How Persistent is Social Capital?

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Abstract

I analyze the persistence of social capital over the long term. To this effect, I look at regions which have experienced large-scale population displacements some 50-60 years ago: either in the aftermath of the WW2 or because of land-reclamation projects. As social capital is embedded in relationships, regions that were repopulated by migrants are likely to start off with little inherited social capital. My analysis suggests that, with a lag of approximately two generations, the inhabitants of these regions display similar stocks of social capital as their counterparts in regions unaffected by population transfers. Hence, contrary to the Putnamesque view, much of the present-day social capital appears to be formed in the recent past rather than attributable to long-term historical legacies.

Keywords: social capital, institutions, migration, population transfer.
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"人 走 茶 凉 , or *people leave and tea gets cold*[1]," Chinese saying.

1 Introduction

Social capital, informal norms of behavior that affect the quantity and quality of social interactions, is generally accepted as an important factor of economic and social development. Social capital helps overcome free riding and rent seeking, increases economic efficiency and thus fosters growth. Past research has shown that it is associated with a range of favorable economic and social outcomes. Empirical studies such as Knack and Keefer (1997), Whiteley (2000), Beugelsdijk and van Schaik (2005) and others find that high densities of trust and civic participation (two most common measures of social capital) are associated with higher economic growth. More broadly, Greif (1994) posits that common culture (defined broadly so that it encompasses various informal norms and institutions including social capital) in medieval societies reduced free riding and opportunistic behavior. Tabellini (2010) and Gorodnichenko and Roland (2010) make similar points.

In a particularly influential study, Putnam (1993) identifies social capital as the key factor behind the large economic and social differences between Northern and Southern Italy. Moreover, he argues that the different levels of social in North and South are due to the different historical experiences of the two regions. The South, in the wake of Norman conquest of Sicily and Naples in the 10th century, espoused autocratic feudal rule, which in turn discouraged trust and cooperative behavior. This lead to present-day low civic engagement and trust, rampant crime and corruption and low level of economic development. In contrast, the various kingdoms and city states of Northern Italy adopted relatively liberal form of government that encouraged wider participation of citizens in decision making and bottom-up rather than top-down regulation. While in the South wealth was derived from

[1] Rén zǒu chá liáng, literally translated as people go, cold tea.

owning land and controlling labor that worked on it, North became rich by engaging in commerce and finance, areas which crucially depend on trust, cooperation and reciprocity. In turn, this has laid foundations for economic growth and prosperity in the North and underdevelopment in the South.

Putnam's study suggests that social capital accumulates only slowly and is shaped by historical legacies: eight centuries of Norman rule has not be undone by the subsequent 150 years of Italian unification. This resonates also with evidence on other norms and institutions, whether formal or informal, which appear highly persistent over time. Acemoglu, Johnson and Robinson in their broad and varied research (see their 2005 overview for a summary) argue that institutions, and in turn economic development, in emerging economies were crucially shaped by the nature of colonial experience. The colonies with climate favorable to settlement by Europeans imported institutions prevailing in the home countries of the colonists. In contrast, colonies with inhospitable climates and rampant tropical diseases were given institutions geared towards profit maximization and facilitating wealth extraction. Similarly, Nunn (2008) finds that exposure to slave trade has had a lasting effect on West African countries, stretching well beyond the duration of the slavery period until the present. These institutions have remained in place also after independence and continue to affect economic development of these countries. Looking at European countries, Dimitrova-Grajzl (2007), Grosjean (2009), Roland (2010) and Becker et al. (2011) argue that present-day cultural norms and attitudes reflect long-term historical legacies. In particular, regions that used to belong to the main European empires (Prussian, Hapsburg, Russian and Ottoman) continue to display markedly different attitudes, beliefs and values, even several generations later. Such long-term historical legacies are even argued to dominate the impact of more modern (20^{th} century) developments (Roland, 2010). Finally, and perhaps even more strikingly, Voigtländer and Voth (2011) find that geographical patterns of pogroms against

Jews in medieval German lands during the Black Death epidemic in the 14th century strongly correlate with deportations and persecution of Jews and support for the Nazis 600 years later during the 1930s.

Hence, norms and institutions can persist over several generations or even centuries and, once established, may be very slow to change. This may translate into an important developmental disadvantage for countries that, for whatever reason, inherited poor institutions. In line with Putnam's study, social capital would appear to be one of such slow-moving institutions.

In this paper, I tackle the question of formation and regeneration of social capital over the long-term. To this effect, I utilize regions that, due to their specific historical circumstances, are likely to have inherited little or no social capital: areas that experienced large-scale population transfers in their not-too-distant past. Social capital is embedded in relationships and as such it cannot be easily portable. People who move are likely to lose most (if not all) of their pre-migration stock of social capital, unless their social environment moves with them. Moreover, informal norms and institutions may differentiate between members of one's own peers and strangers: old neighbors are usually seen as more trustworthy than new neighbors.[2] Therefore, regions that experienced large-scale population transfers should have very low stock of inherited social capital: in essence, they are starting anew, with a clean slate. Looking at inhabitants of such regions a few generations later can give us an indication how quickly is social capital rebuild.

The subjects of my study are individuals living in areas that experienced large-scale population transfers (expulsions and/or migrations) in the second half of the 20th century. Most of these transfers occurred in the aftermath of World War II. The most dramatic case is

[2] This is the basis of the often-made distinction between bonding and bridging social capital: the former applies to social ties and interactions between members of the same group while the latter considers ties to members of other groups (Putnam, 2000).

Poland: the Eastern and Western borders of this country moved by approximately 200 miles to the West. In the process, Eastern provinces of Poland were annexed by the Soviet Union, while Poland annexed the German provinces along its former Western and South-Western border as well as approximately half of East Prussia. The vast majority of the original ethnic Germans living in the annexed territories either fled or were forcibly expelled, to be replaced by Poles. Similarly, Germans were expelled from the Sudetenland area of Czechoslovakia while Italians were driven out or fled the Istria Peninsula and areas along the Dalmatian coast ceded to Yugoslavia (present day Slovenia and Croatia). Finally, the Dutch province of Flevoland was established in areas reclaimed from the sea and the vast majority of its inhabitants are immigrants from elsewhere in the Netherlands or descendants of such immigrants.

