

# OECD-conference on SOCIAL CAPITAL

## SOCIAL CAPITAL - AUSTRIAN REPORT

The concept of Social Capital has until now no place in official statistics or in the general terminology of social research. It is applied by a few authors in the border area between economics, political science and sociology.

But there are several concepts encompassing a similar domain of ideas:

- SOLDARITÄT (solidarity, community functioning and norms): mutual assistance and trust, particularly within common interest groups and within cooperating units in organisations;
- SYNERGIE (synergetic cooperation): the pooling of endeavour and resources, particularly between different social units and cultures;
- SOZIALKONTAKT (social contact and support): frequency and intensity of meeting and interacting with persons and groups in some degree of relation - relatives, friends, persons in helping relations; acquaintances, neighbors, co-workers, organized groups;
- DEMOKRATIE (democratic functioning): degree of democratic participation in political, cultural and economic organisations and activities, elections, demos, lobbying;
- ANOMIE (deficiency of norms, social disruption): lack of social orders, level of sociopathology and criminality.

In explicit and implicit connection with such concepts a modest quantity of "weak" indicators from official statistics and from survey research is used. A continuous and integrated system of research in the field of Social Capital is lacking.

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In consequence the following problems are prominent:

- the distinction between the asset of Social Capital, the investment in Social Capital (cost, input), the direct benefits of Social Capital (output) and the secondary potential profits and risks (long term and lateral effects):
- the definition of highly correlated indicators for the reliable measurement of the "latent construct" Social Capital and the common acceptance of a practicable and highly objective value unit für the asset of Social Capital;
- the distinction of societal groups as "owners" of Social Capital - from small communities and associations to nations and cultures - interrelated in sub- and supra-systems;
- the recognition of Social Capital as means for all kinds of ends, independent of moral values (a robber gang, too, can have a large Social Capital and profit by it, criminally);
- insight into the larger mechanisms of cultural evolution favoring innovation and adaptation of multilevel Social Capital (up to mankind).

Awareness and consciousness, even with a sense of urgency, is growing in the informed discourse of experts as well as in public opinion - but not as a united scientific approach.

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The concept of Social Capital has recently be taken up as a central topic of research by a scientific work group of the Austrian Social Partnership organisations (Forschungsgemeinschaft für Ökonomische und soziologische Studien). Studies of Social Capital in enterprises, in corporate structures (trade unions, business corporations) and in society, in its effect on motivation and productivity, are planned.

A first analysis has come to the conclusion, that the position of Austria on a scale of Social Capital is unclear. Contradictory and ambivalent indications exist.

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In the publication series of the Austrian "Zentrum für Angewandte Politikforschung" (Applied Political Science Center) volume 24, published in 2002, is titled "Sozialkapital und Demokratie, Zivilgesellschaftliche Ressourcen im Vergleich (Gabriel u.a., WUV - Wiener Universitäts-Verlag Facultas). It is the first major Austrian publication in the new discussion of Social Capital. In this publication international comparisons are given.

