The Effect of Social Capital on Individuals' Economic Outcomes

in the MENA Region

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Abstract

Social networks and social media mobilizing them have been highlighted in relation to the Arab Spring events of 2011. Social capital is also an important factor in MENA region economies, begetting business opportunities in imperfectly connected markets subject to red tape barriers, facilitating trust in the absence of formal enforcement mechanisms, and enabling the matching of workers and employers. However, '*wasta*' also leads to inequality of opportunities for disenfranchised firms and workers. Our study sheds light on the role of social capital by imputing MENA workers' social capital and assessing its impact on workers' economic outcomes. Using extensive individual-level data from the World Values Surveys pooled across 14 countries and years 1999–2014, we impute social capital stochastically by Bayesian clustering, based on workers' club memberships, volunteering, trust, sense of belonging, and perception of own sociability. We then describe the distribution of MENA-region workers' social capital, including intertemporal trends in 6 countries. Least-squares and ordered probit regressions link workers' type of social capital, instrumented, to their economic outcomes.

We find that a cluster of workers with a sense of belonging with respect to personal and social relationships have a higher probability of attaining employment and higher incomes. As expected, being literate and more educated enables individuals to join the highest income groups and reduces their probability of falling into the middle or lower income groups. Income differentials based on education are stark – a certain level of education appears to guarantee workers a certain level of income. Positive subjective perceptions about one's social class and health status are also associated positively with workers' economic activity level and earnings. Workers in private nonprofit organizations tend to end up in the lowest income group. We do not

Topics in Middle Eastern and African Economies Proceedings of Middle East Economic Association Vol. 21, Issue No. 1, May 2019 find gender gaps in economic outcomes, which warrants further investigation.

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1. Introduction

The concept of social capital and its relevance to individuals' and communities' wellbeing has traditionally been investigated in Sociology. In the past decade, social capital has entered the domain of Economics, where there is growing recognition that factors beside the accumulation of hard skills and physical capital affect individuals' economic performance and satisfaction in life. Social capital is a multidimensional attribute of each individual and their community that interacts with individuals' human and physical capital to produce various real lifetime outcomes. Social capital includes individuals' soft skills such as trust in public and market institutions, sociability in particular social contexts, and size and tightness of individuals' social networks. Individuals' norms and values they attribute to their possessions and outcomes affect their incentives to invest, as well as their life satisfaction. Hence, social capital has multiple roles in individuals' pursuit of lifetime goals, and in the functioning of communities and societies.

In the MENA region, the role of people's social networks and social media mobilizing them has been highlighted in relation to the dynamics of Arab Spring events of 2011. Social capital is also an important factor in MENA region economies, begetting business opportunities in imperfectly connected markets subject to red tape barriers, facilitating trust in the absence of formal enforcement mechanisms, and enabling the matching of workers and employers. However, '*wasta*' also leads to inequality of opportunities for disenfranchised firms and workers. These facts raise several questions: To what extent is the effect of social capital systematic, in bringing about economy-wide benefits at the same time as it leaves some socio-economic groups behind? What is the nature and distribution of social capital in MENA-region countries? How do the levels of social capital and between-group gaps in them get formed, and how does social capital interact with economic and political factors?

A critical problem is that social capital is an elusive concept that is unobservable and must be

estimated indirectly. This has not been attempted in the MENA region. To this day, little is known systematically about MENA citizens' stock of social capital, its composition, distribution across various socio-economic groups, as well as differences in the distribution across countries and over time. To the best of our knowledge, ours is the first study estimating the distribution of the degrees and types of social capital among the MENA-region population, and linking it to workers' labor market outcomes. As a methodological innovation, we impute workers' social capital stochastically by Bayesian clustering, based on workers' membership in organizations, volunteering, trust in society or peers, reliance on personal relationships as sources of information, confidence in public institutions, sense of belonging, and perception of own sociability.

We describe the distribution of social capital across MENA-region workers and across demographic groups, including intertemporal trends in 6 countries. We then use ordered probit models to investigate links between workers' type of social capital and their economic outcomes. The analysis relies on pooled 1999–2014 rounds of the World Values Surveys (WVSs) for 14 countries – Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Palestine, Qatar, Tunisia, Turkey and Yemen – adding up to 18,000 observations for the newest wave of WVSs, and 40,000 observations across all waves.

The rest of the study is organized as follows. The next section reviews the available evidence of the role of social capital in MENA-region economies, with particular focus on labor markets. Section 3 describes in detail our estimation approach, and section 4 introduces our data. Section 5 presents our main results, and finally section 6 concludes with the main take-home messages, their policy implications, and directions for future research.

2. Literature Review

Since the pioneering work of Jane Jacobs (1961), various definitions of SC have been proposed in sociology (Glaeser 2001; Lesser 2009), and SC has been linked to diverse socioeconomic phenomena and outcomes. At a societal level, increases in measures of trust are associated with higher economic growth rates (Knack and Keefer 1997), greater judicial efficiency and lower government corruption (LaPorta *et al.* 1997). At a community level, high trust communities were found to exhibit more resilience to a variety of community crises

(Helliwell *et al.* 2017). At an individual level, SC was found to promote well-being and health (Poortinga 2006). Different individuals accumulate different amounts and forms of social capital, and collect different economic and non-economic benefits from their investments (Astone et al. 1999). Individuals' sociability and social networking affect their labor-market, financial and other lifetime outcomes, their welfare, as well as outcomes of their offspring (Hofferth et al. 1998) and societal outcomes (DiPasquale and Glaeser 1999).

Literature on social capital and social inclusion in the MENA region is largely missing, with a few notable exceptions. Haron (2013) studied the incidence of social exclusion (described as a person's lack of access to rights and services they are entitled to in their society) in Israel, and found that the groups at risk of social exclusion are the less educated, the young, Israeli Muslims, women, and those with poor health. Clustering all individuals into three groups – the most endowed, the 'middle class,' and the least endowed – she found the greatest gap to occur between the middle class and the least endowed, suggesting that social exclusion can be deep. Mehchy and Kabbani (2013) studied residents' empowerment (imputed using individuals' access to information, social inclusion and participation, and local organizational capacity) across 24 Syrian villages, and again found that having low education, being a youth or female, or lacking land ownership are associated with lower degrees of empowerment. These studies suggest that in the MENA region citizens' social capital interacts in important ways with their social and economic functioning. The relationship between workers' social capital and their economic outcomes, including wealth, career path and earnings, is a presently understudied but vital research theme.

3. Methodology

3.1 Social capital imputation by Bayesian non-hierarchical clustering

Since social capital is unobservable, we use a set of observable behavioral, attitudinal and perceptional indicators to obtain a limited number of summary measures of social capital. Indicators for social capital in WVS data include people's membership in organizations, volunteering, trust in society or peers, reliance on personal relationships as sources of information, confidence in public institutions, sense of belonging, and perception of own sociability. Methodological literature proposes several data-dimension reduction techniques to

Topics in Middle Eastern and African Economies Proceedings of Middle East Economic Association

Vol. 21, Issue No. 1, May 2019

identifying the structure of the data – including (dis)similarities and joint variation among the available indicators – and aggregating them (Fodor 2002). In the social capital literature, several alternative methods have been promulgated, including using single indicators (DiPasquale and Glaeser 1999; Glaeser et al. 2002); linear combinations of indicators (Shideler and Kraybill 2009); and exploratory principal-component or factor analysis (Sabatini 2006, 2009; Gannon and Roberts 2014; Alvarez and Romani 2017; Hlasny and Lee 2017; Saukani and Ismail 2018).

Our study proposes a novel probability-based approach to imputing social capital. We use Bayesian clustering to group observations with common properties, and then describe the representative properties in each cluster. Bayesian clustering takes a stochastic view of the formation of social capital across individuals as a function of the joint distribution of contributing variables, which is assumed to be a finite mixture of multivariate normal distributions. The analysis estimates posterior distributions of observations as a function of fitted parameters for each cluster, fitted proportions of the different clusters, and cluster-membership probabilities for all observations. The index of social capital is obtained stochastically from these estimated posterior distributions. The strength of this approach relative to conventional deterministic imputation – including parametric finite mixture models, and principal component analysis – is that it allows for uncertainty in classifying each individual, and is expected to yield predictions that are more robust to outlying values. The predictions also come with estimates of the associated posterior uncertainty (Franzen 2008; Muller et al. 2009).

We employ Franzen's (2006) non-hierarchical Bayesian clustering based on a Gaussian mixture model and a Gibbs sampler.¹ We consider *n* independent and multivariate observations $\mathbf{x} = (x_1, x_2, ..., x_n)$ from the *C* multivariate Gaussian mixture model of

$$f(y_i|\theta) = \sum_{c=1}^{C} \omega_c f_c(y_i|\mu_c, \Sigma_c) \quad i = 1, \dots, n$$

where *C* is a number of clusters given and $\theta = (\mu, \Sigma, \Omega, V)$ in which μ is a mean vector of size K, Σ is a K×K variance-covariance matrix, and $\Omega = (\omega_1, \omega_2, ..., \omega_C)$ is a vector with classification probabilities for the *C* clusters with $0 < \omega_c < 1$. Note that $f_c(y_i | \mu_c, \Sigma_c)$ is multivariate Gaussian

¹ In contrast, hierarchical clustering is less efficient, but has certain nicety properties, including that it is more informative and structured, and users do not have to select the number of clusters beforehand. The non-hierarchical technique compensates for these features by including tools to determine the optimal number of clusters (AIC, BIC, or the elbow method) and get the informative structure from the *proper* prior distributions of the variables of interest.

Topics in Middle Eastern and African Economies Proceedings of Middle East Economic Association Vol. 21, Issue No. 1, May 2019 with a mean μ_c and variance \sum_c with probability ω_c for c = 1, ..., C, and a classification vector $V = (v_1, v_2, ..., v_c)$ in which $v_i = c$ means that observation x_i is in cluster c.

