

SOCIAL CAPITAL AND HUMAN WELL-BEING IN SOUTH KOREA



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Objective

to examine the inter-linkage between social capital and human well-being in South Korea

The paper proceeds as

- Data sources and methodology
- Concept of social capital
- Measurement of social capital in South Korea
- Impact of social capital on human well-being
- Conclusion

2. Data Sources and Methodology

Data Sources and Methodology

-World Values Survey wave 6, South Korea 2010

-965 individuals

-30 questions

-regression, t-test, F test, one way ANOVA, multiple comparison of means test and descriptive statistics



3. Concept of Social Capital



Social*capital*

Concept of Social Capital



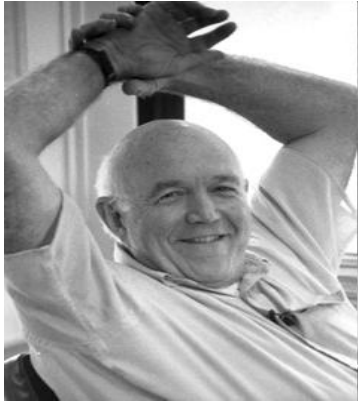
Robert D. Putnam
Harvard University, USA

“...features of social organization, such as networks, norms, and trust that facilitate coordination and cooperation for mutual benefit.”

Putnam, R.D. (1993) The Prosperous Community: Social Capital and Public Life. *The American Prospect*, 4(13): 35-42.

Concept of Social Capital

(...continued)



James S. Coleman
Johns Hopkins University, USA

“...an important social structural ‘resource’ or capital asset for the individual which is productive making possible the achievement of certain ends that would not be attainable in its absence.”

Coleman, J.S. (1988) Social Capital in the Creation of Human Capital. *American Journal of Sociology*, 94 (Supplement): S95-S120.

Concept of Social Capital

(...continued)



Alejandro Portes
Princeton University, USA

“... stands for the ability of actors to secure benefits by virtue of membership in networks or other social structures.”

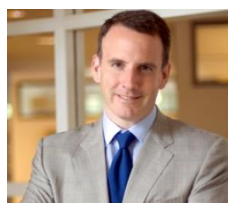
Portes, A. (1998) Social Capital: Its Origins and Applications in Modern Sociology. *Annual Review of Sociology*, 24: 1-24.

Concept of Social Capital

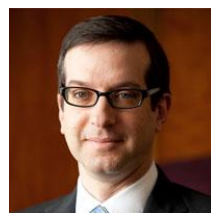
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Individual social capital can be defined as the set of social attributes possessed by an individual that increase the returns to that individual in his or her dealings with others.

Community-level 'group' social capital is defined as the set of social resources of a community that increases the welfare of that community.



Edward L. Glaeser
Harvard University, USA



David Laibson
Harvard University, USA



Bruce I. Sacerdote
Dartmouth College,
New Hampshire

Glaeser, E.L., Laibson, D.I. and Sacerdote, B. (2002) An Economic Approach to Social Capital. *The Economic Journal*, 12(483): F437-F458.

Concept of Social Capital

(...continued)

Government social capital as the institutions, the rule of law, and the civil liberties that influence people's ability to cooperate for mutual benefit.

Civil social capital as the common values, norms, informal networks, and associational memberships that affect the ability of individuals to work together to achieve common goals.



Stephen Knack
The World Bank

Knack, S. (1999) Social Capital, Growth and Poverty: A Survey and Extensions. Social Capital Initiative Working Paper No. 7, Social Development Department, The World Bank. Washington, D.C.: World Bank.

- (2002) "Social Capital, Growth and Poverty: A Survey of Cross-Country Evidence", in *The Role of Social Capital in Development: An Empirical Assessment*, C. Grootaert and T. van Bastelaer (eds.). Cambridge: Cambridge University Press.

4. Measurement of Social Capital in South Korea



Measurement of Social Capital in South Korea

- Membership of individuals in voluntary organizations
- Generalized trust among individuals



Measurement of Social Capital in South Korea

(...continued)

