

The long term effects of networks in Putnam

The long term persistence of network effects: from “historical civicness” to economic development

- Putnam et al. (1993) noted the **persistence of the differences in civic community** across regions over the centuries.
- “By 1904, for example, Piedmont had more than seven times as many **mutual aid societies** as Puglia, in proportion to population. By 1915, **cooperative membership** per capita was eighteen times greater in Emilia- Romagna than in Molise.”

The long term persistence of networks

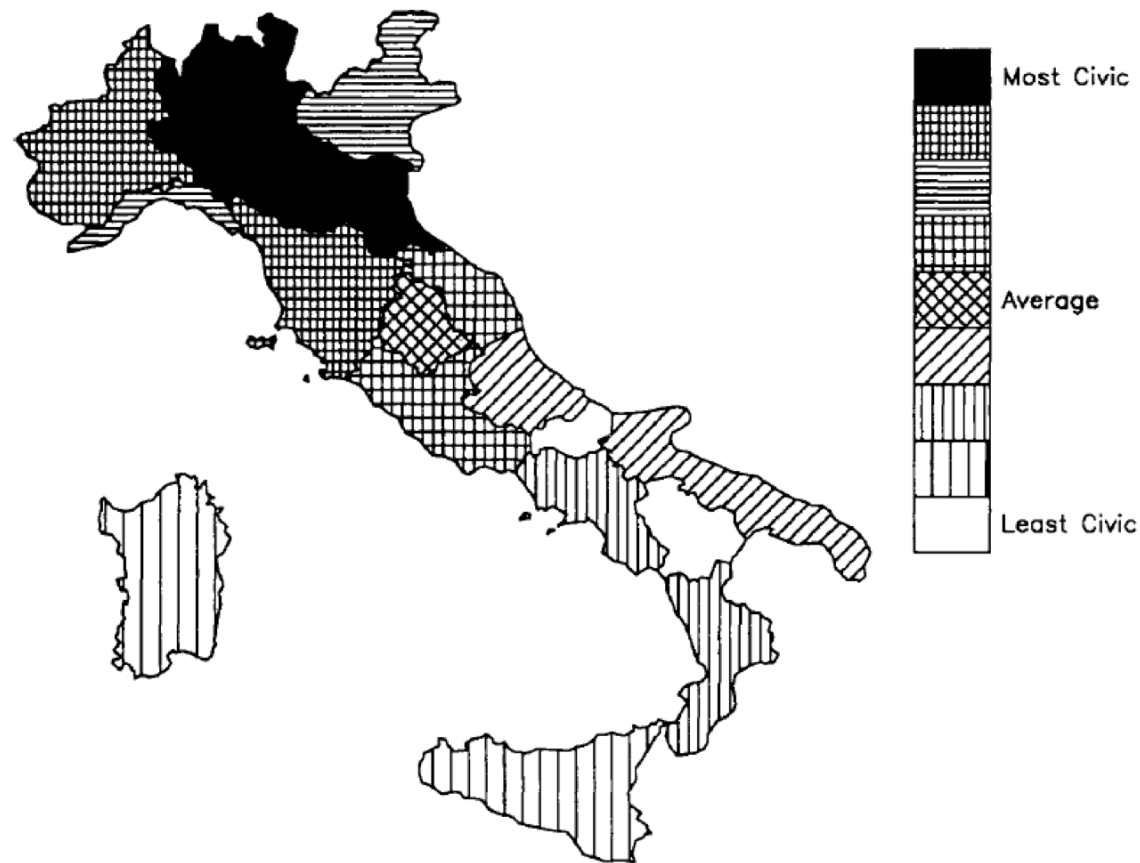
- “These regional concentrations depended in turn on the **pre-existing traditions of collaboration and sociability**.
 - 1) Often an ancient guild (i.e. **medieval association of craftsmen or merchants**, often having considerable power) found reincarnation in...
 - 2) a “**pious society**” in the eighteenth century,
 - 3) which in turn evolved into a **mutual aid society**,
 - 4) which encouraged the formation of **social cooperatives**,
 - 5) which subsequently formed the basis for labor unions and mass-based political parties” as well as specific types of voluntary organization.