According to Lavine and West's (1992) conjugate priors for (μ, Σ, Ω) of the Gaussian mixture model, the posterior distributions are:

$$\Sigma_{c} \sim W^{-1}(m_{c}, \varphi_{c})$$
$$\mu_{c} | \Sigma_{c} \sim N_{M}(\zeta_{c}, \frac{\Sigma_{c}}{\tau_{c}})$$
$$\Omega \sim D(\alpha_{1}, \dots, \alpha_{C})$$

where W^{-1} is the inverse Wishart distribution, all (μ_c, Σ_c) are assumed to be independent over clusters, and D is the Dirichlet distribution with α_c being the mean of the prior distribution of Ω . The likelihood function is

$$L(\mu, \Sigma, \Omega \mid y) = \prod_{i=1}^{n} \sum_{c=1}^{C} \omega_c f_c(y_i \mid \mu_c, \Sigma_c)$$

and the joint prior distribution $g(\theta)$ yields the joint posterior distribution

$$\Pi(\theta|y) \propto \prod_{i=1}^{n} f(y_i|\theta) g(\theta)$$

The posterior distributions for (μ, Σ, Ω) are:

$$\Sigma_{c}|y, V \sim W^{-1}(n_{c} + m_{c}, \varphi_{c} + \lambda_{c} + \frac{n_{c}\tau_{c}}{n_{c} + \tau_{c}} (\overline{y_{c}} - \zeta_{c})(\overline{y_{c}} - \zeta_{c})')$$

$$\mu_{c}|y, \Sigma_{c}, V \sim N_{M}(\overline{\zeta_{c}}, \frac{\Sigma_{c}}{\tau_{c} + n_{c}})$$

$$\Omega|V \sim D\left(\alpha_{1} + \sum_{i=1}^{n} I(v_{i} = 1), \dots, \alpha_{C} + \sum_{i=1}^{n} I(v_{i} = C)\right)$$

where n_c is the number of observations in cluster c and $\overline{\zeta_c} = (\tau_c \zeta_c + n_c \overline{y_c})/(n_c + \tau_c)$. The posterior probability t_{ic} for x_c to be in cluster c is, by the Bayes theorem:

$$\mathbf{t}_{ic}|\mu_c, \Sigma_c, \Omega = \frac{\omega_c f(y_i|\mu_c, \Sigma_c)}{\sum_{c=1}^C \omega_c f(y_i|\mu_c, \Sigma_c)} \quad i = 1, \dots, n$$

The Gibbs sampler, a popular Markov chain Monte Carlo algorithm, is iterated as follows:

- 1. $\Sigma_{c}^{(t)}|y, V^{(t-1)}|c = 1, ..., C$ are simulated.
- 2. $\mu_c^{(t)}|y, \Sigma_c^{(t)}, V^{(t-1)}|c = 1, ..., C$ are simulated.
- 3. $\Omega | V^{(t-1)}$ is simulated.
- 4. $V^{(t)}|\mu^{(t)}, \Sigma^{(t)}, \Omega^{(t)}$ is simulated.

Note that μ_c is generated by Σ_c , which implies that the algorithm is Data Augmentation, which has certain convergence advantages.

3.2 Regression model

Obtaining the optimal number of clusters, we first label each cluster using the typically observed properties of member observations. We then assess the link between the social capital cluster workers belong to, and their economic outcomes. As our main dependent variables, we use two economic outcome variables: categorical employment status ranging from active (full-time), through part-time, to seeking work, and to inactive/discouraged; and the income decile one belongs to. We test whether the indicators for any social capital cluster from the Bayesian clustering analysis have a positive effect on these economic outcomes.

Four model specifications are evaluated: 1) Model of workers' subjective perceptions of themselves; 2) Socioeconomic variables model; 3) Model of the nature of one's economic activity; and 4) Fully specified model controlling for demographics, country of residence, etc. (The models are described in table A1 in the appendix.) The first model controls for the subjective perceptions of one's social class, and satisfaction with their family income and their health status. These perceptions may not represent one's true socioeconomic and health status. If one's subjective perceptions are related positively to one's motivation or skills – indeed health is a component of human capital – we should find a positive association between the perceptions and one's labor market outcome.

The second model controls for a set of socioeconomic factors with bearing on one's employment status. The third model controls for the nature of tasks in one's employment – cognitive vs. manual, creative vs. routine, and independent vs. dependent – and for the employment sector – public institution, private business, private non-profit organization, or self-employed. Cognitive, creative, and independent nature of tasks are thought to be predictors of more active employment types, because they are associated more with public sector jobs than with private sector jobs compared to manual, routine and dependent tasks. A set of control variables are used, namely age, sex, literacy of the respondent, marital status (married, divorced/separate/widowed, or single/never-married), and family savings in the past year.

We hypothesize that membership in a highly socially associated cluster has a positive effect on the status of economic activity and earnings. Since both economic outcomes are ordinal categorical variables, we use ordered probit regressions and estimate the marginal effects of the social-capital cluster indicators and other controls.

4. Data

The study relies on 25 MENA-region national surveys from waves 4 (1999–2004), 5 (2005–2008) and 6 (2010–2014) of the WVS database²: Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Palestine, Qatar, Tunisia, Turkey and Yemen. For Algeria, Iraq, Jordan, Morocco, Turkey and Egypt, 2–3 survey waves are used. For each survey, 1,000–3,400 adult respondents are available, amounting to nearly 18,000 observations for the most recent (6th) WVS wave in the 14 countries, and 40,000 observations among waves 4–6. Definitions and descriptive statistics for the associated components of social capital for clustering and explanatory and control variables for the regression models are summarized in tables A2–A3 in the appendix. Missing values in the components of social capital are imputed using the information on individuals' age, sex and education, or typical values of the population in the respective country and year.

² WVS Database, waves 4–6, <u>http://www.worldvaluessurvey.org/WVSContents.jsp</u> (accessed 23 April 2019).

5.1 Bayesian clustering on individual's social capital

To perform Bayesian clustering, we need to first select the number of clusters. There are several methods to find it, for example minimizing the Bayesian Information Criterion (BIC). Unfortunately, the variance-covariance matrix of social capital components may not have a full rank because most indicators exhibit little variability and high correlation, which leads to extremely high log likelihood values and to BIC values that are difficult to compare across models. One alternative is to use a modified version of an elbow method based on the within-cluster sums of point-to-centroid distances, instead of the sum of squared errors in the original elbow method. We identify the optimal number of clusters just before the point where diminishing returns to scale begins – in our data five clusters. Table 1 shows the detailed results of clustering when five clusters are selected. (Table A2 in the appendix shows the within-cluster sums of point-to-centroid distances when 4–8 clusters are selected. Table A3 shows the descriptive statistics for each cluster, for the five cluster case.) Looking at the densities of the five clusters, the effective optimal number of clusters appears to be three, since no individuals are classified to belong to cluster 2 and cluster 4. Classification of individuals into clusters is implemented by the rule of maximum probability of an individual across all clusters.³

Since most social-capital indicators are on the scale from 0 to 2, let us call 1 as the intermediate level, 0 the lowest, and 2 the highest. Among cluster 1 members, there are no variables with values over 1 but four variables (trust_tv, trust_gov, conf_env, and conf_women) with values over 0.5. Hence, cluster 1 comprises individuals involved in social activities, with some degree of trust in public institutions. This cluster can be used as the baseline for other clusters. Clusters 2 and 4 do not have any observations. Among cluster 3 members, there are seven variables (trust_fam, info_friend, trust_nbd, trust_per, myself_loc, myself_cit, and person_do) with values over 1. These features indicate a high degree of belonging with respect to private and social relationships. Cluster 5 members have six variables (trust_fam, conf_chari, trust_nbd, trust_pers, myself_loc, and myself_cit) with values over 1 – most of them indicating high trust in their community – but appear to have little personal interaction. The histograms for

 $^{^{3}}$ For example, if the probability of being in clusters 1–5 is (0.4, 0.0, 0.5, 0.0, 0.1), the agent is classified to be in cluster 3.

				Within-
				cluster sum
		Members		of point-to-
	Typical properties	by survey	Mean score	centroid
Cluster #. Label	(full definition in table A1)	round	\ probability	distances
1. Not much involved	Variables whose values over 0.5	14452	0.117\0.402	17,808.2
in social activities or	-trust in tv			
trust	-trust in gov			
	-conf in women			
2. No observation		0	0.386\0.000	20,754.97
3. Sense of belonging	Variables whose values over 1	16346	$0.642 \setminus 0.454$	71,758,82
with respect to	-trust in fam			,
relationship	-info from friends			
renationship	-trust in nbd			
	-myself loc			
	-myself cit			
	-person do			
4. No observation		0	$0.403 \setminus 0.000$	71,166.82
5. Trust in community	Variables whose values over 1	5181	$0.454 \setminus 0.144$	59,191.43
	-trust in fam			
	-trust in nbd			
	-trust in person			
	-myself loc			
<u> </u>	-myself cit			

Table 1. Social capital clusters descriptive statistics: 5 clusters case

Source: Own analysis of 1999-2014 WVS data.

5.2 Regressions of individuals' employment status

With the individuals' type of social engagement identified, we use it in regressions of individuals' economic outcomes: activity level of one's employment status, or the ranking of earnings. In the regressions of individuals' activity level, four alternative sets of explanatory variables are used as described in section 3.2. Table 2 summarizes the marginal effects of the effective social capital clusters on individuals' activity level. Since no agents belong to cluster 2 and 4, those variables are omitted. Cluster 1 is omitted as a baseline for the categorical variable and the fifth cluster is omitted due to collinearity among dummy variables unintentionally induced by the fact that our regression model has a large set of dummy variables. This problem would be handled in the next revision of our analysis.

Interestingly, members in the cluster of those with a high degree of belonging with respect to

private and social relationships exhibit a more active employment status, significant across all models. The effect is the strongest in the socioeconomic model: membership in cluster 3 is associated with a 30.1% higher probability of having an active employment status. This is a policy-relevant finding, since individuals' latent sense of belonging in relationships serves to boost their prospects of attaining full-time employment. This effect may work through their labor-supply decisions, or through employers' demand for the labor of socially-connected workers.

The fully-specified model shows an even stronger effect, increasing probability of active employment status by 48.8%. Controlling for both the subjective perceptions and relatively objective socioeconomic indicators thus further accentuates the association between workers' social relationships and the degree of their economic activity. On the other hand, controlling for the nature of one's tasks on the job reduces the estimated marginal effect of one's social relationships on the degree of their economic activity. This suggests that the degree of economic activity and the nature of the corresponding tasks are simultaneously determined by workers' social connectedness. Controlling for the nature of one's tasks serves to partial out the indirect effect of social capital on economic activity through the choice of the nature of job tasks.

No.	Regression	Employment	Cluster 1	Clutser2	Cluster3	Cluster4	Cluster5
Cluster	Subjective perception	Active	Baseline	Omitted	0.058** (0.024)	Omitted	Omitted
	About One's status	Inactive	Baseline	Omitted	-0.061** (0.026)	Omitted	Omitted
	Socio-	Active	Baseline	Omitted	0.301** (0.136)	Omitted	Omitted
5	economic	Inactive	Baseline	Omitted	-0.183** (0.083)	Omitted	Omitted
	One's	Active	Baseline	Omitted	0.028 (0.037)	Omitted	Omitted
	task nature Inactive	Inactive	Baseline	Omitted	-0.006 (0.008)	Omitted	Omitted
	All	Active	Baseline	Omitted	0.488** (0.216)	Omitted	Omitted
	combined	Inactive	Baseline	Omitted	-0.108** (0.048)	Omitted	Omitted

Table 2. Marginal effects for employment status with respect to social capital clusters summary

Notes: Standard errors in parentheses; significant at * 0.10, ** 0.05, *** 0.01 level.

Table A4 in the appendix shows the marginal effects of all explanatory variables. The positive subjective perception of one's social class and health status are revealed to be associated positively with an active employment status (2.4% and 1.6% respectively) and negatively with an inactive status (-2.5% and -1.8% respectively). In the socio-economic model, employment in public institutions is shown to be the strongest predictor of active status among all types of employment (60.2%). Interestingly, age when workers completed their education is not significant across all models while education level itself is. This may imply that the labor market values one's skills attained through higher education but not the work experience since graduation. The nature of one's task is shown to matter to a small degree: the more cognitive, creative, and independent the tasks are, the somewhat higher probability of the worker holding an active employment status (0–1%).

