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Social capital and loneliness in welfare state regimes before and after the Global Financial Crisis: results based on the European Social Survey

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Abstract:

Our prime interest in this chapter concerns the concepts of social capital and loneliness in older people. The starting point is that both individual-level social capital resources and welfare state contexts are important in understanding loneliness. We study two commonly used aspects of social capital, structural and cognitive, and their association with absence of loneliness by analyzing the European Social Survey data for five different welfare regimes. We focus on two time points, one before and one after the Global Financial Crisis of 2008-2009. Our analyses suggest that there are differences in social capital, in terms of social contacts and trust, and loneliness between the five welfare regimes. A negative trend of social contacts was observed, whereas the results were mixed for social trust and loneliness. Social capital was associated with absence of loneliness; however, this association differed between welfare regimes. The findings are discussed within the framework of welfare state regime contexts.

Keywords: social capital, loneliness, welfare regimes, older people, European Social Survey (ESS)

Introduction

Considering worldwide demographic changes marked by rising proportions of older people, research and policy are increasingly interested in understanding how best to meet the needs of aging populations. This entails identifying resources that can contribute to extending the number of years lived in good health. Healthy aging is highly influenced by the social environment in which the older person lives, with social capital offering scholars a means to understand the relevance of the social environment for well-being. In this chapter we therefore focus on social capital and its meaning for improving overall well-being, such as absence of loneliness, in older people while acknowledging its individual- and macro-level predictors. While access to social capital is realized and distributed through welfare institutions, such as state, family and the market, we include a broad classification of welfare systems, i.e. welfare regimes, as a macro-level predictor of loneliness as well as a moderator between social capital and loneliness.

Since 2000, European governments have faced increasing financial pressures, implementing austerity policies that have increased pressure on state budgets and undermining economic and social security amongst older people. Such strategies might also have influenced the role of social capital in relation to loneliness, pointing to the need to assess change over time. The aim of this chapter is therefore to study the relationship between social capital and loneliness across different welfare regimes over time. We focus on two time points, one before and one after the Global Financial Crisis of 2008-2009.

The first section of this chapter lays out the theoretical framework, drawing upon theories on loneliness, social capital and welfare regimes. The second section outlines the source of evidence, with data drawn from the European Social Survey of 2006 and 2014. The final section discusses and summarizes the key findings.

Loneliness and social capital

Loneliness has been extensively studied in recent decades, with evidence pointing to a range of negative effects associated with being lonely, including poor physical and psychological health and increased mortality (Holt-Lunstad et al. 2015). Previous research has also identified multiple risk factors for loneliness, including female gender, advanced old age, low socio-economic status, and limited social resources, such as poor quality and quantity of social

contacts (de Jong Gierveld 1998; Pinquart and Sörensen 2001). Loneliness amongst older people in particular has become an issue of public concern, since societal and structural changes encompassing increasing proportions of older people, growing urbanization, the increasing spatial separation of family members, and growth of solitary living provide the potential for an increased prevalence of loneliness. However, contrary to assumptions, there is no clear picture of decreasing or increasing prevalence of loneliness over time at a population level (Dykstra 2009). For example, while loneliness rates have been stable amongst older people in The Netherlands (Honigh-de Vlaming et al. 2014), Sweden (Dahlberg et al. 2018, Nyqvist et al. 2017) and the UK (Victor et al. 2002), a small increase has been noticed in Belgium (Vanderleyden and Heylen 2007).

A growing body of evidence points to cross-national variation in loneliness rates in later life (e.g. Sundström et al. 2009; Yang and Victor 2011; Fokkema et al. 2012; de Jong Gierveld and Tesch-Römer 2012; Lykes and Kimmelmeier 2014; Hansen and Slagsvold 2015). In Europe, the focus of our study, a north-south gradient in loneliness has been found, with southern European countries tending to report higher levels of loneliness than northern countries. Further, higher levels of loneliness have also been found in Eastern than in West European countries (de Jong Gierveld et al. 2012; de Jong Gierveld and Tesch-Römer 2012; Hansen and Slagsvold 2015). It has been suggested that countries differ in cultural values and norms so that more family-oriented welfare societies, for example Spain, where interpersonal interaction with family is highly valued, as compared to more individualistic countries, such as Finland, where autonomy is valued, affect loneliness levels (Lykes and Kimmelmeier 2014). In countries with strong norms of familial responsibility, expectations of support may be higher than in countries with a more individualistic orientation. If these support expectations are not met, then the prevalence of loneliness might be higher.

