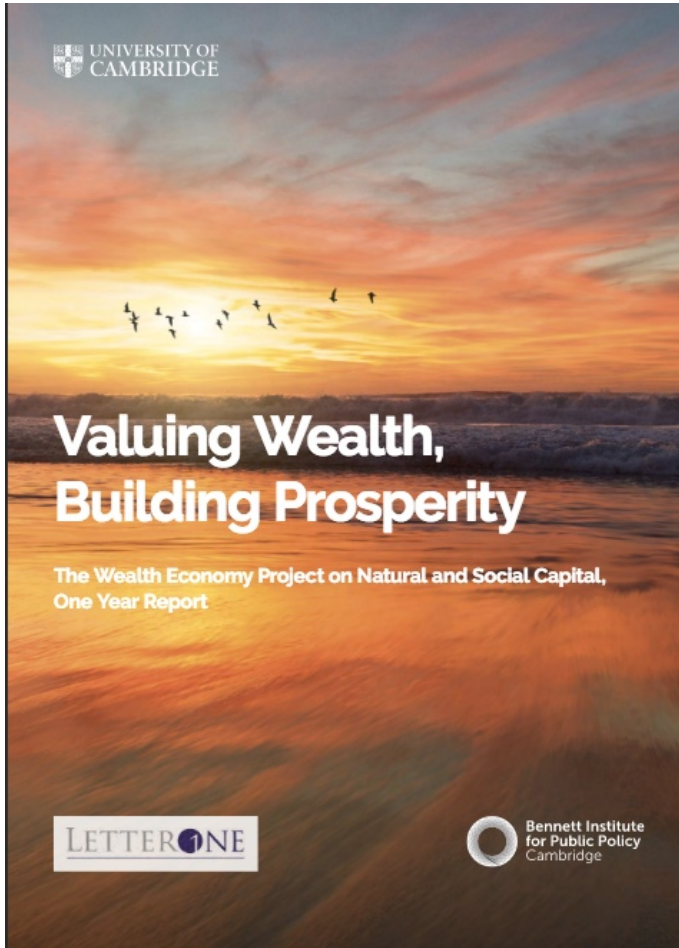


Social Capital and Covid-19

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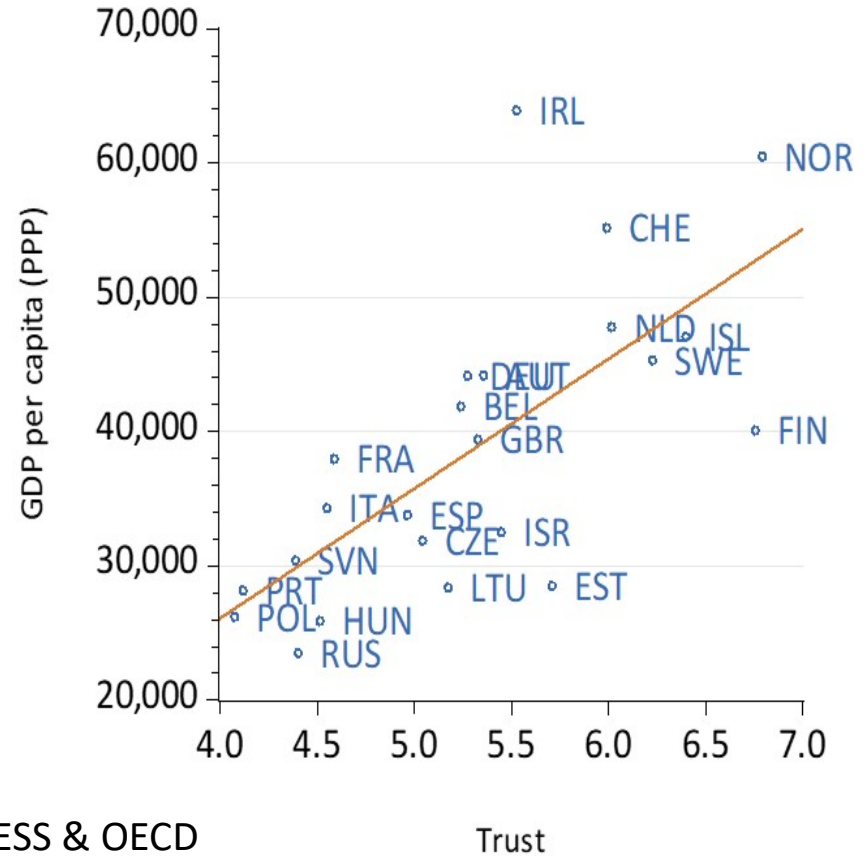
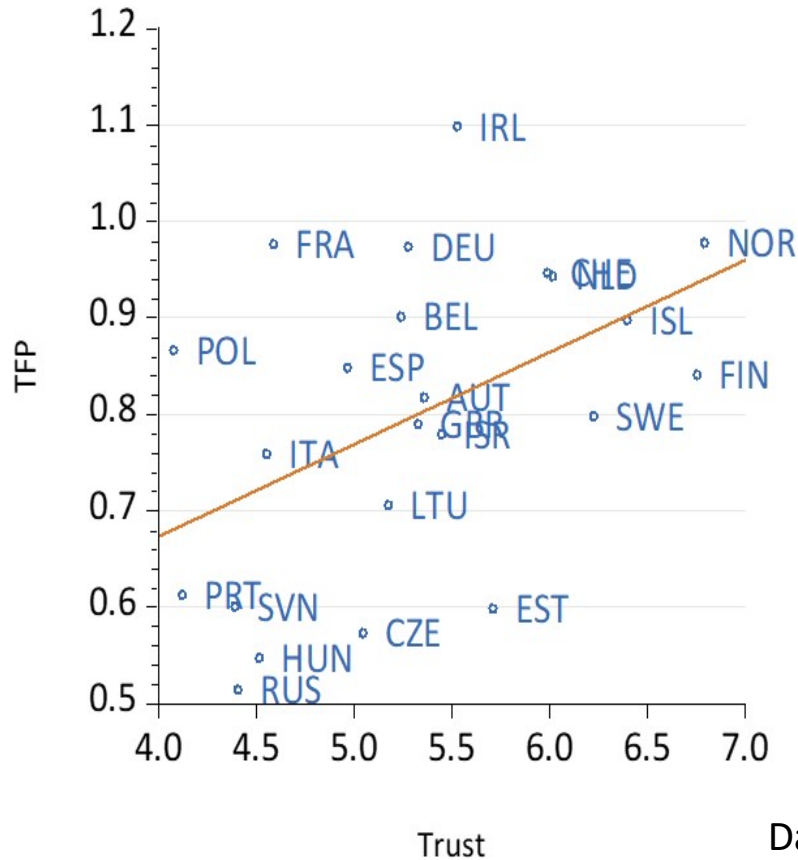
- Macro linkages between trust and Total Factor Productivity (TFP)
- Reducing the dimensionality of social capital survey data – principal components analysis
- Looking at Covid-19 mutual aid groups and social capital