The key assumption underlying my analysis is that such large-scale expulsion and population transfers as experienced by these regions indeed destroy social capital. Unfortunately, no measures of social capital are available for the period in the immediate aftermath of these migrations. Nevertheless, this assumption is corroborated by Matějka (2008) who discusses the Czech Sudetenland region. He argues that the expulsion of Germans from Sudetenland and its repopulation by settlers with a wide range of backgrounds and motivations resulted in a very low initial level of social capital and a general sense of alienation. He suggests that only the children of the original settlers manage to overcome this legacy.

I outline the history of regions that experienced large-scale population transfers in the following section. In section 3, I introduce the survey data that I utilize to measure social capital in my analysis, which then follows in section 4. In the final section, I draw lessons from my findings and offer some tentative conclusions.

2 Brief History of Population Transfers in Europe

The final year of the World War II and the ensuing years were associated with massive involuntary population movements of Germans and, to a lesser extent, of other ethnic groups. It is estimated that over 12 million Germans were displaced during the last year of the war and in its aftermath (Prauser and Rees, 2004). In part, Germans were moving on their own accord, or were evacuated by the German authorities, in order to escape the advancing Soviet troops. Following the conclusion of the war, further expulsions of ethnic Germans resulted from the border changes agreed by the Allies in the Potsdam Agreement of 1945.

The most important reason for population transfer was the redrawing of the borders of Poland. The Postdam Agreement awarded Poland the parts of Germany lying East of the Oder and Neisse Rivers (the so-called Oder-Neisse Line): Posen, Pomerania, Silesia, the Free City of Danzig as well as the Southern half of East Prussia. While the annexed areas did have some Polish inhabitants (as well as members of other Slavic minority groups) already before the War, the bulk of the population were Germans. The vast majority of these, along with Germans from elsewhere in Poland, were subsequently expelled by the Polish authorities (some fled during the last months of the war on their own). It is estimated that 7 million Germans were resettled from the areas East of the Oder-Neisse Line annexed by Poland (Kamusella, 2004).[3] In the present territorial structure of Poland, the annexed territories correspond quite closely to the Dolnoslaskie, Lubuskie, Opolskie, Warminsko-mazurskie and Zachodno-pomorskie provinces while Pomorskie and Slaskie provinces consist both of annexed territories and those that already were part of pre-war Poland.

Poland did not only gain territory. It lost so-called *Kresy*, its Eastern provinces, which were annexed by the Soviet Union. This was due to the insistence by the Soviet Union to

[3] Additional 700 thousand were expelled from central Polad.

establish the post-war Soviet-Polish border on the Curzon Line (the demarcation line that was originally intended as the Russian-Polish border in the wake of the World War I but was later disregarded after the Bolshevik revolution in Russia and Polish territorial gains at Soviet Russia's expense). The population of the lost provinces was mixed – besides Poles, they were inhabited by Ukrainians, Belarusians, Lithuanians and (before the German occupation) Jews. However, the provinces of Lwów (now Lviv, Ukraine), Tarnopol (Ternopil, Ukraine) and Wilna (Vilnuis, Lithuania) were dominated by ethnic Poles. After the Soviet Union annexed them, most Poles living there were either forcibly expelled or compelled to leave by gradually intensifying repression.

The annexed territories were resettled by a mix of settlers from central Poland, Polish refugees and expellees from Kresy, ethnic Poles moving back to Poland from other countries, as well as ethnic Belarusians and Ukrainians from Central pre-War Poland (the areas not annexed by the Soviet Union which subsequently became the Eastern borderland). Around 5.3 million Poles (including members of the other West-Slavic groups) and some 150 thousand Ukrainians and Belarusians were thus resettled in the formerly German territories after the war (Kamusella, 2004). While the settlers from central Poland were voluntary, the resettlement of Polish refugees from Kresy was largely involuntary in that they were forced to leave by the Soviet government. Similarly, the removal of ethnic Belarusians and Ukrainians from areas close to the newly established border with the Soviet Union was enforced by the Polish authorities with the objective of accelerating their polonization. Furthermore, the members of ethnic minorities such as Kashubians, Masurians and Silesians, were allowed to stay. These were West-Slavic groups that used to live both in pre-war Poland and in the annexed territories. Although most of them were given the German nationality during the War (or already had it because the lived in pre-war German territory), unlike ethnic Germans they were not expelled.

Another area of large scale population transfer was the Sudetenland region of Czechoslovakia. Sudetenland is a label applied to the German-majority region alongside the borders of Czechoslovakia and pre-WW2 Germany which was annexed by Germany in 1938 following the conclusion of the Munich Agreement. A large part of the Czech population of the annexed territories left in 1938. The loss of Sudetenland effectively rendered Czechoslovakia defenseless in case of future German aggression: the Czechoslovak-German border, following mountain ranges, presented a significant natural barrier to invading forces and was also heavily fortified. Consequently, Czechoslovakia lost its independence in 1939 when the remainder of the Czech Lands was occupied by Germany and reconstituted as the Protectorate of Bohemia and Moravia while Slovakia became an independent state.

After the war, the vast majority of Germans were expelled to Germany or Austria: 3-3.5 million were forced to move in this way (Pykel, 2004). The expulsion of Germans was proposed by the Czechoslovak government in exile and, as in the Polish case, it was formally sanctioned by the Postdam Agreement. Sudetenland was subsequently repopulated by settlers from the rest of Czechoslovakia: besides Czechs, the settlers also included Slovaks as well as ethnic Roma and Hungarians from Slovakia and ethnic Czechs resettled from the Soviet Union (after several generations there). The resettlement was in part driven by economic opportunism: settlers were able to acquire ownership of properties and even personal effects abandoned by the expelled Germans who were allowed to take only limited possessions with them. Compulsion was also involved, in particular in the case of the Roma and Hungarians: the intention was to lower their regional concentration in Slovakia and to hasten their assimilation into the majority population. As Matějka (2008) recounts, this transplantation of people with very different background resulted in a persistent sense of alienation: for example, even after living in Sudetenland for many years, its residents were reluctant to call their region ‘home’.

