



School of Economics and Management

TECHNICAL UNIVERSITY OF LISBON

Department of Economics

João Carlos Graça, Rafael Marques, João Carlos Lopes

***Beliefs, values and attitudes of Portuguese populations and
their relationship with human and social capital***

WP 26/2010/DE/SOCIUS

WORKING PAPERS

ISSN N° 0874-4548



Beliefs, values and attitudes of Portuguese population and their relationship with human and social capital

João Carlos Graça^{*1}, Rafael Marques*, João Carlos Lopes**

* ISEG, School of Economics and Management – UTL, Technical University of Lisbon, and SOCIUS, Research Unit on Economic Sociology and Organizations (ISEG/UTL)

** ISEG, School of Economics and Management – UTL, Technical University of Lisbon, and UECE, Research Unit on Complexity and Economics (ISEG/UTL)

Draft: do not quote without permission

1 Introduction

Studying economic values and beliefs and their relationship with attitudes and behavior has been common in most social sciences throughout the world, at least since the 1960s. However, Portugal remained very much outside this research program and, contrary to the majority of European countries or the United States, it still lacks a coherent and integrative research on economic values, beliefs and behaviors. On the other hand, the existing data (European and World Value Surveys, Eurobarometer or the Portuguese Statistics Institute) only offers a partial view of the individual's relationship with the economic system, namely consumer confidence or general ideas of trust. The studies already developed on this subject are normally restricted to the association of economic values and beliefs with socio-demographic characteristics, failing to include both the analysis of behaviors and the impact all these variables may have on economic performance indicators. The current study is intended as a first step towards a deeper comprehension of these phenomena.

¹ Corresponding author. E-mail: jgraca@iseg.utl.pt

The general purpose of this study was to describe and explain the economic values, beliefs and attitudes of the Portuguese population and how they were associated with behaviors linked to economic performance. The research was oriented to four main goals:

1 – The description and explanation of the formation of economic values, beliefs, attitudes and behaviors, based on questionnaire submitted to a national sample, stratified by regional areas.

2 – The identification of the existent linkages between these micro-sociological variables and regional and national economic performance (e.g. GDP, unemployment rates, inflation, investment, debt and wages).

3 - The exploration of the role of human and social capital as moderators between micro-sociological variables and a support for different types of economic values.

In this paper we explore the third goal, offering a tentative typology of economic values' support.

2 Theoretical framework

The study of economic values and beliefs and their relationship with attitudes and behaviors has a long tradition in social research. Political studies centered on the concepts of political and civic cultures (vg. Almond and Verba, 1965) paved the way to a large number of inquiries and surveys

that tried to establish a set of expected relations between these variables, according to the levels of political development of each country. The standardization of groups of questions and the construction of attitudinal scales has also enabled comparative studies and the constitution of data sets which can be mobilized to pursue the analysis of inter-temporal dynamics.

Human capital and social capital are central to this research. Schooling level, taken as proxy for human capital, is generally considered as one of an important set of predictors of socioeconomic attitudes. At the same time, the aggregate effects of the growth of human capital should be expressed in higher levels of development and be consistent with the emergence of less materialistic values. Human capital would be both a precondition for social and economic development in a particular society and a strong indicator of the emergence of a set of values associated with post-modernism and post materialist attitudes. Higher levels of education and training and the existence of a skilled and qualified workforce would be positively correlated with values and attitudes centered more on leisure and quality of life and less on monetary and economic issues.

Trust can be considered a proxy for the evaluation of social capital, even taking into account its obvious shortcomings. To start with, trusting others (the interpersonal basis of trust) as a general attitude is probably a poor predictor of economic activity.

Economic development is probably more correlated with high levels of institutional confidence than it is associated with a general feeling of trust towards significant others. It can be said that

economic endeavors are more dependent on a strong institutional backing and the existence of enforcing judicial mechanisms than on the presence of strong ties between economic agents.

Low levels of interpersonal trust can limit the number of relevant associations but do not make them impossible. However, in terms of values and attitudes, it can be considered that trusting others, and having a positive image of them, predicts stronger levels of support for some types of social and economic policies expressed in welfarist policies.

The urban-rural divide and the coastline-interior cleavage are taken as good explanatory devices of the uneven development of Portugal. Taking this into account, it makes good sense to assess if there is a differentiation of populations towards development, in terms of attitudes and evaluation modes, according to their spatial distribution.

