Social capital at the outburst of the economic crisis in Greece, 2008-2010

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Abstract

Purpose – Social capital and its core components of social trust and associational activity are widely acknowledged as a core feature of strong and active civil societies that promote effective democratic governance and economic prosperity. Within this context the present study sets out to explore two important research questions. The first one relates to the stock of social capital characterizing Greece and its change during a highly sensitive era, that of the outburst of the economic crisis. The second research question relates to analyzing the group of civil servants as carriers of higher or lower levels of social capital compared to the other citizens.

Design/methodology/approach – Based on the available knowledge in the field social capital is measured via the measurement of six main constructs comprising the soft and hard attributes of the concept, namely social trust, social altruism, equality, tolerance, humanitarianism and civic participation. Data are drawn from the European Social Value round 4 (2008) and round 5 (2010) surveys for Greece.

Findings – Overall, empirical analysis indicates that the country experiences a statistically significant decline in its social capital level while public servants hold higher levels of social capital albeit also declining as for the rest of the country’s citizens.

Research limitations/implications – Important policy implications arise as a result of these findings related to issues of democratic legitimation and social participation.

Originality/value – The research questions analysed here are important as they can help us sketch the country’s profile with regard to the important concept of social capital that is highly associated with civil empowerment, democratization and increased civil participation levels.

Keywords: Social capital, social trust, civic participation, public servants.

JEL Classification: A13; D71; H83

1. Introduction

Social capital is the ‘newest’ concept of capital that has come to use alongside the traditional concepts of financial, physical and human capital (Westlund, 2006). Despite that the connotations currently associated with the concept are traced back to Hanifan (1916) it took several decades until the works of Jacobs (1961) and Hannerz (1969), in the USA, and the works of Bourdieu (1980) and Bourdieu and Wacquant (1992), in Europe, have made social capital a familiar concept. The emergence of the concept initiated a longstanding discussion about its content and the sphere of its identification (see indicatively, Westlund, 2006; Koniordos, 2006). Largely drawing from an anthropological and sociological background, the early works in the field have provided definitions of the concept that have focused on the individual (Jacobs, 1961; Hannerz, 1969; Bourdieu, 1980; Bourdieu and Wacquant, 1992; Loury, 1977; 1987). Bourdieu and Wacquant (1992: 119) for example define social capital as “… the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition”. Later on, the works of Coleman (1988; 1990) and Putnam (1993) have come to place the concept on the sphere of relations rather than the individual sphere. Thus, while the early definitions study social capital as the product that networks offer to individuals, later contributions argue that social capital is the links within and between networks and groups (Westlund, 2006). According to Coleman (1990: 315) social capital is “… an attribute of the social structure in which a person is embedded … [and thus it is] … not the private property of any of the persons who benefit from it”. Similarly, Putnam (1993) suggests that social capital might be characterized as a predominantly public good embedded in social organizations such as networks that are built and maintained in order to facilitate the coordination and cooperation of individuals for their mutual benefit.

Research regarding the concept of social capital continuously increases with much theoretical debate and controversy focusing upon the facets, forms, and manifestations of the concept of social capital. In that context, social capital and its core components of social trust and associational activity are widely
acknowledged as a core feature of strong and active civil societies that promote effective democratic governance and economic prosperity (Westlund, 2006). This follows the widespread acknowledgement that social capital is a phenomenon that can appear in multiple regimes following a country’s specific socio-cultural relations and associational forms, while in addition, it can be found in all types of organizations, i.e. both public and private (Westlund, 2006). Within this context the present study sets out to explore two important research questions. The first one relates to the stock of social capital characterizing Greece and its change during a highly sensitive era, that of the outburst of the economic crisis. The second research question relates to analyzing the group of civil servants as carriers of higher or lower levels of social capital compared to the other citizens. Both these questions are important as they can help us sketch the country’s profile with regard to the vital concept of social capital that is highly associated with civil empowerment, democratization and increased civic participation levels. Based on the available knowledge in the field social capital is measured via the measurement of six main constructs comprising the soft and hard attributes of the concept, namely social trust, social altruism, equality, tolerance, humanitarianism and civic participation. Data are drawn from the European Social Value round 4 (2008) and round 5 (2010) surveys for Greece. Overall, empirical analysis indicates that the country experiences a statistically significant decline in its social capital level while public servants hold higher levels of social capital albeit also declining as for the rest of the country’s citizens. Important policy implications arise as a result of these findings related to issues of democratic legitimation and social participation.