Empirically, while loneliness seems to vary across space and groups of people, there is less evidence for variation in loneliness over time. It is nonetheless evident that the understanding of loneliness is complex and, as suggested by de Jong Gierveld and Tesch-Römer (2012), an integrative model including both micro- and macro-level factors should be considered when studying loneliness. The starting point in this study is, therefore, that individual-level characteristics, such as socio-economic status, health and social resources, are relevant in determining whether people feel lonely or not. While these issues have been extensively studied in past decades (de Jong Gierveld 1998; Pinquart and Sörensen 2001), the theoretical concept

of social capital has been under-researched (Litwin and Schiovitz-Erza 2011; Nyqvist et al. 2016) in comparison with related and distinct concepts of social networks and social support. Social capital is generally described as a social resource that can be used in explaining health and well-being inequalities (Islam et al. 2006). According to Putnam (2000), social capital is a public good and can be defined as “features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions” (Putnam 1993, p 167). Social capital includes both cognitive and structural components (Putnam 2000; Islam et al. 2006). While structural social capital describes the networks, relationships, and institutions that link people and groups together, the cognitive dimension reflects the values, trust, confidence and norms that characterize these relationships. In this chapter, we follow Putnam in viewing social capital as a resource that is acquired through involvement in social activities, i.e. structural social capital, which may foster cognitive social capital, including interpersonal trust.

However, individuals’ social resources might also be conditioned by welfare-institutional arrangements (de Jong Gierveld and Tesch-Römer 2012). Extensive social welfare provision for older populations through, for example, comprehensive pension systems or income maintenance programs, decreases the risk of an older person living in poverty and hence may increase the ability to be socially integrated. Further, the welfare state might also influence loneliness by supporting services that enable older people to interact socially and to engage in leisure activities. Welfare states could also address the cognitive component of loneliness by addressing equality and fairness in services provided to older people, which could in turn influence trust levels (Kumlin and Rothstein 2005). Trust is an important characteristic necessary in order to be able to interact with other people and to develop supportive relations. Individual social capital, including structural and cognitive resources, are thus formed in the exchange with a person’s welfare state context. The theoretical assumption is that in more redistributive welfare regimes, people are less dependent on individual social resources for health and well-being as compared to welfare regimes where health and well-being are to a greater extent dependent on family ties, the voluntary sector and the market. Our theoretical model is depicted in Figure 1.

-Figure 1 about here-

Putnam (2000) showed that the USA experienced a decline in social capital during the 20th century due to its changing demographic composition, increasing numbers of women in the workforce and increased mobility of families. While these findings have been supported by some research, other studies provide less support for the erosion of social capital in the US (e.g. Paxton 1999). In Europe, the evidence is also mixed and seems to depend on the measures of social capital that are used. The evidence is equivocal when it comes, for example, to interpersonal trust. Some studies report a decline in interpersonal trust after the economic crisis of 2008 in such countries as Sweden, Spain, the UK, Germany and Russia (Green et al. 2011; Kumlin et al. 2018). While The Netherlands reported a decline in trust from 2008 to 2010, trust levels returned to previous levels in 2013 (Kumlin et al. 2018). Sarracino and Mikucka (2017) reported an increasing trend in interpersonal trust between 1990 and 2012, especially in Denmark, Belarus and Switzerland, and a strong negative trend in Bulgaria, Slovakia and Ireland. Although the evidence suggests that social contacts differ across countries so that the Mediterranean countries, characterised by high familialism, usually report the highest levels of social contacts (Sheepers et al. 2002) in comparison with the Nordic countries (Kääriäinen and Lehtonen 2006), there is limited and ambiguous evidence regarding the impact of the Global Financial Crisis on social contacts in different welfare contexts (Reeskens and van Oorschot 2014). Divergent hypotheses, such as *crowding in* and *crowding out*, have been used as explanations concerning whether informal contacts can replace the role of welfare states in times of retrenchment. The crowding-out hypothesis suggests that generous and universal welfare states have negative impacts on informal social relations, since the welfare state is responsible for those in need and thus crowds out informal support networks. The crowding-in argument proposes that well-developed welfare states redistribute the resources necessary for social contacts to be developed and flourish. Although evidence generally suggests that comprehensive welfare states do not crowd out interpersonal trust (Rothstein and Stolle 2008), the crowding-out hypothesis has found some support when it comes to social contacts (Reeskens and van Oorschot 2014).

