            | 0%   |  |
| (theoretical) max | 10 (state)              | 100%                 | 100%  | factor score               | 100%                                       |  |

*Table 1. Average levels of the dependent variables and the SC independent ones, in the societies considered for the empirical analysis* 

Source: own computations based on EVS/WVS 1999-2001 data set. See text for computational details.

For all the European countries included in study, the data set provides information about population's confidence in press, armed forces, church, Parliament, trade unions, UN, civil service, and police. Trust in Parliament is very exposed to trust cycles due to the distance to the elections (Sandu, 1999:75-78). Trust in army and in church, as institutions of strict, hierarchical order, are different in their nature, than trust in other institutions. We have used only the remaining five institutions (press, labor unions, UN, civil service, police), employing factor analysis to compute an index of *confidence in institutions*.

#### Control variables – individual level

Age is measured in years. Education is registered as an 8-point variable, ordered from the "inadequately completed elementary education" to "upper-level tertiary education". For *income* the dataset provides the deciles at the individual level, representing a relative measure as compared to respective society. Political preferences were measured using the *self-positioning in political scale*: the respondents were asked to self-position on a 10-points scale, opposing 'left' to 'right'. We have computed the classic 4-item index of *materialism* (Inglehart, 1997), labeling individuals as oriented towards materialism, post-materialism, or having mixed value orientations.

#### Control variables – country level

For all the country level indicators we have employed data for 1999 or for the closest previous year when information was lacking. The total *social security expenditures* as percentage in the GDP is taken from the ILO report 'Social security: A new consensus' (2001). We retrive *GDP per capita* and *Gini* indicator of inequality from the World Bank's World Development Indicators (2006). *Unemployment rates* come from the ILO's Key Indicators of the Labor Market (2007). In all cases, data was checked for reliability and completed using the online Eurostat database, as well as sources provided by OECD.

#### Results

The highest support for state involvement in welfare provision is registered in post-communist countries (*Table 1*). It seems to be a legacy of the socialist system of welfare provision, characterized by a higher involvement of state in the individual life. Moldova scores the highest among the European countries, while Austria and France have the lowest level of support for state intervention. Spain and Turkey cluster together with the post-communist states, while Nordic countries seem less inclined to support the same model.

When considering social capital indicators, post-communist countries cluster together again, having lower level of formal and informal social capital. Turkey is close to this model, too. Scandinavian countries and The Netherlands have higher level of social trust, confidence in institution and membership in associations, while Spain, Italy and Greece have higher score on meeting friends at least once a week, but quite low values on generalized trust and moderate confidence in institutions. At a very descriptive level it seems that support for a high involvement of state in welfare provision go hand in hand with lower level of social capital, this pattern being more spread in Central and Eastern Europe.

The regression models in Table 2 partially confirm the core hypotheses, as well as the complementary assumptions. The less formalized forms of SC have a negative impact on the attitudes towards the state. As expected, people who are better integrated in informal social networks, and frequently meet friends, are less likely to confine the welfare provision to the state. Generalized trust acts in the same direction, the effect of the variable also maintained unchanged no matter if controlling or not for the country level indicators.

The positive effect of the membership in associations becomes significant only when controlling for the cross-level interactions, as the differences between the first and the last three models indicate. Active people, more involved in formal associations, display an even higher support for a larger state involvement when social expenditures are low, but they tend to be more reluctant to state action when it increases its scope. However, when the social expenditures are already high, association members tend to strongly legitimate state as redistributive actor.

Confidence in institutions does not contribute to explaining the variation of the dependent variable. It might be the effect of its inadequate measuring: the employed indicator does not include references to trust in institutions which are in charge with the welfare provision, such as the pension systems, unemployment benefits, health care etc. However, the confidence in institutions is a latent construct which become manifest by trust in various elements of the institutional system. Consequently, the absence of one item from the index cannot dramatically change the index's reliability.

Contrasting models 1 and 2 indicates comparable impact of the SC manifestations and the other level-1 predictors. Social capital stocks prove to be important for predicting welfare attitudes.

