

The double influence between context and individuals: Does economic inequality influence individual attitudes or individual attitudes influence inequality?

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Theoretical Framework

- Research has shown that countries with low economic performance or high income inequality have also reduced levels of social capital.
- The level of social capital of a community depends on the social norms about trust in other (Uslaner, 2002). Only extended and inclusive social trust represent a resource for the community (Glaeser, 2015)
- Economic strains and inequality conditions may create a generalized climate of negative competition, which undermine social trust in the fellow citizens and the social fabric (Subramanian & Kawachi, 2004).
- However, in climates of distrust and eroded social capital, basic economic activities are more costly, resulting in long term negative effects on the county economy (Knack & Keefer, 1997).
- The direction of causality is unclear.

Research Questions

- Are changes in contextual factors predicting the erosion of interindividual attitudes and the social fabric or, on the contrary, changes among mass values and attitudes leading to changes at the institutional level?
- In this study we apply the Coleman's (1986) boat model, which posits that: initial institutional contexts influence individuals; individuals change their interactions and worldviews across time because of the context; shared worldviews and behaviors feeds back the institutions and possibly changes them.

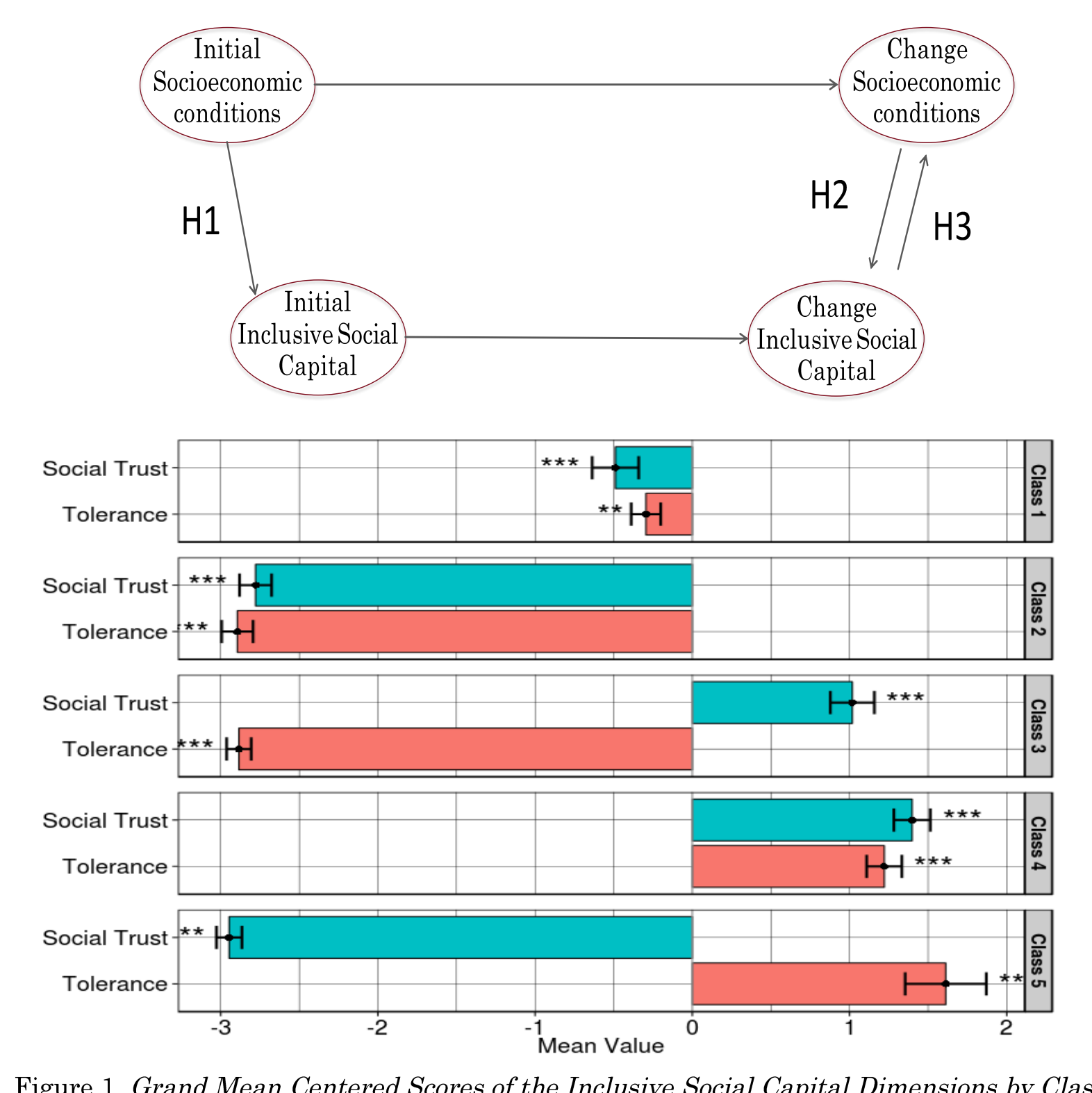
Hypotheses :