The rest of the paper is organized as follows: part two is devoted to a brief discussion over the importance of social capital in civil societies and to a presentation of available knowledge regarding social capital in Greece. Part 3 is devoted to methodological issues and in particular to a discussion of the data and the statistical analysis method used in the study. Part 4 presents the empirical analysis results while Part 5 concludes the paper with a discussion over the significance of these findings in terms of democratic representation, social cohesion and stability in the country.

2. Theoretical context

2.1 Social capital in civil society

Research regarding the concept of social capital continuous to increase in a number of related disciplines and fields of analysis (Westlund, 2006). Much theoretical debate and controversy among theorists and researchers from various fields has focused on the facets, forms, and manifestations of the concept of social capital (see indicatively, Coleman, 1988; 1990; Brewer, 2003; Westlund, 2006; Koniorbos, 2006). Today, it is common ground that social capital is an important economic concept and, as a phenomenon it can be found in all types of organizations, i.e. both public and private (Westlund, 2006). As suggested by Putnam (1993: 167) social capital relates to “… features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions”. In that sense, it is widely acknowledged that the presence of social capital is linked to a vigorous civil society that promotes effective democratic governance and economic prosperity (Putnam, 1993; Brewer, 2003). The importance of the concept is acknowledged and manifested by the definitions that global institutions adopt. The OECD (2001) for example adopts a wide definition of social capital as “… networks together with shared norms, values and understandings that facilitate co-operation within or among groups” (OECD, 2001; p. 41).

Alongside with recognizing the important economic effects of the phenomenon, research has also come to agree upon a number of key findings as regards to the concept of social capital. The first one, relates to that social capital is commonly acknowledged as a stock variable that exists in relations among persons, while it is positively related to the presence of dense and closed social structures that experience continuity over time (Coleman, 1988; 1990). The second key finding relates to that the basic elements of social capital are social trust and civic participation (Brehm and Rahn, 1997). The third key finding relates to that social capital is inexorably linked to voluntary organizations wherein norms of cooperation and reciprocity are strengthened (Fountain, 1998). Finally, the fourth key element relates to the acknowledgement that social capital is an extremely complex concept carrying multiple manifestations and effects ranging from beneficial to negative (Stiglitz, 2000; Portes, 1998; Putnam, 2000).

Given the above, the ways in which social capital develops from within social relations that spill over the society and contribute to improved social efficiency and economic growth, has been a core issue in the research agenda of many fields (Norris, 2001; Christoforou, 2005). According to Norris (2001) social networks and social trust, i.e. the two core components in Putnam’s definition of social capital, are significantly related to multiple interrelated indicators of socioeconomic development and to institutional indicators of democratization. Other contributions link the society’s attitudes and value judgments, i.e. culture and institutions (Tabellini, 2007) to generalized morality and trust suggesting that high levels of such variables denote high social intelligence societies (Fukuyama, 1995; Yamagishi, 2001). In that sense, trust is seen as the most prominent characteristic of a society (Platteau, 2000) and a ‘positive cultural feature’ (Tabellini, 2007, p. 9) which supports the development and stability of democratic societies and the orderly conduct of social and economic affairs (Knack and Keefer, 1997; Hardin, 2001; Yamagishi, 2001). The relationship between trust and economic prosperity has attracted much attention, while today the positive effect of trust on economic activity is well recognized. Reviewing the empirical literature on social capital and economic performance Knack (2002) also finds that social capital is important for economic growth and poverty reduction. Arrow (1972) suggests that the lack of mutual confidence leads to increased protection and monitoring costs of
economic transactions. In contrast, higher levels of trust are associated with a stable and supportive environment to investment and economic activity (Knack and Keefer, 1997). Trust, in that sense, is linked to the fundamental issue of legitimacy, i.e. the right of a venture to exist and perform its economic activity in a certain way (Suchman, 1995; Krueger et al., 2000; Bruton et al., 2010). In turn, legitimacy suggests that the strategies, practices and goals pursued by any new organization must pass the rules of cognitive and moral legitimacy set forth by the institutional environment in which they wish to operate (Bruton et al., 2010). Indeed, democracy and legitimation issues relate to long standing research debates regarding institutions and their enforcement (Peltzman, 2007) and the distribution of incomes generated within specific institutional regulations and arrangements, both formal and informal (Ferrera, 1996; Habermas, 1984).