In European terms, Portugal is a latecomer both in the transition to post industrialism and in the transition to a more developed polity. These transitions were made possible by the revolution of 1974 which created a new political system and a new economic order. In this context it is relevant to study if post materialistic values lag behind the socioeconomic transformations or, on the contrary, if they run on parallel tracks. Assuming the existence of parallel evolutionary stages of economic development and economic attitudes, it would be interesting to determine whether Portugal, as a post industrial society, has already evolved into a post materialist society according to its dominant values. The mismatch between the economic order and the values that are allegedly needed to support it can identify a situation of recalcitrant modernization or weak post industrialism in which high levels of traditionalism tend to reduce the impact of the

emerging post modern values. If this is indeed true we should expect the co-presence of values usually taken to be antagonistic and self contradictory espoused by the same groups.

In transition countries, the level of structural and behavioral coherence between values and the economic order should be lower than the one found in countries where the transitions are already consolidated. In social theory it is widely assumed that strong levels of consistency should be found between values and beliefs, and attitudes and behaviors. When it comes to the analysis of political or economic action, this presumed consistency is usually taken as the basis for constructing scales and typologies that mirror the left-right ideological divide. In this research we hypothesized exactly the opposite, expecting the presence of hybrid categories of values and individuals simultaneously espousing values usually taken to be contradictory, but that fit the inner logic of citizens facing transitional polities.

3. Empirical results

3.1 Sample construction and description

The sample was constructed, based on previous research (Pereira et al, 2008), obeying to a double idea of being representative at national level but also at a regional level, reflecting the wide development differences between Portuguese municipalities in economic, social and cultural terms. So, the sample was constructed in two stages – first by choosing the representative municipalities by way of four clustering instruments (rurality, accessibility, income, and renovation indexes), and then by choosing the individuals in each selected municipality, according to levels of education, income, profession type and other general socio-

demographic characteristics that mirrored the previously known municipal distribution. The total sample was divided in four clusters:

Cluster 1 was characterized by its low rurality, high accessibility, high income and medium renovation;

Cluster 2 was characterized by its medium rurality, medium accessibility, medium income, and medium renovation;

Cluster 3 was characterized by its high rurality, low accessibility, low income, and low renovation;

Cluster 4 was characterized by its medium rurality, medium accessibility, low income, and high renovation;

The global dimension of the sample used in this study was 926 individuals who responded to a written questionnaire that was presented between April and September 2009.

The gender composition of the sample was 593 women (64%) and 333 men (36%).² The minimum age of participants was 16 years old and the maximum 84 years old, with an average age of 34 (Standard Deviation of 11,9). The age distribution of participants is presented in Figures 1 and 2.

² This gender bias is not due to any *parti pris* taken by the research team, neither it is due to a particular objective of research. It is merely the consequence of a much higher rate of responses by female subjects.

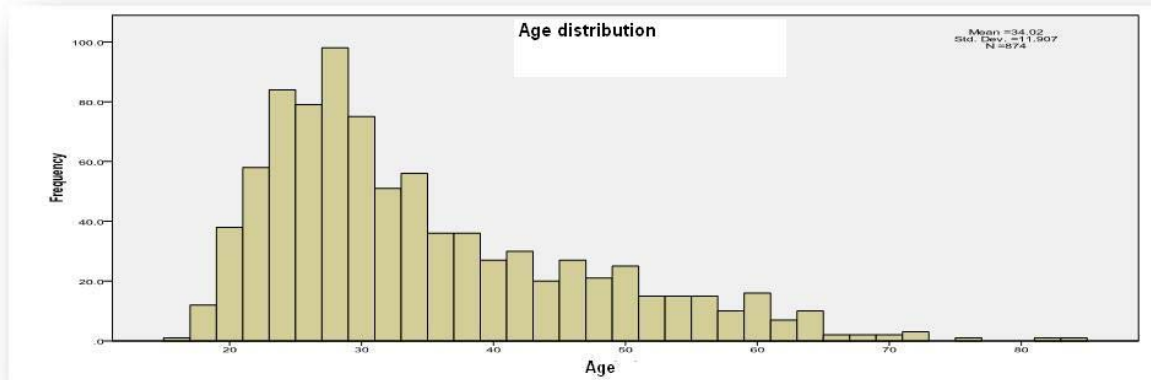


Figure 1. Age distribution in the sample (absolute frequency)

