

# **Social capital in Britain: an update and critique of Hall's analysis**

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## **Summary**

In an influential 1999 article on social capital in Britain, Peter Hall cites Britain as a counter-example to Robert Putnam's well-known analysis of declining social capital in the United States (Hall 1999). Hall claims that there has been no equivalent erosion of social participation in Britain, although there has been an apparent decline in social trust. To explain this apparent paradox, Hall then proposes that the decline in trust may be due to changing values, as well as government policies and changes in social integration. Finally he argues that the British case provides broader lessons about distributional issues and the importance of government policy in influencing levels of social capital.

In this paper we draw in newly available data sets to update Hall's assessment of the levels of social capital in Britain and provide additional analysis. The data indicates that formal participation in voluntary organisations and political engagement are increasingly concentrated in the middle and upper middle classes. In addition levels of generalised social trust have levelled out and remain low. We suggest that there are influences which were not fully considered by Hall, such as the rise in income inequality during the 1980s and the changing nature of working life. We argue that the distributional issues are critical to considering the overall levels of social capital in Britain, and that factors such as inequality , and class divisions are important societal factors when assessing social capital on a societal basis.

## **Introduction: Hall's Analysis**

Peter Hall's analysis of the state of social capital, 'social networks, both formal and informal' in Britain follows Robert Putnam's work suggesting that such networks are in decline in America. In particular, he is interested in 'the extent to which individuals have contact with others, beyond the sphere of the family or market, and notably the kind of face to face relations of relative equality associated with participation in common endeavours.' (p418) He begins by investigating indicators of formal social involvement: membership, volunteering and charitable giving, and concludes that the indicators present a picture of robust - even growing – formal involvement. He then examines informal sociability; available leisure time, and where it is spent, including pubs and sports clubs, and finds a pattern of increasing sociability. Hall attributes his assessment of social networks in Britain as being on the whole in quite good shape to three factors: significantly expanded access to higher education, a less rigidly stratified class structure, and government action supporting community involvement.

However, the figures for levels of generalised social trust in Britain do not appear to tell the same story, declining significantly from 44% to 30% between 1990 and 1995. Here Hall offers two possible explanations: a change in the moral climate of society away from collective concerns to far more individualistic ones, tied in part to the Thatcher government, and reflected in rising moral relativism. He also speculates that the nature of participation may be changing in ways not reflected in traditional indicators.

The concluding discussion explores the relationship of these patterns to democratic participation. Hall suggests that the generally high levels of voting support the view that political participation is widespread, which he believes further supports the view that social capital in Britain is strong. But he does raise concerns about the uneven distribution of participation among social classes, and about evidence of generational changes in attitudes to participation.

Hall's data showing robust levels of participation in formal voluntary activity coupled with declining social trust presents a paradox : how can the activities which are supposed to engender social networks and social capital be apparently maintaining their strength, while an important aspect of social capital, i.e. generalised social trust, is in decline? This raises a more general conceptual confusion around causality in

social capital, namely whether social capital contributes to the creation of generalised social trust, or whether social trust is an element of and contributor to social capital. While this issue clearly warrants further investigation, this analysis follows that used by Hall. He treats it as both, but concludes that social capital in Britain is not eroding because participation levels are being sustained, even though social trust has declined.

We would suggest that a number of different questions need to be raised when attempting to address this apparent paradox:

- Is the character of formal involvement changing such that it is less able to generate the social networks necessary for the creation of social capital?
- Is the distribution of membership and volunteering changing in ways that impede the development of social trust in society as a whole?
- What exactly is the nature of the relationship between participation and the development of social trust, and is the assumption -- that they are directly linked a valid one?
- Are there other key arenas for sociability and the generation of social networks that have been overlooked, and that might reflect different trends?
- Finally, are there other external factors which may have contributed to the decline in social trust whilst participation levels appear to be maintained?

Hall suggests that the answers may lie in a changing character of participation, distributional issues, and particular externalities, specifically perceptions of the economic climate and inequality, as well as growing individualism and moral relativism. We think it very likely that the character of participation – and thus its ability to generate social capital – has changed. We will argue that while the erosion of social trust may not be continuing, the current level is low compared to the past thirty or forty years. We believe this scenario may be the result of the following factors: widespread disparities in levels in formal participation that may strongly impede the creation of generalised social trust; there are other arenas which are increasingly important to the generation of social ties which are commonly overlooked, in particular the workplace and internet; and that there are also some significant externalities which may influence the situation, most especially sharply rising levels of inequality.

## **Trends in Social Capital**

Hall adopts Putnam's narrowest definition of social capital as "networks of sociability, both formal and informal" (p420) in his review of social capital in Britain. In the formal sense Hall focuses on individual engagement with nonprofit or voluntary associations. In identifying informal networks of sociability, he looks at how people spend their time, and in particular their leisure time. Hall seems to distinguish the networks that make up social capital from the outcomes of social capital, which are "the trust the individuals feel towards others" (p418) and "their capacity to join together in collective action" (p418). He places a particular emphasis on participation in politics and active support for democracy. In these definitions and approach, he is drawing on Putnam but also trying to conceptualise social capital within a specifically British context.

### **Formal engagement with voluntary associations**

The level of social capital in a society or community is most often conceptualised as the level of formal engagement of individuals with voluntary or nonprofit organisations. Hall identifies three ways in which people engage formally with voluntary organisations:

- as members of associations
- as volunteers
- as donors

In this section we look at more recent trends in these three forms of formal engagement, as well as identifying the limitations of some of the indicators that Hall uses. We then go onto discuss what these imply for Hall's conclusions about the resilience of social capital in Britain.