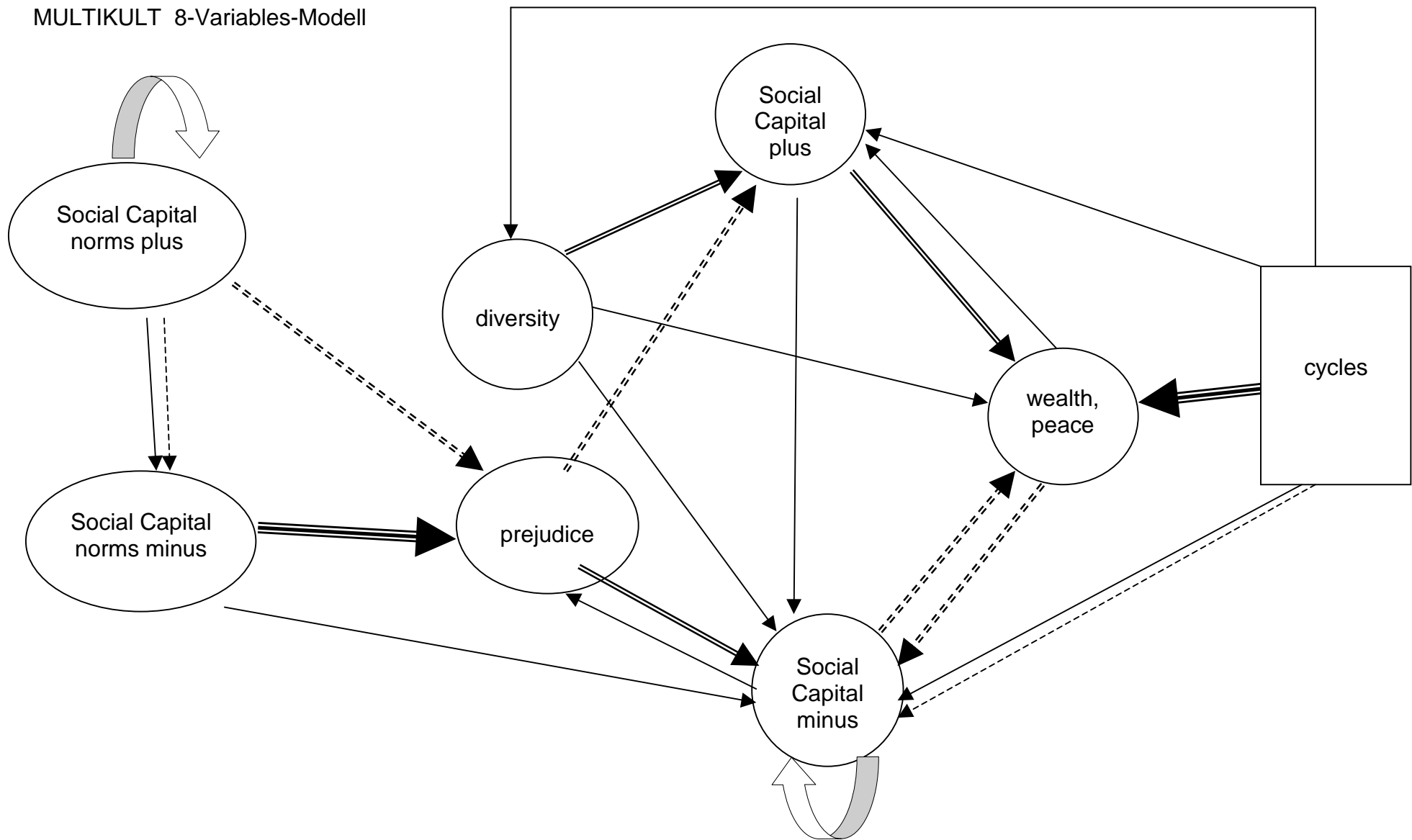
In the World Value Surveys Austrian membership in organisations ranks in the middle range between the top participation rates of Protestant Scandinavia, Netherlands, USA and the low degree of membership in the Catholic Mediterranean countries. But in its political system Austria belongs to the corporatist social partnership democracies on the Scandinavian pattern.

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A recent study, financed by the Austrian National Bank (Österreichische Nationalbank), on the effects of ethnic and cultural diversity ("Multikulturalität"), using data from Central European States, includes "Synergie" as a key variable, in a definition near the Social Capital concept.

The study includes a computer assisted model. Development in economic and social welfare ("Wohlstand", "Frieden") is enhanced by "multicultural dynamism" reinforced by "synergy", but counteracted by "anxiety driven aggression" ("Angstwut") and anomic hostility (lack of Social Capital). Under the influences of business and technology cycles ("Konjunktur", "Kondratieff-Zyklus") the feedback-loops of "vicious cycles" or "virtuous cycles" tend to escalate into accelerating growth or depression - both threatening to stability.