The long term persistence of network effects: from “historical civicness” to economic development

- The authors retrieved the following indicators of civic engagement in the late nineteenth century:
 - **Membership in mutual aid societies;**
 - **Membership in cooperatives;**
 - **Strength of the mass parties;**
 - **Turnout in the few relatively open elections before fascism brought authoritarian rule to Italy;**
 - **The longevity of local associations.**
- And, again, Putnam et al. (1993) combined them into a single factor score, representing nineteenth-century traditions of civic involvement.

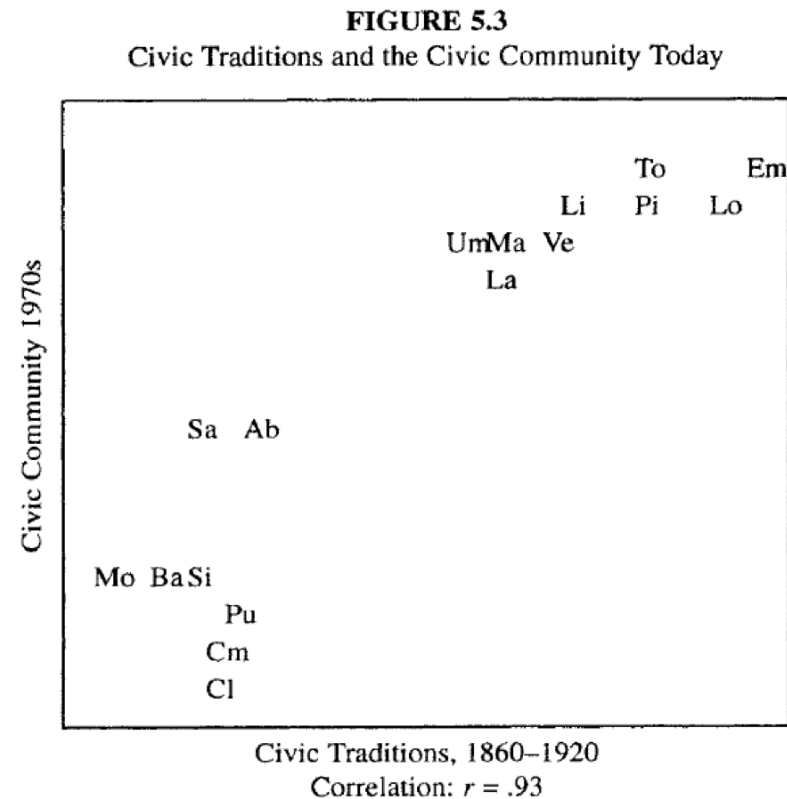
The long term persistence of network effects: from “historical civicness” to economic development

FIGURE 5.2
Civic Traditions in the Italian Regions, 1860–1920



The long term persistence of network effects: from “historical civicism” to economic development

- The continuity is better visualized in Figure 5.3, which arrays the **almost perfect correlation between the authors’ Civic Community Index for the 1970s and 1980s and the “comparable” (according to the authors) measure of civic involvement a century earlier.**