### ***Membership in voluntary associations***

Membership of voluntary organisations is suggested by Hall as a way of operationalising the face to face interaction in a common endeavour which is central to levels of social capital. Hall focuses on membership of voluntary associations, and calculates the average number of memberships per person in Britain to show a 44% increase in levels of membership between 1973 and 1990. We show that the membership data as presented by Hall does not accurately reflect the extent of

membership of nonprofit organisations in Britain. There are two key problems with presenting the data in this way. Firstly it assumes that individuals with more memberships have more social capital and that this contributes to the overall level of social capital in the country. Secondly it gives an impression of rising overall membership levels, without representing the people who are not members at all. Table 1 shows a continuation of the trend for an increasing average number of memberships per person. However this does not tell us the proportion of people in the population who are members in the first place, the distribution of participation.

**Table 1: Trends in average number of memberships per person**

	1999*	1990	1981	1973	1959
<b>All people</b>	1.43	1.12	0.86	1.15	0.73

\* the 1999 figures are from new European Values Survey data. There are some methodological issues in that the questions asked about membership and volunteering in 1999 differed from the questions asked in previous waves, however we consider them comparable for the purposes of providing an overview of levels of membership.

Note: figures in italic, 1973 and 1959, are taken from Hall's paper. The 1990 and 1981 figure have been recalculated using EVS data, and are the same as those appearing in Hall.

Presenting the data as the *proportion* of people who are members, shows that levels of membership are stable rather than increasing. The data does support Hall's conclusions that the divide between the participation levels of the upper and lower socio-economic status groups is growing.

In Table 2 we look at the proportion of the population which are members of one or more organisation. This approach shows that the level of membership is roughly stable at about 50% of the population. Taken together the figures indicate that membership is becoming increasingly concentrated within people who are already engaged as members, as people become more likely to take out several memberships. This leaves a question about the possible significance of changing nature of membership, and we return to this briefly later in this section.

**Table 2: Trends in percentage of population who are members**

	<b>1999</b>	<b>1990</b>	<b>1981</b>
<b>All people</b>	50%	51%	51%

*The same data is used in this table, the three waves of European Values Survey data, as used in the above table.*

This increasing concentration of membership, raises questions about potential distributional issues, in particular depending on gender, age and socio-economic status. Further analysis of the data in Table 3 (following Hall's analysis) shows that the concentration of membership is occurring in the ABC1 socio-economic status groups. Not only is the average number of memberships the highest, but also the percentage of people who are members at all. Gender differences and differences in age are not as significant as social class.

**Table 3: Trends in membership by gender, socio-economic status and age**

	AVERAGE NUMBER OF MEMBERSHIPS PER PERSON			% OF POPULATION WHO ARE MEMBERS		
	<b>1999</b>	<b>1990</b>	<b>1981</b>	<b>1999</b>	<b>1990</b>	<b>1981</b>
	All people	1.43	1.12	0.86	50%	51%
<u>Gender</u>						
Men	1.36	1.13	0.93	50%	54%	56%
Women	1.51	1.11	0.81	50%	49%	47%
<u>Socio-economic status</u>						
AB	2.63	2.15	1.57	71%	70%	69%
C1	1.80	1.34	0.89	63%	58%	56%
C2	0.86	0.79	0.63	48%	46%	45%
DE	0.73	0.65	0.57	42%	37%	41%
<u>Age</u>						
30 or under	1.10	0.90	0.71	45%	50%	47%
over 30	1.46	1.19	0.98	50%	52%	55%

Source: figures from European Values Survey data.

Distribution issues are addressed by Johnston & Jowell (1999) in their review of social capital in Britain based on the British Social Attitudes Survey (BSAS). They find that the middle and upper middle classes are more than twice as likely to be members of at least one community organisation than unskilled manual workers. This is also reflected in the fact that people on higher incomes and owner occupiers are more often members. Even in sporting organisations and trade unions, which they comment are most likely to attract people from a wide range of social classes, membership is more common amongst the middle classes (p191).

The key point to consider at this stage is whether membership is becoming something that the people who are already members increasingly participate in, especially amongst the middle classes. We are presented with two increasingly divergent groups: the 'multi-members' who are largely drawn from AB, and C1 social classes, and the 'non-members' who come from C2, and DE. This raises issues about who is being left out, which tends to be people on lower incomes, with lower status jobs, or unemployed. In addition ethnic minority communities often experience higher levels of poverty and unemployment, as well as discrimination, and we would expect minority groups to participate in different associations and in different ways compared with the majority population.

In an analysis of levels of participation in Britain, the National Council for Voluntary Organisations/Centre for Civil Society commented that "for the unemployed, levels of participation are 14 percentage points lower than twenty years ago. Clearly, the voluntary sector has not been successful in actively involving this socially excluded part of society" (NCVO, 2000). The lack of involvement of these people is an issue for them as they "probably have the most to gain from such activity" (Johnston & Jowell, 1999: p193). In addition we would argue that divisions within society are reflected in the uneven distribution of participation in voluntary associations, and that these divisions have an impact on all members of society in terms of levels of social capital, and in particular social trust.

A second point to consider is what the increasing concentration of membership could tell us about the changing nature of membership. In particular it may be that people are able to have more memberships because they are not active as members in

terms of attending meetings and participating in a range of activities. A follow up of Hall's analysis of membership organisations from his 1999 paper, shows that membership is decreasing in organisations where you find face to face interaction in working towards a common endeavour (Cameron, 2001). At the same time membership in organisations where a private benefit is received, such as car or dangerous sports insurance, is increasing.

It may be that membership is increasingly being considered to be a product, for which certain benefits are received, rather than a commitment of support or involvement. This 'commodification' has implications for the contribution that membership of voluntary associations can make to creating and maintaining social capital. If people are members without face to face interaction and networking potential, and motivated by personal benefits rather than social concerns, then we have to question how effectively membership contributes to social capital.