Male workers are more likely to be economically active across all models. Interestingly, age does not seem to have either a positive or a negative effect on holding an active job status, suggesting high lifetime persistence and low mobility in workers' economic status. Marital status does not appear to affect one's economic activity level, something worth investigating more in the future particularly in relation to women. Family savings are associated weakly positively with the active employment status (1-2%).

5.3 Regressions of individuals' income rank

Next we estimate the second set of regressions where the dependent variable is the individuals' income rank. Table 3 summarizes the marginal effects of social capital clusters for three representative income-rank steps: the lowest (1st decile), middle (5th) and the highest (10th). Our central finding is that the magnitude of marginal effects of social capital is not as high in absolute value as in the previous section: -0.4% (subjective perception model), 2.7% (socio-economic model), 1.3% (one's task nature model), and 6.7% (fully-specified model), respectively. Except for the insignificant estimate in the subjective perception model, the more cognitive, creative, and independent the nature of one's tasks are, the higher one's income rank is predicted to be. Income mobility appears lower and less sensitive to one's socio-economic

Topics in Middle Eastern and African Economies Proceedings of Middle East Economic Association Vol. 21, Issue No. 1, May 2019 variables, and job tasks than the prospect of attaining an active employment status.

The less cognitive, creative, and independent nature one's task has, the lower one's income rank would be. The largest magnitudes are introduced in all-combined model: 6.7% for highest, -7.9% for middle, and -1.5% for lowest income rank, respectively. Other than the all-combined model, the socio-economic model shows the largest magnitudes of 2.7% for highest and -7.2% for lowest. But we still have the consistent result with previous section that sense of belonging in relationship is positively associated with higher probability of lying in the higher income rank and vice versa. (Table A5 shows the marginal effects of all explanatory variables, other than social capital clusters, on workers' income rank.)

No. Cluster	Regression models	Income rank	Cluster1	Clutser2	Cluster3	Cluster4	Cluster5
	Subjective	Highest (10)	Baseline	Omitted	-0.004 (0.028)	Omitted	-0.008 (0.028)
	perception About	Middle (5)	Baseline	Omitted	0.002 (0.018)	Omitted	0.005 (0.018)
	One's status	Lowest (1)	Baseline	Omitted	0.014 (0.101)	Omitted	0.030 (0.101)
	G .	Highest (10)	Baseline	Omitted	0.027** (0.013)	Omitted	Omitted
5 -	Socio- economic	Middle (5)	Baseline	Omitted	•	Omitted	Omitted
		Lowest (1)	Baseline	Omitted	-0.072** (0.034)	Omitted	Omitted
		Highest (10)	Baseline	Omitted	0.013*** (0.013)	Omitted	Omitted
	One's task nature	Middle (5)	Baseline	Omitted	-0.011*** (0.003)	Omitted	Omitted
		Lowest (1)	Baseline	Omitted	-0.040*** (0.010)	Omitted	Omitted
		Highest (10)	Baseline	Omitted	0.067*** (0.028)	Omitted	Omitted
	All combined	Middle (5)	Baseline	Omitted	-0.079*** (0.033)	Omitted	Omitted
		Lowest (1)	Baseline	Omitted	-0.150*** (0.061)	Omitted	Omitted

Table 3. Marginal effects for income rank with respect to social capital clusters summary

Notes: Standard errors in parentheses; significant at * 0.10, ** 0.05, *** 0.01 level.

In the socio-economic model, working in a private non-profit organization decreases the probability of attaining the highest income rank, but increases the probability of being in the fifth

or lower deciles. There is no job type that is clearly associated with the highest income rank. In the fifth and lower deciles, on the other hand, working for private non-profit organizations (including private schools, hospitals or other welfare-services providers) increases the probability of ending up in those deciles. Educational level is associated positively with the highest income rank and negatively with the middle or lower ranks.

Surprisingly, being male is associated negatively with one's income. Men are estimated to have a lower probability of being in the highest income rank, and higher probability to be in the middle and lower ranks. This result should be investigated further, but one possible interpretation is self-selection: while most men must work to provide for their families, women work only if their wage-offer exceeds the value of their labor at home or unpaid contribution to their family enterprise. Literacy is again revealed to be an important factor for attaining higher income ranks. On the other hand, marital status is not a significant predictor of one's income rank, calling for further inquiry.

6. Discussion

Our results highlight various correlates of workers' positive economic outcomes. First, the cluster of workers with a heightened sense of belonging with respect to personal and social relationships have a consistently and significantly higher propensity to attain an active employment status and a higher income rank. The importance of having a sense of belonging as a motivation for achievement has been studied in various fields: children's better experiences in school (Gore, 2005), mental health care (Hagerty et al, 1992), and improved self-efficacy during studies (Freeman et al, 2007, Strayhorn, 2012). The results in this study support these prior findings in the case of MENA-region workers and their employment outcomes.

A sense of belonging in relationship and positive subjective perceptions may indicate the possibility having an agent hope for the future or continuity for one's life and it seems to make individuals work hard with their economic outcomes revealed high. Acknowledging that the benefit of having ones a sense of belonging in relationship works for individuals' economic outcome and possibly leads to the entire society, a set of programs to boost a sense of belonging in relationship would be a good alternative as a public policy. Another implication of this study

is the importance of literacy to one's job attainment and earnings. Literacy is widely accepted as a key component of human capital and recipe for economic growth (Coulombe et al, 2004).

Positive subjective perceptions about one's social class and health status are also associated with a higher probability of getting an active employment status. Education increases the propensity of workers' getting an active employment status and higher income rank. As one's education increases, their propensity of attaining the middle or lower rank of incomes falls. The marked difference in marginal effects of education across income quantiles may imply that a certain level of education guarantees an agent a certain level of income.

The results in this paper show that workers in private nonprofit organizations have a high propensity of being in low income groups. To the extent that national authorities may wish to support nonprofit organizations, these organizations or their workers may need public support to recruit quality staff. In tackling inequality and poverty, the authorities may also look at nonprofit organizations in their targeting of vulnerable groups.

Our findings regarding gender-, and marital-status effects warrant further investigation. Men are found to be more likely to achieve an active employment status, but less likely to get in the highest income ranks. This is not due to sample size differences in the WVS. Men and women active in labor markets are equally represented in the WVS, and their sampling weights do not appear to be biased against either group. One possible explanation is the self-selection of women into entering the formal labor market based on their wage offers.

To improve on the existing results, we aim to undertake several extensions. One, using instrumental variables for workers' social capital, we hope to address the potential endogeneity of social capital in the regressions of economic outcomes. Two, we will consider alternative ways to finding the optimal number and composition of social-capital clusters of individuals. This should help to reduce the number of omitted clusters. We are also exploring developing a better way to assign individuals to specific clusters beside the maximum probability rule, to possibly allow individuals to appear in multiple clusters.

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Appendix

Table A1. Regression models summary

Dependent	Explanatory variables (other than social capital clusters)	Control
variable		variables

1.	Model 1	Model 2	Model 3	Model 4	·Age
Employment	Subjective perception	Socio-economic model	Nature of	All	5
status	about one's class model		one's task model	combined	· Sex
(inactive				model	· Was
to active,	· Social class (subjective)	• size of town (0-25,000)	· employment type		the respondent
5 steps)	5: Upper class		-Public		literate?
	4: Upper middle class	· employment type	institution		1: Yes
	3: Lower middle class	-Public	-Private		0: No
	2: Working class	institution	business		
	1: Lower class	-Private	-Private		. Fomily sovings
2. Income		husiness	non-profit		Fainity savings
rank	· Satisfaction with	-Private	organization		during past year
$(1^{st} to 10^{th})$	financial situation of	non-profit	-Self-employed		4: Save money
step,	household	organization			3: Just get by
10 steps)	1: Dissatisfied	-Self-employed	\cdot Nature of tasks:		2: Spent some
	2: 2	1 5	manual		savings and
	3: 3	. Do you live with your	vs. Cognitive		borrowed
	4: 4	· Do you live with you	1: Mostly manual		money
	5: 5	parents?	tasks		1: Spent
	6: 6	1: Yes	()		savings
	7: 7	0: No	10: Mostly non-		and
	8: 8		manual tasks		borrowed
	9: 9	· What age did you complete			money
	10: Satisfied	your education?	· Nature of tasks:		(except for
					model 2)
	·State of health	· Highest	Creative vs.		
		1 11 1 1	routine		· Marital status l
	(subjective)	educational level attained	1: Mostly routine		1: married
	5: Very good	1: inadequately	tasks		0: not married
	4: Good		()		
	3: Fair	elementary education	10: Mostly non-		· Marital status2
	2: Poor	2: completed	routine tasks		1: divorced
	1: very poor	elementary education			separate
		3: incomplete secondary	• Nature of tasks:		or widowed
		education and basis	independence		0: otherwise
		vocational qualification	1: No		
		4. complete secondary	independence		Monital state-2
		school/secondary	at all		· marital status3
		intermediate vocational	()		1: single or
		qualification	10: Complete		never-married
		qualification			0: otherwise

5: incomplete	independence	
secondary/secondary,		
intermediate		
general qualification		
6: complete secondary/Full		
secondary, maturity level		
certificate		
7: some university without		
degree/higher education		
8: university with		
degree/higher education		
· Family savings during past		
year		
4: Save money		
3: Just get by		
2: Spent some savings and		
borrowed money		
1: Spent savings		
and borrowed money		

Table A2. Within-cluster sums of point-to-centroid distances report

No. Clusters	4	5	6	7	8
Within-cluster	71966.37	17808.2	27795.35	54452.25	51003.97
sums of point-	59745.6	20754.97	50394.11	41482.4	9553.005
to-centroid	51388.45	71758.82	27141.76	20243.96	41529.14
distances	71248.21	71166.82	43323.65	17030.45	15218.76
		59191.43	62148.97	24897.11	16817.96
			28031.43	17710.24	54390.97
				51161.48	24907.1
					7585.672
Sum	254,348.6	240,680.2	238,835.3	226,977.9	221,006.6
Difference	•	13,668.7	1,845.0	1,185,737.0	5,971.3

Table A3. Indicators used in clustering analysis

able A.J. mulcators use	a menustering analysis			
Variable name	Full definition, obs. if <35,979 (units)	Obs	Avg.	Min-max
(in code)			(st.dev.) ⁱ	
Act_religion	Active level in religion (0: lowest, 2: highest)	35979	0.079	0-2
			(0.353)	
Act_sport	Active level in sport or recreation	35979	0.098	0-2
	(0: lowest, 2: highest)		(.390)	
Act_art_music_edu	Active level in art, music, and education	35979	0.068	0-2
	(0: lowest, 2: highest)		(0.327)	
Act lunion	Active level in labor union	35979	0.044	0-2