Control variables have the expected effect both with the regard to the selfinterest assumption, as well as considering ideology and values. Better educated and wealthier people, as well as the rightist ones are more likely to place at the level of the individual the responsibility for their own well-being. Those depending on the welfare system, such as unemployed or retired are more likely to sustain a broader welfare state. Women and materialist people also would support a higher responsibility of the state. Age prove to have no significant linear effect. However, older people, when retired, have a significant higher probability than the average to support a more extended involvement of the state.

Country level predictors have the expected effects, excepting for the unemployment rate, which has no significant impact. The overall positive effect of the welfare arrangements, confirms other studies (Svalfors, 2003; Jæger, 2006). The direction of the relation is the expected one: in the societies with reduced social expenditures, the support for a broader welfare state is low, too. The same holds true when the social expenditures increase over a certain threshold. The median voter hypothesis gets very little support, the effect of the Gini indicator becoming slightly significant in only one of the four models where we have used it. The opposite explanation – high inequality, low support for the state intervention, is not supported either. As argued, it is likely that the two mechanisms balance each other leading to very little effect of societal-level inequality on individual attitudes.

|   | Model 1   | Model 2   | Model 3   | Model 4   | Model 5                               | Model 6   |
|---|-----------|-----------|-----------|-----------|---------------------------------------|-----------|
| intercept                                   | 6.47 ***  | 6.49 ***  | 3.69 *    | 3.03 +    | 3.22 +                                | 2.60 +    |
|   |           |           |           |           |                                       |           |
| Individual level                            |           |           |           |           |                                       |           |
| meeting friends                             |           | -0.15 **  | -0.15 **  | -0.14 **  | -0.14 ***                             | -0.15 *** |
| generalized trust                           |           | -0.15 *** | -0.15 *** | -0.14 *** | -0.15 ***                             | -0.15 *** |
| membership in associations (assn)           |           | 0.09      | 0.10      | 1.50 ***  | 1.36 ***                              | 1.36 ***  |
| confidence in institutions                  |           | -0.02     | -0.02     | -0.02     | -0.02                                 | -0.02     |
|   |           |           |           |           |                                       |           |
| age   |           |           |           |           | 0.00                                  | 0.00      |
| education                                   | -0.06 *** | -0.06 **  | -0.06 **  | -0.05 *** | -0.06 ***                             | -0.06 *** |
| relative income                             | -0.11 *** | -0.11 *** | -0.11 *** |           | -0.12 ***                             | -0.12 *** |
| self-positioning in political scale (right) | -0.12 *** | -0.14 *** | -0.14 *** | -0.14 *** | -0.14 ***                             | -0.14 *** |
| woman                                       | 0.31 ***  | 0.26 ***  | 0.27 ***  |           | 0.24 ***                              | 0.24 ***  |
| materialist                                 | 0.27 ***  | 0.29 ***  | 0.28 ***  | 0.28 ***  | 0.29 ***                              | 0.29 ***  |
| unemployed                                  | 0.31 ***  | 0.40 ***  | 0.41 ***  | 0.42 ***  |                                       |           |
| retired                                     | 0.12 +    | 0.15 +    | 0.15 +    | 0.15 +    |                                       |           |
| not in the labor force                      | -0.02     | -0.01     | -0.01     | -0.01     |                                       |           |
| Country level                               |           |           |           |           |                                       |           |
| Public Social Expenditure (SOCEXP)          |           |           | 0.28 **   | 0.35 ***  | 0.34 ***                              | 0.38 ***  |
| SOCEXP <sup>2</sup>                         |           |           | -0.01 **  | -0.01 *** | -0.01 ***                             | -0.01 *** |
| GINI  |           |           | 0.02      | 0.03      | 0.03                                  | 0.03      |
| GDP/capita (thou)                           |           |           |           |           |                                       | -0.03 *   |
| Unemployment Rate                           |           |           |           |           |                                       | 0.02      |
| Cross-level interactions                    |           |           |           |           |                                       |           |
| SOCEXP*(assn)                               |           |           |           | -0.14 *** | -0.14 ***                             | -0.14 *** |
| SOCEXP <sup>2</sup> *(assn)                 |           |           |           | +0.00 *** | +0.00 ***                             | +0.00 *** |
|   | 0.040     | 0.040     | 0.000     |           | · · · · · · · · · · · · · · · · · · · |           |
| $R_1^2$                                     | 0.010     | 0.043     | 0.086     | 0.089     | 0.087                                 | 0.091     |
| $R_2^2$                                     | 0.006     | 0.030     | 0.563     | 0.594     | 0.595                                 | 0.635     |