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



Measurement of Social Capital in South Korea

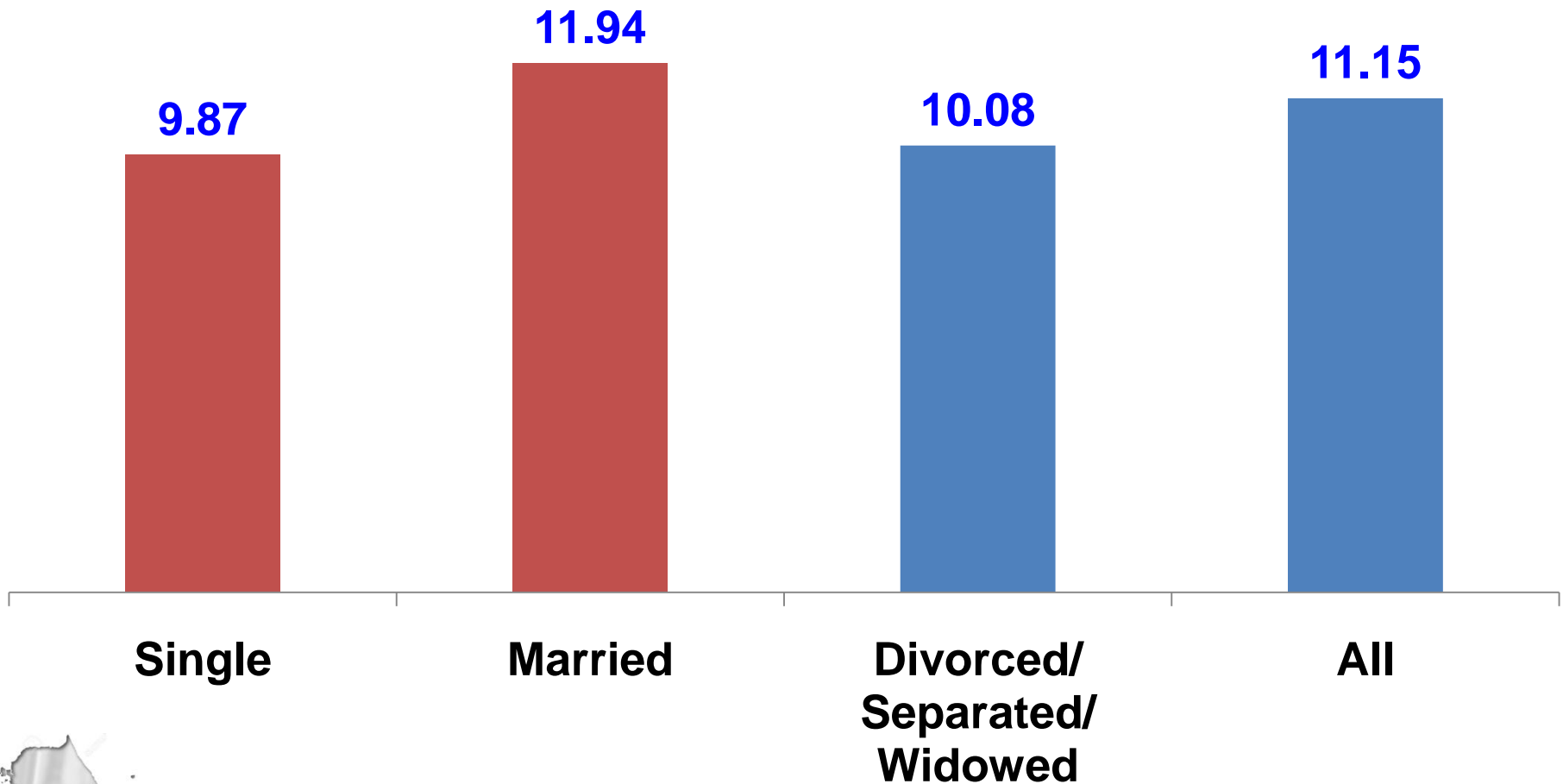
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Membership of individuals in voluntary organizations

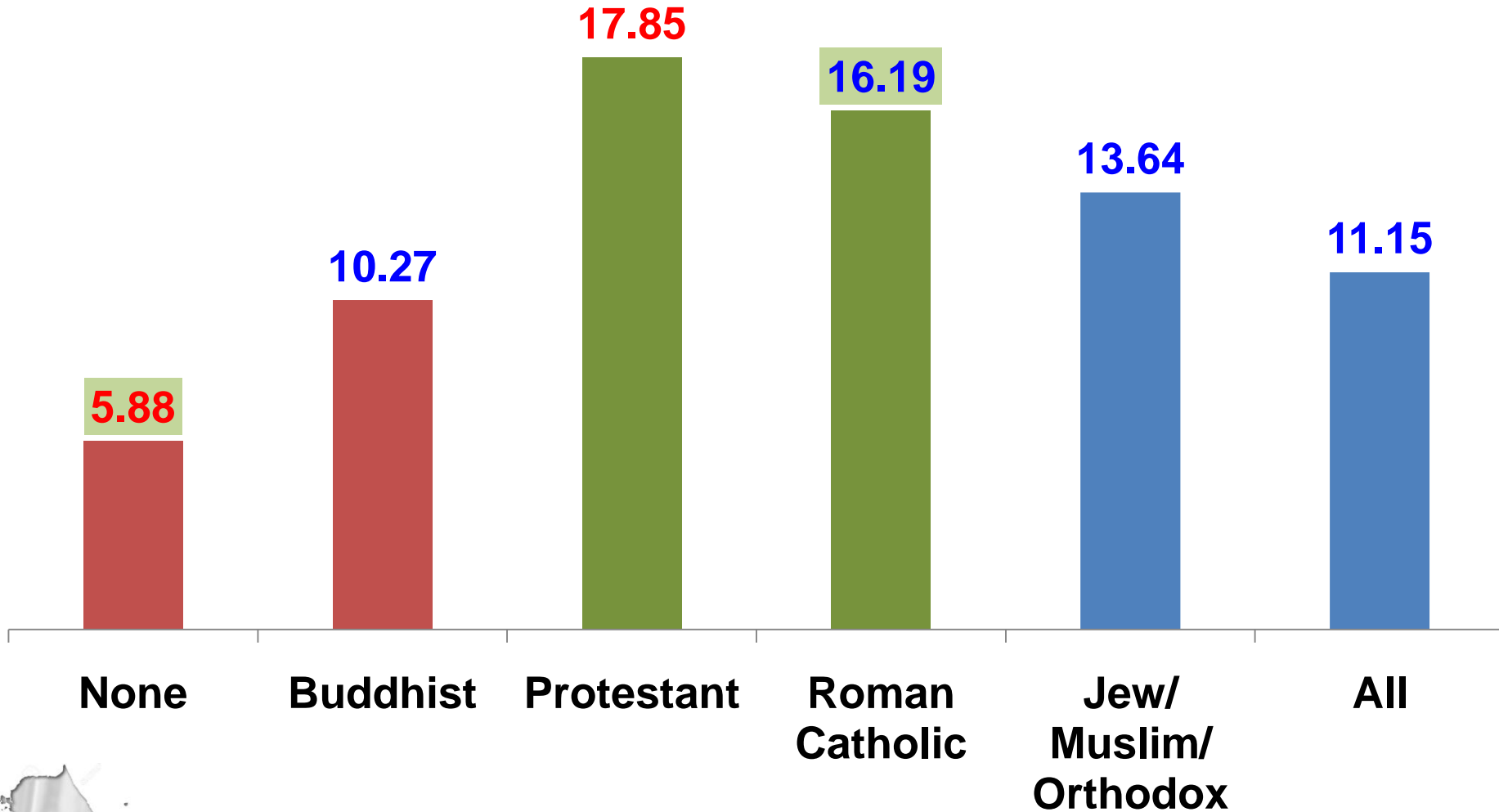
| Organization | Total Membership | Active Member | Inactive Member |
|---|---------------------|--------------------|---------------------|
| Church or Religious Organization | 423 (43.83) | 229 (54.14) | 194 (45.86) |
| Sports or Recreational Organization | 299 (30.98) | 111 (37.12) | 188 (62.88) |
| 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) |
| Total | 1762 (16.60) | 606 (34.39) | 1156 (65.61) |