	(0: lowest, 2: highest)		(0.261)	
Act ppart	Active level in political party	35979	0.043	0-2
<u>-</u> FF	(0: lowest, 2: highest)		(0.254)	
Act env	Active level in environmental organization	35979	0.045	0-2
	(0: lowest, 2: highest)	00,15	(0.263)	• -
Act prof	Active level in professional organization	35979	0.074	0-2
not_pion	(0: lowest 2: highest)	55715	(0.335)	02
Act human	Active level in humanitarian organization	35979	0.084	0-2
	(0: lowest 2: highest)	55777	(0.367)	0 2
Act etc	Active level in any other organization	35979	0.023	0-2
	(0: lowest 2: highest)	55777	(0.190)	02
Trust fam	How much do you trust your family?	35979	1 121	0-2
Trust_tuni	(0: lowest 2: highest)	55715	(0.968)	02
Trust ty	How much do you trust television?	35979	0.689	0-2
Trust_tv	(0: lowest 2: highest)	55715	(0.748)	02
Trust gov	How much do you trust the government?	35979	0.690	0-2
IIust_gov	(0: lowest 2: highest)	55717	(0.791)	0-2
Trust pparty	How much do you trust the political parties?	35979	0.229	0-2
Trust_pparty	(0: lowest 2: highest)	55919	(0.517)	0-2
Trust micomp	How much do you trust major companies?	35070	0.510	0.2
Trust_injeomp	(0: lowest 2: highest)	33919	(0.680)	0-2
Trust nhd	(0. lowest, 2. linguest) How much do you trust your neighborhood?	35070	(0.089)	0.2
Trust_nod	(0: lowest 2: highest)	55979	(0.098)	0-2
Trust personal ppl	How much do you trust people you know	35070	(0.790)	0.2
Trust_personal_ppr	normanily? (0: lowest 2: highest)	33979	(0.087)	0-2
Trust first most	How much do you trust poople you most for	25070	(0.793)	0.2
Trust_Inst_Ineet	the first time? (0, lawset 2; highest)	33979	(0.107)	0-2
T	Lie inst time? (0: lowest, 2: nignest)	25070	(0.422)	0.2
1 rust_ppi	How much do you trust people of another	33979	(0.222)	0-2
_diff_religion	religion? (0: lowest, 2: nignest)	25070	(0.4/3)	0.2
1 rust_ppi	How much do you trust in people of other	359/9	0.203	0-2
	nationalities? (0: lowest, 2: nignest)	25070	(0.462)	0.2
Conf_env	Confidence level in the environmental	359/9	0.622	0-2
_prtc_mvmnt	protection movement (0: lowest, 2: highest)	25070	(0.747)	0.0
Conf_women_mvmnt	Confidence level in the women's movement	359/9	0.584	0-2
	(0: lowest, 2: highest)	25050	(0.733)	0.0
Conf_justice	Confidence level in justice systems/courts	35979	0.490	0-2
_sys_courts	(0: lowest, 2: highest)	25050	(0.755)	• •
Conf_UN	Confidence level in the United Nations	35979	0.358	0-2
~	(0: lowest, 2: highest)		(0.626)	
Conf_charity_org	Confidence level in charitable or	35979	0.534	0-2
	humanitarian organizations		(0.754)	
~	(0: lowest, 2: highest)			
Conf_banks	Confidence level in banks	35979	0.303	0-2
	(0: lowest, 2: highest)		(0.612)	
Conf_univ	Confidence level in universities	35979	0.352	0-2
	(0: lowest, 2: highest)		(0.648)	
Info_friends	Information source: talk with friends or	35979	0.701	0-2
	colleagues		(0.954)	
	(0: lowest frequently, 2: highest frequently)			
Myself_citizen_cntry	I see myself as a citizen of the country.	35979	0.942	0-2
	(0: lowest, 2: highest)		(0.903)	
Myself_loc_comm	I see myself as a member of my local	35979	0.856	0-2
	community. (0: lowest, 2: highest)		(0.869)	
Myself_sociable	I see myself as someone who is outgoing,	35979	0.364	0-2
	sociable (0: lowest, 2: highest)		(0.678)	
Person do good	Schwartz: It is important to this person to do	35979	0.645	0-2

Data: World Value Survey.



Fig A1. Distribution of social capital clusters by country

Fig A2. Distribution of social capital clusters by demographic group



Topics in Middle Eastern and African Economies Proceedings of Middle East Economic Association Vol. 21, Issue No. 1, May 2019



Note: Education level has labels from 1 to 8 as follows: Inadequately completed elementary education (1), Completed (compulsory) elementary education (2), Incomplete secondary school: technical/vocational type/(Compulsory) elementary education and basic vocational qualification (3), Complete secondary school: technical/vocational type/Secondary, intermediate vocational qualification (4), Incomplete secondary: university-preparatory type/Secondary, intermediate general qualification (5), Complete secondary: university-preparatory type/Full secondary, maturity level certificate (6), Some university without degree/Higher education - lower-level tertiary certificate (7), and University with degree/Higher education - upper-level tertiary certificate (8).

And Family saving has labels from 1 to 4 as follows: Spent savings and borrowed money (1), Spent some savings and borrowed money (2), Just get by (3), and Save money (4).

Variable name	Definition, Obs. if <35,979 (Units)	Obs	Avg. (St.Dev.) ⁱ	Min–Max
Explanatory variables				
Soc_class_subj	Social class (subjective)	35043	2.743	1-5
	(5: Upper class – 1: Lower class)		(0.991)	
Satis hhfinance	Satisfaction with financial situation of household	35794	5.503	1-10
_	(10: Satisfied – 1: Dissatisfied)		(2.605)	
Health subj	State of health (subjective)	35829	3.902	1-5
_ ,	(5: very good – 1: very poor)		(0.872)	
Townsize2	Size of town (1000 – 25,000)	18876	93906.92	1000-

Table A4. Definition of variables used in regressions (explanatory and control variables)

			(172425.8)	500000
Emp public	Employment type: public institution	35979	0.135	0-1
	(1: yes, 0: no)		(0.342)	
Emp_private_biz	Employment type: private business	35979	0.173	0-1
	(1: yes, 0: no)		(0.378)	
Emp_private_nonpro	Employment type: private non-profit organization	35979	0.015	0-1
fit	(1: yes, 0: no)		(0.120)	
Emp_self	Employment type: self-employed	35979	0	0-0
	(1: yes, 0: no)		(0)	
Liv_w_parents	Do you live with your parents?	35726	0.350	0-1
	(1: yes, 0: no)		(0.477)	
Age_edu_cplt	What age did you complete your education?	25479	18.226	1-99
			(6.141)	
Edu_lev	Highest educational level attained	29788	4.517	1-8
	(8: some university without degree/higher education		(2.384)	
	1: inadequately completed elementary education)			
Fam_saving	Family savings during past year	34264	2.812	1-4
	(4: Save money – 1: Spent savings and borrowed money)		(0.872)	
Nat task1 cognitive	Nature of tasks: manual vs. cognitive	12800	4.888	1-10
0	(10: Mostly non-manual tasks - 1: Mostly manual		(3.160)	
	tasks)			
Nat_task2_routine	Nature of tasks: creative vs. routine	12777	4.563	1-10
	(10: Mostly non-routine tasks - 1: Mostly routine		(2.919)	
	tasks)			
Nat_task3_ind	Nature of tasks: independence	12777	6.218	1-10
	(10: Complete independence – 1: No independence at		(2.897)	
	all)			
Control variables				
Age	Age	35917	37.740	16-99
			(14.196)	
Sex	Female=0, Male=1	35946	0.498	0-1
			(0.500)	
Fam_saving	Family savings during past year	34264	2.812	1-4
	(4: Save money – 1: Spent savings and borrowed		(0.872)	
	money)			
Married1	Married=1, otherwise=0	35979	0.654	0-1
			(0.476)	
Married2	Divorced/separate/widowed=1, otherwise=0	35979	0.074	0-1
			(0.262)	
Married3	Single or never-married=1, otherwise=0	35979	0.271	0-1
			(0.445)	

Table A3. Descriptive statistics in each cluster

variables	Full definition, obs. if <35,979 (units)	No. Clusters		
		1	3	5
	Obs	14452	16346	5181
Act_religion	Active level in religion (0: lowest, 2:	0	0.168	0.020

	highest)	(0)	(0.499)	(0.185)
Act_sport	Active level in sport or recreation	0	0.202	0.044
	(0: lowest, 2: highest)	(0)	(0.540)0.	(0.273)
Act_art_music_edu	Active level in art, music, and education	0	0.142	0.022
	(0: lowest, 2: highest)	(0)	(0.461)	(0.196)
Act_lunion	Active level in labor union	0	0.092	0.014
	(0: lowest, 2: highest)	(0)	(0.373)	(0.151)
Act_ppart	Active level in political party	0	0.086	0.024
	(0: lowest, 2: highest)	(0)	(0.355)	(0.197)
Act_env	Active level in environmental	0	0.095	0.009
	organization (0: lowest, 2: highest)	(0)	(0.377)	(0.126)
Act_prof	Active level in professional organization	0	0.151	0.038
	(0: lowest, 2: highest)	(0)	(0.466)	(0.237)
Act_human	Active level in humanitarian organization	0	0.178	0.023
	(0: lowest, 2: highest)	(0)	(0.518)	(0.194)
Act_etc	Active level in any other organization	0	0.048	0.010
	(0: lowest, 2: highest)	(0)	(0.269)	(0.132)
Trust_fam	How much do you trust your family?	0.000	1.850	1.946
	(0: lowest, 2: highest)	(0.029)	(0.429)	(0.237)
Trust_tv	How much do you trust television?	0.718	0.611	0.855
	(0: lowest, 2: highest)	(0.750)	(0.740)	(0.733)
Trust_gov	How much do you trust the government?	0.773	0.655	0.572
	(0: lowest, 2: highest)	(0.786)	(0.785)	(0.799)
Trust_pparty	How much do you trust the political	0.274	0.191	0.227
	(0: lowest, 2: highest)	(0.550)	(0.480)	(0.522)
Trust_mjcomp	How much do you trust major companies?	0.368	0.612	0.585
	(0: lowest, 2: highest)	(0.613)	(0.731)	(0.680)
Trust_nbd	How much do you trust your	0.000	1.134	1.269
	(0: lowest, 2: highest)	(0.019)	(0.723)	(0.682)
Trust_personal_ppl	How much do you trust people you know	0.000	1.141	1.172
	personally? (0: lowest, 2: highest)	(0.020)	(0.729)	(0.701)
Trust_first_meet	How much do you trust people you meet	0	0.290	0.246
	for the first time? (0: lowest, 2: highest)	(0)	(0.529)	(0.470)
Trust_ppl	How much do you trust people of another	0.000	0.382	0.334
	religion? (0: lowest, 2: highest)	(0.008)	(0.577)	(0.525)