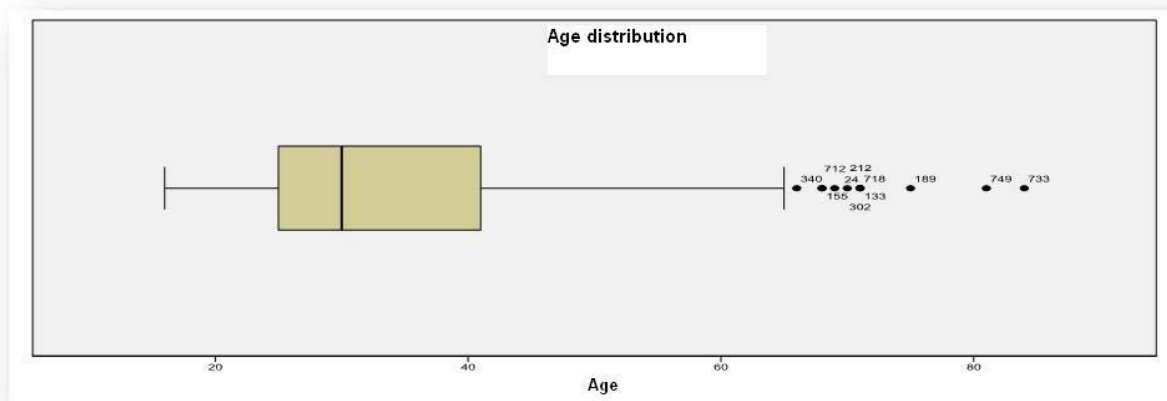


Figure 2. Age distribution in the sample (Box plot)

In these figures we can see that about one half of participants have ages between 25 and 40 years old and there are 11 outlier participants with ages above 65.

The school level of participants (see Figure 3) includes all the educational grades, from primary (6,4%) and preparatory (5,2%) teaching³, to post graduated studies (2,7%). Most of the participants have a complementary graduation, 10th - 12th grades (46%), followed by university graduation (20,3%) and secondary teaching, 7th - 9th grades (18,6%).

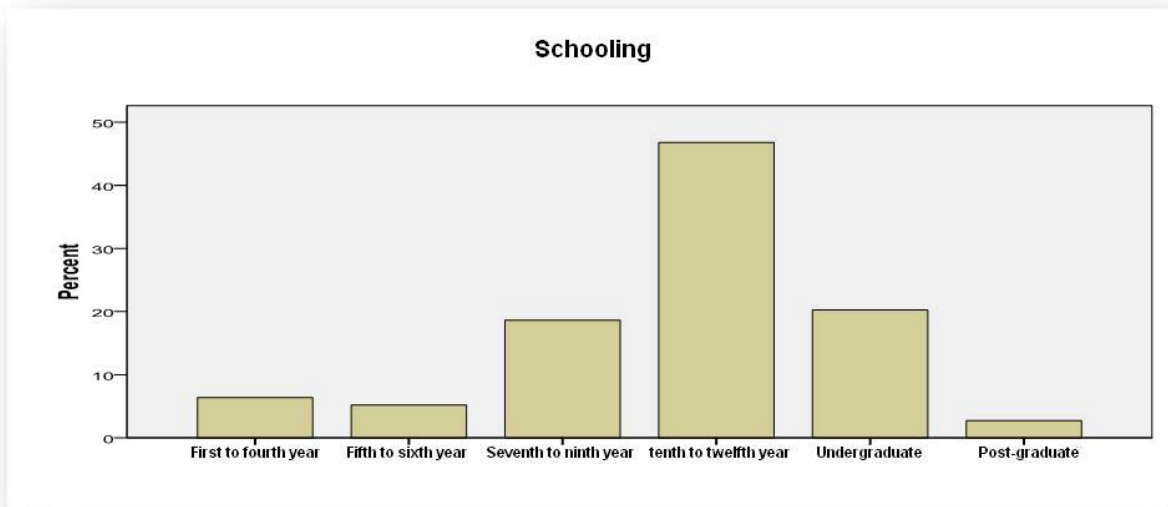


Figure 3. Relative frequency of participant's schooling

As we can see in Figure 3.4, about one half of participants described themselves as tertiary workers (42,4%), followed by secondary (19,6%) and primary (6,4%) workers. A significant part of individuals does not classify itself in any sector of activity (28,6%).