MULTIKULT 8-Variables-Modell



For six countries of Central Europe (Austria, Slovenia, Poland, Czech Republic, Slovakia, Hungary) comparable statistical and survey data were used in the simulation model.

The following indicators were used:

\* MULTIKULT (Cultural Diversity)

percentage of minorities

social - upper class/lower class v. middle class

religious - non-catholics v. catholics

ethnic, national - foreigners/ethnic groups v. national majority

\* SYNERGIE (Social Capital plus)

Survey questions percentage positive answers

"Immigrants are good for economy"

"Immigrants make open for new ideas"

\* ANGSTWUT (anxiety-aggression, Social Capital minus)

% "most people cannot be trusted"

Score in Mistrust-Test/Tolerance-Test

The rank ordering in the Social Capital Indicators is:

Austria on the top, Slovenia and Poland in the middle range, Czechia ambivalent, Slovakia and Hungary on the low side. And the theoretical model depicts quite well the input and output values of Social Capital.

The study is actually an application of the Social Capital theory, although the notion of Social Capital was not used in the model - and still less in the data sources used.

The model suggests the use of both positive (plus) and negative (minus) indicators and an additional measure of diversity - as there seems to exist a fundamental relation between the force of social cohesion and the degree of diversity within a society (in a complicated way, but in the general direction, that high diversity together with a developed democracy as in Switzerland, Belgium, Great Britain or the USA) makes for success, whereas high diversity with low social capital und democratic organisation (as in the Balkans or in the Caucasus region) is endangered by disruption.

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The solitary dimension of "trust" - as one facet of Social Capital - has been studied in Austria in the context of social partnership evaluation in political survey research. The Sozialwissenschaftliche Studiengesellschaft used the question: "Some political groups want to cancel the obligatory membership in the Chambers of Labour and die Chambers of Business. Do You think the Chambers would continue as voluntary as-sociations?" (SWS, ASB-Telefonumfrage nr. 25, 11/1994) About half the population trusted in the stability and self-reliance of the social partnership (54 % for the Cham-bers of Buisness, 42 % for the Chambers of Labour) - with a clear positive majority in the working population.

In comparative survey the SWS tested the trust in a series of institutions once in 1995 and again in 1999 with the question: "How strong is your trust in ...?" on a 4-point-scale (1=very strong, 2= strong, 3= weak, 4=no trust). There is a strong rank order of trust, with the state administration (National Bank, Police) on the top (about 70 % "very strong" and "strong"), Parliament and the Social Partnership in the middel range (about 45 %) and Mass Media together with the Political Parties less trusted.

Over time there is no clear trend - but in the nineties Austria shows no loss of partici-pation in organisations and in general trust. The fabric of the Austrian society was not weakened, social disruption did not happen. But a shift in social cohesion is visible, from traditional stable personal contact, binding and support in familiy, neighborhood and job to individual choice participation in networks, communities, partnerships, markets, "precarious" work relations.

The Austrian Paul Lazarsfeld Gesellschaft (PLG), in collaboration with the Centre for the Study of Public Policy, Glasgow, collects and analyses since 1992 in the project "New Democracies Barometer" survey data from nine post-Communist societies.

One of the reports (Rose, Mishler, Haerpfer: Getting Real - Social Capital in Post-Communist Societies, Wien 1997) refers explicitly to the Social Capital theory, with its main emphasis on "distrust". The point of the study is:

- totalitarian regimes foster "distrust of state institutions and a readiness to use networks of social capital against the state";
- individuals developed "strong, face-to-face social networks ... social capital that the state could not expropriate."

The survey results on "trust in institutions" in the NDB study are comparable to the Austrian SWS data. They reveal a rank ordering of the nations, concerning general

public trust, with the more Western nations (Czechia, Slovakia, Slovenia, Hungary, Poland) on a level with Austria, the more Eastern states (Belorus, Ukraina, Bulgaria, Romania) far behind.

TRUST IN INSTITUTIONS - 10-NATION SURVEY

"How great is your personal trust in each of these institutions?"