- H1. Economic factors contextualize worldview. We thus expect that the better the socioeconomic conditions of the context the better the quality of the social fabric (e.g., more social trust, less exclusion).
- H2. According to the top/down approach (O'Connell, 2003; Wilkinson, 2002), changes of income distribution over time should increase a climate of inclusive social capital.
- H3. In contrast, in line with the bottom/up hypothesis (Putnam et al., 1994) social capital is fundamental for any transaction within a society, thus an increment of the inclusive social capital climate would increase the socio-economic conditions of the country.

Data and Analytical Strategy

Data of the six rounds (from 2002 to 2012) of the European Social Survey (ESS) were used to construct indicators of inclusive social capital climate across time. Data included 256277 respondents located in 27 European countries. Countries' economic performance was assessed using Eurostat data.

Bayesian Structural Equation Modeling was used to estimate ecological Growth Curve Models of inclusive social capital climate and economic factors in the 27 European countries, over 10 years.



Measures

Inclusive Social Capital Climate: Multilevel Latent Class Analysis was performed to classify ESS respondents on the basis of different configurations of responses to questions about social trust and tolerance toward immigrant minorities. Inclusive social capital climate was measured as the percentage of respondents in each country that were classified as scoring high on both trust and tolerance (Fig. 1, Class 4. For this method see Morselli and Passini, 2012).

Socioeconomic Conditions: Sen's (1976) Social Welfare Function (SWF) was used to estimate the socioeconomic conditions of the European countries. SWF offsets the GDP per capita by the countries' level of income inequality: $SWF = GDP(1 - Gini)$.

Main Findings

- Inclusive social capital climate and socioeconomic conditions changed in Europe over the 10 years, although changes were not drastic.
- In line with previous findings and with H1, social capital was higher in European countries with better socioeconomic conditions (i.e., higher GDP and lower inequality)
- Both concurrent top/down (H2) and bottom/up (H3) hypotheses were statistically supported by the data. Both models (Fig. 3 and 4) fit the data in the same way.
- A slightly stronger support for the top/down path was found, suggesting that the increment of the socioeconomic conditions, such as smoothing inequalities, may be more relevant for relaxing social tensions and create a climate of tolerance and trust, than the opposite dynamic.