³ In Portugal, “primary” teaching corresponds to the first 4 years of formal schooling and “preparatory” teaching corresponds to the 5th and 6th years.

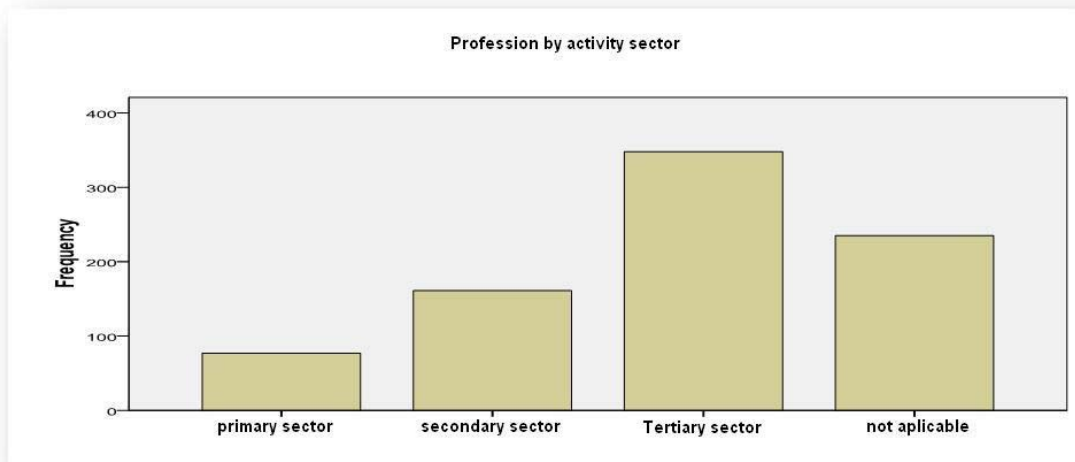


Figure 4. Absolute frequencies of participants by activity sector

Concerning the socioeconomic class (see Figure 5), participants reported to be mainly private (62,2%) and public sector employees (21,2%). The other individuals divided in self employed workers (5,5%), agriculture workers (2%) unemployed (2,4%), retirees (1,8%), students (1,6%), home workers (0,4%) and others (2,8%).