In present territorial structure, the Sudetenland region corresponds to the Severozapadny (North-West) region as well as parts of Severovychodny (North-East) and Juhozapadny (South-West) regions.

Germans were also expelled from other countries following the conclusion of the war: Yugoslavia, Romania, Hungary and the Netherlands are notable examples. In these cases, however, neither the regional concentrations of ethnic Germans prior to expulsion nor the size of the resulting population transfer were comparable to the cases of Polish and Czechoslovak Germans.[4]

After World War I, Italy annexed the so-called Julian March (Venezia Giulia), a region encompassing Istria, some of the islands along Dalmatian coast as well as areas on the coast itself – which were until then controlled by Austria-Hungary. The population of these areas was mixed, with Italians living alongside South-Slavic peoples (mainly Slovenes and Croats). Following the war, Yugoslav troops occupied the Eastern and Southern parts of Venezia Giulia while British and American troops occupied the Western part. The status of the area remained unresolved for several years but eventually these lines of control largely turned into the permanent border between Italy and Yugoslavia. It is estimated that more than 200 thousand Italians left the areas annexed by Yugoslavia in the immediate aftermath of the war and again once the border was finally agreed in 1947 (Ballinger, 2011).[5] In contrast with the expulsions of Germans from Poland and Czechoslovakia, the Italian exodus was largely voluntary: the residents of the annexed areas were given the option to move to Italy (some

[4] Hungary was the only other country which, according to the Postdam Agreement, was expected to transfer its German population to Germany. Around 200,000 to 250,000 Germans left or were expelled, approximately half of their number there before the war, mostly from the area around Budapest, the capital (Apor, 2004). In Yugoslavia and Romania, the numbers of Germans who left, were forcibly expelled, killed or deported to the Soviet Union were in the hundreds of thousands rather than millions as in Poland and Czechoslovakia. The Germans in the Baltic countries, in contrast, mostly left already at the beginning of World War II when the Baltics were occupied by the Soviet Union.

[5] The status of the Trieste area remained disputed longer: the city itself was mainly Italian while the surrounding countryside was predominantly Slovene. Initially, it was to become the Free State Trieste but neither the Yugoslavs nor the Allies relinquished control of the parts that they held. Eventually, these parts were appended to Yugoslavia and Italy, respectively, in 1954.

moved already during the last months of the war, after massacres perpetrated against Italians by Yugoslav troops and guerillas). Besides Italians, some Slovenes and Croats who were unhappy with the communist regime used this opportunity to leave Yugoslavia as well.

In present territorial structure of Slovenia, the annexed parts of Venezia Giulia roughly correspond to the Goriška (Gorizzia) and Obalno-kraška (Coastal-Karst) regions. I do not include the parts of Julian March that are at present in Croatia in my analysis. This is for two reasons. First, the regional information on Croatia in the ESS is very coarse, which would not allow me to pinpoint the former Italian regions very precisely. Second, Croatia experienced large population transfers also relatively recently during its war of independence in the 1990s. Without pre-independence data, it would be difficult to distinguish the impacts of these two episodes from each other.

The final episode of a large-scale population transfer differs dramatically from the preceding ones in that it was not instigated by war but instead resulted from land reclamation in the Netherlands. The inland sea, the Zuiderzee, was closed off by a dam (Afsluitdijk) in 1932 as a flood control measure. This both protected the inland areas from the danger of flooding and allowed for parts of the resulting lake, renamed IJsselmeer, to be drained and reclaimed. This proceeded in three steps completed in 1942 (North-East), 1957 (East) and 1968 (South). The reclaimed area eventually became the province of Flevoland in 1986. With the exception of two former islands, Urk and Schokland (the latter of which was uninhabited since 1859), the vast majority of the province is therefore former sea bed. The current population, 388 thousand by 2009, is thus mainly composed of relatively recent immigrants and their descendants.[6] Moreover, the Dutch government sought to distribute the settlers from various regions evenly over the reclaimed areas rather than allow them to settle in villages dominated by populations stemming from the same region. One consequence of this is that

[6] The population of Urk, formerly an island, is approximately 20 thousand.

Flevoland is said to be the only province whose inhabitants speak the official version of Dutch rather than a regional dialect.

In summary, the analysis thus considers 16 regions that were affected by large-scale population transfers: seven in present-day Poland, three in the Czech Republic, two in Ukraine and likewise in Slovenia, and one in Lithuania and the Netherlands. The vast majority of these cases involved involuntary expulsion and/or flight of members of a particular ethnic group in the aftermath of the World War II, with the depopulated regions resettled by nationals of the victorious country. The resettlement, however, was only in part voluntary and some of the settlers were themselves forced or compelled to move. The only exception to this pattern of war-induced population transfers is the Dutch region of Flevoland whose settlement was the result of land reclamation rather than expulsion.

3 Measuring Social Capital

The objective of this paper is to see whether inhabitants of the regions that experienced large-scale population transfers some 50-60 years ago have lower stocks of social capital at present than their counterparts in unaffected regions. This addresses the question how is social capital formed and how quickly it can be regenerated if it is lost due to some shock such as migration. The shock considered in this paper is large-scale migration or population transfer. Those who move stand to lose much of their initial social capital and have to rebuild it anew at their destination, unless the entire community (or large part thereof) moves as a whole.

The analysis is based on the 4th wave of the European Social Survey (ESS henceforth) carried out in 2008-9 and covering 30 countries (besides EU/EEA countries, Turkey, Russia and Israel are also included). I consider the respondents' answers to the following three questions:

(1) Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?