At the empirical level research evidence increasingly indicate the complexity of the notion of social capital, regarding its content and the groups of people where we most likely track high levels of it. Bjørnskov (2006) uses cross-country data to test Putnam's claim that social capital is a unitary concept, and finds that social capital consists of three orthogonal components corresponding to social trust, social norms and associational activity. Similarly, Norris (2001) disentangles the twin components of Putnam's definition of social capital, and finds that the relationship between democratization and social capital is much driven by the social trust dimension, compared to the associational network dimension. In addition, Pichler and Wallace (2007) look at the relationship between two important types of social capital, namely formal associations and informal social relations (networks) and suggest that, regions in Europe can be grouped into two groups depending on first, whether they are high on both forms of social capital (complementarity) or secondly, whether informal social capital substitutes for formal social capital (substitution) (Pichler and Wallace, 2007). As they argue we better speak of 'social capital regimes' in order to more fully understand the various cultures of participation and cohesion across Europe (Pichler and Wallace 2007).

In the same line, Gesthuizen et al. (2009) analyze the extent to which national-level characteristics, such as ethnic diversity, actually affect dimensions of social capital of individual citizens in European countries. As they argue, Putnam's hypothesis on ethnic diversity must be refuted in European societies, while they found that economic inequality and the national history of continuous democracy in European societies are the more important factors for explaining cross-national differences in social capital in Europe (Gesthuizen et al. 2009).

Finally, to the extent that social capital is found in all parts of a society, i.e. in the public, private as well as the civic sectors of the society, a strand of research has focused on the study of different groups of people as potentially holding higher or lower levels of social capital (Westlund, 2006; Brewer, 2003). Analyzing the relationship between public service motivation and civic attitudes and behaviors of different groups of employees, Taylor (2010) finds that high public service motivation employees were found to have higher confidence in key national public and private institutions, while they place more importance on citizens' rights, and engage in more non-electoral political and prosocial acts than low public service motivation employees. This is important as it supports Putnam's argument on the positive association between social capital and effective public administration (Putnam, 1993). Similarly, Brewer (2003) analyzes the civic attitudes of public servants against all other citizens and finds that public servants are more active in civic affairs compared to other citizens and they appear to be catalysts for the building of social capital in society at large. Indeed, available studies of political and civic engagement reveal that different types of participatory behaviors exist (Ekman and Amnå, 2012; Talò and Mannarini, 2015). Recently, Talò and Mannarini (2015) proposed a participation typology, named the Participatory Behaviors Scale (PBS), to analyze four dimensions of participation, namely: 1) formal political participation, 2) activism, 3) civil participation and 4) disengagement. Their findings agree with the argument proposed earlier by Ekman and Amnå (2012), i.e. the argument that disengagement is a genuine and active style of participation. The methodological and theoretical implications of these findings are important as a great amount of complexity related to personal psychometric attitudes is found to underlie the behavior of individuals and in particular voters and civil citizens.

2.2 Social capital in Greece

Greece along with other Mediterranean countries is reported or, grouped, as a low social capital country. A recent example is the study of Marozzi (2015) who uses data from the European Social Values Survey – Round 6, and finds that Scandinavian countries are the most trustful European countries in public institutions, whereas former communist countries as well as Iberian and Mediterranean ones are much less trustful.

Overall, there exist very few studies that explicitly deal with the level, determinants and effects of Greece’s stock of social capital. Christoforou (2005) approximates social capital by an index of individual group membership and finds that Greece reports relatively low level of group membership, compared to the other EU countries. She goes on to argue over the country's low levels of civicsness as a result of low social capital (Christoforou 2005). Similarly, Jones et al. (2008) analyze the components of aggregate social capital in Greece and conclude that social capital in the country may be characterized as weak, compared with other European countries. Demertzis (2006) utilizes both qualitative and quantitative methodological tools and reports that young people in Greece show low levels of social capital and social trust, following the trends observed for the general population of the country. Pantazidou (2013) studies civic practices in Greece to argue that the economic crisis caused an unprecedented number of citizens to move away from traditional,
representative, recognized forms of citizen organization. As she argues citizen-led, anti-hierarchical, horizontal networks that resist the consequences of the economic crisis and create alternatives to the current democratic and economic model have emerged and nurtured by both small, diverse citizen initiatives, and mass protest and participation (Pantazidou 2013). Finally, analyzing the level of generalized trust in Greece and its various demographic and socio-economic determinants, Rontos and Roumeliotou (2013) reveal a significant association of generalized social trust with higher education, marital status (divorced, widowed or those living in cohabitation) and age, with the youngest and the oldest individuals exhibiting higher levels of distrust, while they find no significant effects for other control variables, i.e. gender, employment status and income.