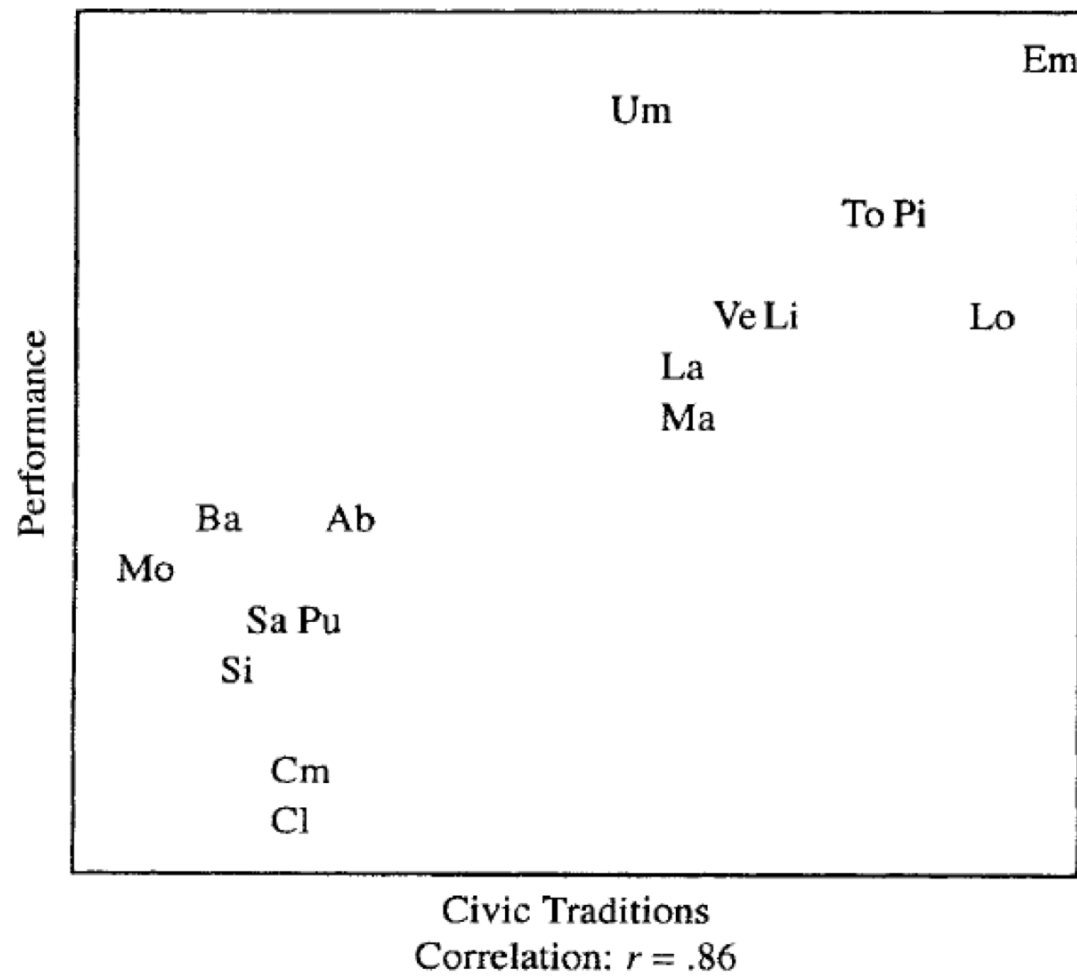
The long term persistence of network effects: from “historical civicness” to economic development

- “Where Italians a century ago were most actively engaged in new forms of social solidarity and civic mobilization, exactly there Italians today are the most thoroughly civic in their political and social life.
- And in these very regions public life was distinctively civic nearly a millennium ago, with an equally impressive flowering of community life, including tower societies, guilds, neighborhood associations, and other forms of civic engagement.”
- “The absence of adequate statistical records prevents us from demonstrating this longer continuity with the same quantitative precision that is possible for the more recent period.” (**Rota?**)

The long term persistence of network effects: from “historical civicness” to economic development

- Putnam et al. (1993) then analyzed the the **correlation between the institutional performance in the 1980s and civic traditions in 1860-1920.**
- The pattern is stark: **“One could have predicted the success or failure of regional government in Italy in the 1980s with extraordinary accuracy from patterns of civic engagement nearly a century earlier”.**

FIGURE 5.4
 Traditions of Civic Involvement, 1860–1920, and
 Institutional Performance, 1978–1985



The long term persistence of network effects: from “historical civicness” to economic development

- The authors argue that the correlation between civic traditions and the institutional performance can hardly be considered as spurious, or as the fruit of a reverse causality.

1. Civic differences between the North and South over this millennium appear to have been more stable than economic differences.

The North-South economic gap seems to have waxed and waned and even reversed direction in several periods, especially in response to external developments.

- In the twelfth century the Norman kingdom was nearly as advanced as the North.
- With the advent of communal republicanism, the North (and especially the towns of the Center-North, the heartland of civic engagement) grew more rapidly for several centuries.
- Beginning in the fifteenth century, however, in the aftermath of pestilence, foreign invasion, shifts in world trading patterns, and other exogenous shocks, the North's advantage faded and perhaps disappeared entirely by the sixteenth century.