Welfare state change and its implications for loneliness in older people

The welfare state regime literature is closely linked to the work of Esping-Andersen (1990; 1999). Put simply, it argues that countries can be clustered on the basis of certain commonalities in terms of their welfare-institutional configurations and outcomes (Arts and Gelissen 2002; Kumlin and Rothstein 2005). While Esping-Andersen (1990) initially operated with three

regimes, the Social-Democratic, the Conservative and the Liberal regime, later endeavours added Eastern-European and Southern-European regimes (Hemerijck 2013). Consequently, this chapter operates with five European welfare state regimes: Nordic, Continental, Anglo-Saxon, Eastern-European and Southern-European.

Since the 1990s, European welfare states have been transformed by changing social needs, demographic aging and mounting economic challenges (Hemerijck 2013). For instance, some countries not formerly committed to public welfare services, such as Germany, have invested more intensely in public services to families and older adults as part of a social investment paradigm (Kuitto 2016; Morel et al. 2012; Nygård et al. 2015). However, they have also faced increasing financial strains due to higher unemployment, matured welfare commitments and faltering growth, especially during the period of economic crisis after 2008. Consequently, in the wake of the crisis, most governments have pursued austerity measures to restore fiscal balance through spending limits or expenditure and welfare cuts (Farnsworth and Irving 2015; Olafsson et al., 2019; Taylor-Gooby et al. 2017). This raises the question regarding the extent to which welfare commitments to older persons and notably services preventing loneliness may have been undermined during the recessionary period.

Traditionally, the *Nordic regime* has been characterized by high levels of state involvement in social welfare, although a trend towards greater marketization can be observed since the 1990s (Kuisma and Nygård 2015). It has combined individual social rights and substantial state involvement in social welfare, for example relatively generous pensions and universal provision of defamilizing public services (Bambra 2007), and is marked by relatively low levels of inequality and poverty amongst older people (Fritzell et al. 2012). This can also be expected to influence loneliness of aging adults, since universal welfare states – perhaps somewhat contrary to intuition – not only tend to foster high social capital, but also to facilitate social participation through an enabling welfare system (Kumlin and Rothstein 2005). However, with the exception of Iceland and to some extent Norway, these countries have responded to the crisis by cutting public expenditure (Farnsworth and Irving 2015), thus weakening the universal character of welfare states and increasing older people's exposure to loneliness.

Also the *Continental regime* combines extensive state involvement in social welfare with involvement of corporate actors, notably the churches and different NGOs. However, the focus on status-maintaining social rights (Esping-Andersen 1990), with relatively generous pensions

for ‘insiders’ and lower means-tested benefits for ‘outsiders’, and limited provision of public social services, has been linked to higher inequality and poverty levels in old age (Schludi 2005). Furthermore, the higher degree of familization in these countries (Bambra 2007), in combination with a less socially-enabling welfare state, would suggest that the prevalence of loneliness amongst older people is higher and conditioned by family ties. Many of the countries in this regime have maintained statutory obligations to provide for one’s older parents, something which intuitively would make loneliness also dependent on family networks. Also in this regime, effects of austerity measures and structural reforms to curb pension expenditures have been significant (Farnsworth and Irving 2015). This may have contributed to reducing the welfare state’s capacity to counteract loneliness amongst older adults.