Marital Status and Group Membership in South Korea



Religion and Group Membership in South Korea



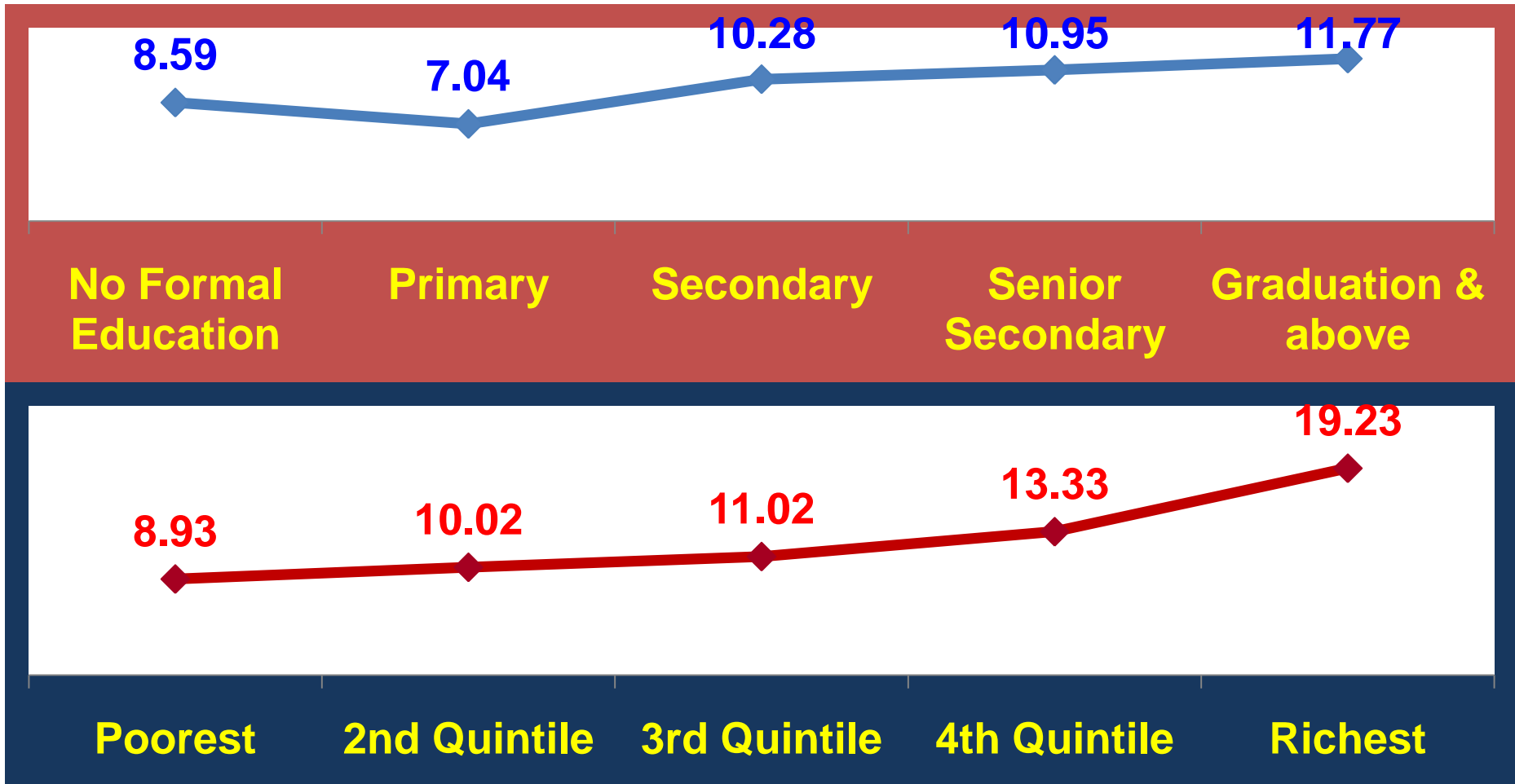
Gender and Age with Group Membership in South Korea

| Individual Characteristics | Number of Individuals | Mean Score on Group Membership |
|----------------------------|-----------------------|--------------------------------|
| <i>Gender</i> | | |
| Male | 473 | 11.61 (14.06) |
| Female | 492 | 10.72 (12.25) |
| <i>Age (in Years)</i> | | |
| 19-30 | 253 | 9.95 (11.81) |
| 31-60 | 559 | 11.65 (13.30) |
| 61-85 | 153 | 11.32 (14.68) |
| <i>All</i> | 965 | 11.15 (13.17) |

Figures in parentheses are standard deviations.



