Social trust is widely regarded as a foundational element of economic prosperity and social cohesion. Often described as the "chicken soup of social life," generalized trust facilitates cooperation among strangers, reduces transaction costs, and enables productive economic exchange. Arrow's classic assertion that virtually every economic transaction contains an element of trust underscores its central importance for economic development. A large empirical literature confirms a robust association between generalized trust and economic growth, innovation, and institutional performance at the national level. Yet despite the increasing recognition of trust as a key determinant of prosperity, far less is known about its regional dynamics and underlying determinants within comparatively homogeneous macro-areas such as Europe.

European regions display substantial and persistent differences in economic performance, with slow and uneven convergence in per capita income levels. In light of shared supranational institutions, market integration, and mobility within the European Union, the persistence of such disparities raises important questions. Cultural differences embedded at the regional level are a plausible explanation. Building on Putnam's thesis of historically rooted civic traditions and the broader "relational turn" in economic geography, this study investigates whether generalized trust acts as a transmission channel linking deep-seated cultural differences to persistent regional economic disparities.

The analysis proceeds from two core propositions. First, if trust is indeed a mechanism translating culture into economic outcomes, then regional differences in generalized trust should be highly persistent over time. Second, the spatial distribution of trust should be shaped primarily by slow-moving cultural factors rather than short-term institutional or structural changes. To examine these hypotheses, the study draws on four waves of the European Values Study (EVS) spanning nearly three decades (1990–2017). Using harmonized regional identifiers, a balanced panel of 82 NUTS 1 regions across 23 European countries is constructed. In addition, a pooled dataset of 200 regions (including NUTS 1 and NUTS 2) provides a fine-grained cross-sectional perspective.

Stability and Dynamics of Regional Trust

Descriptive statistics reveal pronounced and persistent spatial variation in generalized trust across Europe. Average trust levels range from approximately 32% to 38% across waves, with regional extremes between roughly 10% and over 70%. High-trust regions are predominantly located in Northern Europe, particularly the Nordic countries, whereas low-trust regions are concentrated in Southern and Eastern Europe, especially in post-communist countries.

Correlations of regional trust scores across survey waves are strikingly high (between 0.7 and 0.8), with even stronger correlations over longer time spans. While short-term fluctuations between adjacent waves appear sizable—average absolute changes of about eight percentage points—the longer-term rankings remain remarkably stable. Statistical tests indicate significant changes in rankings over ten-year intervals but not over twenty-year intervals, suggesting a regression-to-the-mean process rather than structural transformation.

To evaluate this interpretation, Monte Carlo simulations calibrated to the empirical distribution of trust scores were conducted. The observed negative correlation between consecutive ten-year changes (–0.66) falls within the simulated confidence interval expected under a regression-to-the-mean process. Hence, short-term fluctuations can plausibly be attributed to measurement noise or transitory shocks rather than substantive changes in underlying trust levels.

Nevertheless, the spatial distribution of these fluctuations is not entirely random. Moran's I statistics reveal significant spatial autocorrelation in ten-year changes, indicating that neighboring regions experience correlated shocks. However, such spatial dependence dissipates over longer horizons. Overall, the evidence supports the conclusion that generalized trust is a slow-moving regional characteristic exhibiting long-run stability, punctuated by spatially correlated short-term noise.

Determinants of Regional Trust

To identify the driving forces behind the spatial distribution of trust, spatial econometric models are estimated using the pooled regional dataset. The analysis adopts a Spatial Error Model (SEM) to account for significant spatial dependence.

Three categories of explanatory variables are examined:

1. **Cultural factors**, based on the Inglehart and Baker framework distinguishing traditional vs. secular-rational values and survival vs. self-expression values. A principal component analysis of nine EVS indicators produces three factors: Traditional values, Survival values, and Respect for Authority.
2. **Institutional quality**, proxied by the European Quality of Government Index (EQI), combining World Governance Indicators with region-specific survey measures.
3. **Structural characteristics**, including tertiary education rates, demographic composition (share aged 65+), income inequality (national Gini coefficient), degree of urbanization, share of foreign residents (as a proxy for social heterogeneity), and GDP per capita.