	vol. 21, Issue No. 1, May	y 2019			
	Trust_ppl	How much do you trust in people of other	0.000	0.372	0.240
	_diff_nationality	nationalities? (0: lowest, 2: highest)	(0.008)	(0.578)	(0.470)
	Conf_env	Confidence level in the environmental	0.587	0.637	0.703
	_prtc_mvmnt	protection movement (0: lowest, 2:	(0.766)	(0.739)	(0.711)
		highest)			
	Conf_women_mvmnt	Confidence level in the women's	0.545	0.577	0.716
		(0: lowest, 2: highest)	(0.742)	(0.720)	(0.735)
	Conf_justice	Confidence level in justice systems/courts	0.000	0.872	0.652
	_sys_courts	(0: lowest, 2: highest)	(0.012)	(0.818)	(0.834)
	Conf_UN	Confidence level in the United Nations	0.369	0.329	0.422
		(0: lowest, 2: highest)	(0.635)	(0.609)	(0.647)
	Conf_charity_org	Confidence level in charitable or	0	0.829	1.095
		humanitarian organizations (0: lowest, 2: highest)	(0)	(0.789)	(0.775)
	Conf_banks	Confidence level in banks	0.000	0.661	0.016
		(0: lowest, 2: highest)	(0.008)	(0.762)	(0.160)
	Conf_univ	Confidence level in universities	0.000	0.768	0.020
		(0: lowest, 2: highest)	(0.008)	(0.773)	(0.183)
	Info_friends	Information source: talk with friends or	0	1.544	0.001
		colleagues (0: lowest frequently, 2: highest	(0)	(0.839)	(0.039)
		frequently)			
	Myself_citizen_cntry	I see myself as a citizen of the country.	0.000	1.546	1.670
		(0: lowest, 2: highest)	(0.025)	(0.622)	(0.539)
	Myself_loc_comm	I see myself as a member of my local	0.000	1.404	1.511
		community. (0: lowest, 2: highest)	(0.020)	(0.668)	(0.641)
	Myself_sociable	I see myself as someone who is outgoing,	0	0.801	0.002
		sociable (0: lowest, 2: highest)	(0)	(0.812)	(0.059)
ļ	Person_do_good	Schwartz: It is important to this person to	0	1.420	0.002
	_for_society	do something for the good of society. (0: lowest, 2: highest)	(0)	(0.770)	(0.059)

Table A4. Marginal effects for employment status summary

Category		Note	J=5			
	Variables		Regression models			
			Subjective	Socio-	One's task	All
			perception	economic	nature	combined

			about one's			
Employment	status=active		status			
Employments		Not much involved in social				
	Cluster 1	activities or trust	Baseline	Baseline	Baseline	Baseline
	Cluster2	No observations	Omitted	Omitted	Omitted	Omitted
G 1 (Sense of belonging with respect				
Sc clusters	Cluster3	to relationship	0.058^{**}	0.301**	0.028 (0.037)	0.488**
		to relationship	(0.024)	(0.150)	(0.037)	(0.210)
	Cluster4	No observations	Omitted	Omitted	Omitted	Omitted
	Cluster5	Trust in society	Omitted	Omitted	Omitted	Omitted
		Social class (subjective)	0.024***			0.002
	Soc_class_subj	(5: Upper class – 1: Lower	(0.003)			(0.003)
		class)	× ,			· · · ·
		Satisfaction with financial				
	Satis_	situation of household	-0.000			-0.03
	hhfinance		(0.001)			(0.008)
	** 11	(10: Satisfied – 1: Dissatisfied)				
	Health_	State of health (subjective)	0.016***			0.020**
	suoj	(5: very good - 1: very poor)	(0.004)	0.000		0.000
	Townsize2	Size of town (1000 - 23,000)		(0.000)		(0.000)
	Emp	Employment type: public		0 602***	0.520***	0 500***
	public	institution		(0.011)	(0.018)	(0.027)
	puone	(1: yes, 0: no)			. ,	()
		Employment type: private		0.477***	0.348***	0.400***
	Emp_private_biz	business		(0.012)	(0.018)	(0.027)
		(1: yes, 0: no)				
	Emp private non profit	profit organization		0.413***	0.309***	0.344***
	Emp_private_non_prone	(1: yes. 0: no)		(0.021)	(0.028)	(0.038)
		Employment type: self-				
Explanatory	Emp self	employed		omitted	omitted	omitted
variables		(1: yes, 0: no)				
	Liv_w	Do you live with your parents?		0.021**		-0.005
	_parents	(1: yes, 0: no)		(0.010)		(0.017)
	Age edu cplt	What age did you complete		0.001		-0.001
		your education?		(0.001)		(0.002)
		Highest educational level				
		(8: some university without		0.015***		0.019***
	Edu_lev	degree/higher education		(0.002)		(0.004)
		1: inadequately completed		× /		· · /
		elementary education)				
	F	Family savings during past year		0.004		
	ram_ saving	(4: Save money – 1: Spent		(0.004)		
	saving	savings and borrowed money)		(0.001)		
		Nature of tasks: manual vs.				
	Nat task1 cognitive	cognitive			0.013***	0.008***
	Ŭ	(10: Mostly non-manual tasks –			(0.002)	(0.002)
		Nature of tasks: creative ve				
		routine			0.006***	0.004*
	Nat_task2_routine	(10: Mostly non-routine tasks –			(0.002)	(0.002)
		1: Mostly routine tasks)				

	Nat_task3_ind	Nature of tasks: independence (10: Complete independence – 1: No independence at all)			0.005*** (0.002)	0.005** (0.002)
	Age	Age	-0.000	-0.000	-0.001	0.000
	Sex	Female=0, Male=1	0.339*** (0.005)	0.206*** (0.007)	0.150*** (0.010)	0.181*** (0.014)
	Lit	Family savings during past year (4: Save money – 1: Spent savings and borrowed money)	0.152*** (0.003)	0.016 (0.025)	0.058*** (0.018)	-0.001 (0.053)
Control variables (individual)	Fam_ saving	Family savings during past year (4: Save money – 1: Spent savings and borrowed money)	0.015*** (0.003)		0.015*** (0.006)	0.018** (0.008)
	Married1	Married=1, otherwise=0	0.168 (0.179)	0.328 (0.235)	0.162 (0.254)	0.397 (0.358)
	Married2	Divorced/separate/widowed=1, otherwise=0	0.149 (0.179)	0.318 (0.236)	0.140 (0.255)	0.368 (0.359)
	Married3	Single or never-married=1, otherwise=0	0.184 (0.179)	0.358 (0.235)	0.168 (0.255)	0.403 (0.358)
	Algeria		Baseline	Baseline	Baseline	Baseline
	Bahrain		0.014 (0.015)	-0.008 (0.015)	-0.133*** (0.024)	-0.130*** (0.027)
	Palestine		-0.034**		0.005 (0.031)	
	-		-0.068***	-0.033**	-0.006	-0.020
	Iraq		(0.014)	(0.016)	(0.027)	(0.031)
	Jordan		-0.065***	-0.013	0.170	0.152***
	Kuwoit		0.145***	(0.010)	0.180	(0.055)
Control	Kuwan		(0.018) 0.089***	0 103***	(0.030)	0.076**
variables	Lebanon		(0.016)	(0.016)	(0.025)	(0.029)
(country)	Libya		0.009 (0.014)	-0.033** (0.015)	-0.106*** (0.024)	-0.118*** (0.028)
	Morocco		0.309***		0.321***	()
	Oatar		0.034**		(0.023)	
			(0.016)	0.008	0.003	0.007
	Tunisia			(0.015)	(0.026)	(0.029)
	Turkey		-0.004 (0.014)		0.132*** (0.026)	
	Egypt		-0.065***		-0.126	
	Vemen		-0.054***	-0.019	-0.021	0.002
Funloyment	status=inactive (active la	ny ())	(0.015)	(0.017)	(0.029)	(0.034)
Linpioyment	Cluster1	Not much involved in social activities or trust	Baseline	Baseline	Baseline	Baseline
	Cluster2	No observations	Omitted	Omitted	Omitted	omitted
Sc clusters	Cluster3	Sense of belonging with respect	-0.061**	-0.183**	-0.006	-0.108**
	Cluster/	to relationship	(0.026) Omitted	(0.083) Omitted	(0.008) Omitted	(0.048) Omitted
	Cluster5	Trust in society	Omitted	Omitted	Omitted	Omitted
		Social class (subjective)				
Explanatory	Soc_class_subj	(5: Upper class – 1: Lower class)	-0.025*** (0.003)			-0.001 (0.002)
variables	S-4'	Satisfaction with financial	0.000			0.001
	Satis_ hhfinance	situation of household	0.000 (0.001)			0.001 (0.001)
]	1	I	l	l	I

	Health_ subj Townsize2	 (10: Satisfied – 1: Dissatisfied) State of health (subjective) (5: very good – 1: very poor) Size of town (1000 – 25,000) 	-0.018*** (0.004)	-0.000		-0.005** (0.002) -0.000 (0.000)
	Emp_ public	Employment type: public institution (1: yes, 0: no)		-0.367*** (0.005)	-0.117*** (0.007)	-0.131*** (0.009)
	Emp_private_biz	Employment type: private business (1: yes, 0: no)		-0.291*** (0.004)	-0.077*** (0.005)	-0.089*** (0.007)
	Emp_private_non_profit	Employment type: private non- profit organization (1: yes, 0: no) Employment type: self-		-0.251*** (0.011)	-0.069*** (0.007)	-0.076*** (0.009)
	Emp_self	employed (1: yes, 0: no)				
	Liv_w _parents	Do you live with your parents? (1: yes, 0: no)		-0.013** (0.006)		0.001 (0.004)
	Age_edu_cplt	What age did you complete your education? Highest educational level		-0.001 (0.001)		0.000 (0.000)
	Edu_lev	(8: some university without degree/higher education 1: inadequately completed elementary education)		-0.009*** (0.001)		-0.004*** (0.001)
	Fam_ saving	Family savings during past year (4: Save money – 1: Spent savings and borrowed money) Nature of tasks: manual vs.		-0.003 (0.002)		
	Nat_task1_cognitive	cognitive (10: Mostly non-manual tasks – 1: Mostly manual tasks)			-0.003*** (0.000)	-0.002*** (0.001)
	Nat_task2_routine	Nature of tasks: creative vs. routine (10: Mostly non-routine tasks – 1: Mostly routine tasks)			-0.001*** (0.000)	-0.001* (0.001)
	Nat_task3_ind	(10: Complete independence – 1: No independence at all)			-0.001*** (0.000)	-0.001** (0.001)
	Age	Age	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)
	Sex	Female=0, Male=1	-0.359***	-0.125***	-0.033***	-0.040***
	Lit	Literate=1, otherwise=0	-0.161*** (0.004)	-0.001 (0.015)	-0.013*** (0.004)	0.004) 0.000 (0.012)
Control variables	Fam_saving	Family savings during past year (4: Save money – 1: Spent savings and borrowed money)	-0.016*** (0.004)		-0.003**s* (0.001)	-0.004** (0.002)
(murviuuai)	Married1	Married=1, otherwise=0	-0.178 (0.190)	-0.200 (0.143)	-0.036 (0.056)	-0.089 (0.080)
	Married2	Divorced/separate/widowed=1, otherwise=0	-0.158 (0.190)	-0.193 (0.144)	-0.031 (0.057)	-0.082 (0.080)
	Married3	Single or never-married=1, otherwise=0	-0.195 (0.190)	-0.218 (0.143)	-0.037 (0.057)	-0.089 (0.080)
Control	Algeria		Baseline	Baseline	Baseline	Baseline