The *Anglo-Saxon regime* has traditionally had a less-pronounced state involvement and relied more squarely on the market, for instance in terms of private pensions and services. Increasing reliance on privately-funded pensions, together with modest and means-tested public social benefits (Clasen 2005), has led to relatively high levels of inequality and poverty amongst older adults (Fritzell et al. 2012). We can also expect a higher prevalence of loneliness in older persons here, due to a less socially-enabling welfare state. However, the higher degree of familization in Ireland would suggest family ties have a greater conditioning effect on loneliness than is the case in the UK. We can also expect austerity measures to have been significant, especially in the UK, although successive governments have been reluctant to advocate cuts in state pensions for electoral reasons (Taylor-Gooby et al. 2017).

In the *Southern-European regime*, the family, local communities and the Catholic Church, with its principles of subsidiarity and humanitarianism, have generally played a more important role for social welfare than the state. Limited provision of public social services and modest pension benefits for older people has been linked to high inequality and widespread poverty (Ferrera 1996). The high degree of familization (Bambra 2007) in combination with a socially disabling welfare state would suggest the prevalence of loneliness to be highly, and perhaps exclusively, conditioned by family or other social ties. Although older people with a work history have generally received generous pensions in countries such as Greece, Italy and Spain, and some improvements were also made in public services prior to the crisis, cuts in healthcare and welfare services made during the crisis have undermined older people’s quality of life (Guillén and Pavolini 2017). These factors may also have weakened these welfare states’ capacity to prevent loneliness.

The *Eastern-European regime* consists of countries with highly divergent historical and institutional legacies, but with a half century of communist rule in common (Siegert 2009). They are characterized by a rapid transformation from universal social protection systems during communism to more differentiated regimes in the post-communist era (Aidukaite 2009). While the communist era largely implied modest benefits, albeit with broad coverage and public services for the whole population, the development after 1991 has been towards some corporatist elements, for example earnings-related pensions for some groups, mixed with liberal elements, such as means-tested benefits for older people. This points at considerable variation between countries in this welfare state regime in terms of welfare generosity and outcomes. While some countries, such as the Czech Republic or Poland, leaned towards a corporatist model, others, such as Hungary and the Baltic countries, have been more influenced by market-based elements (Saxonberg and Szelewa 2007; Aidukaite 2009). This also makes it harder to postulate commonalities regarding outcomes relating to loneliness. What may be of special interest here is not only the rapid transformation of society and the welfare state after the fall of communism (Siegert 2009), but also the shift to austerity that can be observed for many of these countries (Farnsworth and Irving 2015). This may have had a curtailing effect on social participation and a triggering effect on loneliness in older people, especially in countries with a marked transformation towards liberalism, such as Hungary or Lithuania, whereas predominantly Catholic countries with a more ‘continental’ form of social protection, such as Poland, would suggest loneliness in older people to be a lesser problem.

Acknowledging the critique of welfare regime theory, arguing that it is simplistic, gender-biased or overly static (Bambra 2007; Arts and Gelissen 2002; Baldwin 1996), it still can serve as a tool for dealing with the complexity linked to welfare-institutional configurations (Hemerijck 2013) and enabling assumptions on the role that such configurations play in the lives of older persons. This would be the case when more suitable alternatives for assessing country-level factors are absent, due, for example, to limited data availability (cf. Bryan and Jenkins 2015).

To sum up, a relatively complex social capital and loneliness picture has been discussed. Several studies suggest that the level of universalism has positive implications on interpersonal trust, while high levels of social contacts have been found in less-developed welfare states. Although previous studies have shown a strong relation between social capital and health