Level of Education and Income with Group Membership in South Korea



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)

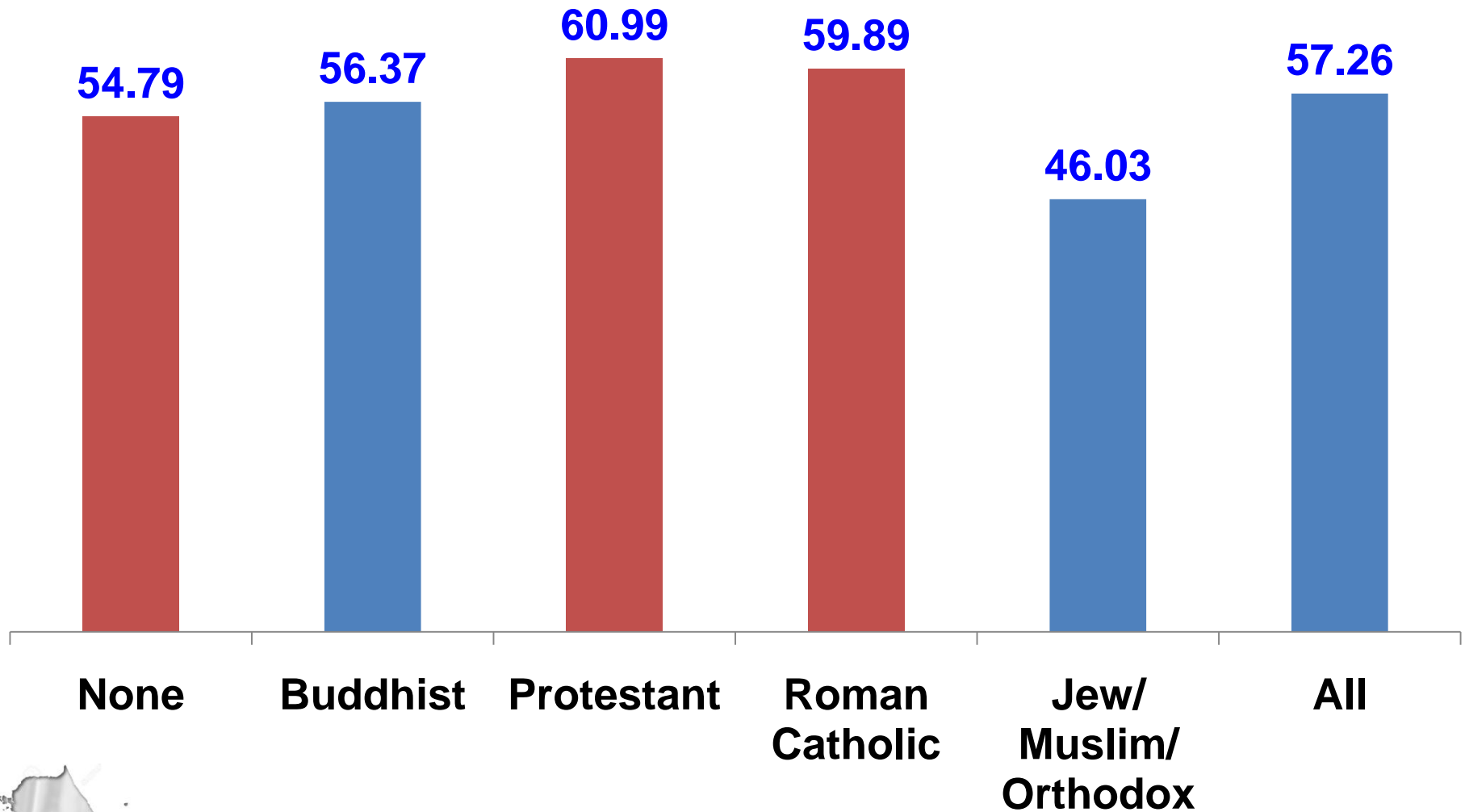
-Trust somewhat (3)

-Do not trust very much (2)

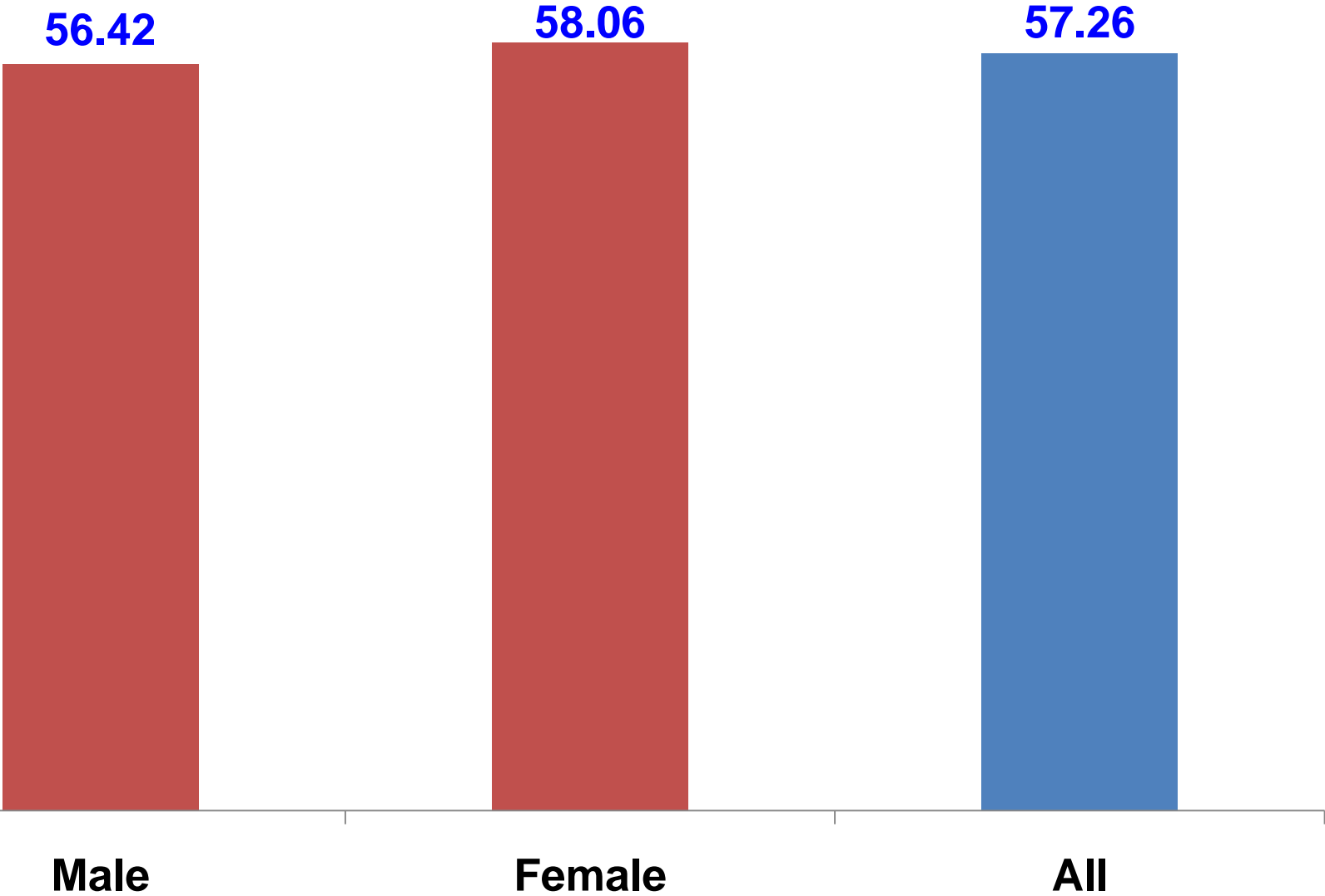
-Do not trust at all (1)