(country) Palestine 0.039** (0.039) (0.007) (0.007) Iraq 0.039** 0.021** 0.002 0.004 Jordan 0.017) (0.010) (0.007) (0.007) Jordan 0.017) (0.010) (0.007) (0.007) Kuwait -0.13*** -0.013** -0.022*** (0.016) (0.010) (0.007) (0.005) Lebanon -0.08*** -0.065*** -0.03** (0.016) (0.010) (0.007) (0.007) Morocco -0.036*** (0.016) (0.000) Morocco -0.224*** 0.001 (0.007) Morocco -0.234*** (0.016) (0.007) Morocco -0.234*** (0.017) (0.007) Tunisia No obs -0.005 -0.001 Turkey 0.016) (0.010) (0.007) Egypt 0.021** 0.003 (0.007) Ordered probit results Number of obs 10803 5676 6	variables	Bahrain		-0.015	0.005	0.048^{***}	0.0348***
I atestine (0.020) (0.008) Iraq 0.083*** 0.021** 0.002 0.004 Jordan (0.017) (0.010) (0.007) (0.007) Kuwait (0.13)*** 0.013** -0.022*** (0.007) Lebanon (0.017) (0.010) (0.007) (0.005) Libya -0.013*** -0.003 -0.013** Morocco -0.088*** -0.065*** -0.003 -0.013** Morocco -0.016 (0.010) (0.007) (0.007) Morocco -0.224*** (0.016) (0.000) (0.007) Morocco -0.234*** (0.017) (0.007) (0.007) Qatar (0.017) (0.010) (0.007) (0.007) Turkey (0.017) -0.003 -0.003 -0.003 Egypt 0.036** 0.001 (0.007) (0.006) Unisia No obs -0.005 -0.001 -0.001 Egypt 0.0212 0.006 -0.000 <	(country)	Palastina		0.039**	(0.009)	-0.001	(0.007)
Iraq 0.083*0* 0.017* 0.002 0.004 Jordan 0.017* (0.017) (0.007) (0.007) Kuwait -0.133*** -0.022*** (0.017) (0.006) (0.007) Kuwait -0.133*** -0.013*** -0.013** -0.013** -0.013** Lebanon (0.016) (0.017) (0.007) (0.007) (0.005) Libya -0.010 0.021** 0.036*** 0.036*** 0.036*** Morocco -0.22*** (0.016) (0.010) (0.007) (0.005) Morocco -0.234*** -0.038** -0.036*** 0.036*** 0.036*** Qatar -0.036** (0.017) -0.048*** -0.048*** 0.006) Turkey 0.004 -0.030*** 0.001 (0.006) -0.001 Egypt 0.064*** 0.010 (0.007) (0.006) -0.001 Vemen 0.064*** 0.012 0.006 -0.000 (0.007) Ordered probit results Number of		raiestille		(0.020)	0.021**	(0.008)	0.004
Jordan 0.079*** 0.008 -0.033*** -0.022*** Kuwait (0.018) (0.010) (0.006) (0.005) Kuwait -0.133*** (0.017) -0.065*** (0.007) Lebanon -0.010 (0.010) (0.007) (0.007) Libya -0.010 0.021** (0.007) (0.007) Morocco -0.036*** (0.010) (0.007) (0.007) Morocco -0.234*** (0.010) (0.007) (0.007) Qatar -0.036** (0.010) (0.006) (0.007) Tunisia No obs -0.005 -0.001 -0.001 Turkey 0.064 -0.036** (0.006) (0.006) Egypt 0.064*** (0.016) (0.007) (0.006) 0.079*** 0.012 0.006 -0.001 0.001 0.006*** (0.011) (0.006) -0.007 0.0160 0.0110 (0.007) (0.006) -0.000 0.064*** 0.012		Iraq		0.083***	0.021** (0.010)	0.002 (0.007)	0.004 (0.007)
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$		Iordan		0.079***	0.008	-0.033***	-0.022***
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$		Jordan		(0.018)	(0.010)	(0.006)	(0.005)
Lebanon -0.088*** -0.005 -0.003 -0.013** Libya (0.016) (0.010) (0.007) (0.007) Morocco -0.036*** (0.010) (0.007) (0.007) Qatar -0.036*** (0.011) (0.007) (0.007) Qatar -0.036** (0.017) (0.006) (0.007) Tunisia No obs -0.005 -0.001 (0.007) Turkey (0.016) (0.010) (0.007) (0.006) Egypt 0.004 -0.005 -0.001 (0.006) Vemen 0.016) (0.010) (0.007) (0.006) 0.004 -0.030*** 0.003 (0.007) (0.006) Vemen 0.004 -0.000 -0.000 (0.007) Ordered probit results Number of obs 10803 5676 6965 3704 LR chi(2)(23) 5228.51 5592.75 1572.65 1009.70 Prob>chi2 0.0000 0.0000 0.0000 0.000 0.000 <td></td> <td>Kuwait</td> <td></td> <td>(0.017)</td> <td></td> <td>(0.007)</td> <td></td>		Kuwait		(0.017)		(0.007)	
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$		Lebanon		-0.088***	-0.065***	-0.003	-0.013**
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$		Lebanon		(0.016)	(0.010)	(0.007)	(0.005)
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$		Libya		(0.016)	(0.021^{++})	(0.008)	(0.007)
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$		Morocco		-0.234***		-0.048***	
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$		WIGIGEE		(0.014)		(0.006)	
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$		Qatar		-0.036**			
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$		Tunisia		No obs	-0.005	-0.001	-0.001
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$		T ullisiu		0.004	(0.010)	(0.007)	(0.006)
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$		Turkey		(0.016)		(0.006)	
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$		Favnt		0.079***		0.003	
Yemen 0.064*** 0.012 0.006 -0.000 Ordered probit results (0.18) (0.011) (0.008) (0.007) Ordered probit results Number of obs 10803 5676 6965 3704 LR chi(2)(23) 5228.51 5592.75 1572.65 1009.70 Prob>chi2 0.0000 0.0000 0.000 0.000 Pseudo R2 0.1606 0.3188 0.085 0.1014 Cut1 2.178 3.966 0.590 3.028		Egypt		(0.016)	0.012	(0.007)	0.000
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		Yemen		(.018)	(0.012)	(0.006)	-0.000 (0.007)
Number of obs10803567669653704LR chi(2)(23) 5228.51 5592.75 1572.65 1009.70 Prob>chi2 0.0000 0.0000 0.000 0.000 Pseudo R2 0.1606 0.3188 0.085 0.1014 Cut1 2.178 3.966 0.590 3.028 Cut2 2.547 4.846 1.087 3.585	Ordered probit re	esults		((*****)	(****)
$\begin{array}{c c c c c c c c c c c c c c c c c c c $			Number of obs	10803	5676	6965	3704
$\begin{array}{c c c c c c c c c c c c c c c c c c c $			LR chi(2)(23)	5228.51	5592.75	1572.65	1009.70
$\begin{array}{c c c c c c c c c c c c c c c c c c c $			Prob>chi2	0.0000	0.0000	0.000	0.000
$\begin{array}{c ccccc} Cut1 & 2.178 & 3.966 & 0.590 & 3.028 \\ Cut2 & 2.547 & 4.846 & 1.087 & 3.585 \\ \end{array}$			Pseudo R2	0.1606	0.3188	0.085	0.1014
			Cutl	2.178	3.966	0.590	3.028
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$			Cut2	2.347	4.840	1.087	5.585 4.596
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$			Cut3	3 571	6 317	2.032	5 235

Table A5. Marginal effects for income rank summary

			J=5					
		Note	Reg models					
Category	Variables		Subjective perception about one's status	Socio- economic	One's task nature	All combined		
Incomerank=	Incomerank=10 (tenth step, highest)							
	Cluster1	Not much involved in social activities or trust	Baseline	Baseline	Baseline	Baseline		
	Cluster2	No observations	Omitted	Omitted	Omitted	Omitted		
Sc clusters	Cluster3	Sense of belonging with respect to relationship	-0.004 (0.028)	0.027** (0.013)	0.013*** (0.013)	0.067*** (0.028)		
	Cluster4	No observations	Omitted	Omitted	Omitted	Omitted		
	Cluster5	Trust in society	-0.008 (0.028)	Omitted	Omitted	Omitted		
Explanatory variables	Soc_class_subj	Social class (subjective) (5: Upper class – 1: Lower class)	0.017*** (0.001)			0.018*** (0.002)		

Satisfaction with financial situation of household 0.003*** 0.004*** Satis hhfinance (0.001)(0.000)(10: Satisfied -1: Dissatisfied) State of health (subjective) 0.001** Health 0.001 (0.000)(0.001)subj (5: very good - 1: very poor) 0.000 -0.000 Size of town (1000 – 25,000) Townsize2 (0.000)(0.000)Employment type: public Emp 0.000 0.002 -0.002 institution (0.001)(0.002)(0.002)public (1: yes, 0: no) Employment type: private 0.001 0.001 -0.001 Emp private biz business (0.001) (0.001)(0.002)(1: yes, 0: no) Employment type: private non--0.006*** -0.007** -0.008** Emp private non profit profit organization (0.003) (0.002)(0.03)(1: yes, 0: no) Employment type: selfemployed Emp self Omitted Omitted Omitted (1: yes, 0: no) Do you live with your parents? 0.001 0.002 Liv w parents (1: yes, 0: no) (0.001)(0.002)What age did you complete 0.000 -0.000 Age edu cplt your education? (0.000)(0.000)Highest educational level attained (8: some university without 0.003*** 0.002*** Edu lev (0.000)(0.000)degree/higher education 1: inadequately completed elementary education) Family savings during past 0.014*** year Fam (0.001)(4: Save money -1: Spent saving savings and borrowed money) Nature of tasks: manual vs. cognitive 0.000** 0.002*** Nat task1 cognitive (10: Mostly non-manual tasks (0.000)(0.000)- 1: Mostly manual tasks) Nature of tasks: creative vs. routine 0.001*** 0.001*** Nat task2 routine (0.000)(0.000)(10: Mostly non-routine tasks - 1: Mostly routine tasks) Nature of tasks: independence 0.001*** 0.001*** (10: Complete independence -Nat task3 ind (0.000)(0.000)1: No independence at all) -0.000 -0.000 -0.000*** -0.000 Age Age (0.000)(0.000)(0.000)(0.000)-0.004*** -0.004*** -0.002*** Female=0, Male=1 -0.002* Sex (0.001)(0.001)(0.001)(0.001)0.005*** 0.006*0.011*** 0.009** Literate=1, otherwise=0 Control Lit (0.001) (0.003)(0.002)(0.004)variables Family savings during past (individual) Fam 0.005*** 0.011*** 0.006*** vear (4: Save money -1: Spent (0.000)(0.001)(0.001)_saving savings and borrowed money) Married1 Married=1, otherwise=0 0.028 0.242 0.010 0.204