(Kawachi et al. 2008), few studies have acknowledged the significance of the broader institutional context, i.e. welfare regimes, for the maintenance of social capital and its potential for health and well-being in later life, including the absence of loneliness. In this study, we follow a different course than most previous analyses and evaluate welfare states' impact in improving overall well-being amongst older people, here measured as the absence of loneliness. We argue that welfare states have an important role in promoting national populations' happiness, health and wealth (Rothstein and Stolle 2008). Consequently, "absence of loneliness" rather than loneliness can be used as the appropriate indicator. Our focus on older people is motivated by previous research, which demonstrated greater benefits of social capital for older rather than younger people (Muckenhuber et al. 2013). Moreover, the prevalence of loneliness is higher amongst older people (Dykstra 2009), suggesting that loneliness may be particularly relevant for studies in this age group. It has been argued that social capital is under threat due to the pressure of modernization (Putnam 2000), including higher levels of individualism, and this may be aggravated further by European nations' austerity programs (e.g. Blyth 2013). Indeed, aspects of social capital have declined in many western countries, although divergent trends have been noticed for both interpersonal trust and social contacts across European countries.

This study aims, therefore, to assess social capital and the absence of loneliness amongst older people across European welfare regimes between 2006 and 2014 and to investigate the influence of social capital on loneliness. Based on previous theoretical discussion and research, while we expect relatively stable levels of absence of loneliness across the two time periods, we hypothesize divergent trends in social capital across time and welfare regimes. Although we expect absence of loneliness to vary across welfare regimes, so that older people in more universal welfare regimes report higher levels of absence of loneliness, we expect to find weaker welfare regime effects in 2014 as compared to 2006 due to changing welfare state contexts in times of economic crisis. Finally, we anticipate that the effect of social capital on the absence of loneliness varies across welfare regimes and also across the two time periods. Our theoretical expectation is that in welfare regimes traditionally marked by generous welfare supports older people are less dependent on individual resources for the absence of loneliness as compared to other regimes where absence of loneliness may to a greater extent be conditioned by family and other social ties.

Methods

The data source is the European Social Survey, ESS round 3, 2006, and round 7, 2014. These waves were selected since they help to monitor the levels of loneliness and social capital, respectively, in different welfare states before and after the Global Financial Crisis. The samples are representative of each country's adult population resident within private households, and the response rates varies between 30% and 70% in each country and wave. The countries participating in the third and seventh round of the ESS (with sample size for individuals aged 60 and over in parentheses for 2006 and 2014) were: Austria (512/538), Belgium (457/506), Denmark (480/452), Estonia (460/710), Finland (595/796), France (542/641), Germany (813/997), United Kingdom (780/853), Hungary (554/681), Ireland (439/790), The Netherlands (554/588), Norway (410/402), Poland (369/481), Portugal (840/525), Slovenia (391/418), Spain (485/553), Sweden (526/622), and Switzerland (585/443), thus making a total of 20,789 individuals aged 60 and over. Complete information on the survey is available from <http://www.europeansocialsurvey.org>.

Loneliness was used as an outcome variable and is measured with the single-item question: "how much of the time during the past week did you feel lonely?" The response alternatives were "none or almost none of the time", "some of the time", "most of the time", and "almost all of the time". The response alternatives "some of the time", "most of the time", and "almost all of the time" were collapsed into one category.

We selected social contacts, i.e. structural social capital, through the question: "how often do you meet socially with friends, relatives or work colleagues?" The response alternatives were "low" (never, less than once a month), "moderate" (once a month, several times a month) and "high" (once a week, several times a week, every day). Interpersonal trust or the cognitive aspect of social capital was measured with the question: "would you say that most people can be trusted, or that you cannot be too careful when dealing with people?" The original response categories, which ranged from 0 (you cannot be too careful) to 10 (most people can be trusted), were divided into three: low (0-3), moderate (4-7) and high (8-10) trust.

The 18 countries were divided into five welfare regime types: "Anglo-Saxon" (Ireland, UK), "Continental" (Austria, Belgium, France, Germany, Netherlands, Switzerland), "Eastern-Europe" (Estonia, Hungary, Poland, Slovenia), "Nordic" (Denmark, Finland, Norway, Sweden), and "Southern" (Portugal, Spain).