### ***Volunteering***

Volunteering is similarly considered important in assessing levels of social capital, and may be a more robust measure as it tends to require interaction with other people. Perhaps the most comprehensive recent survey on volunteering is the 1997 survey by the National Centre for Volunteering (NCV). It is therefore now possible to provide a more thorough review of the levels of volunteering than Hall was able to do.

Trends in the level and nature of volunteering have been most clearly identified by the National Centre for Volunteering in a series of surveys conducted in 1981, 1991 and 1997. The proportion of people participating in volunteering increased in the 1980s and has since levelled off. However the people who are volunteering, are giving more time than was given in the past, and the average time donation has risen from 2.7 hours per week in 1991 to 4 hours in 1997.

**Table 4: Trends in volunteering**

	<b>1981</b>	<b>1991</b>	<b>1997</b>
<b><i>formal volunteering</i></b>	44%	51%	48%
<b><i>informal volunteering</i></b>	62%	76%	74%
<b><i>time donated, hours per</i></b>		2.7	4

<b>week</b>			
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*Source: figures from 1997 survey, National Centre for Volunteering*

A concentration of volunteering activity is commented on by Johnston and Jowell (1999) in their review of social capital in Britain. They find that whilst 33% of their sample have volunteered at least once in the previous year, and 87% participate either as a volunteer or a member in at least one association, "the truly activist core" is less than 10% of the population (Johnston & Jowell, 1999: p185). Their conclusion is positive, "there clearly is still 'such a thing as society'" (p185), though they go on to express concern about the groups of people who are not participating in these forms of activity.

In terms of distributional issues, young people and ethnic minority groups tend to be less involved in formal volunteering. Little is known about how people from ethnic minorities engage as volunteers and their level of volunteering (ACU, 2000). The numbers of young people volunteering has decreased significantly since 1991. In addition young people are giving much less time than they used to when they do volunteer, 0.7 hours per week in 1997. Similarly younger people would prefer to give money than time, with 30% of 18 to 24 years olds agreeing compared with 25% of 25+ year olds (Matheson & Summerfield, 2000a).

**Table 5: Trends in volunteering amongst young people**

<b>Formal volunteering</b>	<b>1981</b>	<b>1991</b>	<b>1997</b>
<b>18-24 years old</b>	42%	55%	43%
<b>ALL</b>	44%	51%	48%

The other significant distributional issue is that there has been a fall in volunteering amongst people who are unemployed, down from 50% in 1991 to 38% in 1997. This may indicate changes in the benefits system having made volunteering difficult for people dependent on benefits.

When considering volunteering then we see a similar pattern emerging as in membership levels. Fewer people are volunteering, but the ones that are, give more time. Young people and unemployed are increasingly not volunteering, but based on the survey quoted above we do not have clear reasons for this. In fact there is some evidence that young people have very positive attitudes to volunteering (Matheson &

Summerfield, 2000a). This is supported by a 2002 survey of young people by the Charities Aid Foundation which found that 96% of young people intended to give money or time in the future (CAF, 2002), and many were already supporting charities through donations, sponsorship, gifts in kind, and recycling.

**Table 6: Attitudes to volunteering**

	<b>18-24 year olds</b>	<b>25+ year olds</b>
<b><i>“doing voluntary work is a good thing for volunteers because it makes them feel they are contributing to society”</i></b>	81%	77%
<b><i>“everyone has a duty to do voluntary work at some time in their lives”</i></b>	36%	29%.

Source: figures from social attitudes survey of young people, reported in Matheson & Summerfield, 2000a.

The reason why people are giving more time than in the past may be because active membership is now being labelled volunteering. In addition it may reflect the professionalisation of the management of volunteering, where volunteers have to make more definite time commitments as charities invest more in their training. Again this raises questions about the changing nature of volunteering and what this might mean for the nature and level of social capital for different groups. As volunteering becomes increasingly professionalised, this has implications for who participates, why and how.

### ***Charitable giving***

Charitable giving is mentioned by Hall almost in passing as an element of charitable endeavour (p425). Britain has a long charitable tradition dating from the sixteenth century, and there is widespread participation from people of all classes in charitable giving. Hall talks about giving as having “risen steadily” (p425) to £5 billion in total, or £10 per person in 1993. These figures provided him with further confidence regarding participation and the state of social capital. However the picture changed significantly after 1993. In fact, despite an improved economy, levels of giving fell between 1993 and 1999/2000. Major government policies encouraging giving were

introduced in 2000, and levels have begun to climb. Over the past twenty years, whilst the average donation has increased, participation in giving has fallen to 67.5% (2000) of the population, from 81% (1981). (NCVO, 2000)

**Table 7: Trends in charitable giving**

Year	% people	average monthly donation, £	total £
2000	67.5%	£10.35	£5.76bn
1999	67.2%	£9.76	no figure available
1998	65.9%	£8.25	£4.94bn
1997	64.7%	£8.09	£4.3bn
1996	67.9%	£8.48	£4.58bn
1995	70.4%	£9.95	£5.23bn
1993	81%	£10.71	£5.76bn

Sources: NOP data taken from NCVO Research Quarterly Issue 13, June 2001

Amounts given are closely related to social class, with AB giving the most, and then C1, C2, DE and unemployed people. People of higher socio-economic status are more likely to have money to give, and are more likely to be targets for fundraising. However it is also true that people on lower incomes give more proportionately than would be expected based on income level alone. Indeed, average giving levels as a percentage of income are greatest for those with least income. This reflects in part the dominance of 'spare change' giving methods such as street collections, which encourage broad participation, but low average gifts, even among the well off (Wright, 2001). Such methods have come under increasing competition from the National Lottery in Britain, which presents itself as a an opportunity to support charitable causes.

Giving levels are employed as evidence of the relative strength of social capital (Putnam, 2000) although there is dispute about whether charitable giving can help create social capital. Hall reflects this somewhat ambiguous treatment of giving, nevertheless using it as an indicator of the presence of social capital. This results from the strong emphasis among many authors, including Hall, on the necessity of face to face interaction for the creation of social capital. However, we would

suggest that financial contributions could well serve as the basis for some form of reciprocal

activity which contributes to the formation of relationships and networks, the support of common endeavour, and therefore to social capital.