Analyzing the wider economic structure of the country, its performance and the associated reforms over the past several decades Kazakos (2006) argues that low institutional trust is one core element for which structural impediments such as rent-seeking and public-private clientelistic relationships are observed in the country. Similarly, Paraskevopoulou (2006) also argues that the low level of social capital in Greece is linked to dominant role of the rent-seeking behavior of small and strongly-tied interest groups that inhibit the reform process in several public policy areas. More recently, Petrou and Daskalopoulou (2014) use a model of individuals rewards’ satisfaction and find that Greece might be characterized as a rent-seeking society in the sense that it lacks widespread societal responsibility as manifested by the existence of income externalities (i.e. individuals care about their relative income position) and widespread support over the value of unproductive entrepreneurship.

Within this context the present study explores two important research questions. The first one relates to the stock of social capital characterizing Greece and its change during a highly sensitive era, that of the outburst of the economic crisis. The second research question relates to analyzing the group of civil servants as carriers of higher or lower levels of social capital compared to the other citizens. In particular, the following two research questions are formulated and tested here:

\[ H1. \text{ Has the outburst of the economic crisis affected the level of social capital in Greece? [Or else, Did the country experience social capital accumulation or decline during the 2008-2010 period?] } \]

\[ H2. \text{ Are civil servants carriers of higher or lower levels of social capital compared to the other citizens? } \]

Both these questions are important as they can help us sketch the country’s profile with regard to the vital important concept of social capital that is highly associated with empowered democratization and increased participation levels.

3. Measuring social capital in Greece: data and statistical analysis methods

3.1 Data and variables

Following the theoretical conceptualizations of Putnam (1993; 2000) and Brehm and Rahn (1997) and the operationalization of Brewer (2003), we measure people’s level of social capital via the measurement of six closely related constructs referring to social trust, social altruism, equality, tolerance, humanitarianism and civic participation. Available knowledge categorizes these six main constructs as comprising the soft and hard attributes of the concept (Brewer, 2003). In particular, Brewer (2003) distinguishes between the various attributes of the social capital concept and highlights social trust, social altruism, equality, tolerance, and humanitarianism as soft evidence of social capital whereas civic participation is hard behavioral evidence of social capital.

In particular, the six main constructs used here to measure the level of social capital in the country are composed as follows:

1) **social trust**, is approximated here by the sum of 7 items including generalized trust and trust in important institutions such as the country’s parliament, the legal system, the police, the politicians, the political parties and the European Parliament;

2) **social altruism**, is approximated here by the sum of 2 items including participation in social activities and general perceptions of helpfulness characterizing people;

3) **equality**, is approximated here by the sum of 3 items including general perceptions of people’s fairness, perceptions on the importance that people are treated equally and have equal opportunities and perceptions over the importance to understand different people;

4) **tolerance**, is approximated here by the sum of 3 items referring to effects of immigrants on the country’s economy, cultural life and living conditions;

5) **humanitarianism**, is approximated here by the sum of 2 items referring to perceptions over the importance to care for others well-being and time devoted to friends and people close; and, finally,

6) **civic participation**, is approximated here by the sum of 12 items including interest in politics and political behavior (voted, contacted politician, interest in politics, feel closer to a political party, member of political party, worked in political party) and other social activities including work in another organization, worn or displayed badge, signed petition, taken part in lawful public demonstration, boycotted certain products and being an active member of a union.

Data are drawn from ESV Surveys 2008 and 2010 waves. Table 1 presents the definitions and basic descriptive statistics of the variables used in the analysis.