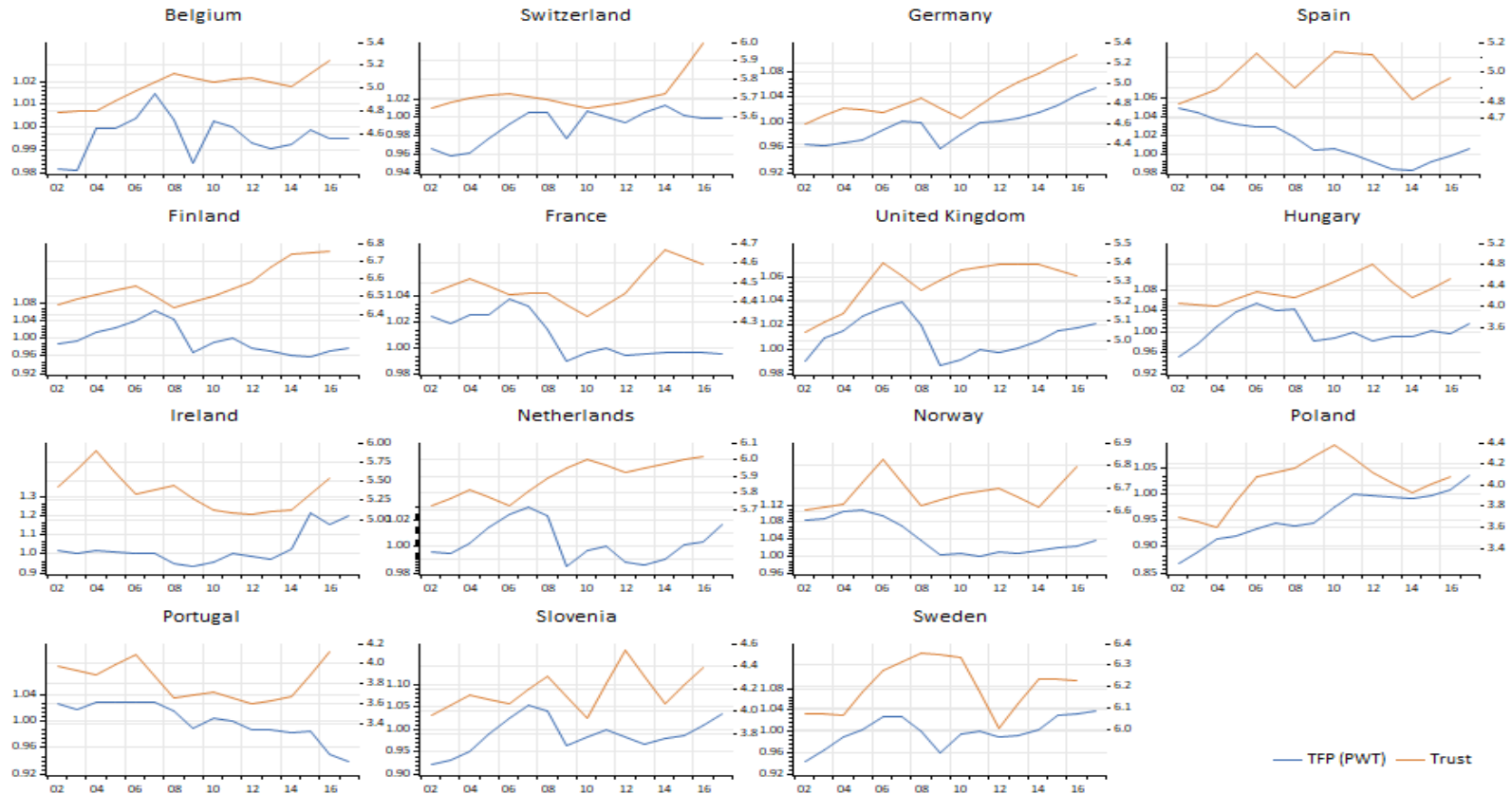
- Sustainability & comprehensive wealth
 - Arrow, K., Dasgupta, P., Goulder, L., Mumford, K., & Oleson, K. (2012). Sustainability and the measurement of wealth. *Environment and Development Economics*
- Capabilities vs utilities
 - Stiglitz, J, A Sen and J-P Fitoussi (2009), [Report by the Commission on the Measurement of Economic Performance and Social Progress.](#)
- Institutions, ‘goodwill’, ‘weak ties’...