### ***Overall trends in formal engagement with voluntary organisations***

There are two broad trends that are easily identified from the specific activities outlined above. Firstly there is a tendency for membership, volunteering and giving to become more concentrated within the middle classes, reflecting a distribution issue. There is relatively little known about the ways in which different minority communities in Britain engage in such formal networking , for example elderly people, ethnic minorities etc, but we would expect that many such groups experience barriers to some of the key forms of participation. Secondly there has been a tendency within the voluntary sector as a whole to become more professionalised. This has led in part to consumer based approaches that increasingly focus on individual private benefits and specific benefits for the voluntary organisations in order to encourage participation, rather than on social or community benefits. This may mean that the nature of the engagement is changing, and for example membership becomes more like purchasing a product than a means of social engagement, and volunteering becomes a way of advancing a career.

This is also taking place within a context of government interest in the sector. Under New Labour, Britain has seen a number of government led policies which are intended to encourage citizen engagement, for example through increasing volunteering and giving. This goes alongside interest in increasing the capacity of the sector to provide government contracted services. The delicate balance between government interest, support and interference of the voluntary sector influences the ways in which people experience their engagement with associations as self generated and directed, or as managed and part of government.

### **Informal sociability**

Formal involvement in voluntary associations is “only a small part of a complex web of social ties and activities that make for a healthy society” (Johnston & Jowell, 1999: p190). Hall also suggests that informal sociability can be a very significant way in which people are engaged in and form social networks, though measuring it is

difficult. We have identified three main issues that directly effect social capital: the amount of time people have available for socialising; the content of that socialising; and the distribution across gender, age and socio-economic status.

The amount of available leisure time is a critical factor in the capacity of people to participate socially and politically. Hall (p272) identified an increase in leisure time between 1961 and 1984 due to reduced working hours and the use of labour saving devices in the home. In particular he noted that the extra leisure time is spent outside of the home, and extending the figures to 1995 shows the same trend. However the increase is small, such that in 1995 people had only an average of 20 minutes per day more leisure than they had in 1961 (Gershuny & Fisher, 2000).

**Table 8: Time spent on leisure activities**

<i>Minutes per day taken up by...</i>	<b>1961</b>	<b>1975</b>	<b>1985</b>	<b>1995</b>
<b>Work (paid and unpaid)</b>	487	458	460	464
<b>Leisure 1: Going out and socialising</b>	72	99	91	111
<b>Leisure 2: At home</b>	213	207	219	194

Source: National time account 1961-1995, taken from Table 18.15, p647 in Gershuny & Fisher (2000).

The content of what people do in their leisure time and where they spend it is also significant. There is a clear trend for people to spend less time at home, and in particular less time eating meals at home and more time going out and socialising, as indicated in Table 8 above. Though questioned by Hall, the main activity generally thought to mitigate against socialising is watching TV. In fact TV watching and radio listening have remained roughly level in the past forty years (Gershuny & Fisher, 2000). It should also be noted that the effect of TV is not entirely anti-social, as popular culture in the form of TV programmes can provide a common basis for immediate and subsequent interaction.

In terms of “pursuits associated with social capital” (Hall: 426), Hall identifies sport, civic duties, social clubs, pubs, and visits to friends. These activities seem likely to indicate some level of socialising. In particular Hall comments that the proportion of the population visiting pubs has increased, especially amongst women who were often excluded from these forms of socialising. Visiting other people, or being visited,

is something that between 95% and 100% of people do each month, and is stable at about 35 to 40 minutes per day (Matheson & Summerfield, 2001; Gershuny & Fisher, 2000: p646). Longer trips to visit friends and relatives increased by 88% between 1989 and 1999, from about 22% of the population to 44% (Matheson & Babb, 2002). Certainly current trends indicate that socialising with friends is healthy and thriving.

However this leaves a question about exactly who is socialising so actively in these ways. A significant weakness of the figures quoted by Hall, which include a range of social activities, is that they do not cover people who are not working: for example retired people, students, housewives, unemployed, and people who cannot work through illness or disability. These distributional issues reflect what we found in the more formal participation in voluntary associations - that certain groups of people are not fully participating in the range of the activities identified as important to social capital.

This supports Hall's concern that social capital is concentrated amongst the middle and upper middle classes, and that the working classes are experiencing an erosion of social solidarity and cohesion reflected in decreasing levels of social capital. At the same time, the measurements used may specify forms of participation which are most relevant to the middle and upper middle classes of society. This in turn may mean that our conceptualisation of social capital is simply not yet adequate to identifying forms of social capital in different groups of society. Intuition tells us that this is likely to be especially true for ethnic minority communities in Britain, where we would expect to see different types of relationships, networks and interactions between people.

Similarly social capital amongst women is inadequately understood and researched. Women as a whole spend more time on household duties such as childcare, shopping, cooking and cleaning and in 1995 had fully 50 minutes less leisure time than men - though this gap is closing (Gershuny & Fisher, 2000). Moreover, as Vivien Lowndes (1999, 2002) argues forcefully, women engage in highly reciprocal networks, for example sharing child care, which are generally ignored in standard categories and assessments of engagement. Furthermore, such engagement challenges the standard equation of informal engagement with leisure pursuits, reinforcing the suspicion raised above that the forms of even informal sociability

