Does social capital make your healthier?

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Abstract

We study whether individual social capital improves health by making use of the European Social Survey data, supplemented by information at the regional level coming from the EUROSTAT REGIO database. Both health and social capital measures are affected by error-in-variables and the causal relationship between social capital and health is likely to be circular. We address these empirical issues by instrumenting social capital. The large variance of the error term due to measurement errors requires that instruments be stronger than what it is usually required and the sample size be as large as possible in order to get significant estimates. Our dataset is rich enough in information to allow us to find a strong causal relationship going from social capital to individual health. We also show that community social capital does not affect health when individual social capital is controlled for. As a robustness check, alternative indicators of social capital are considered (trust, membership in informal organizations, voting, intensity of social life, participation in demonstrations...).