The long term persistence of network effects: from “historical civicness” to economic development

2. The emergence of communal republicanism does NOT seem to have been the consequence of unusual affluence.

The level of economic development in Northern Italy in that period was quite primitive, far less advanced than the Mezzogiorno today, and perhaps even less advanced than the South in that epoch.

Given these facts, “It seems hard to sustain that civic engagement is simply a consequence of prosperity”.

The long term persistence of network effects: from “historical civiness” to economic development

- For the period since unification, Putnam et al. (1993) rely on more solid statistical evidence.
- The powerful contemporary correlation between economics and civics did not exist a century ago.
- The authors show this fact with indicators both of industrialization (as measured by agricultural and industrial employment) and of social well-being (as measured by infant mortality), for which reliable data are available on the Italian regions over the last century.

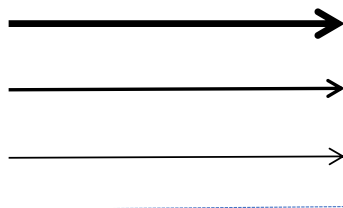
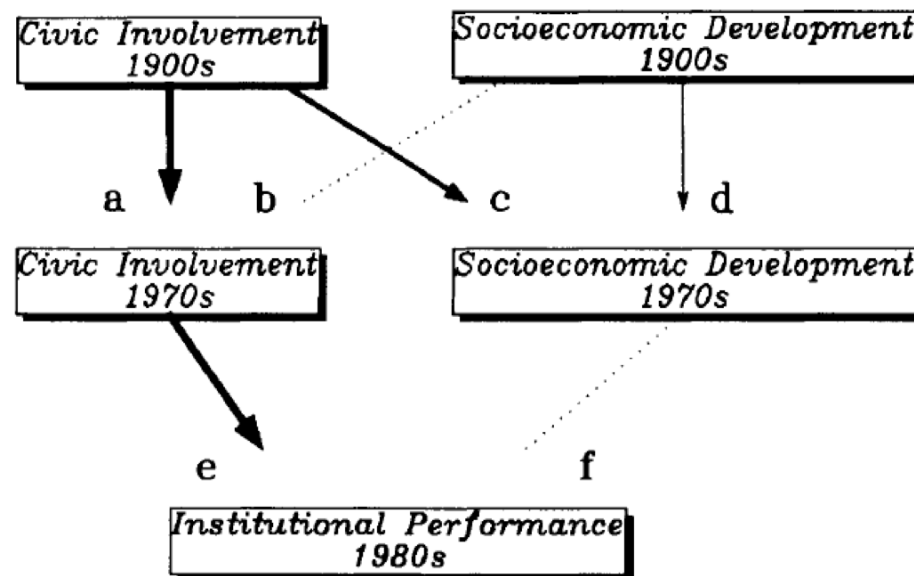
The long term persistence of network effects: from “historical civiness” to economic development

- The authors then regressed the current level of civiness on the past level of socioeconomic development: **NO statistical significance**.
- On the other hand, **both the current and the past levels of civiness are good predictors of the current level of socioeconomic development**.
- Using both civic traditions and past socioeconomic development to predict present socioeconomic development, shows that **civiness – present and past – is a much better predictor**.

A pioneer strategy of identification

Civics was found being a much better predictor of socioeconomic development than was development itself: “In summary, **economics does not predict civics, but civics does predict economics, better indeed than economics itself**” (p. 157).

FIGURE 5.6
Actual Effects among Civic Involvement, Socioeconomic Development, and Institutional Performance: Italy, 1900s–1980s



Strongly significant correlation
Significant correlation
Weakly significant correlation
No significant correlation

A pioneer strategy of identification

- The empirical strategy proposed by Putnam et al. (1993) can be considered as pioneer because it anticipated the idea of instrumenting social capital with “historical” variables (such as social capital’s values one century before) to identify its effect on contemporary macroeconomic outcomes, such as aspects of development and economic growth.

Examples of possible exam questions

- How did Putnam and colleagues measure civic engagement in the late nineteenth century?
- Which are the development patterns of civic capital and economic development in Italy over the last century?
- Which is the relationship between past levels of developments and the current level of civic capital (civicness, networks, social capital, etc.)?
- Which is the relationship between past levels of civicness and current levels of development?

Highlights!