v01.	21, Issue NO. 1, May 201		I	1	1	1
		Divorced/separate/widowed=1	(0.021)	(4.008)	(0.026)	(4.175)
	Married2	otherwise=0	(0.027)	(4.008)	(0.026)	(4.175)
	Married3	Single or never-married=1,	0.0295	0.245	0.013	0.207
	A100mi0	otherwise=0	(0.021)	(4.008)	(0.026)	(4.1/5)
	Algeria		0.013***	0.027***	0.012***	0.012***
	Bahrain		(0.002)	(0.003)	(0.002)	(0.003)
	Palestine		0.005*** (0.001)			
	Iraq		0.012*** (0.001)	0.012*** (0.002)	0.011*** (0.002)	0.013*** (0.003)
	Jordan		0.014*** (0.002)	0.008*** (0.002)	0.005*** (0.002)	0.013*** (0.003)
	Kuwait		0.004***		0.014***	0.013***
Control	Lebanon		0.014***	0.024***	0.014***	0.019***
variables (country)	Libya		0.000	0.007***	0.001	0.006***
(country)	Morocco		0.002**	(0.001)	-0.003**	(0.002)
	Oatar		(0.001)		(0.001)	
	Tunicio		0.004***	0.001	0.001	0.006***
	Tullisla		(0.001)	(0.001)	(0.001)	(0.002)
	Turkey		(0.001)		(0.003)	
	Egypt		0.003***		-0.002	
	Yemen		-0.001	-0.004***	-0.005***	-0.004***
Income rank=	=5 (fifth sten)		(0.001)	(0.001)	(0.001)	(0.002)
	Cluster1	Not much involved in social	Baseline		Baseline	Baseline
	Cluster2	No observations	Omitted		Omitted	Omitted
Sc clusters	Cluster?	Sense of belonging with	0.002		-0.011***	-0.079***
	Cluster 3	respect to relationship	(0.018)		(0.003)	(0.033)
	Cluster4	No observations	Omitted		Omitted	Omitted
	Cluster5	Trust in society	(0.018)		Omitted	Omitted
		Social class (subjective)	0.011***			0.021***
	Soc_class_subj	(5: Upper class – 1: Lower	(0.001)			(0.001)
		class)				
		Saustaction with linancial				
	Satis_	situation of household	-0.002***			-0.005***
	miniance	(10: Satisfied – 1: Dissatisfied)	(0.000)			(0.000)
	Health	State of health (subjective)	-0.000**			-0.001
Explanatory	subj	(5: very good – 1: very poor)	(0.000)			(0.001)
variables	Townsize2	Size of town (1000 – 25,000)				0.000
	F	Employment type: public				(0.000)
	Emp_ public	institution			-0.001 (0.001)	0.002 (0.003)
	puolie	(1: yes, 0: no)			(0.000)	(0.000)
	Emm mi 1-:	Employment type: private			-0.001	0.001
	Emp_private_biz	(1. ves (0. no)			(0.001)	(0.003)
	Enn minster - Co	Employment type: private non-			0.005***	0.009**
	Emp_private_non_profit	profit organization			(0.002)	(0.004)

Emp_self employed Omited Omited Liv_w_pression (i) yes, 0: no) 0			(1: yes, 0: no) Employment type: self-			
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Emp_self	employed (1: ves. 0: no)		Omitted	Omitted
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Liv_w_	Do you live with your parents?			-0.002
Age_edu_cpit Vinit age dougtion? 0.000 Highest deucation? Highest deucation? 0.000 Highest deucation? Highest deucation? 0.000?*** Highest deucation? degree/higher education? 0.000?*** Edu_lev degree/higher education? 0.000?*** Fam_saving (4: Save money - 1: Spent savings and borrowed money) 0.000*** Nat_task1_cognitive (10: Mostly non-manual tasks) 0.000** Nat_task2_routine routine -0.002*** (10: Mostly non-routine tasks -1: Mostly routine tasks -0.002*** Nat_task2_ind (10: Complet independence -0.002*** Nat_task3_ind (0.000) -0.000*** Kit (2: Save money - 1: Spent -0.000*** Sex Female=0, Male=1 -0.001*** -0.000*** (0.000) (0.000) (0.000) (0.000) Variands -1: Spent -0.003*** -0.002*** (individual) Fam_savings during past -0.003*** -0.007*** (individual) Fam_savings during past -0.003*** <td></td> <td>parents</td> <td>(1: yes, 0: no) What age did you complete</td> <td></td> <td></td> <td>(0.002)</td>		parents	(1: yes, 0: no) What age did you complete			(0.002)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Age_edu_cplt	your education?			(0.000)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			Highest educational level			
Edu_lev degree/higher education 1: inadequately completed elementary education) Family savings during past year (0.000) Fam_ saving Year (4: Save money - 1: Spent savings and borrowed money) Nature of tasks: manual vs. cognitive (10: Mostly non-manual tasks - 1: Mostly routine tasks - 1: No independence - 1: No independence at all) -0.002*** (0.000) Age Age Age 0.000*** (0.000) 0.000*** (0.000) 0.000** (0.000) Lit Year (4: Save money - 1: Spent savings and borrowed money) Family savings during past year (4: Save money - 1: Spent savings and borrowed money) Family savings during past year -0.003*** (0.001) -0.009*** (0.001) -0.007*** (0.001) Married1 Married-1, otherwise=0 -0.018 (0.014) -0.009*** (0.022) -0.007*** (4.823) Married2 Single or never-married=1, otherwise=0 -0.018 (0.014) -0.009*** (0.022) -0.018 (0.022) -0.019*** (0.022) -0.018 (0.022) -0.018** (0.022) -0.018** (0.022) -0.018** (0.022) -0.019*** (0.022) -0.018** (0.022) -0.019*** (0.022) -0.018** (0.022) -0.011 -0.223 (0.022) -			(8: some university without			-0.002***
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Edu_lev	degree/higher education			(0.000)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			1: inadequately completed			
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			Family savings during past			
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Fam_	year 1 S			
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		saving	(4: Save money – 1: Spent savings and borrowed money)			
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			Nature of tasks: manual vs.			
Nat_task2_routine (10: Mostly non-manual tasks) - 1: Mostly manual tasks) Nature of tasks: creative vs. routine (10: Mostly non-routine tasks) Nature of tasks: independence (10: Complete independence (10: Complete independence (10: Complete independence - 1: No independence at all) -0.002*** -0.000*** (0.000) -0.002*** (0.000) Age Age 0.000** (0.000) 0.000** (0.000) 0.000** (0.000) 0.000** (0.000) Sex Female=0, Male=1 0.000** (0.000) 0.001** (0.000) 0.001** (0.001) 0.001** (0.001) Control variables (individual) Fam_ savings year -0.003*** (4: Save money - 1: Spent savings and borrowed money) Family savings during past year -0.003*** -0.003*** -0.009*** -0.009*** -0.007*** -0.007*** Married1 Married1. Married=1, otherwise=0 -0.018 (0.014) -0.009*** -0.011 -0.238 (0.014) Married3 Single or never-married=1, otherwise=0 -0.019 (0.014) -0.011 -0.237 -0.013*** -0.014*** Control variables (individual) Algeria Bahrain Baseline -0.007*** Baseline -0.007*** Baseline -0.007*** Baseline -0.007*** -0.014*** -0.014*** 0.0001 -0.001*** -0.015*** -0.015*** -0.015***		Nat_task1_cognitive	cognitive			-0.001** (0.000)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			- 1: Mostly manual tasks)			(0.000)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			Nature of tasks: creative vs.			
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Nat_task2_routine	(10: Mostly non-routine tasks			-0.002*** (0.000)
Nat_task3_ind Nature of tasks: independence (10: Complete independence - 1: No independence at all) -0.002*** (0.000) Age Age 0.000** (0.000) 0.000** (0.000) 0.000** (0.000) 0.000** (0.000) 0.000** (0.000) Sex Female=0, Male=1 0.001*** (0.000) 0.000** (0.000) 0.000** (0.001) 0.000** (0.001) 0.000** (0.001) Lit year (4: Save money - 1: Spent savings and borrowed money) -0.003*** Family savings during past year -0.003*** (0.000) -0.009*** (0.001) -0.007*** (0.001) Married1 Married=1, otherwise=0 -0.018 (0.014) -0.009 -0.02*** (0.001) Married2 Divorced/separate/widowed=1, otherwise=0 -0.017 (0.014) -0.006 (0.014) -0.011 (0.022) -0.238 (4.882) Married3 Single or never-married=1, otherwise=0 -0.019 (0.014) -0.011 (0.022) -0.242 (4.882) Algeria Bahrain Balrain -0.000 (0.001) -0.014*** (0.002) -0.014*** (0.003) -0.014*** (0.003) Control variables (country) Palestine Iraq -0.006*** (0.001) -0.001*** -0.014*** (0.002) -0.016***			– 1: Mostly routine tasks)			
Age Age Age (0.000) Sex Female=0, Male=1 0.000*** 0.000*** 0.000*** Sex Female=0, Male=1 0.000*** 0.000*** 0.002* Family savings during past '0.000' '0.000' 0.000*** 0.002* Lit 'year -0.003*** -0.003*** -0.009*** -0.010** (individual) Family savings during past 'year -0.003*** -0.009*** -0.010** (individual) Fam_ year -0.003*** -0.009*** -0.007*** (individual) Fam_ year -0.003*** -0.009*** -0.007*** Married1 Married=1, otherwise=0 -0.01* (0.001) (0.001) (0.001) Married2 Divorced/separate/widowed=1, otherwise=0 -0.017 -0.006 -0.237 Married3 Single or never-married=1, otherwise=0 -0.019 -0.011 -0.242 Married3 Single or never-married=1, otherwise=0 -0.019 -0.013*** -0.014**** 0.002* (Nat task3 ind	Nature of tasks: independence (10: Complete independence –			-0.002***
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			1: No independence at all)			(0.000)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Age	Age	0.000^{**} (0.000)	0.000** (0.000)	0.000 (0.000)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Sex	Female=0, Male=1	0.001*** (0.000)	0.003*** (0.001)	0.002*
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			Family savings during past	(0.000)	(0.000)	()
Control variables (individual) Fam_ saving control year (4: Save money - 1: Spent year -0.003*** (0.000) -0.009*** (0.001) -0.007*** (0.001) Married1 Married=1, otherwise=0 -0.018 (0.014) -0.009 -0.238 (0.001) Married2 Divorced/separate/widowed=1, otherwise=0 -0.017 -0.006 -0.237 (0.014) Married3 Single or never-married=1, otherwise=0 -0.019 -0.011 -0.242 (0.014) Algeria Bahrain -0.007*** (0.002) -0.013*** (4.882) -0.014*** (0.002) -0.014*** (0.002) Control variables (country) Palestine Iraq -0.006** (0.001) -0.006*** (0.001) -0.011*** (0.002) -0.016*** (0.001) Iardan -0.006** -0.011*** (0.001) -0.016*** -0.016***		Lit	year (4: Save money – 1: Spent	-0.003*** (0.001)	-0.009*** (0.001)	-0.010** (0.005)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	~ 1		savings and borrowed money)	(0.001)	(01001)	(0.000)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Control	F	Family savings during past			
Married1 Savings and borrowed money) Married=1, otherwise=0 -0.018 (0.014) -0.009 (0.022) -0.238 (4.882) Married1 Divorced/separate/widowed=1, otherwise=0 -0.017 (0.014) -0.006 -0.237 (0.022) -0.006 -0.237 (4.882) Married2 Divorced/separate/widowed=1, otherwise=0 -0.017 (0.014) -0.011 -0.242 (0.022) -0.011 -0.242 (4.882) Married3 Single or never-married=1, otherwise=0 -0.019 (0.014) -0.011 -0.242 (0.022) -0.011 -0.242 (4.882) Algeria Bahrain Baseline -0.007*** Baseline -0.007*** Baseline -0.003* -0.013*** -0.014*** Variables (country) Iraq Iraq -0.008*** -0.011** -0.016*** Iordan Iordan -0.008*** -0.004** -0.015***	(individual)	Fam_ saving	year (4: Save money – 1: Spent	-0.003*** (0.000)	-0.009*** (0.001)	-0.007*** (0.001)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			savings and borrowed money)			
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Married1	Married=1, otherwise=0	-0.018 (0.014)	-0.009 (0.022)	-0.238 (4.882)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Married2	Divorced/separate/widowed=1,	-0.017	-0.006	-0.237 (4.882)
Marrieus otherwise=0 (0.014) (0.022) (4.882) Algeria Baseline -0.013*** -0.013*** -0.014*** Bahrain -0.007*** -0.003* -0.013*** -0.014*** Control Palestine -0.000 -0.003* -0.003* variables Iraq -0.006*** -0.011*** -0.016*** Iordan Jordan -0.008*** -0.004** -0.015***		Manniad?	Single or never-married=1,	-0.019	-0.011	-0.242
Algeria Baseline Baseline Baseline Baseline Baseline Bahrain -0.007*** -0.013*** -0.014*** -0.013*** -0.014*** Control Palestine -0.000 -0.003* (0.003) (0.003) variables Iraq -0.006*** -0.011*** -0.016*** Jordan Jordan -0.008*** -0.004** -0.015***		Marrieds	otherwise=0	(0.014)	(0.022)	(4.882)
Control Palestine (0.002) (0.003) (0.003) variables Iraq -0.006*** -0.001*** -0.011*** -0.016*** lordan Jordan -0.008*** -0.008*** -0.004** -0.015***		Algeria		Baseline -0.007***	-0.013***	Baseline -0.014***
Control variables (country) Palestine -0.000 (0.001) -0.005 (0.001) -0.005 (0.001) -0.016*** Iraq Iraq -0.006*** (0.001) -0.008*** -0.011*** (0.001) -0.016*** Iordan Iordan -0.008*** -0.004** -0.015***		Banrain		(0.002)	(0.003) -0.003*	(0.003)
Variables (country) Iraq -0.006*** -0.011*** -0.016*** Icountry) Iordan 0.008*** 0.004** -0.015***	Control	Palestine		(0.001)	(0.002)	
-0.008*** -0.015***	(country)	Iraq		-0.006*** (0.001)	-0.011*** (0.003)	-0.016*** (0.004)
(0.001) . (0.002) (0.003)		Jordan		-0.008*** (0.001)	-0.004** (0.002)	-0.015*** (0.003)
Kuwait 0.000 -0.148*** (0.003) ·		Kuwait		0.000	-0.148***	