(2) Do you think that most people would try to take advantage of you if they got the chance, or would they try to be fair?

(3) Would you say that most of the time people try to be helpful or that they are mostly looking out for themselves?

Answers to all three questions range from 0 (most people cannot be trusted, take advantage and look out for themselves) to 10 (most can be trusted, try to be fair and try to be helpful). Generalized trust (question 1) is a standard measure of social capital: trust encourages cooperation and reduces free riding. The remaining two questions reflect very similar concepts of fairness and cooperativeness. In all three cases, higher responses are thus associated with higher social capital. Given that the questions make no distinctions between the members of one group and others, these three questions measure bridging rather than bonding social capital.

The drawback of the aforementioned questions, however, is that they do not necessarily measure the respondent's stock of social capital but instead may reflect the average level of social capital in the respondent's relevant social environment. For instance, an individual can find others trustworthy without being trustworthy herself. Therefore, I also utilize the following three questions that reflect more directly the density and quality of the respondent's social contacts:

(4) How often do you meet socially with friends, relatives or work colleagues?

(5) Do you have anyone with whom you can discuss intimate and personal matters?

(6) Compared to other people of your age, how often would you say you take part in social activities?

The possible answers to question (4) are never, less than once a month, once a month, several times a month, once a week, several times a week, and every day. Question (5) is dichotomous, allowing the respondents to answer only no or yes. Finally, the answers to question (6) can be much less than most, less than most, about the same, more than most, and much more than most. Again, higher values reflect greater social capital. In contrast to the first three questions, however, the social capital captured by these questions may be more of the bonding rather than bridging type.

Table 1 summarizes the responses to these six questions across the 30 countries included in the analysis. A similar pattern appears with respect to all six measures: social capital is highest in Northern and North-Western European countries and lowest in South-Eastern and Eastern European countries. It is interesting to note that significant differences prevail also with respect to question (6) even though this question is constructed as being relative: the respondents are asked to compare themselves with other people of similar age.

The analysis is carried out by means of ordered logit, with the exception of question (5) which is analyzed by simple logit. The respondents who refused to answer any question used in the analysis or answered with 'don't know' are omitted. The regressions account for the respondents' socio-economic characteristics and include country-specific fixed effects. To assess whether inhabitants of regions affected by population transfers have lower or higher stock of social capital, I include dummies for these regions: Dolnoslaskie, Lubuskie, Opolskie, Warminsko-mazurskie, Zachodnopomorskie, Pomorskie and Slaskie in Poland, Severozapadny, Severovychodny and Juhozapadny in the Czech Republic, Goriska and Obalno-kraska in Slovenia, Lviv and Tarnopol in Ukraine, Vilnuis in Lithuania, and, finally, Flevoland in the Netherlands. If these regions inherited lower stock of social capital as a result of population transfers in the past, then the coefficients for these dummies should be estimated as significantly negative.

4 Long-term Impact of Population Transfers on Social Capital

Table 2 presents the results of baseline regressions controlling for respondents' individual socio-economic characteristics as well as for country fixed effects. The results are quite intuitive, similar across all six measures of social capital and also generally similar to the results of previous work on individual determinants of social capital (see Fidrmuc and Gërxhani, 2008). Age has a U-shaped effect on social capital: as individuals get older, their social capital first declines, before rebounding again. The individuals with the most negative opinion of others (questions 1-3) are those aged between 35 and 40. In contrast, the minimum social participation is observed at a much higher age, 70-85, thus implying that the profile of social participation is effectively declining with respect to age. Higher education is associated with greater stock of social capital and this social-capital premium is increasing with the level of education. Students have more social capital while those who are unemployed, inactive or sick/disabled tend to have less social capital. Retired persons are generally more distrustful of others but tend to be more socially active. Whether one lives in an urban or rural environment matters although the observed pattern differs somewhat between perceptions and social activities. Finally, most of the country effects (not reported) are significant, confirming that the differences in social capital across countries are large and cannot be attributed to differences in socio-economic characteristics.

Some respondents were born abroad or belong to an ethnic minority and the regressions also control for this: immigrants, whether first generation or their descendants, may acquire different stock of social capital than the indigenous/majority population. Both dummy variables appear with negative signs and are significant at least at the 10% level and often at 5% or stronger. Immigrants and minorities thus possess considerably less social capital than the general population. This negative effect at its weakest for generalized trust but is

particularly strong with respect to perceiving other people as being fair or helpful. One might expect that immigrants and minorities live in more closely-knit communities than the majority population but this does not seem to be the case: the negative gap is strongly significant not only for perceptions of others but also with respect to social activities.

Next, I add the dummy variables for regions affected by population transfers. These results are reported in Table 3. The coefficients estimated for these dummies show whether the level of social capital in these regions is any higher or lower than in other regions. Note that the regressions control for the respondents' individual characteristics as well as for the country fixed effects. The estimated coefficients thus show whether respondents in such regions have a lower stock of social capital than other respondents with the same characteristics living in the same country.

Remarkably, the vast majority of the coefficients for regions affected by population transfers are not even close to being significant. This pattern holds for all six measures of social capital. The only exception is Vilnius (Lithuania) whose dummy variable is significantly negative in four cases out of six. Furthermore, the coefficients estimated for the remaining variables are largely unchanged. Hence, it appears that, in general, the regions that experienced large-scale population transfers do not suffer by having lower stock of social capital than other regions.

That pattern is confirmed also by the last set of regressions reported in Table 4. Here the regional dummy variables are replaced by a summary dummy set to 1 for all regions affected by population transfers. This dummy variable is negative in most regressions, except for question (4). This seems to suggest that social capital in these regions may indeed lag behind other regions. However, the estimated coefficients are not significant except for question (3) (and question 4 for which the coefficient is significantly positive). Hence, there again appears little evidence that the regions affected by large-scale population transfers have lower stock of

social. By and large, such regions no longer seem to suffer any penalty in terms of lower social capital after a lag of approximately two generations.

