

# **Social Capital and Subjective Well-Being trends in Europe and Japan between 1980 and 2005**

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## **Abstract**

Discovering whether social capital endowments in modern societies have been subjected or not to a process of gradual erosion is one of the most debated topics in recent economic literature. Inaugurated by Putnam's pioneering studies, the debate on social capital trends has been recently revived by Stevenson and Wolfers (2008) contending Easterlin's assessment. Present work is aimed at finding evidence for the relationship between changes in social capital and subjective well-being in eight European countries and in Japan between 1980 and 2005. In particular, I would like to answer questions such as: 1) is social capital in Europe and Japan declining? Is such erosion a general trend of modern and richer societies or is it a characteristic feature of the American one? 2) can social capital trend help explain subjective well-being trend? In so doing, our research considers three different set of proxies of social capital controlling for time and socio-demographic aspects using WVS data between 1980 and 2005. My results are encouraging, showing evidence of a probable relationship between social capital and happiness. Furthermore, my results show that during last twenty-five years European and Japanese citizens have persistently lost confidence in the judicial system, in the church, in politics and in civil services.

**Keywords:** subjective well-being, life satisfaction, social capital, sociability, relational goods, Europe, Japan

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