7-point scale: 4 - 7= reasonable trust

	% reasonable trust					
	<i>Czechia</i>	<i>Hungary</i>	<i>Slovenia</i>	<i>Bulgaria</i>	<i>Ukraina</i>	<i>Belorus</i>
<i>NAT.BANK</i>	74	66	74	68	43	32
<i>POLICE</i>	58	73	62	32	40	35
<i>GOVERNMENT</i>	69	43	67	50	28	35
<i>PARLIAMENT</i>	49	46	53	42	33	31
<i>PRIVATE</i>						
<i>ENTERPRISE</i>	83	74	55	65	51	36
<i>MEDIA</i>	83	72	82	26	61	55
<i>NEW TRADE</i>						
<i>UNIONS</i>	62	58	52	35	42	25

The theory of a transition from trust in public authorities to trust in "civic democracy" is not quite corroborated, but evolution may take time. A better fit is visible for the formula: the interactive evolution of Social Capital, democracy and civic culture is a slow learning process, needing the change of generations or the shock of a catastrophic crisis.

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The Social Capital indicator of associational membership was also used in a questionnaire action directed to the totality of households in Austrian cities, organised by the "Netzwerk Gesunde Städte österreichs" (Austrian Urban Health Network), as one of the health promoting factors. The research is still going on, three cities (St. Pölten, Wels, Villach) have already gathered data from more than 12.000 households - other cities and Vienna are planning to participate. The first analysis (BOAS 2001: Kommunale Gesundheit) shows significant correlations, adjusted by age and education, between membership in associations (cultural, leisure activities, sport) and health. Causal direction cannot be concluded without longitudinal data (observations over time of the same persons): Social Capital may improve health oder better health may make more sociable - but it is a good guess to presume an interrelated connection, a self-reinforcing feedback-loop.

This type of research has a good chance to be continued; communal administrations and associations have good reasons to get a proof, that investment in associations is promoting health as well as Social Capital.

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Although it is accepted wisdom that education produces Social Capital, educational research on this process is scarce in Austria. A recent study on the former pupils of the "Begabungsförderungskinderdorf Pötsching" (segregated boarding school for talented children) has now, 30 years later, tested, how successful this "elite program" for socially disadvantaged children has been.

As a measure of Social Capital was used the Sense-of-Coherence test according to the Salutogenesis theory (A. Antonovsky).

The Sense-of-Coherence test covers general trust combined with the feeling of Comprehension, Manageability and Significance. The former pupils of the "talent promotion program" in the "children village" surpassed with a mean value of 5.3 significantly the comparative population average of 4.8. And the personal differences in the "Sense of Coherence" correlate strongly with happy childhood and social engagement later. And again with happiness and health.

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Finally a few comments in answer to the questions posed on preliminary views:

1. Which dimensions are important and should be included in Social Capital measurement?

The fundamental primary dimensions concern "networks of strong emotional and helping relationships on different levels of organisational complexity" ("thick trust" and "thin trust", active and passive relations, private and state).

There should be a core program of indicators of rather general kind. Antecedent causal factors and dependent effect dimensions should be treated separately.

All correlating dimensions are to be recommended für Social Capital research, as well as "soft" indicators with weak reliability of measurement - but the definition of a core program should not be hampered.

2. Measurement initiatives in Austria?

None under way, but open interest in several fields - social partnership institutions, health research institutions, education.

3. International comparability?

Easiest to reach in survey research with questions of personal behavior and affect (social contact, social support, trust, participation, sociability, independence, information habits). More difficult in statistical information about memberships and participations, as institutions and democratic activities in different countries and cultures are not always equivalent. Most difficult is the comparing of norms - i.e. aims and targets of social units (the Social Capital of robber gangs and religious orders).

4. More general comments?

From the start a quantitative causal model of interactive effects (cost-benefit-analysis, process modelling) could be very helpful - even if only with rough "guesstimates". Systematic data gathering could fill up the model. Bit by bit a mathematical measurement model (LISREL-type) could test the developing measurement program.