5 Conclusions

Institutions have been shown to be remarkably persistent over time. This appears to be the case with formal institutions (Acemoglu et al, 2005), informal institutions, culture and beliefs (Dimitrova-Grajzl, 2007; Grosjean, 2009; Gorodnichenko and Roland, 2010; Roland, 2010; Becker et al., 2011) and even xenophobic attitudes (Voigtländer and Voth, 2011). Investment in social capital, likewise, appears to be shaped by historical legacies. Putnam (1993) makes this point very convincingly using the differences between Northern and Southern Italy. Paldam and Svendsen (2000), similarly, attribute the lower stock of social capital in the post-communist countries to the legacy of repressive authoritarian regimes. Dictatorship and repression, they argue, discourage trust and cooperation and thus destroy social capital (see, however, Fidrmuc and Gërxhani, 2008, who challenge this view).

The persistence of institutions, norms and attitudes can constitute a serious developmental obstacle: countries may find themselves locked in with inefficient institutions (or low stock of social capital) which in turn would serve to undermine their growth performance. In this research, I address the formation and inheritability of social capital over the long-term (generations rather than years). So far, little is known about how social capital is formed, how quickly it depreciates and how easily it can be rebuilt (nevertheless, for an attempt to address the issue of inheritability of social capital, see Veselý, 2008).

To investigate the question, I consider regions that, because of their specific historical circumstances, are likely to have seen their stock of social capital diminished or destroyed. These are primarily regions whose populations (or a large fractions thereof) have moved out

or have been forcibly expelled, to be replaced by in-migrants from elsewhere in the country. With social capital being imbedded in relationships between people, the initial stock of social capital after the population transfer is completed should therefore be especially low in such regions. I look at the levels of social capital in these regions some 50-60 years later, to see whether any evidence of the (presumed) initial social-capital gap can still be found.

The vast majority of the regions considered in my analysis are areas of Central and South-Eastern Europe that experienced large-scale population exchanges because of the border changes and population flows in the wake of World War II: Eastern regions of Germany ceded to Poland, Eastern Poland annexed by the Soviet Union (at present Lithuania and Ukraine), parts of Italy annexed by Yugoslavia (at present Slovenia), and the border regions of Czechoslovakia (currently Czech Republic) whose original inhabitants were forcibly expelled. In addition, I also consider the newly created Dutch province of Flevoland formed almost entirely on land reclaimed from the sea.

The results of my analysis suggest that some two generations after the population exchange/transfer, the residents of these regions do not appear to lag in terms of social capital behind their compatriots elsewhere. This is (at least indirect) evidence that the social capital that one possesses is largely acquired during one's lifetime and not inherited. This is an important result: it suggests that social capital that is destroyed by socio-political developments (wars, revolutions or through the actions of authoritarian regimes) or lost due to migration can be rebuilt relatively quickly. Furthermore, these results may be also taken as suggesting that the reasons for Mezzogiorno's underdevelopment may be more complex: the low civic participation and trust identified by Putnam as culprits may be effects rather than the causes.

As a byproduct, my analysis suggests that immigrants and members of ethnic minorities accumulate significantly lower stock of social capital than members of the majority

population with similar socio-economic characteristics. The persistent gap observed for foreign-born immigrants and ethnic minorities stands in stark contrast with the relatively fast catch-up experienced by the majority-population migrants repopulating other areas of their own country. Therefore, the lower levels of social capital acquired by immigrants are more likely to be due to their poor integration into the society at large and because of discrimination by the majority society than because of the fact that they have moved to a foreign country.

These findings also throw additional support behind the argument put forward by Fidrmuc and Gërxhani (2008) who argue that the low average levels of social capital in Eastern European countries (and in less developed countries in general) reflect these countries low level of economic development and poor institutional environment rather than a permanent legacy of social capital having been destroyed in the past. Once the conditions are favorable again for building social capital, such countries can catch up quickly and attain the stocks of social capital similar to those in more developed countries.

Finally, it is remarkable that the results differ little for regions where population transfers were the result of war and compulsion and for Flevoland, where they were voluntary and entirely non-violent. As dramatic and deplorable as war-induced population transfers are, they do not seem to leave scars that are any deeper than other population transfers.

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Table 1 Social Capital in Europe

	Trust People	People Fair	People Helpful	Meet Socially	Discuss Matters	Socially Active
Belgium	5.13	5.91	4.77	4.16	0.88	1.71
Bulgaria	3.43	4.28	3.13	3.87	0.88	1.97
Switzerland	5.70	6.37	5.58	4.22	0.95	1.71
Cyprus	4.58	4.86	4.39	3.25	0.89	1.69
Czech Republic	4.67	5.28	4.29	3.74	0.81	1.52
Germany	4.84	5.92	5.01	3.71	0.94	1.72
Denmark	6.92	7.27	6.20	4.42	0.93	1.95
Estonia	5.44	5.80	4.89	3.54	0.85	1.48
Spain	4.90	5.29	4.44	4.35	0.95	1.62
Finland	6.45	6.78	5.74	4.09	0.92	1.76
France	4.45	5.80	4.50	4.22	0.88	2.03
United Kingdom	5.27	5.68	5.62	3.99	0.92	1.73
Greece	3.92	3.68	3.32	3.21	0.92	1.83
Croatia	4.17	4.44	3.52	4.45	0.89	1.49
Hungary	4.15	4.62	4.31	2.76	0.93	1.44
Ireland	5.45	5.98	6.05	3.87	0.92	1.75
Israel	5.25	5.50	4.87	4.22	0.82	1.68
Lithuania	4.41	4.73	3.91	2.85	0.83	1.60
Latvia	4.12	5.27	4.98	3.69	0.83	1.49
Netherlands	5.89	6.33	5.45	4.42	0.92	1.85
Norway	6.62	6.89	6.04	4.48	0.93	1.94
Poland	4.17	4.90	3.67	3.28	0.89	1.57
Portugal	3.65	4.96	3.81	4.39	0.86	1.43
Romania	3.79	3.67	3.36	2.81	0.69	1.45
Russia	3.94	5.03	4.03	3.38	0.91	1.59
Sweden	6.35	6.66	6.10	4.38	0.92	1.94
Slovenia	4.32	4.99	4.82	3.49	0.92	1.62
Slovakia	3.99	4.58	4.07	3.57	0.87	1.47
Turkey	2.29	3.18	2.98	3.67	0.59	1.47
Ukraine	3.98	4.33	3.63	3.52	0.85	1.92
Average	**4.74**	**5.30**	**4.58**	**3.80**	**0.88**	**1.68**

Notes: The answers to the questions on generalized trust, perceived fairness and helpfulness (columns 1-3) range between 0 and 10. Meeting people socially takes values 1 through 7. Having someone to discuss personal/intimate matters takes values 0 and 1. Participating in social activities takes values 1 through 5. Higher values always indicate higher stock of social capital.