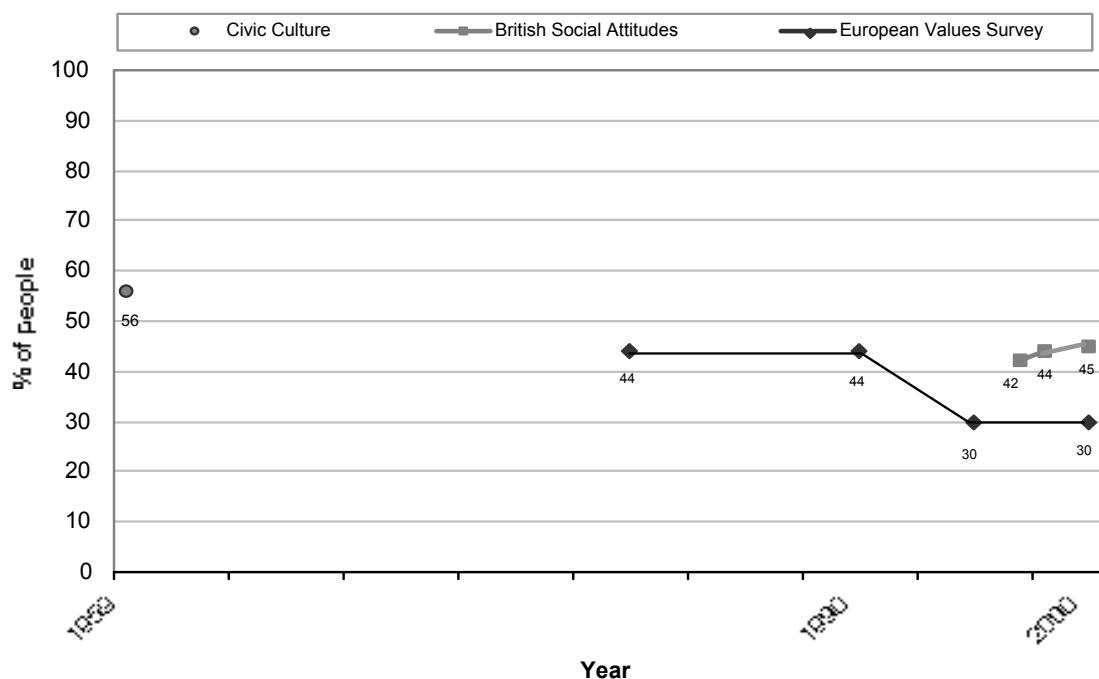
being literally ‘counted’ will miss the often quite distinct patterns of ethnic and religious minorities.

The recent trends outlined above are consistent with Hall’s findings, that levels of socialising are in general stable and seem even to be increasing slowly but steadily. There are two main issues that warrant further consideration and analysis. Firstly that the distribution of informal sociability as seeming to be concentrated within the middle classes; and secondly that there may be important forms of socialising amongst the working classes, women, and ethnic minorities that are not being picked up with current measurements.

### Social Trust

Social trust is considered by many authors to be a key element of social capital, and is also considered by some to be a benefit or outcome of social capital (Johnston & Jowell, 1999). Peter Hall relies on the World Values Survey from 1980-1995 along with previous surveys to document levels of generalised social trust. Hall concludes that “the one indicator for social capital that has fallen over the post-war years is that heavily qualify) Hall reports significant declines in trust between 1990 and 1995.

**Figure 1: Trends in Social Trust**  
"Generally speaking , would you say that most people can be trusted?"



The decline of social trust in the EVS data from 44% of the population in 1990 to 30% in 1995 represents a real decline of just over 14% in just five years, nearly identical to the drop in trust in the United States during the same period. In fact, the relative decline in trust in the UK was 33%, slightly above the US decline of 30%. The large - and similarly patterned - drops in these two countries contrast with the overall trend in nine western countries in which trust fell slightly during the same period, and in the case of West Germany and Norway, increased slightly.

**Table 9 : European and US trends in levels of trust**

	1990	1995	change
<b><i>Britain</i></b>	44	29.6	-14.4
<b><i>Spain</i></b>	32	29.7	-2.3
<b><i>USA</i></b>	52	35.9	-16.1
<b><i>Switzerland</i></b>	43	37.0	-6.0
<b><i>W Germany</i></b>	38	41.8	3.8
<b><i>Finland</i></b>	63	48.8	-14.2
<b><i>Sweden</i></b>	66	59.7	-6.3
<b><i>Norway</i></b>	65	65.3	0.3
<b><i>France</i></b>	23		

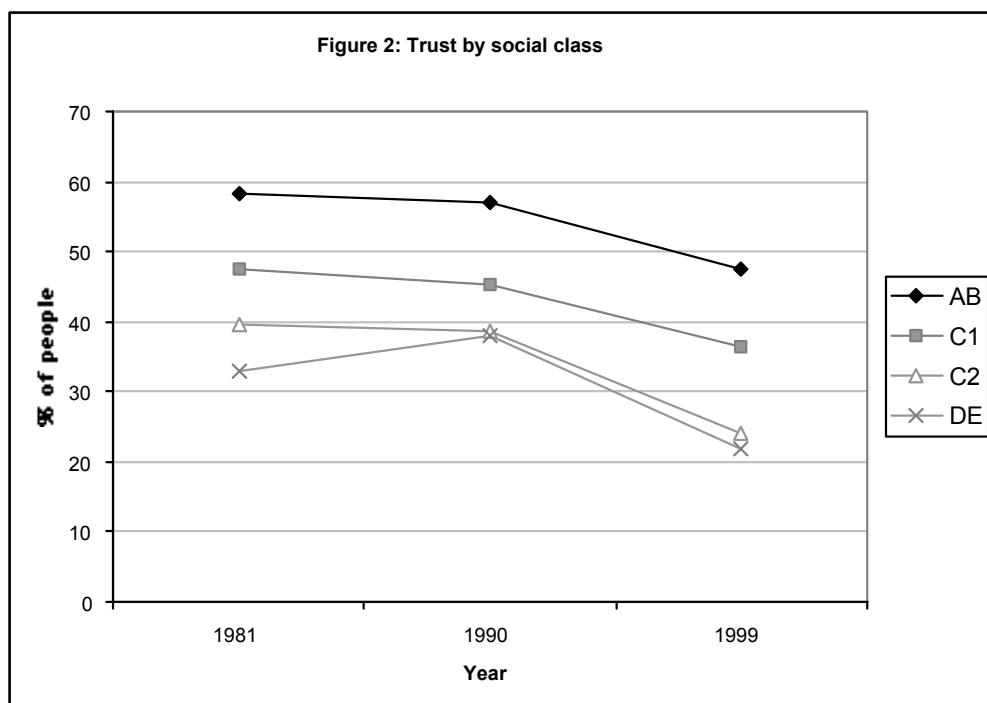
Sources: figures from the European Values Survey 1990; 1995-7.

