

# **SOCIAL CAPITAL AND HUMAN WELL-BEING IN SOUTH KOREA**

5/12/2017

By Shiv Kumar Assistant Professor of Economics,  
A.S. College, Khanna, Punjab, India

Comments by: Dr Lori J Curtis  
Department of Economics



UNIVERSITY OF  
**WATERLOO**

# Social Capital

- main objective of this paper is to examine the inter-linkage (**correlation**) between social capital and human wellbeing in South Korea.
- Uses World Values Survey wave 6 South Korea 2010
  - WVS is a global research project that explores people's values and beliefs, how they change over time and what social and political impact they have.
- Preliminary Analyses – good start to thinking about the relationships

# Social Capital

- tangible assets that count for most in the daily lives of people, namely: goodwill, fellowship, sympathy, and social intercourse among the individuals and
- social capital is relational, not something owned by any individual, but rather something shared in common
- social capital stands for the ability of actors to secure benefits by virtue of membership in networks or other social structures.
- Is local in nature

# Membership of individuals in voluntary organizations

- Art/Music/Educational Organizations
  - Church/Religious Organizations
  - Consumer Organizations
  - Environmental Organizations
  - Humanitarian/Charitable Organizations
  - Labour Unions
  - Political Parties
  - Professional Associations
  - Self Help/Mutual Aid Groups
  - Sports/Recreational Organizations
  - Other Organizations and Groups
- Are memberships in these organizations similar?
  - Do they measure the same thing?
  - Are they local in nature?
  - Does adding them up make sense?

## Membership of individuals in voluntary organizations

Organization	Total Membership	Active Member	Inactive Member
Church or Religious Organization	423 (43.83)	229 (54.14)	194 (45.86)
Sports or Recreational Organization	299 (30.98)	111 (37.12)	188 (62.88)
Art, Music or Educational Organization	263 (27.25)	69 (26.24)	194 (73.76)
Humanitarian or Charitable Organization	111 (11.50)	20 (18.02)	91 (81.98)
Self-Help Group, Mutual Aid Group	101 (10.47)	28 (27.72)	73 (72.28)
Professional Association	95 (9.84)	29 (30.53)	66 (69.47)
Environmental Organization	76 (7.88)	19 (25.00)	57 (75.00)
Labor Union	64 (6.63)	17 (26.56)	47 (73.44)
Consumer Organization	61 (6.32)	15 (24.59)	46 (75.41)
Political Party	61 (6.32)	10 (16.39)	51 (83.61)
Other Organizations	208 (21.55)	59 (28.37)	149 (71.63)
<b>Total</b>	<b>1762 (16.60)</b>	<b>606 (34.39)</b>	<b>1156 (65.61)</b>

Report observations - 699 with membership

Are these the same?

## Membership of individuals in voluntary organizations

Organization	Total Membership	Active Member	Inactive Member
Church or Religious Organization	423 (43.83)	229 (54.14)	194 (45.86)
Sports or Recreational Organization	299 (30.98)	111 (37.12)	188 (62.88)
Art, Music or Educational Organization	263 (27.25)	69 (26.24)	194 (73.76)
Humanitarian or Charitable Organization	111 (11.50)	20 (18.02)	91 (81.98)
Self-Help Group, Mutual Aid Group	101 (10.47)	28 (27.72)	73 (72.28)
Professional Association	95 (9.84)	29 (30.53)	66 (69.47)
Environmental Organization	76 (7.88)	19 (25.00)	57 (75.00)
Labor Union	64 (6.63)	17 (26.56)	47 (73.44)
Consumer Organization	61 (6.32)	15 (24.59)	46 (75.41)
Political Party	61 (6.32)	10 (16.39)	51 (83.61)
Other Organizations	208 (21.55)	59 (28.37)	149 (71.63)
<b>Total</b>	<b>1762 (16.60)</b>	<b>606 (34.39)</b>	<b>1156 (65.61)</b>



# Generalized Trust in South Korea

1. Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?
  - Most people can be trusted (2)
  - Need to be very careful (1)
2. Whether you trust people from your family
3. Neighbourhood
4. people you know personally
5. people you meet for the first time
6. people of another religion, and
7. people of another nationality
  - Trust completely (4)
  - Trust somewhat (3)
  - Do not trust very much (2)
  - Do not trust at all (1)

Unclear how these were added up to form an index.

Should they be added to form an index?

