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ABSTRACT
This paper focuses on the interactions between social capital and production structure in their relation with regional inequality. Combining survey data with available regional databases for the EU-15, it provides a panel data analysis of multidimensional inequalities based on the idea that social capital is a fundamental factor determining its regional levels, along with the economic specialization of regions. Results confirm an inverse relation between inequality and social capital. At the same time, they highlight the positive impact of production clusters on the regional environment. Findings suggest that the joint effect of predictors is ambiguous, and may so be dependent on the different sorts of local specialization and social capital endowment.

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KEYWORDS
European Union; inequality; region; production specialization; social capital

INTRODUCTION
This paper contributes to the debate on regional disparities, and how they can possibly be reduced. Drawing upon both economic and sociological literature, it provides a multidimensional study of the role of social capital in the socioeconomic dynamics of regions.

Many previous analyses of inequality have inferred on its interaction with social capital. The direction of the relation is still not clear, but an inverse one has often been recognized to be in place (Barone & Mocetti, 2016; De Blasio & Nuzzo 2012; d’Hombres, Elia, & Weber, 2013). In fact, social capital is still a vaguely defined concept, which in the socioeconomic literature identifies a complex variety of elements, such as civic involvement and the participation of citizens (Putnam, 1993), level of trust (Fukuyama, 1995), and different kinds of social relations (Bourdieu, 1986; Coleman, 1988).

The sociological analysis has naturally devoted a higher concern to the conceptual definition of its theoretical construct. The economic analysis has instead been more interested in its connections with economic variables (Barone, de Blasio, & Sestito, 2014). Many scholars have studied social capital in its positive effects on growth (Beugelsdijk & van Schaik, 2001, 2005, 2009; Helliwell & Putnam, 1995; Whiteley, 2000). At the regional scale, this often translated to digging into the ties social capital has been proved to have with the regional production structure, especially with clusters of industries and their impulse on local virtuous dynamics.
are standardized values obtained through linear combination of all the variables included in the PCA and represent the best possible synthesis of the data (Di Franco, 2014). The first component seemed to relate to the degree of diversification of regional business structures: its correlation with the count of industries in which regions have LQs > 2 was 60%. The second component pertained more to the business environment features, and content of innovation. It showed a strong correlation with both the regional innovation scoreboard (55%) and the number of patents (43%, when the correlation between these two is 50%).

9 The Alkire and Foster (2010) adaptation of the Foster, Lopez-Calva, and Szekely (2005) method. That is why this index is somewhere also referred to as ‘FLS IHDI’.

10 Also said, Jacobs externalities from the studies developed by the American urbanist Jane Jacobs (Jacobs, 1969), these are related to the proximity of firms from different industries, and the knowledge spillovers promoting innovation and growth, which their variety facilitates. They differ from the classic Marshall–Arrow–Romer (MAR) externalities because these focus on the proximity of firms from common industries. Other relevant speculations in this regard have been produced, especially by Porter (1990) and, more recently, by Boschma (i.e., the related variety; Frenken, van Oort, Verburg, & Boschma, 2004). For a review, see Glaeser, Kallal, Scheinkman, and Shleifer (1992).

11 Another way of saying this is that the slopes of the regression lines between inequality and trust are different for the different categories of production clusters’ structure. $\varphi$ indicates how different those slopes are.

12 The only ESS wave reporting such detail, distinguishing 10 sorts of voluntary organizations, is that from 2002.

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APPENDIX A

European Social Survey (ESS) questions (§2)

Selected questions from the survey were the following:

Literal Question A3: Using this card, generally speaking, would you say that most people can be trusted, or that you can’t be too careful in dealing with people?

Literal Question A4: Using this card, do you think that most people would try to take advantage of you if they got the chance, or would they try to be fair?

Literal Question A5: Would you say that most of the time people try to be helpful or that they are mostly looking out for themselves?

A3–A5’s numeric answers ranged from 0 to 10, where 0 means you can’t be too careful/people will try to take advantage of you/people are mostly looking out for themselves, and 10 means that most people can be trusted/they try to be fair/they try to be helpful.