However, more recent EVS data for Britain indicates that at least as of 1999, the decline in trust has not continued, but instead plateaued when compared with 1995 figures. Future figures will be required to know what this development might mean, and whether the 1999 figures reflect slowing decline, stabilisation, or perhaps a change in direction.

The British Social Attitudes Survey, has reported relatively stable levels of trust at around 43% of the population since 1997. Both surveys base their trust levels on answers to a single question: "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?" (exact wording taken from European Values Survey). While consistently somewhat higher than the EVS figures, the figures from the British Social Attitudes Survey which was begun in

1997, are not necessarily inconsistent with them. Both surveys appear to reflect an arresting of the decline in social trust between 1997 and 2000, and the differences between them may simply reflect a survey 'house effect.'

At the same time the distribution of trust is important. As might be expected social trust measured by the EVS in 1981, 1990 and 1999 is consistently higher than average within the socio-economic status groups of A, B, and C1. Within the C2, D, and E groups it is consistently lower than the average. The difference between the groups is marked, as shown below.



*Figures from British element of European Values Survey: 1980; 1990; 1999*

We would argue that this sole question may be unable to provide an entirely adequate base for an assessment of generalised trust across a society without other data. We would suggest the possible use of an index of questions, including measures such as reciprocity, to provide more solid footings for analysis.

## **Causal explanations for changes in levels of social capital**

### **Reflections on Hall and the role of values**

The paradox that Hall has sought to explain is the maintenance of participation coupled with the decline in social trust. He draws on a wide range of arguments on the changing nature of society and the impact of the state to identify reasons why this apparent paradox has arisen in the UK. His argument is comprehensive, examining class mobility, industrialisation, the women's movement, the educational revolution. In particular Hall emphasises the role of the state in improving education, enabling and encouraging social mobility and providing the framework for economic prosperity.

Over twenty years of rhetoric and policy emphasising individual initiative and class mobility has seen a rise in the predominance of the middle classes, both in terms of values and a growing proportion of the population. Nevertheless our examination of participation patterns in Britain leads us to conclude that class based divisions at this point in time still show remarkable strength and resiliency. In fact 68% of the population view themselves as 'working class and proud of it', including 55% of people who would otherwise be categorised as middle class (MORI, 2002). The social institutions that were the mainstay of working class participation – mutual aid societies, clubs, labour unions – have disappeared or changed, and the demise of such institutions means that exposure to the habits and values of participation will be far less likely.

We agree with Hall that government policy is critically important. There are a number of arenas where it can either support or constrain the formation of social connections. Education (as mentioned by Hall) is important. But despite dramatically widening access to higher education so that now some 33% of the population has had a university education, we think that on the whole the fragmented British educational system tends to reinforce rather than rectify class divisions. And there are other critical areas that are often overlooked. Transport – its speed, reliability, and cost – is a significant factor, and without good quality options a wide range of connections are impeded. The availability of affordable child care and family friendly policies are necessary for the participation of carers, mostly women. Labour standards, particularly working hours and conditions, can also encourage or constrain participation.

In addition to these necessary conditions are policies which bear directly on social participation. These have been a particular priority of the Labour government elected in 1997. It has had a vision of (re)creating 'civic community,' establishing an Active Communities Unit, and instituting policies to encourage volunteering, charitable giving, and local civic engagement. It has also 'embraced' the voluntary sector. A partnership between the sectors led to the introduction of the 'Compact' which sets out the principles governing the relationship between government and voluntary organisations. In the autumn of 2002, the Treasury and the Cabinet Office produced reports, both outlining new policies on the roles, financing and legal structures of voluntary organisations emphasising their significance to government thinking.

One of Hall's arguments is that the decline in social trust can be explained by the trend towards individualism in society. The emphasis on the promise of individual achievement was a hallmark of government rhetoric and policy during the 18 years of Conservative governments led by Margaret Thatcher and John Major. Hall suggests that the rise in individualism is illustrated by increasing levels of moral relativism, operationalised in the European values survey by a question asking whether there are 'clear guidelines on what is good and evil whatever the circumstances', or whether this depends on the context. We are not convinced by the proposed relationship between individualism and moral relativism, nor the assumption that moral relativism equals or implies a lack of consideration for others. Moreover the data from the European Values Survey indicate the opposite of Hall's finding – while relativists outnumber absolutists, there has been in fact a clear decline in moral relativism and a rise in moral absolutism over the past twenty years (see the graph below). However we would not therefore suggest that somehow Britain is becoming less individualistic, merely that 'relativism' can't be used as a proxy for 'individualism.'