Table 2 Determinants of Social Capital

	(1) Trust People	(2) People Fair	(3) People Helpful	(4) Meet Socially	(5) Discuss Matters	(6) Socially Active
Male	0.052	-0.071	-0.083	0.104	-0.318	0.12
	(0.015)**	(0.016)**	(0.015)**	(0.016)**	(0.029)**	(0.017)**
Age	-0.007	-0.014	-0.014	-0.078	-0.035	-0.014
	(0.003)**	(0.003)**	(0.003)**	(0.003)**	(0.005)**	(0.003)**
Age sqrd	0.0001	0.0002	0.0002	0.0010	0.0002	0.0001
	(0.000)**	(0.000)**	(0.000)**	(0.000)**	(0.000)**	(0.000)*
Education 2	0.07	0.163	0.003	0.112	0.31	0.224
	(0.029)*	(0.029)**	(0.029)	(0.030)**	(0.046)**	(0.031)**
Education 3	0.222	0.268	0.061	0.112	0.531	0.42
	(0.028)**	(0.028)**	(0.028)*	(0.029)**	(0.046)**	(0.030)**
Education 4	0.277	0.324	0.083	0.108	0.718	0.466
	(0.053)**	(0.053)**	(0.054)	(0.055)*	(0.107)**	(0.057)**
Education 5	0.593	0.539	0.22	0.165	0.84	0.686
	(0.029)**	(0.030)**	(0.029)**	(0.030)**	(0.051)**	(0.032)**
HH Members	0.022	0.045	0.028	-0.066	0.098	-0.006
	(0.006)**	(0.006)**	(0.006)**	(0.006)**	(0.011)**	(0.006)
Employed	0.037	0.006	-0.016	-0.083	0.245	0.071
	(0.026)	(0.026)	(0.026)	(0.027)**	(0.051)**	(0.028)*
Student	0.309	0.228	0.17	0.609	0.349	0.475
	(0.035)**	(0.035)**	(0.035)**	(0.037)**	(0.082)**	(0.038)**
Unemployed	-0.26	-0.275	-0.246	-0.042	-0.209	-0.137
	(0.042)**	(0.042)**	(0.042)**	(0.043)	(0.074)**	(0.045)**
Inactive	-0.076	-0.121	-0.152	0.115	-0.152	-0.12
	(0.056)	(0.056)*	(0.056)**	(0.058)*	(0.094)	(0.060)*
Sick/disabled	-0.251	-0.295	-0.215	-0.23	-0.169	-0.697
	(0.046)**	(0.047)**	(0.047)**	(0.048)**	(0.075)*	(0.050)**
Retired	-0.119	-0.069	-0.071	0.065	0.122	0.001
	(0.033)**	(0.033)*	(0.033)*	(0.034)	(0.057)*	(0.036)
House Person	-0.011	0.035	0.002	-0.037	0.045	-0.077
	(0.023)	(0.023)	(0.023)	(0.023)	(0.045)	(0.024)**
Suburb	-0.04	-0.036	-0.078	0.032	-0.112	-0.025
	(0.029)	(0.029)	(0.029)**	(0.029)	(0.058)	(0.031)
Town	-0.065	-0.033	-0.079	0.061	-0.187	-0.067
	(0.021)**	(0.021)	(0.021)**	(0.021)**	(0.038)**	(0.022)**
Village	-0.032	-0.015	-0.005	0.109	-0.175	-0.055
	(0.021)	(0.021)	(0.021)	(0.021)**	(0.038)**	(0.022)*
Farm/house	-0.017	0.037	0.103	-0.016	-0.375	-0.213
	(0.039)	(0.039)	(0.039)**	(0.039)	(0.073)**	(0.042)**
Foreign born	-0.05	-0.124	-0.045	-0.232	-0.374	-0.29
	(0.028)	(0.029)**	(0.029)	(0.029)**	(0.050)**	(0.031)**
Ethnic minority	-0.042	-0.151	-0.105	-0.085	-0.182	-0.106
	(0.031)	(0.032)**	(0.032)**	(0.033)**	(0.052)**	(0.034)**

Constant					2.686	
					(0.155)**	
Country Effects	Yes	Yes	Yes	Yes	Yes	Yes
Observations	56677	56222	56528	56455	56067	55237

Notes: See text and notes to Table 1 for explanation of the dependent variables and their measurement. Significance levels: * 5%, ** 1%.

Education: omitted category is less than completed secondary education, (2) corresponds to lower secondary, (3) upper secondary, (4) post-secondary non-tertiary and (5) tertiary. Employment: question refers to what the respondent was doing during the last seven days, omitted category is 'other'. Residence: omitted category is bit city, included are suburb/outskirts of big city, town or small city, village, and farm or house in countryside. Foreign born and Ethnic minority are those who report having been born in another country and those who are members of an ethnic minority in the country of their residence, respectively.