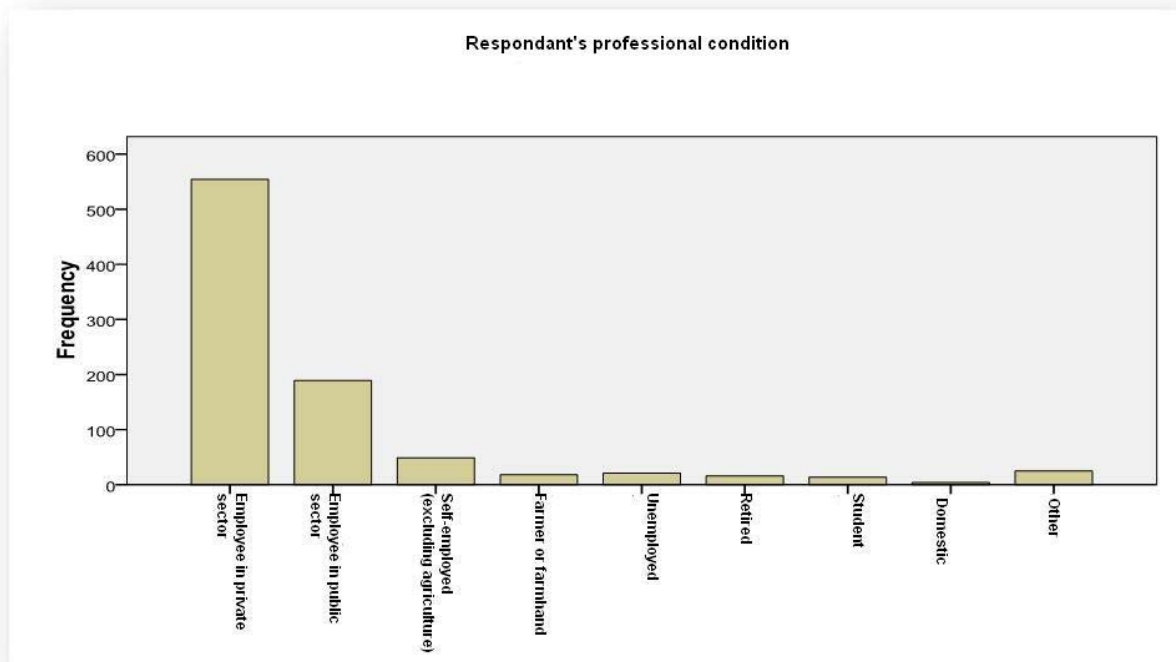


Figure 5. Absolute frequencies of participant's social class

However, a more detailed analysis comparing the sector of activity and the socioeconomic class of participants shows some discrepancies between these results, probably revealing ignorance about the precise meaning of these categories. In Table 1, we can see that home workers and students included themselves in sectors of activity. There are also seven unemployed persons and five retirees self-classifying in activity sectors, probably, but not for sure, in their corresponding previous jobs. Six agriculture workers attributed themselves to services and four n.a. (non applicable). Among the employees, 126 in private sector and 412 in public sector consider not applicable to them any category. This decision may be wrong and should correspond to the tertiary sector, but also about it is not possible to be completely certain.

	Employee in private sector	Employee in public sector	Self- employed (excluding agriculture)	Farmer or farmhand	Unemployed	Retired	Student	Domestic	Other	Total
Prim. Sec.	42	10	10	2	1	3	2	2	3	75
Seco. Sec	112	29	4	3	2	1	1	0	1	153
Terc. Sec	218	84	16	6	4	1	0	0	4	333
n.a.	126	41	10	4	13	9	10	2	16	231
Total	498	164	40	15	20	14	13	4	24	792

Table 1. Respondant's socioeconomic class

3.2 The Questionnaire

The questionnaire was built, taking into consideration previous research on the relationship between psycho-sociological variables and economic behaviour. More specifically, the questions resulted from the “Economic Values Inventory” (O’Brien and Ingels, 1987); the “Economic Beliefs Scale” (Leiser and Briskman-Mazliach, 1996); the “Economic Future Scale” (Furnham, 1997); the “Materialism Scale” (Belk, 1984); the “Money Attitude Scale” (Yamauchi and Templer, 1982) and the “Attitudes to Debt” (Lea et al., 1985). In terms of economic behaviour, questions were asked concerning savings, investments, consumption and credit use. Human capital was measured by education levels and social capital was proxied by general trust questions and associativity and perceptions of associativity.

3.3 Economic values and attitudes

One first point worth mentioning (see Figure 6) are the very high levels of both Egalitarianism and Anti-tax evasion, which in itself somehow tends to blur the significance of these variables: since everyone officially agrees in which concerns these questions, the results tend to be somewhat irrelevant. Next in importance, come the relatively high levels of support for welfare

state and business, while anti-system values and fatalism are comparatively weak. Even lower are anti price regulation and anti-unions values.