*Figures from British element of European Values Survey: 1980; 1990; 1999*

However there does seem to be potential in greater analysis of the role of specific values, for example individual self-reliance and social duty, etc., in contributing to or impeding the development of social capital. Hall looks at a number of 'moral' dilemmas such as whether people think it is ever justified to accept a bribe or cheat on their taxes. Whilst Hall shows an increase in self-regarding attitudes, we have found that the increase over the past 20 years is marginal. The one area where there is a noticeably change is that more people think avoiding paying a fare on public transport can be justified – which may reflect more on the level of service than on changing values. However we do believe that values are important, but that the trends and relationships between them are more complex than Hall suggested

Hall provides an insightful analysis of the social forces he thinks may explain the paradox regarding trust and participation. He focuses on the role of changing values and the impact of government policy on social change and individual attitudes. He also details the effect of a sense of economical prosperity on levels of interpersonal social trust, such that in economic downturns social trust declines. However he does not place an emphasis on the role of the market and the workplace in contributing to the changing nature of society and the frameworks within which people and communities live. The workplace is not only significant as a place where people form

meaningful connections, but also has a broader impact on social values and changes in society, and the promulgation of employment policies and practices.

In this vein, one of the trends that we consider important is change in the nature of work and the impact this has had on levels of financial and personal security and satisfaction. The late 80s and early 90s not only saw high levels of unemployment, and with it a challenge to people's understanding of job security, but also increases in self-employment, part-time work and temporary contracts (Galley, D., 2000). Along with this came reports of higher levels of stress (Galley, D., 2000). However between 1996 and 2001 levels of work related stress and concern over the work-life balance reduced amongst almost all working people (Gallie & Paugan, 2002). People on fixed term contracts were more likely to feel insecure in their work, but also reported greater job satisfaction (Matheson & Babb, 2002).

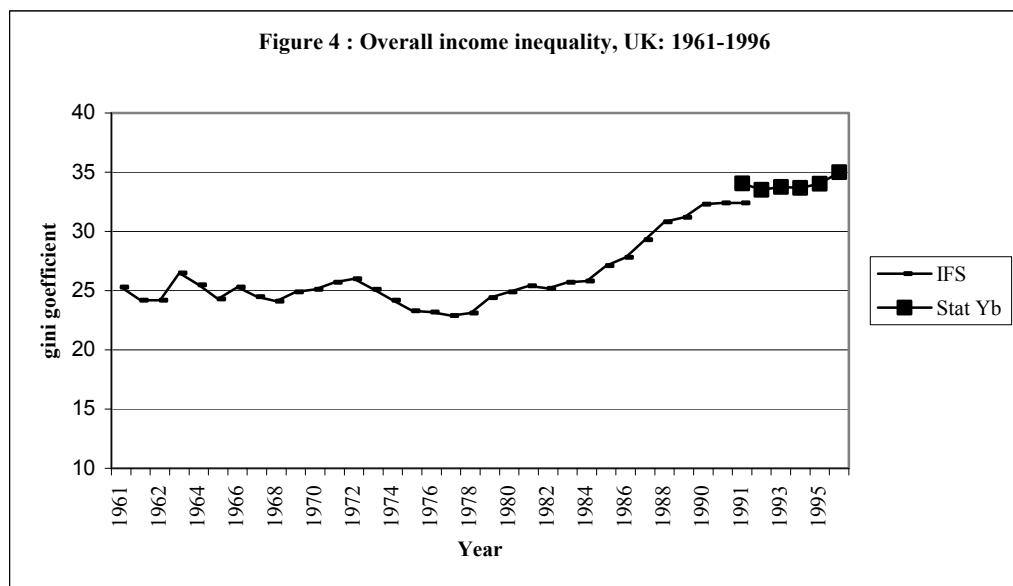
Similarly, during the period when social trust seems to have levelled out, dissatisfaction with life and psychological distress went down, and this is thought to be mainly associated with people shifting from unemployment into work (Gallie & Paugan, 2002). There are two main interwoven trends that have taken place: the economic upturn and reduction in numbers unemployed, and the changing perceptions of work as increasingly offering less security at the same time as providing more opportunities. There is a delicate balance between the opening up of opportunities and freedoms at work for individuals, and the economic climate and what Hall terms the 'national confidence effects arising from broader perceptions of the economy'. We would therefore argue that the changing nature of the work environment should be investigated more seriously when attempting to identify the causes of the changing levels of generalised social trust.

### **Inequality**

Inequality in Britain has increased considerably in the past twenty years. The increase in income inequality between the mid 1980s and early 1990s was over 20%, the largest percentage increase in any country surveyed, including the United States (Mule, 1998) In 1995 the UK had the highest level of inequality in the EU, but slightly lower than the US (British Social Attitudes Survey, 1986). Inequality increased most significantly during the 1980s; this is attributed concurrently to rising earnings and increased household unemployment, followed by a reduction in redistribution through the taxation system (Atkinson, 2000: p376). In the first half of the 1990s income

inequality stabilised, but in the latter part of the 1990s, inequality increased again (Matheson & Summerfield, 2001).

While the growth in inequality is dramatic, it is actually the *perception* of large and growing inequality that should provide the most direct link to the sharply falling levels of generalised social trust between 1990 and 1995. And in fact that is exactly what occurred. The British Social Attitudes Survey reports public perceptions that levels of poverty were increasing, and that there was a growing gap between rich and poor - particularly between 1990 and 1995 (We can reference the chapter by Hill? in last year's BSAS report)- Furthermore, evidence suggests that people in Britain generally value equity and are bothered by increases in income inequality more than in some other countries, especially the United States. (Alesina, Di Tella, & MacCulloch, 2001)



We propose that these increases in inequality are likely to affect the levels of social trust, and what used to be referred to as the sense of social cohesion. Uslaner suggests that it is harder to trust 'outsider' groups when there is greater inequality. In other words it is always easier to trust the people you know and can relate to as your 'own kind', but when there is increased inequality it becomes harder to trust those who are not your 'own kind'. You are also less likely to generalise your trust of people you know to those you do not know. We suggest that is it this form of trust that has decreased as income inequality has increased.