The analyses were also adjusted for relevant control variables, such as gender, age, education, self-rated health and living situation. Living situation included the categories: “lives with wife/husband/partner” or “does not”. In the ESS, participants were asked to state their highest level of education achieved and included three categories: “primary” (less than lower secondary; lower secondary), “secondary” (upper secondary, post-secondary), and “tertiary” (lower and higher). Self-rated health was assessed with the question: “How is your (physical and mental) health in general?” The five-graded response scale was dichotomised into “good” (“very good”, “good”) and “poor” health (“fair”, “bad” and “very bad”).

Data analyses

The association between social capital and the absence of loneliness was analyzed using multivariate logistic regression, treating the welfare regime variable as a fixed effect. The results were presented as odds ratios (OR) and their 95% confidence intervals (CI) for 2006 and 2015, respectively. To test whether possible associations between social capital variables and absence of loneliness varied in different welfare regimes, joint effects with welfare regime and each social capital variable were calculated, which correspond to models that include both the main effect and the interaction effect. The effects were estimated in separate models for each joint effect, adjusting for age, gender, educational level, living situation and self-rated health. Design weights and population size weights were applied, as recommended by the Weighting European Social Survey Data manual. The statistical program IBM SPSS statistics, version 24, was used for the analyses.

Results

Descriptive characteristics for social capital variables and loneliness are reported in Table 1. We report significant changes in social capital and loneliness across the welfare regime types between 2006 and 2014.

-Table 1 about here-

While countries clustered in the Southern regime have high levels of social contacts amongst older people, older people in the Nordic regime report high levels of interpersonal trust as compared with other regime types (Table 1). Countries in the Eastern regime have the lowest levels of social contacts. In 2006, older people in the Eastern regime reported the lowest levels of interpersonal trust. However, due to a pronounced decrease in Portugal and Spain, older people in the Southern regime reported the lowest levels of interpersonal trust in 2014. The Anglo-Saxon and Continental regimes are somewhere in between. Further, absence of loneliness is more frequent in the Nordic, Continental and Anglo-Saxon regimes than in the Southern and Eastern regimes.

With the exception of the Continental regime, trends regarding *social contacts* were negative in the various welfare regimes, however, at a non-significant level in the Nordic regime. The most visible decline occurred in the Anglo-Saxon regime. When assessing the countries individually, while the trend was most negative in Estonia followed by Ireland and Hungary, a positive trend was noticed in Sweden, Belgium, Germany and Slovenia.

A mixed pattern was identified for *interpersonal trust*. The trend was especially positive in the Continental regime. While countries clustered in the Southern regime reported a decline, countries in the Anglo-Saxon regime reported mixed results. An increase in interpersonal trust in the UK contrasted with a decrease in Ireland.

The *absence of loneliness* indicator showed a positive trend between 2006 and 2014, an exception being the Anglo-Saxon regime. The most visible change occurred in the countries clustered in the Southern regime. While a negative trend was reported in Ireland, Hungary and France, rather flat trends were exhibited in Belgium and Sweden.

Tables 2a and 2b show results from the multivariate logistic regression models of absence of loneliness amongst older people in Europe in 2006 and 2014.

-Tables 2a and 2b about here-

In all models, social contacts and high interpersonal trust were significantly associated with the absence of loneliness. Moderate interpersonal trust was associated with absence of loneliness in 2006. Although moderate trust was associated with absence of loneliness in model 2 in 2014,

the association lost its significance in model 3 when welfare regimes were added to the model. The estimates for social contacts were somewhat lower in 2014 than in 2006.

We estimated the effects of welfare regimes in model 3 in Table 2a and Table 2b. The odds for absence of loneliness were significantly higher especially in the Nordic, but also in the Anglo-Saxon and Continental regimes, than in the Southern regime in both 2006 and 2014. However, while the odds for the absence of loneliness were significantly higher for the Eastern regime compared with the Southern regime in 2006, in 2014 the odds were lower, although not on a statistically significant level. Further, the estimates of the welfare regimes decreased in 2014, implying a weaker influence of welfare contexts on the absence of loneliness in 2014 than in 2006. Including the welfare regimes significantly ($p < .05$ based on likelihood ratio test) improved model fit in both 2006 and 2014, but the improvement was smaller in 2014.