Table 3 Determinants of Social Capital: Repopulated Regions

	(1)	(2)	(3)	(4)	(5)	(6)
	Trust People	People Fair	People Helpful	Meet Socially	Discuss Matters	Socially Active
Male	0.052	-0.072	-0.083	0.104	-0.319	0.12
	(0.015)**	(0.016)**	(0.015)**	(0.016)**	(0.029)**	(0.017)**
Age	-0.008	-0.014	-0.015	-0.077	-0.035	-0.014
	(0.003)**	(0.003)**	(0.003)**	(0.003)**	(0.005)**	(0.003)**
Age sqrd	0.0001	0.0002	0.0002	0.0010	0.0002	0.0001
	(0.000)**	(0.000)**	(0.000)**	(0.000)**	(0.000)**	(0.000)*
Education 2	0.069	0.163	0.002	0.112	0.31	0.224
	(0.029)*	(0.029)**	(0.029)	(0.030)**	(0.046)**	(0.031)**
Education 3	0.223	0.269	0.062	0.112	0.531	0.42
	(0.028)**	(0.028)**	(0.028)*	(0.029)**	(0.046)**	(0.030)**
Education 4	0.285	0.332	0.093	0.104	0.725	0.468
	(0.053)**	(0.053)**	(0.054)	(0.055)	(0.107)**	(0.057)**
Education 5	0.595	0.542	0.223	0.165	0.842	0.687
	(0.029)**	(0.030)**	(0.029)**	(0.030)**	(0.051)**	(0.032)**
HH Members	0.022	0.045	0.028	-0.067	0.098	-0.006
	(0.006)**	(0.006)**	(0.006)**	(0.006)**	(0.011)**	(0.006)
Employed	0.039	0.007	-0.016	-0.084	0.247	0.072
	(0.026)	(0.026)	(0.026)	(0.027)**	(0.051)**	(0.028)*
Student	0.308	0.228	0.17	0.609	0.348	0.477
	(0.035)**	(0.035)**	(0.035)**	(0.037)**	(0.082)**	(0.038)**
Unemployed	-0.256	-0.273	-0.246	-0.044	-0.205	-0.135
	(0.042)**	(0.042)**	(0.042)**	(0.043)	(0.074)**	(0.045)**
Inactive	-0.079	-0.123	-0.16	0.115	-0.158	-0.118
	(0.056)	(0.056)*	(0.056)**	(0.058)*	(0.094)	(0.060)*
Sick/disabled	-0.252	-0.296	-0.218	-0.229	-0.172	-0.695
	(0.046)**	(0.047)**	(0.047)**	(0.048)**	(0.075)*	(0.050)**
Retired	-0.116	-0.068	-0.071	0.064	0.123	0.002
	(0.033)**	(0.033)*	(0.033)*	(0.034)	(0.057)*	(0.036)
House Person	-0.01	0.035	0.001	-0.037	0.044	-0.076
	(0.023)	(0.023)	(0.023)	(0.023)	(0.045)	(0.024)**
Suburb	-0.048	-0.042	-0.084	0.033	-0.119	-0.024
	(0.029)	(0.029)	(0.029)**	(0.030)	(0.058)*	(0.031)
Town	-0.073	-0.04	-0.086	0.062	-0.193	-0.067
	(0.021)**	(0.021)	(0.021)**	(0.021)**	(0.038)**	(0.022)**
Village	-0.039	-0.02	-0.012	0.111	-0.176	-0.055
	(0.021)	(0.021)	(0.021)	(0.022)**	(0.038)**	(0.023)*
Farm/house	-0.023	0.034	0.097	-0.015	-0.378	-0.211
	(0.039)	(0.039)	(0.039)*	(0.039)	(0.073)**	(0.042)**
Foreign born	-0.05	-0.124	-0.044	-0.233	-0.375	-0.29
	(0.028)	(0.029)**	(0.029)	(0.029)**	(0.050)**	(0.031)**
Ethnic minority	-0.032	-0.141	-0.094	-0.089	-0.174	-0.107
	(0.032)	(0.032)**	(0.032)**	(0.033)**	(0.052)**	(0.034)**

Table 3 Determinants of Social Capital: Repopulated Regions (continued)

Flevoland	0.135	0.1	0.027	-0.116		-0.17
	(0.270)	(0.274)	(0.274)	(0.280)		(0.321)
Severozap	0.361	0.279	0.254	0.047	0.367	0.135
	(0.142)*	(0.143)	(0.142)	(0.135)	(0.222)	(0.146)
Severovych	0.062	0.076	-0.015	0.116	0.153	-0.194
	(0.112)	(0.109)	(0.109)	(0.107)	(0.161)	(0.114)
Jihozap	0.084	-0.096	-0.196	0.177	0.089	0.07
	(0.127)	(0.125)	(0.122)	(0.122)	(0.185)	(0.131)
Dolnoslas	0.19	0.138	-0.045	0.231	0.022	-0.208
	(0.173)	(0.174)	(0.170)	(0.177)	(0.319)	(0.182)
Lubus	0.12	0.093	-0.039	0.621	0.411	-0.077
	(0.290)	(0.328)	(0.311)	(0.303)*	(0.626)	(0.301)
Opol	0.398	-0.141	-0.453	-0.358	-0.459	-0.087
	(0.274)	(0.277)	(0.256)	(0.269)	(0.439)	(0.301)
Pomor	0.516	0.347	0.603	-0.036	-0.191	0.355
	(0.198)**	(0.200)	(0.197)**	(0.191)	(0.345)	(0.208)
Slaskie	0.046	0.018	-0.078	0.137	0.336	-0.206
	(0.128)	(0.131)	(0.129)	(0.127)	(0.270)	(0.137)
Warmmaz	0.063	0.472	0.358	0.351	0.129	-0.229
	(0.235)	(0.249)	(0.241)	(0.240)	(0.452)	(0.255)
Zachpom	0.366	0.122	0.17	0.069	0.765	-0.019
	(0.214)	(0.219)	(0.218)	(0.216)	(0.529)	(0.237)
Goriska	0.057	0.218	-0.428	-0.156	-0.224	0.146
	(0.206)	(0.205)	(0.210)*	(0.208)	(0.420)	(0.220)
Obalkras	-0.228	-0.112	-0.381	0.214	0.256	0.486
	(0.241)	(0.243)	(0.248)	(0.249)	(0.539)	(0.260)
Vilnius	-0.58	-0.511	-0.628	0.161	-0.403	0.053
	(0.094)**	(0.096)**	(0.094)**	(0.093)	(0.151)**	(0.098)
Lviv	0.306	0.406	0.035	-0.18	-0.537	0.085
	(0.215)	(0.196)*	(0.205)	(0.196)	(0.294)	(0.199)
Termopil	-0.5	-0.478	-0.351	0.433	-0.791	-0.315
	(0.259)	(0.268)	(0.267)	(0.269)	(0.379)*	(0.286)
Constant					2.69	
					(0.155)**	
Country Effects	Yes	Yes	Yes	Yes	Yes	Yes
Observations	56675	56220	56526	56453	56026	55235