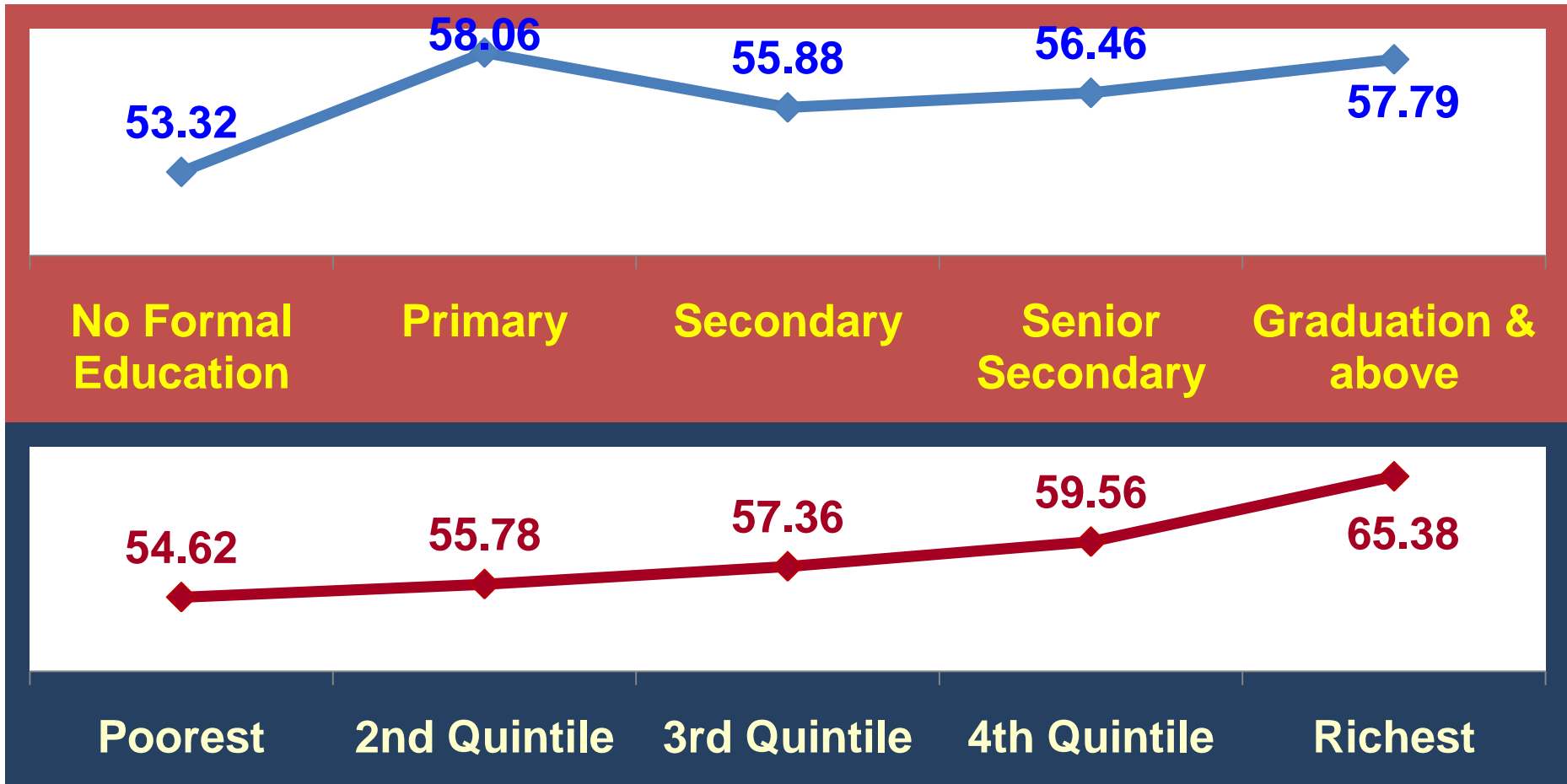
Religion and Generalised Trust in South Korea