Finally, estimates for the joint effects of welfare regime and each social capital variable in 2006 and 2014 are presented in Table 3

-Table 3 about here-

More frequent social contacts were positively associated with absence of loneliness in all five welfare regimes in 2006. However, in 2014, social contacts were statistically significant only in the Anglo-Saxon, Eastern and Southern regimes. Expressing high interpersonal trust was associated with absence of loneliness in the Continental, Eastern and Southern regimes in 2006. In 2014, the association was no longer significant in the Eastern regime. The association between social capital and absence of loneliness was weaker in the Nordic, Anglo-Saxon and Eastern regimes in 2014 than in 2006. However, in the Continental and Southern regimes, the association between interpersonal trust and absence of loneliness was strengthened, and also for social contacts in the Southern regime.

Discussion and conclusions

We conclude the chapter by bringing together the main findings, discussing the results and suggesting ideas for future research. Our starting point was that both individual-level social capital resources and welfare state contexts are important in understanding loneliness amongst older people, an assumption confirmed in our results. Social contacts and interpersonal trust

were associated with absence of loneliness. Older adults, especially in the Nordic, Anglo-Saxon and Continental regimes, felt less lonely than those in the Eastern and Southern regimes. Our hypothesis suggested relatively stable levels of loneliness across time and our results showed somewhat higher levels of absence of loneliness in 2014 than in 2006. We also assumed that the role of welfare contexts in explaining the absence of loneliness might have changed due to the Global Financial Crisis of 2008 and the resulting recession, putting welfare states under pressure to adjust their institutional arrangements. The results suggested a somewhat weaker influence of welfare regimes in 2014 than in 2006. We also assumed that the influence of social capital on the absence of loneliness might vary across welfare regimes and across the two time periods. The results revealed that the influence of social capital on absence of loneliness did indeed differ across welfare regimes and across time periods. However, a rather mixed picture emerged, with both increasing and decreasing trends. These main findings will be discussed next.

Although the main focus of this study was on the relationship between social capital and absence of loneliness across two time periods, the erosion of social capital in modern societies has been extensively discussed in the literature (Putnam 2000). Consequently, we assessed changes in two measures of social capital in our initial analysis. Overall, while a negative trend for social contacts was observed, trends for interpersonal trust were more mixed. The *crowding-out* hypothesis has previously found some support when it comes to social contacts with family and friends (Scheepers et al. 2002), suggesting that welfare states with comprehensive social and health policies release individuals from obligations towards family, friends and neighbors. However, when Eastern European countries are included in the research (Kumlin et al. 2018), they usually report lower levels of contacts, which again supports the idea that social contacts are promoted in developed welfare states equipped with generous and universal social policies, an exception being the Southern regime. It is likely that the negative trends in social contacts between our study periods might arise from individualization and modernization processes, such as the rise of information and computer technology (e.g. Beck and Beck-Gernsheim 2002; Putnam, 2000). While meaningful contacts with family, friends and neighbors are important for well-being, these types of networks have also been in transition in late modern society where traditional sources for social integration are less self-evident for realizing one's ambitions. Also, the way in which older people interact socially have changed (Hunsaker and Hargittai 2018) and this might not be reflected in our analyses of social contacts.

Theoretically, social contacts and interpersonal trust are connected and, even if Putnam (2000) argued that social participation fosters trust, alternative explanations have been emphasized suggesting that trust is a prerequisite for being socially engaged (Hooghe and Stolle 2003). One could, therefore, argue that negative trends in social contacts imply negative trends in interpersonal trust. This was observed for the Anglo-Saxon regime and for the two countries clustered in the Southern regime, whereas the Eastern regime in particular reported divergent trends, so that a negative trend was observed for social contacts and a positive trend for interpersonal trust. There seems thus to be no uniform trend across European regimes. Nonetheless, the countries clustered in the Nordic regime have been described as highly trusting (Kumlin and Rothstein 2005) and this was also shown in our analyses for both study years. Previous research suggests that universal welfare institutions enhance trust in both state institutions as well as social trust towards other people in general, whereas means-testing and selective programs undermine trust (Rothstein and Stolle 2008). Social trust is, therefore, empirically related to good governance. In our study, the Eastern and Southern countries were usually placed in the category of low-trusting countries. An exception in our data was Estonia, which reported high trust levels in both study years in line with Switzerland and Austria. A clear decline in trust was noticed for Spain and Portugal in the Southern regime as well as Ireland in the Anglo-Saxon regime, countries that were severely hit by the 2008 Global Financial Crisis. Although some previous research suggests a positive correlation between economic performance and trust (Knack and Keefer 1997L; Neira et al. 2009), other studies report mixed trends when assessing social trust before and after the crisis. (Kumlin et al. 2018; Sarracino and Mikucka 2017).