It is not only the people on the lower incomes who are adversely affected in some way, sometimes even the people who have gained financially may have experienced some disadvantages in other areas: "For many, increased income has come at the price of insecurity" (Barclay, 1995: p9). In addition Barclay goes on to argue that "Regardless of any moral arguments or feelings of altruism everyone shares an interest in the cohesiveness of society. As the gaps between rich and poor grow, the problems of the marginalized groups which are being left behind rebound on the more comfortable majority." (Barclay, 1995: p8). As well as affecting social trust, income inequality could also impact on social capital in terms of the nature of the relationships and networks between people.

It may be that the rise in income inequality has exacerbated class differences that had become less significant since the Second World War. Hall argues that the growing individualism in society and the shift away from more collectivist forms means that "social relations became less oriented around class divisions and more oriented to individual achievement" (Hall, 1999: p446). In fact our findings indicate the strongly resilient effect of social class and the increasing exclusion of many people from the forms of social capital that are most commonly conceptualised - engagement in voluntary associations and political engagement.

At the same time, it may also be the case that increasing individualism and a decreasing collective sense of mutual obligation are themselves contributing to growing inequality. Robert Putnam has suggested that when social capital is high, values of reciprocity and community will be strong, making both extremely high and extremely low levels of income socially unacceptable. In such a context, people will be embarrassed by having and displaying substantially greater resources than those around them, and at the same time be highly uncomfortable about others having very little. Anthony Atkinson also argues for the often neglected importance of social norms in reducing inequality (Atkinson, 2001). We think it plausible that high levels of social capital would likely constrain the extremes of income inequality, and further that the relationship between equality and social capital may be a reciprocal one (Aldridge & Halpern, 2002).

## **Discussion and Conclusion**

In contrast to Robert Putnam's claim that social capital in America is in decline, Peter Hall's assessment of the state of social capital in Britain is that it is on the whole robust one, with consistently high levels of social and political participation. He finds the dropping levels of social trust worrisome, as is the uneven distribution of participation, but finds reassurance in what seemed to be increasing levels of giving, and comparatively high levels of political participation.

Our analysis suggests a somewhat darker picture. With the withering of many active working class institutions over the past twenty years, formal participation is increasingly concentrated among certain (class based) groups – those who are active in everything. Its character is becoming increasingly commodified, chosen as a private good and negotiated at a distance without personal interaction. On the other hand, there are indications of new arenas in which ties and networks form – as well as traditional arenas that have been largely ignored. While expansion of education and active government support of participation – particularly in the past four years – may well have had an effect of encouraging participation, we would argue that the class based divisions which constrain participation remain deeply imbedded and result in significant drag to efforts to increase and broaden social capital. The distribution of participation is not a niggling concern – it is the main story, with important implications for social trust as well. The changing nature of working life and sharply growing inequality are coincident with the sharpest drop in trust in the post war period, very possibly undermining efforts to create links across society and a feeling of social cohesion. We are less convinced than Peter Hall that the state of social capital in Britain is indeed robust, and believe that 'old fashioned' concerns about inequality, social class, and workplace protections, may actually be critical to effective strategies to support the development of social capital.

We would conclude, contrary to Hall's analysis, that Britain indeed may have experienced a decline in 'social capital' strikingly similar to that of the United States. Hall argues that despite declining levels of generalised social trust, participation in associational life remains robust in Britain. We believe that if you look below the simple averages, there are two fundamental factors which undermine the

effectiveness of modern civic participation to generate trust across society. The first is the increasing concentration of participation - largely in the A,B, and C1 social classes. The second is the commodification of membership and volunteering, making it increasingly about private benefit, hollowing out its social meaning, and weakening its relationship with social capital. This was the end of a long period of political and policy commitment to individualism under the Thatcher and Major governments. It was also during this period that income inequality had grown significantly, and that the perception of inequality peaked in Britain.

A social divide that is strikingly absent from both Hall's and our own analysis is that between minority ethnic groups and the majority population in Britain. This is evident, not by an analysis of associational membership, but by the riots and violence in a number of different communities throughout the country during 2001 and by the concerns about institutional racism. This has coincided with public anxiety around immigration and at times media vilification of asylum seekers in Britain, but also in 'Fortress' Europe more widely. It would not be surprising to conclude that the public mood and media rhetoric would reduce levels of social trust within a racially diverse country such as Britain, though would not necessarily reduce levels of bonding social capital between people from similar backgrounds.

Both Britain and America again show similar apparent plateauing in levels of social trust in 1999. It is too early to tell whether this is an anomaly in an overall downward trend, or a point in a further increasing pattern. We would speculate that the 1999/2000 figures could in Britain reflect the general optimism of the period after the election of the Labour government, and the rhetorical shift from individualism to Third Way doctrines which explicitly embraced social concerns.

One of the elements that Hall highlights in his definition of social capital is the importance of relative equality among participants. Unlike America's mythology of a classless society, Britain's forms and arenas for participation have evolved in quite distinct - and class-based - directions. Upper classes were imbued with 'noblesse oblige' responsibilities. The middle classes dominated the practices and organisations dedicated to philanthropy, seen in Britain as selfless giving to those less fortunate. Both the practice of philanthropy and the term itself have been seen in the twentieth century as patronising, archaic, and exemplifying unequal social relations. (Beveridge, 1946, Wright, 2001) The working class tradition of mutual aid

organisations and trade unions was by contrast far more reciprocal and egalitarian, but these institutions were severely weakened and in some cases eliminated by the de-industrialisation and union busting of the past twenty years.

Finally, while Britain does have a long history of voluntary association and what Hall refers to as charitable endeavor, it is not entirely clear that these are the most salient arenas for the creation of networked relationships and bonds of mutuality and trust at this point in time. While it is tempting to apply the kinds of analysis to Britain that have been used in the US where the associational model is uniquely pervasive, it may not be the best or most accurate way to approach an assessment of the state of social capital in other social and cultural contexts. Compared to many places, Britain and America are relatively similar. Other contexts can be expected to differ to a much greater extent.

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