



CAN SOCIAL CAPITAL AFFECT SUBJECTIVE POVERTY IN EUROPE? AN EMPIRICAL ANALYSIS BASED ON A GENERALIZED ORDERED LOGIT MODEL*

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ABSTRACT

In a previous exploratory analysis of the 2009 EU-SILC survey and the Eurostat statistics database, the authors tried to reveal to what extent self-perceived poverty in Europe is associated with specific household socioeconomic characteristics and particular aspects of household/community social capital endowment, by means of a multiple correspondence analysis. Such an analysis has appeared to be a useful tool to disclose the primary risk factors of family poverty status and, in particular, it showed that self-perceived poverty (measured by the proxy variable "ability to make ends meet") is strongly associated not only with household socioeconomic characteristics, but also with the indicators commonly recognized as elementary proxies of household/community social capital endowment.

The aim of the present paper is to capture the effect of social capital on household subjective poverty. More precisely, a generalized ordered logit model is estimated, in order to highlight to what extent: a) self-perception of poverty in Europe is affected by the respondent/household socioeconomic characteristics and by household/community social capital endowment; b) probabilities corresponding to response categories vary according to different levels of predictors; c) differences among European countries in terms of self-perception of poverty may be related to different levels of social capital endowment.

The results are very encouraging and confirm that social capital could be used by local and central governments as a further key function, in addition to the traditional socioeconomic ones for planning poverty reduction policies .

Key words: subjective poverty, social capital, public policies, EU-SILC, generalized ordered logit model.

Classification JEL: I32, D10, I38

Working Paper n° 127
March 2014

*The present work has been developed within the research "Perception of poverty. Individual, household and social environmental determinants" led by Isabella Santini at SAPIENZA University of Rome, partially supported by 2010 Italian M.I.U.R. grants (prot. C26A10WW49).

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