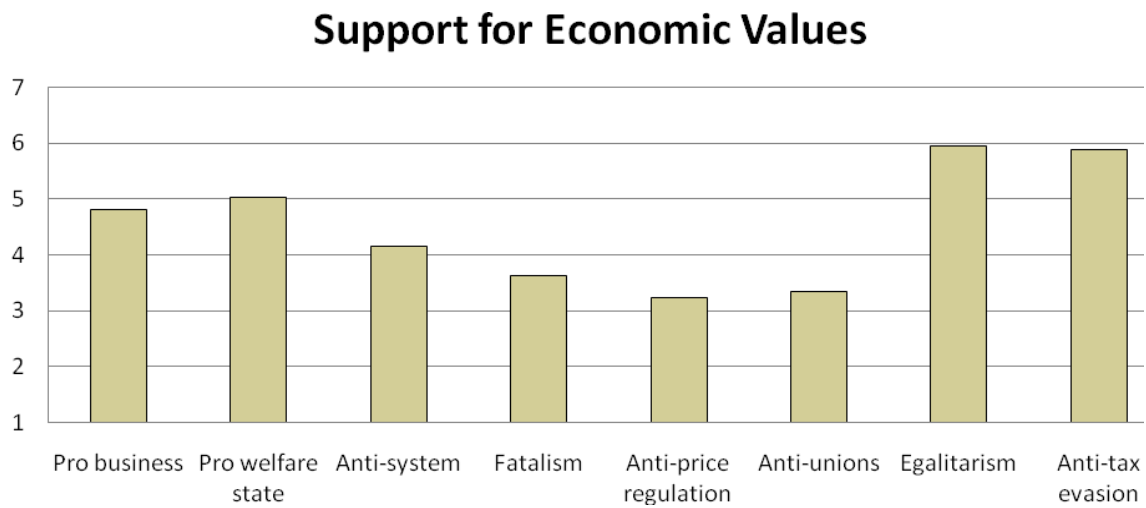


Figure 6: Support for Economic Values

Another aspect worth mentioning is the fact that a clear majority (around 75%) declares that they save while only a small minority (roughly 17%) claims to invest. This seems to indicate a strong element of risk aversion but also some lack of ability for personal financial management.

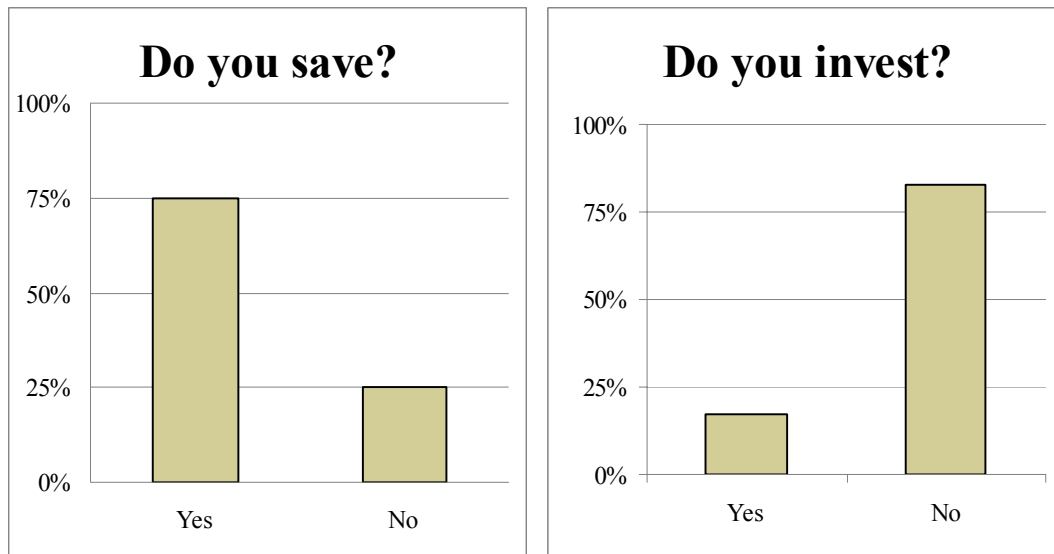


Figure 7: Saving and investing

In order to identify patterns concerning economic values and attitudes, we have proceeded to a statistical treatment (correlation analysis) of the answers given to the following questions (taken as proxies to the attitudes mentioned between parenthesis): 1 - Our society owes much to the contributions of business (Pro Business); 2 - It should be the duty of government to be sure that everyone has a secure and decent standard of living (Pro Welfare State); 3 - The unemployed shouldn't blame themselves for their situation; it's the economic system's fault (Anti Economic System) ; 4 - Getting ahead is mostly a matter of luck (Fatalism); 5 - It's not the business of the government to control prices (Anti Price Regulation) ; 6 - Unions are too powerful (Anti Trade Unions); 7 - We need a way to make incomes more equal in this country (Egalitarianism) ; 8 – People who avoid paying taxes hinder their fellow citizens (Anti Tax Evasion).

Correlations between Questions 1- 8.								
Q8	,077*	0,039	-0,014	-,076*	-,074*	-0,043	,240**	1
Q7	-0,013	,150**	,100**	0,031	-,100**	-,101**	1	
Q6	0,042	-0,057	0,061	0,058	,231**	1		
Q5	,089**	-,092**	,166**	,205**	1			
Q4	0,032	,115**	,342**	1				
Q3	0,04	,172**	1					
Q2	0,022	1						
Q1	1							
Q	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8

Table 2. Correlations between Questions 1-8

Considering the results shown on Table 2, we can identify groups of affinity, which are based in pairs of significantly correlated variables. The more striking cases are: a) anti economic system and fatalism (correlation coefficient of 0,342), which suggests a group we can call Hippies; b) egalitarianism and anti tax evasion (0,240), which is evidence of a group we call Levellers; c) anti price regulation and anti trade unions (0,231), pointing to a group of Free marketers; d) fatalism and anti-price regulation (0,205), suggesting the existence of a group we name True fatalists; e) 2 pro Welfare State and anti Economic System (0,172), a likely group of Welfarists; f) 3 anti economic system and anti price regulation (0,166), suggesting a group of Discontents. Notice that since these groups have been identified on the basis of pairwise correlations, they may be partly overlapping.