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3.2 Empirical hypotheses testing

In order to test the hypotheses H1 and H2 formulated here, or else in order to test for the empirical validity of our research questions, we: first, measure the level of social capital in the country for 2008 and 2010 and analyze the statistical significance of the observed difference, and second, we measure the level of social capital held by civil servants against other citizens and analyze the statistical significance of the observed difference for 2008 and 2010. We use standard statistical analysis tools, and in particular, we use the two sample t-test for comparing two means in order to test whether the observed difference in the means of the social capital variables of interest are statistically significant or not. In a general form, we test the null hypothesis that the two means are equal against the alternative that they are not equal:

\[ H_0 : \mu_1 = \mu_2 \quad (or \quad H_0 : \mu_1 - \mu_2 = 0) \]

\[ H_a : \mu_1 \neq \mu_2 \quad (or \quad H_a : \mu_1 - \mu_2 \neq 0) \]

At first, we compare the changes in the levels of social capital variables between the 2008 and 2010 periods, and thus the \( \mu \)'s represent the mean value of each variable of interest as measured for the whole sample. That is, \( \mu_1 \) represents the population’s mean for 2008 and \( \mu_2 \) represents the population’s mean for 2010. At the second step of the analysis where we compare the changes observed in the case of civil servants against all other citizens, the \( \mu \)'s represent the mean value of each variable of interest for the group of public servants and for the group of all other citizens. This analysis is performed twice for the 2008 and 2010 period. In all cases, standard statistical significance levels are used in order to decide on whether or not to reject the null hypothesis of equality of means. In general, for high t-stats we reject the null hypothesis of equality of means and thus, the observed differences are statistically significant.

4. Results

Table 2 summarizes the results of the analysis regarding the change of the level of social capital in the country during the 2008 – 2010 period. All estimations are based on non-missing observations. Overall, a sample of \( N=2,072 \) observations has been used for 2008 and a sample of \( N=2,715 \) observations for 2010. The mean values of the six social capital constructs are also reported. As shown in the table all constructs apart from equality decline. In particular, social trust shows a decline of 6.652 points from a mean value of \( \mu = 26.398 \) in 2008 to a mean value of \( \mu = 19.746 \) in 2010. Social altruism declines slightly by 0.303 points from a mean value of \( \mu = 5.168 \) in 2008 to a mean value of \( \mu = 4.865 \) in 2010. Tolerance declines by 1.093 points from a mean value of \( \mu = 10.139 \) in 2008 to a mean value of \( \mu = 9.046 \) in 2010. Humanitarianism declines by 0.132 points from a mean value of \( \mu = 0.503 \) in 2008 to a mean value of \( \mu = 0.371 \) in 2010. Civic participation declines 0.523 points from a mean value of \( \mu = 3.808 \) in 2008 to a mean value of \( \mu = 3.285 \) in 2010. Finally, as regards equality which is the only construct showing an increase during the crisis period, data show a slight increase by 0.199 points from a mean value of \( \mu = 4.338 \) in 2008 to a mean value of \( \mu = 4.537 \) in 2010. Importantly, all these changes in the absolute values of these constructs are highly statistically significant (at 0.5% level).

Table 2. Social capital change in Greece during the 2008-2010 period: main constructs.

<table>
<thead>
<tr>
<th>Variable name</th>
<th>Definition and measurement</th>
<th>2008 Mean</th>
<th>2008 St. dev.</th>
<th>2010 Mean</th>
<th>2010 St. dev.</th>
<th>2010 - 2008 change</th>
<th>t-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social trust (7 items)</td>
<td>The sum of the 7 items used to approximate social trust</td>
<td>26.40</td>
<td>12.10</td>
<td>19.75</td>
<td>11.69</td>
<td>-6.652</td>
<td>18.737***</td>
</tr>
<tr>
<td>Social altruism (2 items)</td>
<td>The sum of the 2 items used to approximate social altruism</td>
<td>5.17</td>
<td>2.35</td>
<td>4.87</td>
<td>2.47</td>
<td>-0.303</td>
<td>4.249***</td>
</tr>
<tr>
<td>Equality (3 items)</td>
<td>The sum of the 3 items used to approximate equality</td>
<td>4.34</td>
<td>2.36</td>
<td>4.54</td>
<td>2.37</td>
<td>-0.002</td>
<td>-2.863***</td>
</tr>
<tr>
<td>Tolerance (3 items)</td>
<td>The sum of the 3 items used to approximate tolerance</td>
<td>10.14</td>
<td>6.55</td>
<td>9.05</td>
<td>6.16</td>
<td>-1.093</td>
<td>5.840***</td>
</tr>
<tr>
<td>Humanitarianism (2 items)</td>
<td>The sum of the 2 items used to approximate humanitarianism</td>
<td>0.50</td>
<td>0.97</td>
<td>0.37</td>
<td>0.80</td>
<td>-0.132</td>
<td>5.170***</td>
</tr>
<tr>
<td>Civic participation (12 items)</td>
<td>The sum of the 12 items used to approximate civic participation</td>
<td>3.81</td>
<td>1.82</td>
<td>3.29</td>
<td>1.81</td>
<td>-0.523</td>
<td>9.772***</td>
</tr>
</tbody>
</table>