Table 2. Multilevel regression models for the attitudes towards the welfare state in *Europe* 

 $R_1^2$  is the proportional reduction of error for predicting an individual outcome;

 $R_2^2$  is the proportional reduction of error for predicting a group mean (Snijders & Bosker, 2002). The figures represent unstandardized regression coefficients. There are 32 observations on the second level. In the models which include age as independent variable N=32322, otherwise N=32381. ICC=9%. The effects of social capital indicators are in bolds. Italics indicate control dummy variables.

Adding the second level predictors to the model doubles the predictive power at the individual level. For the aggregate level, the proportional reduction of error for predicting the country means highly increases. However, this should be carefully considered due to the low number of cases (only 32 countries).

Meeting friends and generalized trust have a significant negative impact on the outcome variable. When controlling for the country-level predictors, they do not change their influence. The same is valid for the confidence in institutions. Membership in association becomes significant when controlling for its interaction effect with the social expenditures.

#### Discussion

This paper investigates the effects of social capital on welfare attitudes in 32 European societies. Formal and informal social capital impact on the welfare attitudes proves to be comparable to the one of the other predictors, which played the role of control variables in the analysis. SC adds therefore to the set of explanatory factors described in the existent literature until nowadays.

However, social capital differently determines the attitudes towards welfare provision. Two of the SC manifestations - meeting friends and generalized trust are less formalized and involve a richer social life outside the formal regulations of the state's system. People richer in such less formalized social capital will be less reluctant towards cut in social spending and more willing to support individual insolvent in welfare providing.

On the hand, people which are more active in voluntary organizations have a higher propensity to let the state care for the individual wellbeing. Generalized trust makes people more responsible for their own life, while membership in associations provides room for the state action.

Civic activism does not involve rejection of the state involvement in social redistribution. On the opposite, members of voluntary associations develop a view of the state, which involves collective action as a core of the social organization. State as an expression of the collective will is therefore entitled to intervene for providing individuals with support. Strong involvement in social networks and high generalized trust increase people feelings of safeness. Such individuals are sure that they can find enough balance and support without a very broad formal framework, and are less supportive for a big welfare state. The legitimate scope of the state is therefore determined by the balance between involvement in formal and informal relations.

A further question would be whether it is possible to extend the results from the general level of support for the state intervention, to some particular aspects of the welfare provision, like programs targeting disadvantage groups. Generalized trust decreases the suspicion of service abuse, because people who trust the other will be confident that they will not abuse of social welfare. Consequently, we can expect a positive effect of generalized trust on public support for targeted services. This might be the opportunity for further analysis.

The existing literature provides conceptual and empirical evidences for the interdependency between the profile of the institutional arrangements and the attitudes towards the welfare (Edlund, 1999; Evans, 1996; Oorschot, 2000; Svallfors, 1997, 2003; Albrekt-Larsen, 2007). The effects of the welfare state arrangements on the social capital are subject of the debate in social sciences. The crowding out hypothesis assumes that an extended welfare state will weaken the social ties, because 'people will lose their moral sense of collective and moral duties' (Oorschot & Arts, 2005: 6). On the opposite, Kääriäinen & Lehtonen (2006) find positive effects of extended welfare state on both social trust and membership in associations.



Figure 1. Welfare State and Social Capital: a complex relation

The relations between the welfare state, the welfare attitudes and the social capital are complex. The welfare arrangements depend on and influence the

welfare attitudes, while the welfare state may have some impact on the social capital. This opens another topic for further research. A maximal welfare state enhances the more formal social capital, which is increasing the social support for a boarder welfare state. In this way, the universal welfare regime is generating its own support. The members of voluntary associations do not necessary consider state as competitor for such organizations, but a partner.

On the other hand, the welfare regime is strengthening the less formalized social capital, which decreases the support for the welfare state. Which of these two mechanisms is more important in generating the support for the welfare state represents an important topic for further researches. It also brings in focus the need for simultaneously controlling for the mutual effects of the three involved elements – the shape of welfare provision, the attitudes towards the state, and the social capital.

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