Worth highlighting are the considerably high positive correlations that variable 3 – anti Economic System has with several others, namely: fatalism; pro Welfare State; anti price regulation and egalitarianism. It has also a slightly negative correlation with anti tax evasion.

Some of the previously mentioned correlations are clearly compatible with conventional economic wisdom, viz egalitarianism with anti tax evasion or (in an opposite sense) anti price regulation with anti trade unions, while others indicate ambiguous inclinations, such as anti economic system with anti price regulation, if not clear incoherence, as in the case of anti economic system with pro tax evasion. These shifting levels of coherence may partly reflect different levels of economic literacy, but it is also reasonable to assume they express behavioral inconsistency of common people.

3.4 The importance of human capital

The influence of human capital (HC) in economic and social behavior is the subject matter of a long tradition of economic literature (Schultz, 1960; Becker, 1964, Savvides and Stengos, 2009). In this paper we consider human capital as formal education and quantify the correlations between HC and the eight variables mentioned above (see Table 3).

Correlation Questions/schooling								
Schooling	-0,052	-0,048	-0,197	-0,097	-0,134	0,003	-0,026	0,049
Q	Q1	Q2	Q3	Q4	Q5	Q8	Q8	Q8

Table 3. Correlations between Questions 1-8 and Schooling

The most relevant aspects to underline have to do with the fact that education correlates relevantly, if negatively, with anti price regulation, fatalism and anti economic system. If the last two correlations are expectable, the first one may be considered somewhat awkward.

The fact that all the other five correlations have values close to zero is also in itself relevant, although a bit of a disappointment for those assuming a strong importance of human capital.

3.5 The role of social capital/trust

More recently, the role of social capital has been consecrated as distinct field of research, originating an extended literature (Putnam, 1995; 2000). Here we consider social capital as measured while trust in others. Three levels of trust are identified: people of the same parish; people of the same municipality and people of the same country.

More vehemently than in the case of human capital, the main result we have come to indicate low levels of correlation of all three types of trust with the eight original variables, none of them statistically significant (see Table 4).

Correlations between Questions and varieties of Trust								
Trust 3	,014	-0,014	0,058	0,01	-0,039	0,044	0,022	0,037
Trust 2	0,042	0,018	0,06	0,026	0,021	0,016	0,052	,077*
Trust 1	-0,01	0,024	-0,002	0,047	-0,03	0,021	0,046	0,063
	Q8	Q7	Q6	Q5	Q4	Q3	Q2	Q1

Table 4. Correlation between varieties of trust and questions 1-8.

Although we must emphasize the fact that we have taken social capital strictly as trust, the results somehow infirm what one might expect based on the literature above. This aspect is reinforced by the fact that all three types of trust have close to zero correlation values with education (see Table 5).

Correlations between varieties of Trusts			
Trust 3			1
Trust 2		1	0,593
Trust 1	1	0,737	0,416
	Trust 1	Trust 2	Trust 3
Schooling	0,034	-0,043	0,008
Correl Trust/Schooling			

Table 5. Correlation between varieties of trust and varieties of trust with schooling.

However, as also shown in Table 5, all three types of trust strongly correlate with each other. This aspect may be assumed as expectable, notwithstanding the fact that some research lines have suggested a trade-off between trust concerning close and distant social circles.