Baseline models confirm the distinctive position of Nordic and post-communist regions. Nordic regions exhibit significantly higher trust levels, while post-communist regions display lower levels. However, once cultural, institutional, and structural controls are introduced, the post-communist dummy loses significance. This finding suggests that low trust in post-communist regions is largely explained by their cultural and structural characteristics rather than by residual historical effects per se.

In contrast, the Nordic dummy remains highly significant even after controlling for all observable factors, including GDP per capita. This persistence points to an additional unobserved component, potentially related to the specific design of universal welfare institutions and their role in fostering impartiality and equality.

Among the cultural variables, Survival values emerge as the most powerful predictor. Regions emphasizing survival over self-expression values exhibit significantly lower trust levels. This dimension captures orientations prioritizing economic and physical security, social conformity, and resistance to individual autonomy. By contrast, self-expression values—associated with openness, tolerance, and participatory norms—provide fertile ground for generalized trust. The Traditional vs. Secular dimension and Respect for Authority show no robust independent effects once other controls are included.

Institutional quality, although positively correlated with trust, does not retain statistical significance in the full model. This suggests that institutional performance may be intertwined with deeper cultural foundations rather than acting as an independent driver.

Structural variables yield nuanced results. Tertiary education exhibits a modest positive association with trust, though its significance weakens after controlling for GDP per capita. Income inequality shows no significant effect at the regional level once other variables are accounted for. Urban-rural typologies likewise display no consistent influence.

Social heterogeneity, proxied by the share of foreign residents, becomes strongly negative and statistically significant once GDP per capita is controlled for. While economically prosperous regions attract immigrants and may exhibit higher trust on average, controlling for income reveals a negative association between heterogeneity and trust. This finding aligns with theories emphasizing the role of social distance in undermining generalized trust, though it also highlights the complexity of ecological inference and the need for more refined measures of ethnic fragmentation.

GDP per capita itself displays a positive and significant coefficient, underscoring the interplay between economic prosperity and trust. However, causality remains ambiguous, as trust may simultaneously contribute to higher economic performance.

Implications and Conclusions

The overarching conclusion of the study is that regional social trust in Europe is deeply rooted in cultural frameworks and displays substantial temporal stability. The dominant cultural driver is the survival vs. self-expression dimension, with open, self-expressive societies fostering higher levels of generalized trust. Institutional quality and educational attainment play comparatively minor roles once cultural factors are considered.

Importantly, trust appears largely immune to short- and medium-term political interventions. The stability observed over nearly three decades—including periods marked by profound institutional change, such as the collapse of communism and European integration—suggests that trust evolves slowly and is embedded in intergenerationally transmitted norms. Short-term crises or reforms are unlikely to produce lasting shifts in trust distributions, though temporary fluctuations may occur.

The persistent Nordic exceptionalism indicates that specific institutional configurations—particularly universal welfare arrangements characterized by impartiality and equal treatment—may reinforce trust beyond what cultural indicators alone capture. Conversely, the successful integration of migrants emerges as a critical policy challenge, given the negative association between heterogeneity and trust after controlling for income.

From a broader perspective, the findings underscore the need for deeper exploration of the transmission channels linking culture, institutions, and economic performance. While cultural norms appear foundational, their interaction with institutional design and economic structures remains complex. Future research should investigate whether major shocks—such as the COVID-19 pandemic or geopolitical crises—have the capacity to disrupt entrenched trust patterns or merely generate transitory deviations.

In sum, generalized trust constitutes a stable regional endowment shaped primarily by cultural value orientations rather than by short-term institutional or structural conditions. As such, trust represents both a powerful resource for economic development and a phenomenon resistant to rapid policy manipulation.