**Table 2: Mean Score on Group Membership, Trust and Social Capital with Individual Characteristics**

Individual Characteristics	Number of Individuals	Group Membership	Trust	Social Capital
<i>Marital Status</i>				
Married <sup>a</sup>	592	11.94 (13.90)	57.82 (14.73)	36.21 (12.29)
Separated <sup>b</sup>	69	10.08 (12.85)	56.04 (15.62)	34.18 (11.52)
Single	304	9.87 (11.61)	56.45 (15.53)	34.26 (11.63)
<i>Religion</i>				
None	404	5.88 (9.24)		
Buddhist	177	10.27 (11.11)		
Protestant	222	17.85 (14.03)	60.99 (14.23)	41.40 (12.24)
Roman Catholic	155	16.19 (15.90)	59.89 (14.06)	39.84 (12.54)
Other <sup>c</sup>	7	13.64 (23.47)	46.03 (26.00)	31.35 (21.68)
<i>Gender</i>				
Male	473	11.61 (14.06)	56.42 (15.51)	35.31 (12.67)
Female	492	10.72 (12.25)	58.06 (14.57)	35.58 (11.46)
<i>Age (in Years)</i>				
19-30	253	9.95 (11.81)	56.24 (15.49)	34.20 (11.53)
31-60	559	11.65 (13.30)	57.57 (14.50)	35.91 (11.85)
61-85	153	11.32 (14.68)	57.81 (16.29)	35.82 (13.53)
<i>Education Level</i>				
No Formal Education	9	8.59 (6.98)	53.32 (15.66)	32.41 (7.35)
Primary <sup>d</sup>	51	7.04 (11.37)	58.06 (18.20)	33.33 (12.81)
Secondary <sup>e</sup>	69	10.28 (11.71)	55.88 (12.64)	34.22 (10.94)
Senior Secondary <sup>f</sup>	271	10.95 (13.72)	56.46 (16.06)	34.92 (12.68)
Graduation and above <sup>g</sup>	565	11.77 (13.24)	57.79 (14.51)	36.09 (12.06)
<i>Income Group</i>				
Poorest	83	8.93 (10.27)	54.62 (18.01)	32.76 (11.74)
2 <sup>nd</sup> Quintile	250	10.02 (11.60)	55.78 (15.58)	34.01 (11.58)
3 <sup>rd</sup> Quintile	426	11.02 (13.64)	57.36 (14.59)	35.41 (11.95)
4 <sup>th</sup> Quintile	193	13.33 (13.23)	59.56 (13.60)	37.92 (11.89)
Richest	13	19.23 (28.64)	65.38 (14.19)	44.44 (19.08)
All	965	11.15 (13.17)	57.26 (15.05)	35.45 (12.06)

Not Married

Religious

< High School

Additive vs Multiplicative?



# Social Capital and Human Well-Being

$$W_i = a + b_1 SC_i + b_2 HC_i + b_3 Y_i + b_4 SX_i + b_5 AG_i + u_i$$

$W_i$  = happiness in life + health condition + satisfaction in life + freedom of choice + satisfaction with financial situation + savings → rescales 0 to 100.

Exogenous?

- $W_i$  = Index of Human Well-Being of Individual  $i$
- $SC_i$  = Individual Endowment of Social Capital
- $HC_i$  = Individual Endowment of Human Capital
- $Y_i$  = Individual Income Level
- $SX_i$  = Gender of Respondent
- $AG_i$  = Age of Respondent
- $u_i$  = Error Term

# Social Capital and Human Well-Being

(...continued)

Highlighted  
Coefficients?

	Basic Model (without Social Capital) 1	With Additive Social Capital 2	with Multiplicative Social Capital 3	with Dimensions of Social Capital 4
	<i>Coefficients (t-values)</i>	<i>Coefficients (t-values)</i>	<i>Coefficients (t-values)</i>	<i>Coefficients (t-values)</i>
Intercept	41.177* (11.215)	35.829* (9.849)	41.916* (11.495)	31.417* (8.305)
Social Capital	-	<b>0.209*</b> (7.566)	<b>0.114*</b> (4.084)	-
Group Membership	-	-	-	<b>0.058**</b> (2.082)
Generalized Trust	-	-	-	<b>0.215*</b> (7.788)
Human Capital	0.008 (0.209)	-0.020 (-0.536)	-0.007 (-0.188)	-0.015 (-0.408)
Income	<b>0.483*</b> (16.382)	<b>0.456*</b> (15.804)	0.471* (16.054)	0.454* (15.858)
Sex of Individual	-0.046 (-1.614)	-0.039 (-1.413)	-0.046 (-1.653)	-0.032 (-1.175)
Age of Individual	<b>-0.084**</b> (-2.315)	<b>-0.115*</b> (-3.246)	<b>-0.099*</b> (-2.736)	<b>-0.114*</b> (-3.237)
N	965	965	965	965
R <sup>2</sup>	0.255	0.297	0.268	0.308
Adjusted R <sup>2</sup>	<b>0.252</b>	<b>0.294</b>	0.264	0.304
F-Statistics	82.256*	80.108*	70.216*	71.157*

# Social Capital – concluding comments

- Conclusions strong given results
  - Indexing?
  - Causality?
  - Social capital is stock not flow – conclusion on dynamic relationship?
  - Keep social capital terms separate – membership and trust
  - Think about non-active members
  - Use individual well-being indicators separate
    - Decide which are most important – from literature?
    - order variables? – use appropriate estimation

# Social Capital – concluding comments

- Include marital status in regression
- Redefine variables into dichotomous groups given sample size
  - Married vs Not Married
  - Religious vs Not Religious
  - < high school vs high school plus