Source: Author’s calculations. Notes: all estimations are based on non-missing observations. Asterisks *** indicate significance at the 0.5%.
Table 3a summarizes the results of the analysis regarding the difference in the level of social capital held by public servants in contrast to all other citizens in the country for 2008. Of the total sample of N=2,072 observations for 2008, a sub-sample of 269 public servants (almost 13% of the population) has been identified based on the reported employment classification of respondents in the ESV survey – Round 4. Overall, results show that in 2008 civil servants score higher in terms of social trust, social altruism, equality, and civic participation. In particular, the mean value of the social trust construct for civil servants is µ=28.045 whereas for other citizens a mean value of µ=25.588 is recorded. A statistically significant difference of 2.457 points is observed. Also, for civil servants a mean value of social altruism that is equal to µ=5.487 is recorded whereas the corresponding mean value for other citizens is µ=5.052. Again a statistically significant difference of 0.435 points is observed. As regards the equality construct the mean value for civil servants is µ=4.686 and for all other citizens the mean value is µ=4.215. Again this small difference of 0.253 points is recorded as statistically significant. Finally, civil servants score quite higher in terms of civic participation compared to the other citizens as the mean values of µ=4.766 for civil servants and µ=3.806 for other citizens show. A statistically significant difference of 0.96 points is observed. The two sub-groups do not present statistically significant differences in the mean values of the tolerance and humanitarianism constructs.

Table 3a. Social capital of public servants and other citizens – 2008 data difference of means: main constructs.

<table>
<thead>
<tr>
<th></th>
<th>Mean – Public servants (N=269)</th>
<th>Mean – Other citizens (N=1,803)</th>
<th>t-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social trust</td>
<td>28.045</td>
<td>25.588</td>
<td>-3.065***</td>
</tr>
<tr>
<td>Social altruism</td>
<td>5.487</td>
<td>5.052</td>
<td>-2.777***</td>
</tr>
<tr>
<td>Equality</td>
<td>4.468</td>
<td>4.215</td>
<td>-1.613*</td>
</tr>
<tr>
<td>Tolerance</td>
<td>10.743</td>
<td>10.237</td>
<td>-1.140</td>
</tr>
<tr>
<td>Humanitarianism</td>
<td>0.429</td>
<td>0.486</td>
<td>0.903</td>
</tr>
<tr>
<td>Civic participation</td>
<td>4.766</td>
<td>3.806</td>
<td>-7.892***</td>
</tr>
</tbody>
</table>

Source: Author's calculations. Notes: all estimations are based on non-missing observations. Asterisks****, ***, **, * report significance at the 0.5%, 1%, 5% and 10%, respectively.

Table 3b summarizes the results of the analysis regarding the difference in the level of social capital held by public servants in contrast to all other citizens in the country for 2010. Of the total sample of N=2,715 observations for 2010, a sub-sample of 391 public servants (almost 14.4% of the population) has been identified again based on the reported employment classification of respondents in the ESV survey – Round 5. Overall, results show that by 2010 the differences between civil servants and other citizens are less compared to 2008, albeit civil servants continue to score higher in terms of the two most important constructs, that of social trust and civic participation. In particular, the mean value of the social trust construct for civil servants is µ=21.213 whereas for other citizens a mean value of µ=19.481 is recorded. A statistically significant difference of 1.732 points is observed. Also, for civil servants a mean value of civic participation that is equal to µ=3.995 is recorded whereas the corresponding mean value for other citizens is µ=3.806. Again a statistically significant difference of 0.701 points is observed. The two sub-groups do not present statistically significant differences in the mean values of the social altruism, equality, tolerance and humanitarianism constructs.

Table 3b. Social capital of public servants and other citizens – 2010 data difference of means: main constructs.