Gender and Generalised Trust in South Korea



Level of Education and Income with Generalised Trust in South Korea

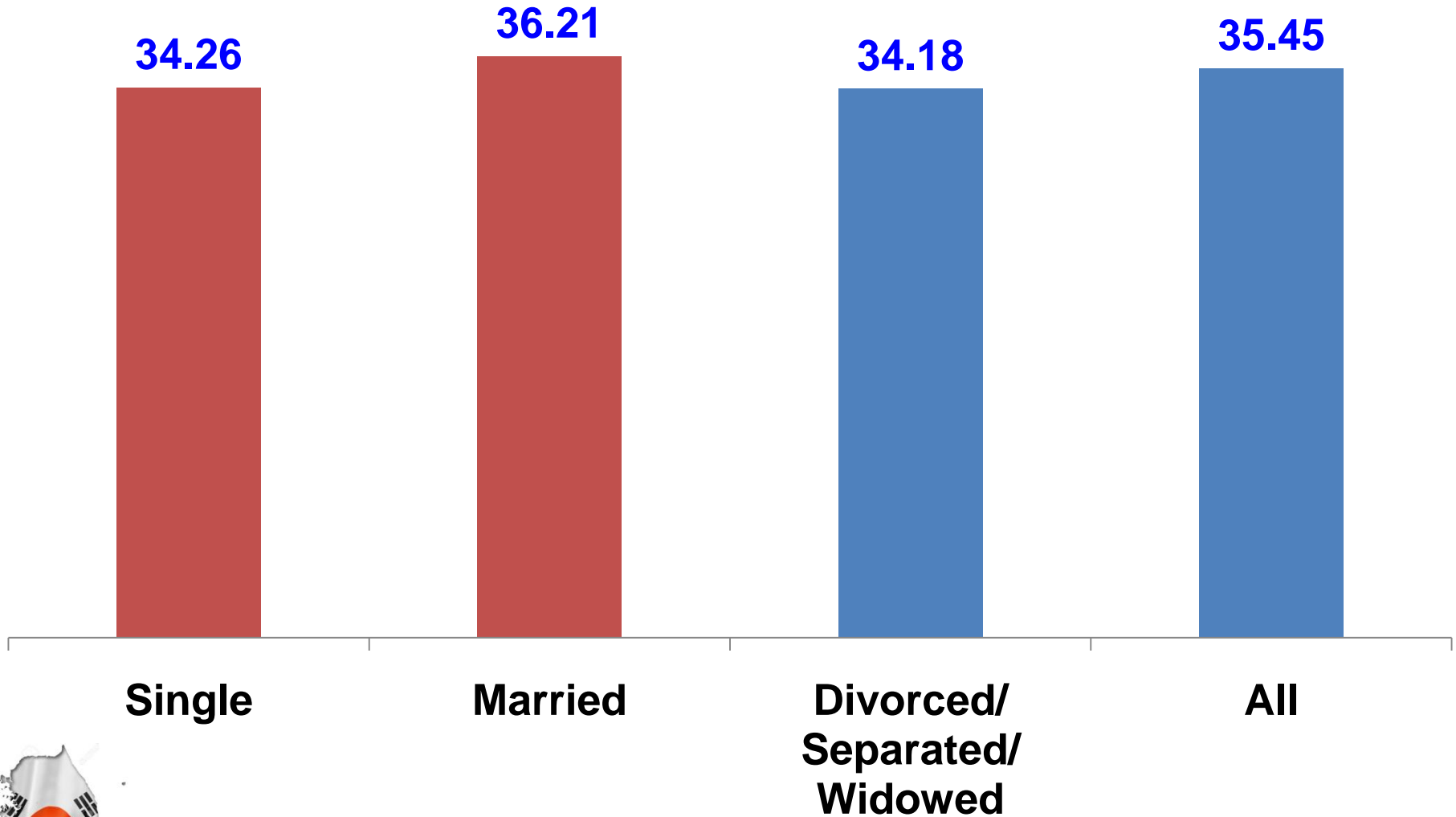


Social Capital in South Korea

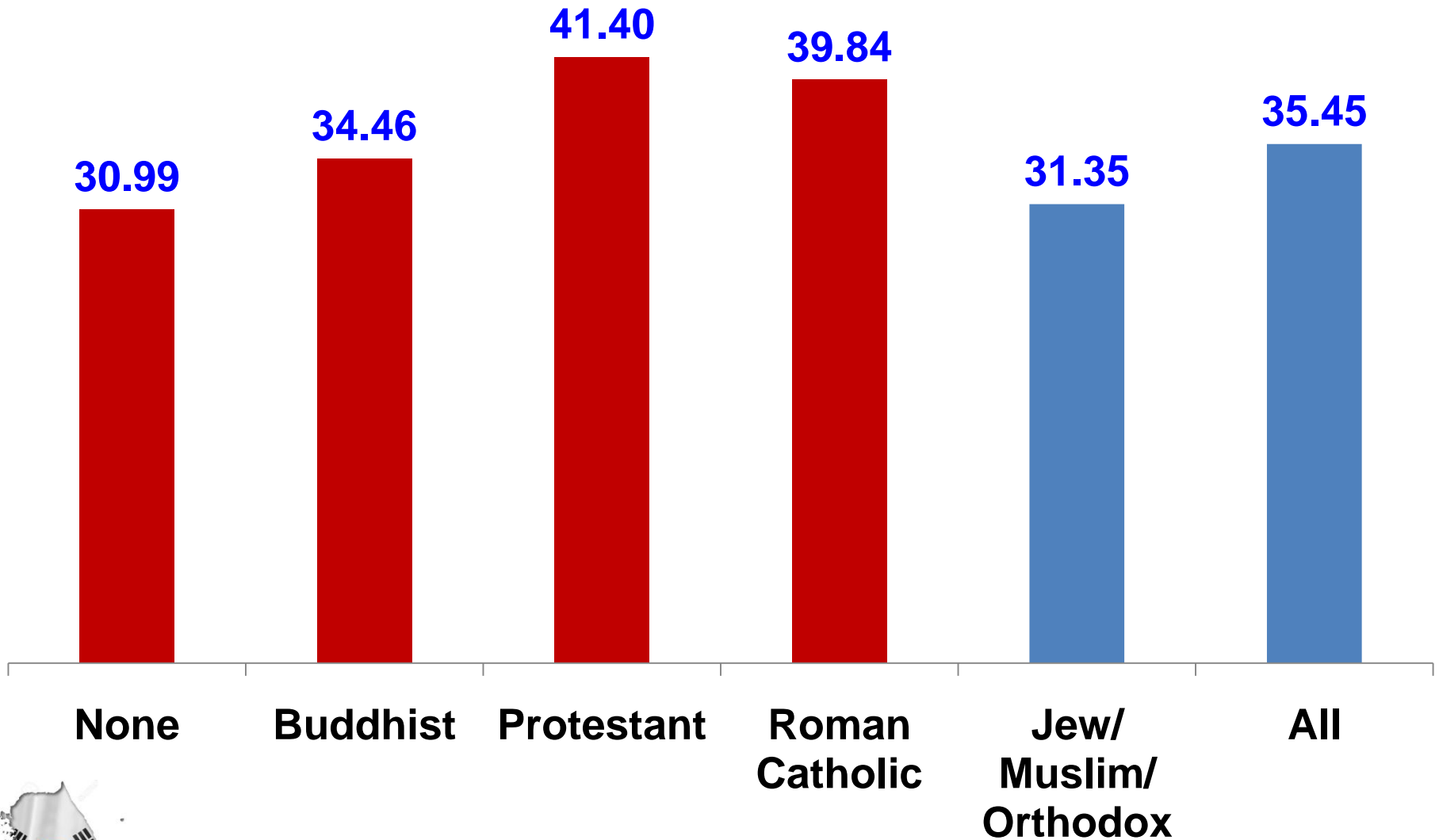
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- Generalized trust among individuals



