ABSTRACT WORKING PAPER 5.2

SOCIAL CAPITAL, DEMOCRATIZATION AND ECONOMIC PERFORMANCE: EU, CANDIDATE AND NEIGHBORING COUNTRIES IN COMPARATIVE PERSPECTIVE

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The paper focuses on a comparative analysis of the social capital in combination with the level of democracy, institutional quality and global competitiveness of the European Union countries and its neighbors: According to position and experience in the Europeanization path, “Old” EU-15 countries, the 12 ‘new EU members, candidate countries and Eastern European Neighboring countries are compared both across and within these four groups. Three main components of social capital, that means generalized trust, public trust to politicians and elite compliance to legal and social norms are highlighted and compared to each other as well as to the levels of democratization, institutional quality and global competitiveness in each group of countries and single countries. Based on reliable data from the World Economic Forum (WEF), the World Bank, the UNDP and Economist Intelligence Unit, a methodological framework is elaborated, in order to test empirically, our main hypothesis: Social capital favors democratic and institutional performance, while it is, vice versa, also favored by democratic and institutional quality. In other words, there is a two-ways dynamic relation between social capital and democracy who mutually strengthen each other. Furthermore, that social capital and democratization strengthen economic performance and human development.