<table>
<thead>
<tr>
<th></th>
<th>Mean – Public servants (N=391)</th>
<th>Mean – Other citizens (N=2,324)</th>
<th>t-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social trust</td>
<td>21.213</td>
<td>19.481</td>
<td>-2.522***</td>
</tr>
<tr>
<td>Social altruism</td>
<td>5.013</td>
<td>4.847</td>
<td>-1.209</td>
</tr>
<tr>
<td>Equality</td>
<td>4.538</td>
<td>4.487</td>
<td>-0.382</td>
</tr>
<tr>
<td>Tolerance</td>
<td>9.557</td>
<td>9.217</td>
<td>-0.962</td>
</tr>
<tr>
<td>Humanitarianism</td>
<td>0.331</td>
<td>0.367</td>
<td>0.828</td>
</tr>
<tr>
<td>Civic participation</td>
<td>3.995</td>
<td>3.294</td>
<td>-6.733***</td>
</tr>
</tbody>
</table>

Source: Author’s calculations. Notes: all estimations are based on non-missing observations. Asterisks****, ***, **, * report significance at the 0.5%, 1%, 5% and 10%, respectively.

5. Conclusions

The present study analyses the changes in the level of social capital in Greece during the 2008-2010 period. The concept of social capital is operationalized via the identification and measurement of six main components, namely: social trust, social altruism, equality, tolerance, humanitarianism and civic participation. The empirical analysis focuses on two important questions. The first one relates to the stock of social capital characterizing Greece and its change during a highly sensitive era, that of the outburst of the economic crisis. The second research question relates to analyzing the group of civil servants as carriers of higher or lower levels of social capital compared to the other citizens.

With regard to the first research question, overall, empirical analysis indicates that the country experiences a statistically significant decline in its social capital level during the 2008-2010 period. With the exception of the equality construct that increases during the period of our analysis, all other constructs decline. With regard to the second research question analyzed here, overall results show that public servants hold higher levels of social capital albeit also declining, as for
the rest of the country’s citizens, during the 2008-2010 period. In particular, in 2008 civil servants score higher in the attitudes of social trust, social altruism, equality and civic participation while in 2010 civil servants score higher only in the attitudes of social trust and civic participation. In addition, during the 2008-2010 period the mean values of the social capital main constructs, held by civil servants, decline, following the trend observed for the general population.

Important research and policy implications arise as a result of these findings. As mentioned earlier, the concept of social capital is related to issues of economic prosperity, democratic legitimation and social participation. As Marozzi (2015) argues, improving trust in public institutions is central to improve social capital, participation in civic activities and law-abiding behavior and then governmental legitimacy. This is a critical aspect of Greece’s efforts to overcome the severe economic crisis experienced by the country from 2009 onwards. The country is in need of institutional interventions in virtually all parts of the economy if entrepreneurial efforts and developmental re- construction are to be successfully promoted (Bitros and Karayiannis, 2010). As Spanou (2014) argues for example, despite constant administrative reforms undertaken in view of the economic crisis the senior civil service is in a stronger position, having a symbiotic relationship with the world of politics, which permits it to escape the toughest measures affecting the rest of the civil service. Thus, the challenge remains regarding the need to rebalance the relationship between the public administration and politics (Spanou, 2014). In addition, analyzing the content of institutional and economic reforms in Greece, as well as the attention paid towards their successful implementation, Spanou and Sotiropoulos (2011) argue that despite of the presence of enhanced reform dynamics in the country, the issue remains that managerial reforms towards achieving economic competition are mixed with democratization and modernization reforms. Analyzing how changes to the institutional environment in the crisis-hit economy of Greece impact on entrepreneurial activity, Williams and Vorley (2015) suggest that changes to institutions have served to limit entrepreneurial activity rather than enhance it, and that this has worsened in the midst of the crisis. As they argue, this will detrimentally impact Greece’s ability to navigate out of the crisis and regain competitiveness in the longer term (Williams and Vorley, 2015). Thus, analyzing ways of empowering social capital in an era of reforms would enrich our knowledge over strengthening not only economic prosperity but also social cohesion and democratic representation and legitimization in the country. On the other hand, further research in the field might focus on a number of related issues for which limited knowledge is available. We might mention here the need to sketch the socio-demographic and economic profile of citizens holding higher social capital levels, and the need to analyze the interplay between the soft and the hard evidence of social capital in Greece.

References


