

Social Capital and Human Well-being in South Korea

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Paper Abstract:

Social capital theorists claim that social capital has positive impacts on various aspects of societal life, such as economic well-being, health, crime rates, educational achievement, and adolescent development (Woolcock, 1998). Thus, on the basis of data collected from 965 individuals by World Values Survey (WVS) wave 6 South Korea 2010, the present paper examines the inter-linkage between social capital and human well-being in South Korea. In the study, social capital is measured by two proxy indicators, the generalized trust among individuals and the membership of individuals in voluntary organizations. Individual scores on these two dimensions are added and the resultant score is rescaled from 0 to 100 to construct the additive Social Capital Index (SCI) where 0 represents the lowest level of social capital. At all South Korea level, mean score for individuals on the social capital index is found to be 35.45 points out of possible 100 points with standard deviation 12.06. To test the effect of social capital on human well-being, OLS regression model is used where human well-being (measured by happiness in life, health condition, satisfaction in life, freedom of choice, satisfaction of the individual with his/her financial situation, and the extent of savings) is taken as the dependent variable, and on the other side, social capital, human capital and income level are taken as the explanatory variables along with two demographic characteristics of the individuals, gender and age. At mean social capital score of 35.45, the coefficient of the variable shows that a one unit increase in social capital (i.e. 2.82 per cent) would increase well-being of individuals by 20.9 per cent. It is also revealed that both of the dimensions of social capital, group membership and generalized trust, have the positive impact on human well-being. In the analysis, multiplicative social capital index is also prepared and that too contributes in raising the human well-being. Thus, with the many positive benefits of social capital, it is concluded that increasing levels of this dynamic form of capital can help individuals, households and communities become more sustainable.