4. Concluding remarks

As way of conclusion, we ought to recapitulate by remembering the considerable margins of incoherence detected in this study, concerning either the relationships between values and beliefs or the ones regarding attitudes and behaviors. Part of the explanation for that may indeed lie, as mentioned above, in the merely transitional character of Portuguese society, with only imperfectly post-materialist (or post-modern) traces. On the other hand, however, we can also deem how much these incoherencies may be analytically turned upside down, that is to say, taken as an expression of a “different” modernity, or of its specificities, and therefore appealing to a broader frame of analysis concerning the processes of change in which nowadays societies are involved at large, instead of simply be thought of as expressions of “transition”, i. e., weaknesses and incompleteness. Concerning this subject, it is surely worth mentioning the points made in classical study by Alexander Gerschenkron (1962), referring to the specificities of

processes of industrialization and economic development occurred after the British one. We must indeed, in many cases, enlarge and enrich our global vision of social processes, instead of merely expecting for the strict repetition of patterns, and despair or blame “backwardness” or “transition” when they simply do not emerge...

Within this context, an important element to consider is also the fact that the main categories we came up with in section 3.3. are mostly impressive ones, categories that so to speak “popped out” of the data rather than being previously prepared by us. However, the statistical treatment of these data remains rather preliminary, since we didn’t advance into cluster analysis. At any rate, the basic traces identified do really seem quite relevant: surprisingly high levels of egalitarianism and anti tax evasion sentiments, more modest support for both business and welfare state, quite low levels of anti-unions and anti price regulation dispositions.

One other aspect worth mentioning concerns the fact that we did not deepen into the regional-based study of our sample. As it was, we have limited ourselves to take a sample representative of the totality of Portuguese population according to the variables presented (see above), and considering the proportions of each identified region, but did not proceed to analyze the differences between the various regions.

Finally, one word recalling the patently ambiguous correlations identified concerning human capital and the rather innocuous influences that social capital apparently maintains with most traces of economic conduct. In spite of partly disappointing, these officially “blurred” results surely appeal to a reformulation of analytical frameworks allowing us to identify the really

relevant focuses, and proceed to the necessary recombination of ideas and judgments. Those will most certainly be goals of ours in research ahead.

Acknowledgments. We thank the research assistance of Cláudia Niza and Diogo Machado, as well as the generous cooperation of our colleague Helena Carvalho (CIES, ISCTE). The financial support of FCT (Pluri-annual funding program of SOCIUS and UECE) is grateful acknowledged.

References

Almond, G. A., Verba, S. (1965), *The Civic Culture*. Boston, MA: Little, Brown and Company.

Becker, G. (1964), *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education*. Chicago, University of Chicago Press.

Belk, R. W. (1984), "Three Scales to Measure Constructs Related to Materialism: Reliability, Validity, and Relationships to Measures Of Happiness", in *Advances in Consumer Research* Volume 11, eds. Thomas C. Kinnear, Provo, UT: Association for Consumer Research, Pages: 291-297.

Coleman, J.S. (1988), "Social capital in the creation of human capital". *American Journal of Sociology* 94, pp. 95–120.

Fukuyama, F., (1995), *Trust: The social virtues and the creation of prosperity*, Penguin, London.

Gerschenkron, A. (1962), *Economic backwardness in historical perspective, a book of essays*, Cambridge, Massachusetts: Belknap Press of Harvard University Press.

- Inglehart, R. (1997), *Modernization and Postmodernization*. Princeton, Princeton University Press.
- Lea, S. E. G., Webley, P. and Walker, C. M. (1995), "Psychological factors in consumer debt: Money management, economic socialization, and credit use", *Journal of Economic Psychology*, Volume 16, Issue 4, December 1995, Pages 681-701
- Leiser, D. and Briskman-Mazliach, R., (1996). "The economic model questionnaire", *Ben-Gurion University*, Beer Sheva.
- O'Brien, M. U. and Ingels, S. J. (1987), "The economic values inventory", *Journal of Economic Education*, 18, 7-17.
- Pereira, E., Pereirinha, J., Passos, J. (2008) Desenvolvimento de índices de caracterização do território para o estudo da pobreza rural em Portugal Continental, *Revista Portuguesa de Estudos Regionais*, 21: 1-30.
- Putnam, R. (1995), Bowling Alone: America's Declining Social Capital". *Journal of Democracy* 6 (1): 65–78.
- Putnam, R. (2000), *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon & Schuster.
- Savvides, A. and Stengos, T. (2009), *Human Capital and Economic Growth*, Stanford University Press.
- Schultz, T. (1960), "Capital Formation by Education", *Journal of Political Economy*, 68.
- Yamauchi, K. T., and Templer, D. I. (1982). "The development of a money attitude scale". *Journal of Personality Assessment*, 46(5), 522-528.