Notwithstanding such points, the main focus of this study was on the relationship between social capital and absence of loneliness. Although we analyzed resources for the absence of loneliness, we confirmed the established findings of previous studies focusing on other well-being measures such as happiness, quality of life and life satisfaction (Helliwell et al. 2014). We confirmed that individual social capital resources, such as social contacts and interpersonal trust, are closely related to absence of loneliness. We also explored an integrative model of loneliness by including welfare regime types, explaining the influence of contextual factors one becoming lonely or not in 2006 and 2014.

According to our findings, the association between social capital and absence of loneliness is not independent of welfare regimes, with the moderating effect of welfare regimes varying

across time periods. In general, the impact of welfare regimes on the absence of loneliness decreased slightly between 2006 and 2014. This might suggest that a weakening capacity of welfare states to prevent loneliness of older people through different social programs. The evidence also points to some signs of convergence, especially for the Anglo-Saxon and Continental regimes. Our results also indicate that social contacts and interpersonal trust are important resources for the absence of loneliness in the Southern regime in both study periods, and it seems that the association has somewhat strengthened in 2014. It seems logical to assume that the countries clustered in the Southern regime that were severely hit by the economic crisis after 2008 continue to be highly dependent on individual social resources for the absence of loneliness. A similar strengthening effect was observed in the Continental regime for interpersonal trust. Traditionally, these regimes have shown higher degrees of familialism (Esping-Andersen 1999), suggesting that well-being is conditioned to a higher degree by various social resources rather than welfare supports provided by the state. According to our results, social capital resources have become even more important for the absence of loneliness in recent years in these two regimes. Whether this has to do with increasing inequality arising from cuts in state welfare provision, higher need of family support or other factors should be assessed in future studies.

In addition, the Nordic regime is still a forerunner when it comes to social investment as well as compensatory policies targeted towards older people (Kuitto 2016), indicating that older people in the Nordic countries are less dependent on individual resources for their well-being. Contrary to what might be expected, an impact of social contacts on absence of loneliness was observed in the Nordic regime in 2006 but not in 2014. According to some sources, social contacts should have become more important for the absence of loneliness in 2014 as state support has been cut in welfare services, public transport and other measures supporting older adults' welfare. We can only speculate whether the change is related to changes in individual social expectations towards family and friends, quality of living conditions or level of social integration in society in general (de Jong Gierveld and Tesch-Römer 2012). This issue needs further theoretical and empirical clarification. The results for the other regime types revealed a rather complex picture. While higher frequency of social contacts was associated with loneliness in the Anglo-Saxon regime, in the Eastern regime loneliness was associated with moderate frequency of social contacts. Moreover, interpersonal trust was associated with absence of loneliness in 2006 in the Eastern regime, but not in 2014. Although the inclusion of two time points is an advantage over existing cross-sectional studies, future work would

nonetheless benefit from the inclusion of more time points over a longer overall period to reveal a more detailed picture of any fluctuating trends across welfare regimes.

To conclude, the evidence in our study suggests that social capital continues to be an important resource for absence of loneliness amongst older people in Europe. We have also shown that the welfare state has a tangible impact on this aspect of well-being and that, according to the measures reported here, the economic crisis did have a slightly weakening although not devastating well-being impact. The relative high state involvement in social welfare in the Nordic welfare regime seems especially successful in enhancing well-being amongst older people.

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