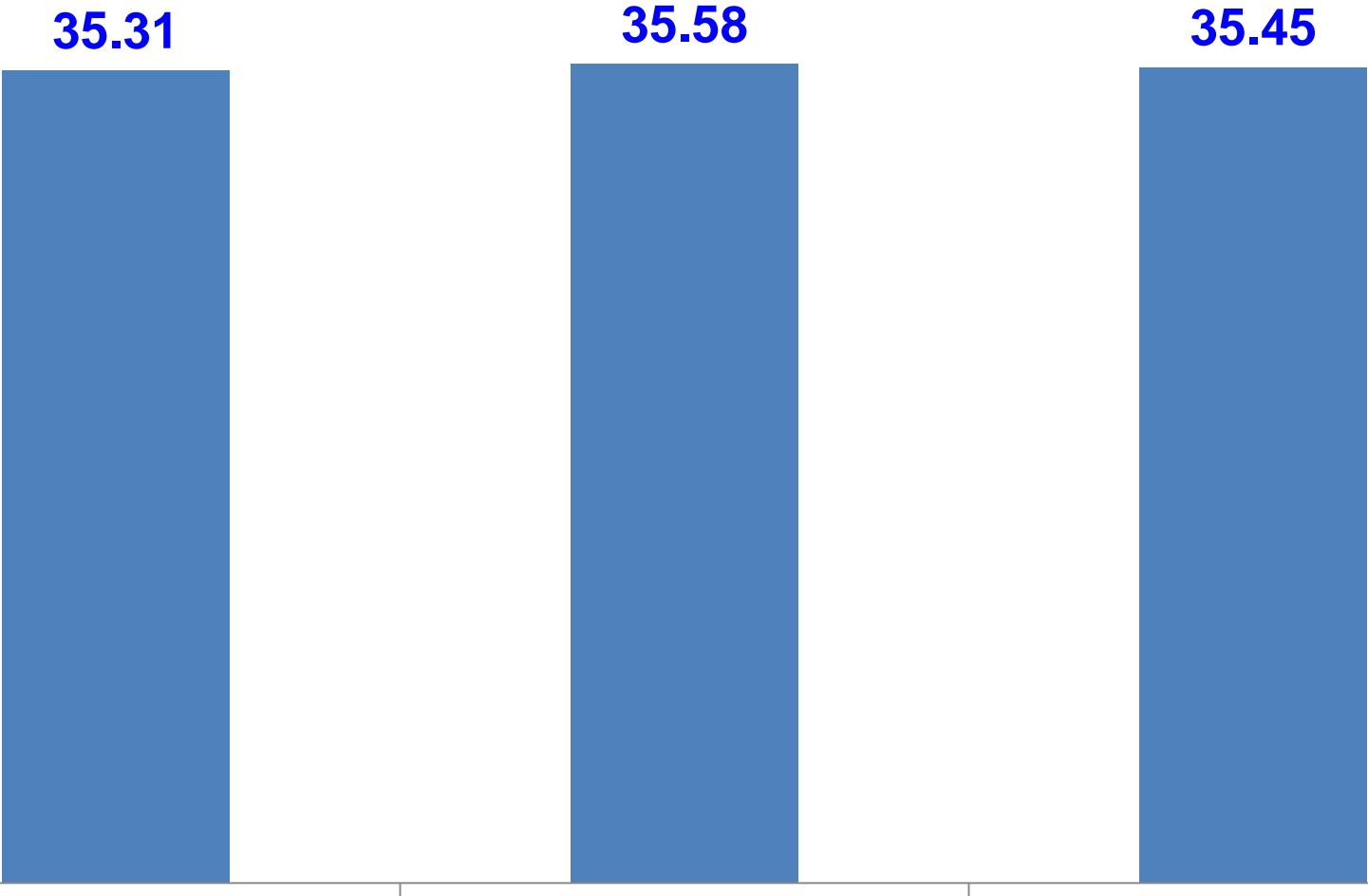
Marital Status and Social Capital in South Korea



