Abstract

Social capital, consisting of three elements: social networks, norms of reciprocity, and social trust, is claimed to play a crucial role in the societal development of many countries. This thesis investigates the concept of social capital with an aim to understanding whether social capital is an individual or group phenomenon. Three studies were conducted using two population based data sets, the Bhutan Living Standard Survey, 2012 and the Gross National Happiness Survey, 2010. The first study identified the dimensions of social capital based on the construct as conceptualized by key theorists (Putnam, Leonardi & Nanetti, 1993, Putnam, 2000). The study used exploratory factor analysis and confirmed four dimensions of social capital: social trust, social networks, social interaction, and civic activity.

The second study examined the role of social status and the characteristics of the place in which a person lives in determining an individual’s social capital. The study tested the argument of key theorists (e.g., Bourdieu, 1986; Coleman, 1988; Putnam, 1995, 2000) that social status and the place where people live are important antecedents of social capital. This study used a multilevel model to account for different sources of variance (individual and context) in influencing the outcome measures and found that the context attributed a significant portion of variance. Examining social status and rural/urban neighbourhoods as antecedents of social capital formation, the study found that people in rural neighbourhoods had a higher level of social capital than those who lived in urban neighbourhoods. The findings on social status indicators varied: relative economic status and gender were important determinants, suggesting that higher social status associates with a high level of
social capital. As social status varies with age, the relationship between age and social capital is non-linear and the study found weak evidence of an inverse u-shape effect, particularly on social trust. Surprisingly, education had a negative influence on social trust, indicating that people with a higher level of education are less likely to trust others, contradicting the argument that an individual with higher social status is likely to possess a higher level of social capital than those at a low level of social status.

The third study investigated the relationship between social capital and subjective wellbeing, focusing on self-rated happiness and health status. This study investigated the role of individual and context-level social capital in influencing social outcomes, again employing multilevel regression analysis, which allowed simultaneous testing for the influence of social capital at the individual-level, neighbourhood-level, and in addition, the cross-level interaction effect of social capital on happiness and health status. The study found that individual-level social capital, in particular, social trust and social networks, had an important influence on happiness and health status, while the effects of neighbourhood-level social capital were inconsistent in the two data sets. However, the analysis of the Bhutan Living Standard Survey data showed a positive cross-level interaction effect in two dimensions of social capital i.e., social trust and social networks, suggesting that neighbourhood-level social trust and networks strengthen individual-level trust and networks in enhancing happiness. On the other hand, cross-level interaction on social interaction (based on the Gross National Happiness Survey) had a negative effect.

These three studies make significant contributions to theory and practice. First, the current study makes use of data from a developing country to clarify a conceptual debate, i.e., whether social capital is an individual or group phenomenon; thus,
contributing to the conceptual literature on social capital. Second, the study uses the argument of social status of individuals and the place where people live as potential determinants of social capital of people; thus, it proposes a theoretically informed framework for examining the antecedents of social capital, including both individual differences and the context effect. Lastly, the three studies in this thesis draw important policy implications in promoting social capital and realizing its influence on social outcomes in Bhutan.