Results

Fig. 2. Change over Time among the 27 European Countries

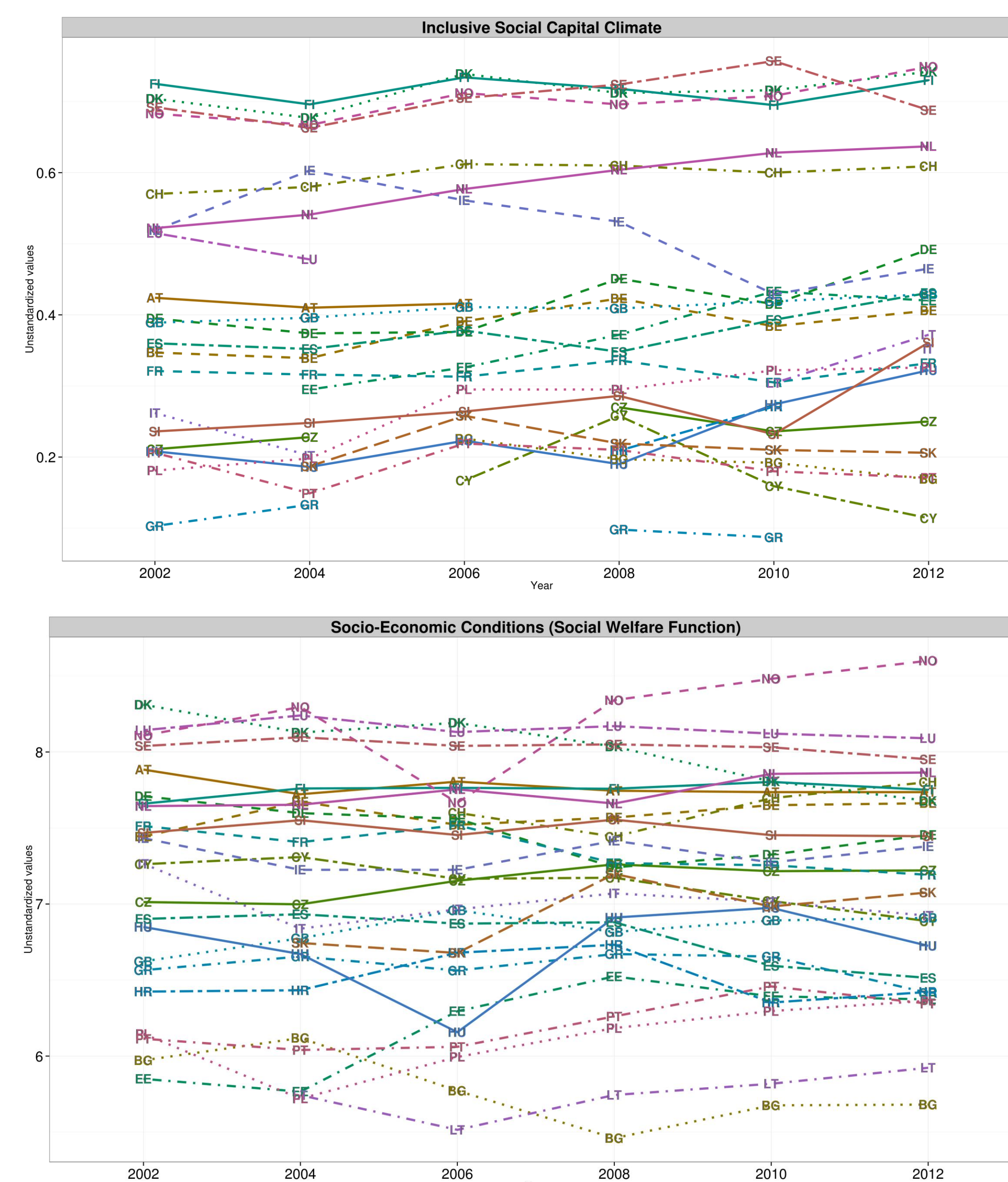
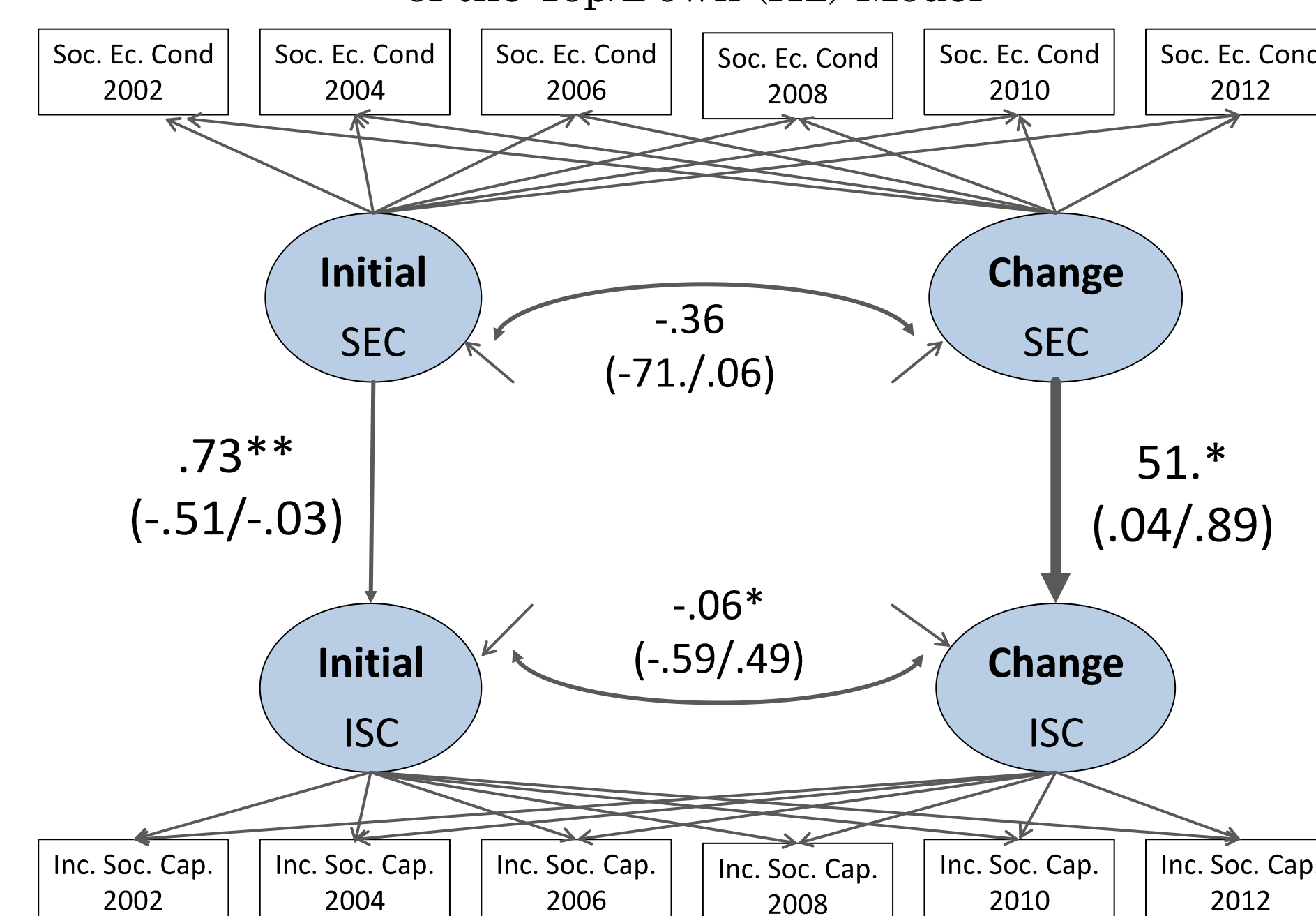
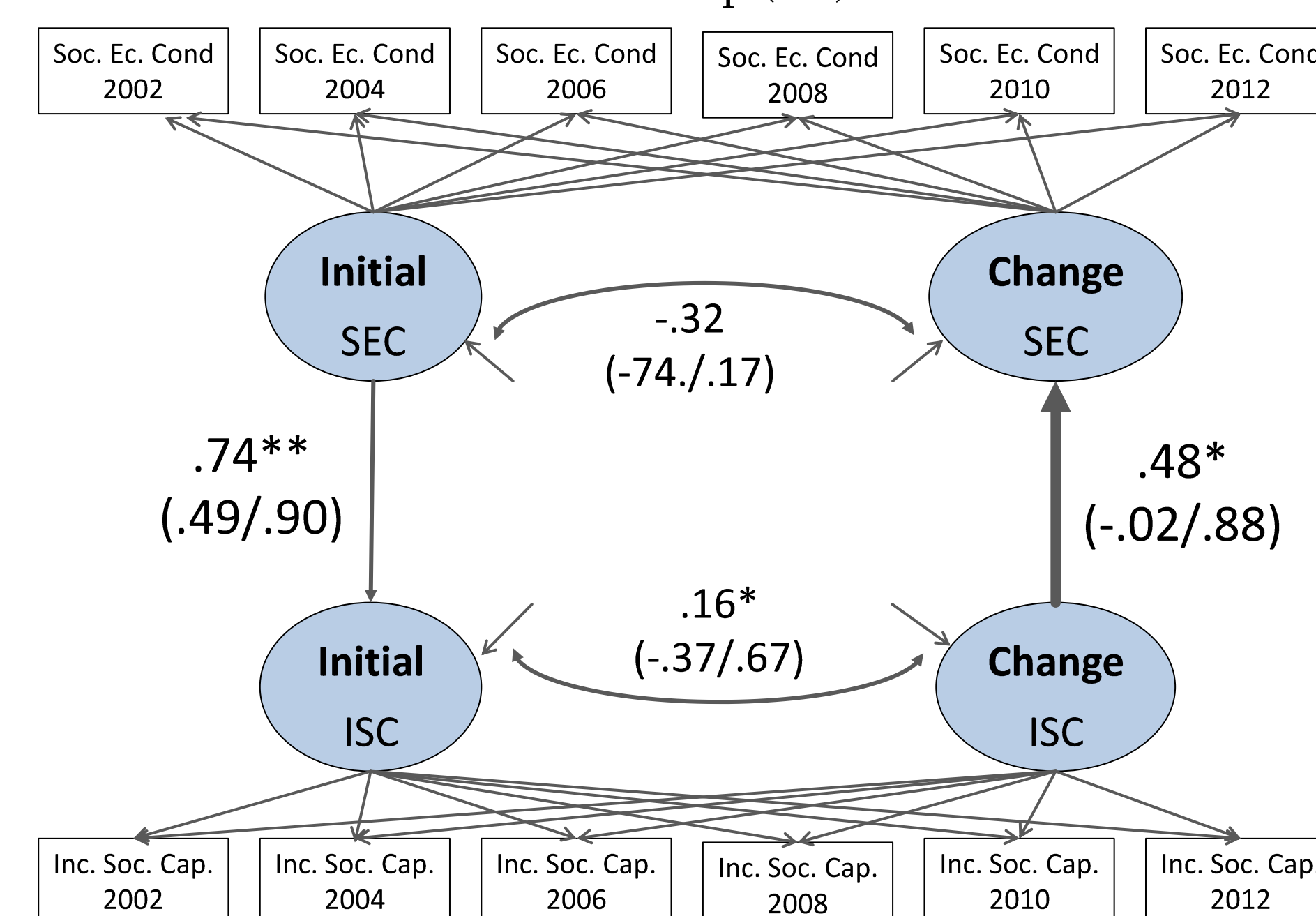


Fig. 3. Standardized Estimates and Credibility Intervals of the Top/Down (H2) Model



Δ Observed and the Replicated $\chi^2 = -34.59 / 47.11$; DIC = -418.25
Posterior Predictive P-Value = .36; Potential Scale Red. = 1.000

Fig. 4. Standardized Estimates and Credibility Intervals of the Bottom/Up (H3) Model



Δ Observed and the Replicated $\chi^2 = -34.98 / 46.37$; DIC = -418.56
Posterior Predictive P-Value = .37; Potential Scale Red. = 1.000

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