DIPARTIMENTO DI METODI E MODELLI PER L'ECONOMIA IL TERRITORIO E LA FINANZA MEMOTEF



SOCIAL CAPITAL AND ITS IMPACT ON POVERTY REDUCTION: MEASUREMENT ISSUES IN LONGITUDINAL AND CROSS-COUNTRY COMPARISONS. TOWARDS A UNIFIED FRAMEWORK IN THE EUROPEAN UNION.

Isabella Santini ¹ Anna de Pascale²

ABSTRACT

While there is widespread consensus that social capital contributes significantly to development outcomes - growth, equity and poverty alleviation - and that it represents a significant determinant of household well-being, the same cannot be said of its measurement criteria. Different strategies and statistical methods have been used so far to define appropriate measures of social capital so that assessing its effects on household economic well-being lacks of a unified and a systematic methodological approach. Given the particular relevance of the topic, this paper aims to provide a unified framework for social capital measurement in the context of European Union because of its strong commitment in the fight against poverty (Bruxelles, 13.10.2011- COM(2011) 637 final - Increasing the impact of E.U. Development Policy: an Agenda for Change). In particular, the paper starts with a short review of the concept of social capital and of the main proxy indicators proposed so far to measure it when the aim is to evaluate its impact on poverty reduction; then it turns to issues in measurement and finally explores the currently available surveys and databases at European level in order to identify the appropriate proxy indicators of social capital. Specific attention will be devoted to the European Union Statistics on Income and Living Conditions (EU-SILC) and to Eurostat statistic database, as regards, respectively, individual/household and community social capital endowment.

Classification JEL: I32, D10, I38

Keywords: Social Capital, Poverty, Household, European Union, EU-SILC

Working Paper n° 101 October 2012

¹ Department of Methods and Models for Economics, Territory and Finance, SAPIENZA University of Rome , Via del Castro Laurenziano,9 00161 ROMA (e-mail: ⊠ Isabella.Santini@uniroma1.it).

² Department of Methods and Models for Economics, Territory and Finance, SAPIENZA University of Rome , Via del Castro Laurenziano,9 00161 ROMA (e-mail: Anna.Depascale@uniroma1.it).

^(*) Although this article is the result of a joint research work, Isabella Santini has written Section 1, 2 and 4, and Anna de Pascale has written Section 3.