Religion and Social Capital in South Korea



Gender and Social Capital in South Korea



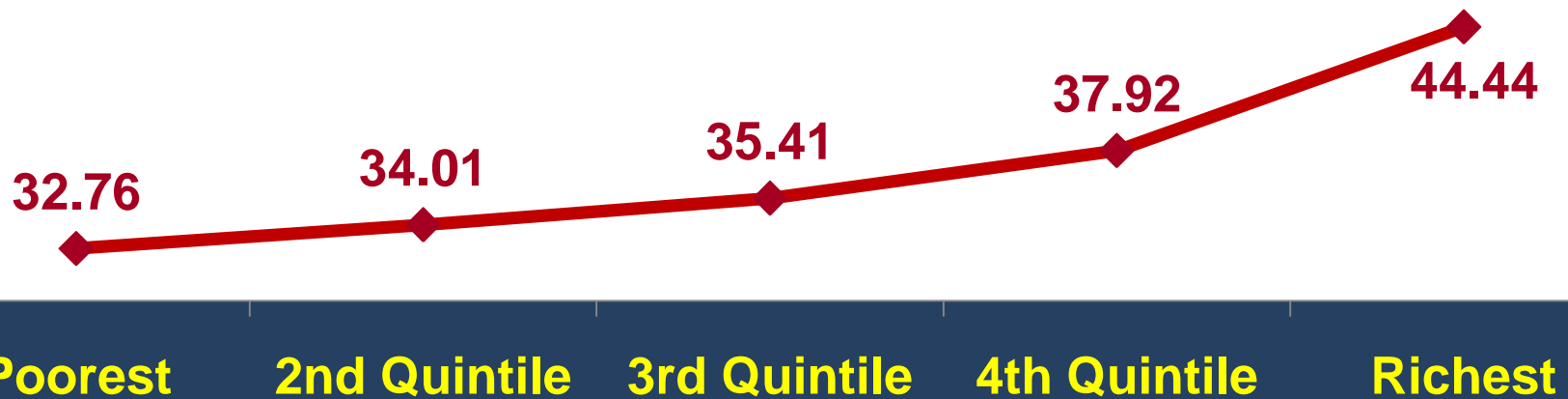
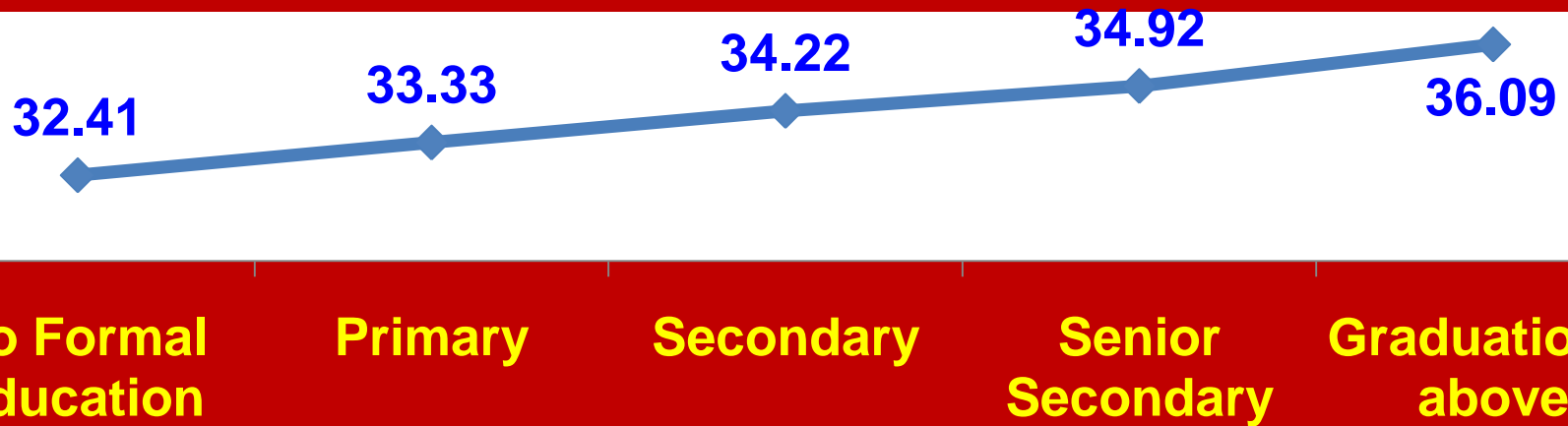
Male

Female

All



Level of Education and Income with Social Capital in South Korea



5. Social Capital and Human Well-Being in South Korea



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 = 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)

| | 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 | - | 0.209* (7.566) | 0.114* (4.084) | - |
| Group Membership | - | - | - | 0.058** (2.082) |
| Generalized Trust | - | - | - | 0.215* (7.788) |
| Human Capital | 0.008 (0.209) | -0.020 (-0.536) | -0.007 (-0.188) | -0.015 (-0.408) |
| Income | 0.483* (16.382) | 0.456* (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 | -0.084** (-2.315) | -0.115* (-3.246) | -0.099* (-2.736) | -0.114* (-3.237) |
| N | 965 | 965 | 965 | 965 |
| R ² | 0.255 | 0.297 | 0.268 | 0.308 |
| Adjusted R ² | 0.252 | 0.294 | 0.264 | 0.304 |
| F-Statistics | 82.256* | 80.108* | 70.216* | 71.157* |

*significant at 1%, and **significant at 5%.

Conclusions & Policy Recommendations

- Both social capital and income of the individuals are important to raise well-being of individuals.
- The impact of both additive as well as multiplicative measures of social capital, and two dimensions of social capital separately, is positive and significant on human well-being.
- Thus, it is concluded that increasing levels of this dynamic form of capital can help individuals, households and communities become more sustainable.
- Development programmes should integrate social capital as an essential element.
- Like human capital, the investments in social capital formation & activation should be made.