Notes: See text and notes to Table 1 for explanation of the dependent variables and their measurement. Significance levels: * 5%, ** 1%. The abbreviated names of regions correspond to Dolnoslaskie, Lubuskie, Opolskie, Warminsko-mazurskie, Zachodnopomorskie, Pomorskie and Slaskie in Poland, Severozapadny, Severovychodny and Juhozapadny in the Czech Republic, Goriska and Obalno-kraska in Slovenia, Lviv and Tarnopol in Ukraine, Vilnuis in Lithuania.

Table 4 Determinants of Social Capital: Repopulated Regions, summary dummy

	(1) Trust People	(2) People Fair	(3) People Helpful	(4) Meet Socially	(5) Discuss Matters	(6) Socially Active
Male	0.052	-0.071	-0.083	0.104	-0.319	0.12
	(0.015)**	(0.016)**	(0.015)**	(0.016)**	(0.029)**	(0.017)**
Age	-0.007	-0.014	-0.014	-0.077	-0.035	-0.014
	(0.003)**	(0.003)**	(0.003)**	(0.003)**	(0.005)**	(0.003)**
Age sqrd	0.0001	0.0002	0.0002	0.0010	0.0002	0.0001
	(0.000)**	(0.000)**	(0.000)**	(0.000)**	(0.000)**	(0.000)*
Education 2	0.07	0.163	0.003	0.112	0.31	0.224
	(0.029)*	(0.029)**	(0.029)	(0.030)**	(0.046)**	(0.031)**
Education 3	0.222	0.268	0.062	0.112	0.531	0.42
	(0.028)**	(0.028)**	(0.028)*	(0.029)**	(0.046)**	(0.030)**
Education 4	0.278	0.325	0.086	0.106	0.719	0.466
	(0.053)**	(0.053)**	(0.054)	(0.055)	(0.107)**	(0.057)**
Education 5	0.593	0.539	0.22	0.165	0.84	0.686
	(0.029)**	(0.030)**	(0.029)**	(0.030)**	(0.051)**	(0.032)**
HH Members	0.022	0.045	0.028	-0.067	0.098	-0.006
	(0.006)**	(0.006)**	(0.006)**	(0.006)**	(0.011)**	(0.006)
Employed	0.037	0.006	-0.016	-0.083	0.245	0.071
	(0.026)	(0.026)	(0.026)	(0.027)**	(0.051)**	(0.028)*
Student	0.309	0.228	0.17	0.609	0.349	0.475
	(0.035)**	(0.035)**	(0.035)**	(0.037)**	(0.082)**	(0.038)**
Unemployed	-0.26	-0.274	-0.245	-0.042	-0.209	-0.137
	(0.042)**	(0.042)**	(0.042)**	(0.043)	(0.074)**	(0.045)**
Inactive	-0.076	-0.122	-0.154	0.116	-0.152	-0.12
	(0.056)	(0.056)*	(0.056)**	(0.058)*	(0.094)	(0.060)*
Sick/disabled	-0.251	-0.295	-0.216	-0.23	-0.169	-0.697
	(0.046)**	(0.047)**	(0.047)**	(0.048)**	(0.075)*	(0.050)**
Retired	-0.12	-0.069	-0.072	0.065	0.122	0.001
	(0.033)**	(0.033)*	(0.033)*	(0.034)	(0.057)*	(0.036)
House Person	-0.011	0.035	0.002	-0.037	0.045	-0.077
	(0.023)	(0.023)	(0.023)	(0.023)	(0.045)	(0.024)**
Suburb	-0.04	-0.036	-0.078	0.033	-0.112	-0.025
	(0.029)	(0.029)	(0.029)**	(0.029)	(0.058)	(0.031)
Town	-0.065	-0.034	-0.08	0.062	-0.187	-0.067
	(0.021)**	(0.021)	(0.021)**	(0.021)**	(0.038)**	(0.022)**
Village	-0.033	-0.016	-0.008	0.111	-0.175	-0.055
	(0.021)	(0.021)	(0.021)	(0.021)**	(0.038)**	(0.023)*
Farm/house	-0.017	0.037	0.101	-0.014	-0.376	-0.213
	(0.039)	(0.039)	(0.039)**	(0.039)	(0.073)**	(0.042)**
Foreign born	-0.05	-0.124	-0.045	-0.232	-0.374	-0.29
	(0.028)	(0.029)**	(0.029)	(0.029)**	(0.050)**	(0.031)**
Ethnic minority	-0.041	-0.15	-0.101	-0.088	-0.181	-0.106
	(0.031)	(0.032)**	(0.032)**	(0.033)**	(0.052)**	(0.034)**

Repopulated	-0.045	-0.047	-0.177	0.109	-0.04	-0.006
	(0.046)	(0.046)	(0.046)**	(0.045)*	(0.077)	(0.048)
Constant					2.686	
					(0.155)**	
Country Effects	Yes	Yes	Yes	Yes	Yes	Yes
Observations	56675	56220	56526	56453	56065	55235

Notes: See text and notes to Table 1 for explanation of the dependent variables and their measurement. Significance levels: * 5%, ** 1%.