v 01.	21, Issue NO. 1, May 201			i i		
	Lebanon		-0.008*** (0.002)		-0.016*** (0.003)	-0.023*** (0.004)
	Libya		0.000		-0.000	0.001
			(0.001) 0.001*		(0.000) -0.003**	(0.001)
	Morocco		(0.001)		(0.002)	
	Qatar		0.000		0.000	0.007***
	Tunisia		(0.001)		(0.000)	(0.002)
	Turkey		-0.009***		-0.027***	
	Egypt		0.001		-0.001	
	Yemen		-0.002		-0.016***	0.001
Income rank=	=1 (first step lowest)		(0.001)		(0.004)	(0.001)
	Cluster1	Not much involved in social activities or trust	Baseline	Baseline	Baseline	Baseline
	Cluster2	No observations	Omitted	Omitted	Omitted	Omitted
Sc clusters	Cluster?	Sense of belonging with	0.014	-0.072**	-0.040***	-0.150***
	Cluster 5	respect to relationship	(0.101)	(0.034)	(0.010)	(0.061)
	Cluster4	No observations	Omitted	Omitted	Omitted	Omitted
	Cluster5	Trust in society	(0.101)	Omitted	Omitted	Omitted
		Social class (subjective)	0.000			0.040444
	Soc_class_subj	(5: Upper class – 1: Lower	-0.062*** (0.002)			-0.040*** (0.002)
		class)				
		Satisfaction with financial				
	Satis_	situation of household	-0.013***			-0.001***
	hhfinance	(10: Satisfied – 1: Dissatisfied)	(0.000)			(0.001)
	Health	State of health (subjective)	-0.003**			-0.002
	subj	(5: very good – 1: very poor)	(0.001)			(0.002)
	Townsize2	Size of town (1000 – 25,000)		-0.000		0.000
		Employment type: public		(0.000)		(0.000)
	Emp_	institution		-0.000	-0.005	0.003
	public	(1: yes, 0: no)		(0.004)	(0.005)	(0.005)
F 1 4	T	Employment type: private		-0.002	-0.002	0.002
variables	Emp_private_biz	business $(1: \text{ves}, 0: n_0)$		(0.003)	(0.005)	(0.005)
variables		Employment type: private non-				
	Emp_private_non_profit	profit organization		0.018**	0.019***	0.018**
		(1: yes, 0: no)		(0.008)	(0.007)	(0.008)
		Employment type: self-				
	Emp_self	employed		Omitted	Omitted	Omitted
	Liv, w	(1: yes, 0: no) Do you live with your parents?		0.002		0.002
	parents	(1: yes, 0: no)		(0.002)		(0.003)
	A co. odu oult	What age did you complete		-0.000		0.000
	Age_edu_cpit	your education?		(0.000)		(0.000)
		Highest educational level				
		attained		0.000***		0.004***
	Edu_lev	degree/higher education		-0.008*** (0.001)		-0.004*** (0.001)
		1: inadequately completed		× · · · /		
		elementary education)				

		Family savings during past				
	Fam_	year (4: Sava monay 1: Spant		-0.036***		
	saving	(4. Save money – 1. Spent savings and borrowed money)		(0.002)		
		Nature of tasks: manual vs.				
		cognitive			-0.005***	-0.001**
	Nat_task1_cognitive	(10: Mostly non-manual tasks			(0.000)	(0.000)
		- 1: Mostly manual tasks)				
		Nature of tasks: creative vs.				
	Nat task2 routine	routine			-0.005***	-0.003***
		(10: Mostly non-routine tasks			(0.001)	(0.001)
		- 1: Mostly routine tasks)				
	Nat task3 ind	(10: Complete independence			-0.005***	-0.003***
		- 1: No independence at all)			(0.000)	(0.001)
	Age	Age	0.000***	0.000	0.000***	0.000
	Age		(0.000)	(0.000)	(0.000)	(0.000)
	Sex	Female=0, Male=1	0.006***	0.010***	0.012***	0.004*
		Family savings during past	(0.001)	(01000)	(0.000)	(0.000)
	T it	year	-0.017***	-0.015*	-0.034***	-0.020**
	Lit	(4: Save money – 1: Spent	(0.003)	(0.008)	(0.005)	(0.010)
Control		savings and borrowed money)				
variables		Family savings during past				
(individual)	Fam_	year (A. Sava manay, A. Spont	-0.018***		-0.034***	-0.013***
()	saving	(4: Save money -1 : Spent savings and borrowed money)	(0.001)		(0.002)	(0.002)
	NG 11	Married=1 otherwise=0	-0.101	-0.642	-0.033	-0.454
	Married		(0.077)	(10.637)	(0.081)	(9.304)
	Married2	Divorced/separate/widowed=1,	-0.096	-0.625	-0.021	-0.451
		otherwise=0 Single or power merried=1	(0.077)	(10.037)	(0.081)	(9.304)
	Married3	otherwise=0	-0.107 (0.077)	(10.637)	(0.081)	-0.462 (9.304)
	Algeria		Baseline	Baseline	Baseline	Baseline
	Bahrain		-0.051***	-0.063***	-0.039***	-0.029***
	D.1.		-0.031***	(0.006)	-0.022***	(0.006)
	Palestine		(0.006)		(0.009)	
	Iraq		-0.049***	-0.045***	-0.037***	-0.031***
	Iandan		-0.053***	-0.036***	-0.024***	-0.031***
	Jordan		(0.005)	(0.006)	(0.008)	(0.007)
	Kuwait		-0.026*** (0.006)		-0.042***	
Control	Lebanon		-0.053***	-0.059***	-0.043***	-0.037***
variables			(0.005)	(0.006)	(0.007)	(0.006) 0.013*
(country)	Lıbya		(0.006)	(0.006)	(0.008)	(0.007)
	Morocco		-0.014** (0.007)		0.025*** (0.010)	
	Qatar		(((((((((((((((((((((((((((((((((((((((
	Tunisia		-0.027***	-0.009	-0.007	-0.019***
			(0.006) -0.054***	(0.007)	(0.008) -0.051***	(0.007)
	Turkey		(0.005)		(0.007)	
	Egypt		-0.021***		0.012	
	Vaman		0.011	0.042***	0.068***	0.025***
			(0.07)	(0.011)	(0.013)	(0.010)
Ordered prob	nt results	Number of the	12774	6762	7814	4152
		INUMBER OF ODS	12//4	0702	/014	4133

voi. 21, issue no. 1, may 2019				
LR $chi(2)(23)$	7450.65	1462.87	2245.60	2127.12
Prob>chi2	0.0000	0.000	0.000	0.000
Pseudo R2	0.1376	0.051	0.068	0.122
Cut1	2.587	6.930	0.873	9.163
Cut2	3.033	7.344	1.250	9.603
Cut3	3.599	7.774	1.723	10.144
Cut4	4.122	8.159	2.171	10.631
Cut5	4.851	8.767	2.803	11.354
Cut6	5.453	9.302	3.322	111.997
Cut7	6.149	9.909	3.934	12.710
Cut8	6.921	10.574	4.611	13.500
Cut9	7.495	11.038	5.124	13.871

(Note: the results of socio-economic model for income rank=5 (fifth step) are not estimated due

to variance matrix being nonsymmetric or highly singular.)