<https://www.bennettinstitute.cam.ac.uk/research/research-projects/wealth-economy-social-and-natural-capital/> (supported by LetterOne)

Trust vs TFP and GDP/capita



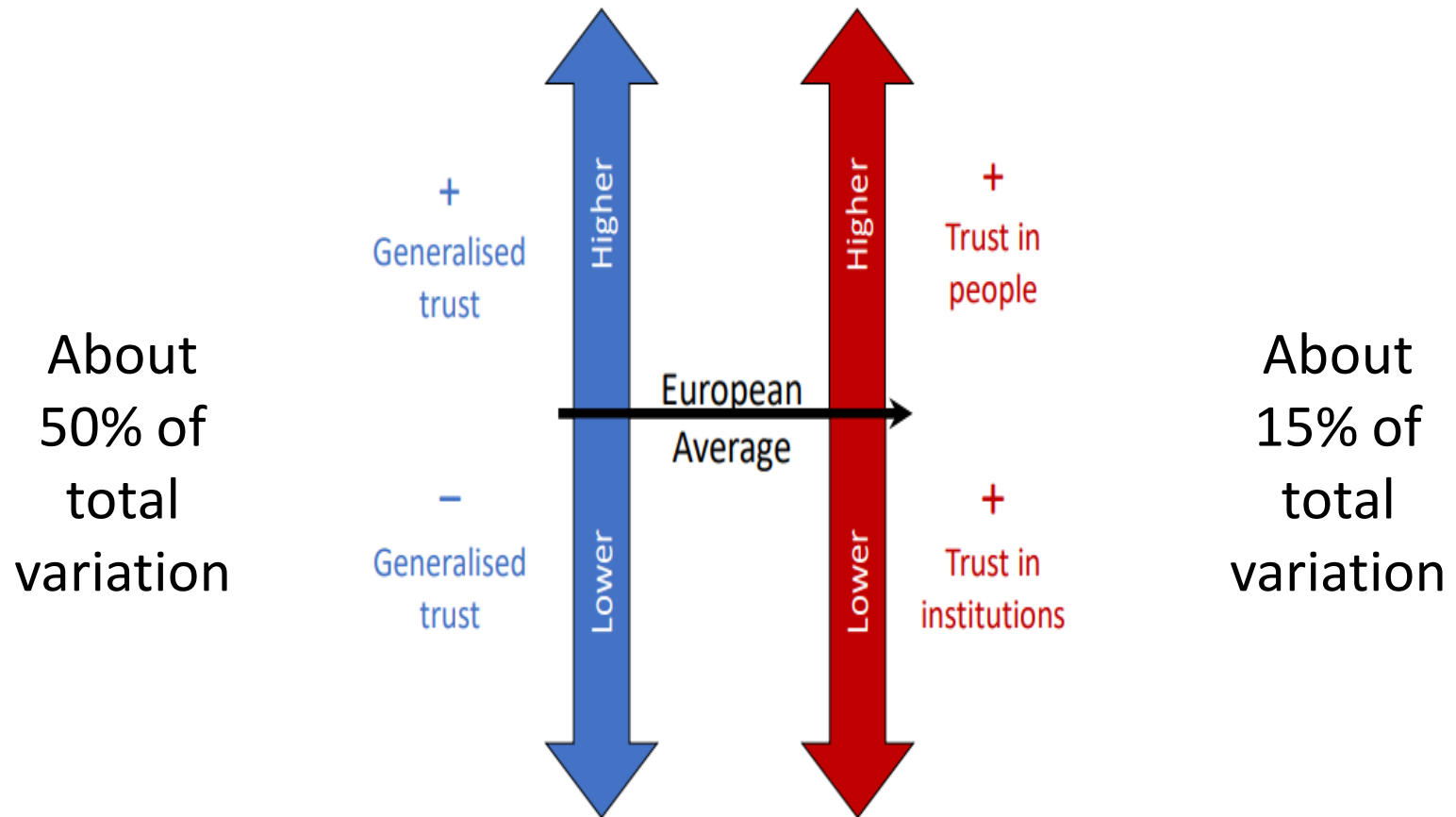
Trust & TFP: European countries



Results

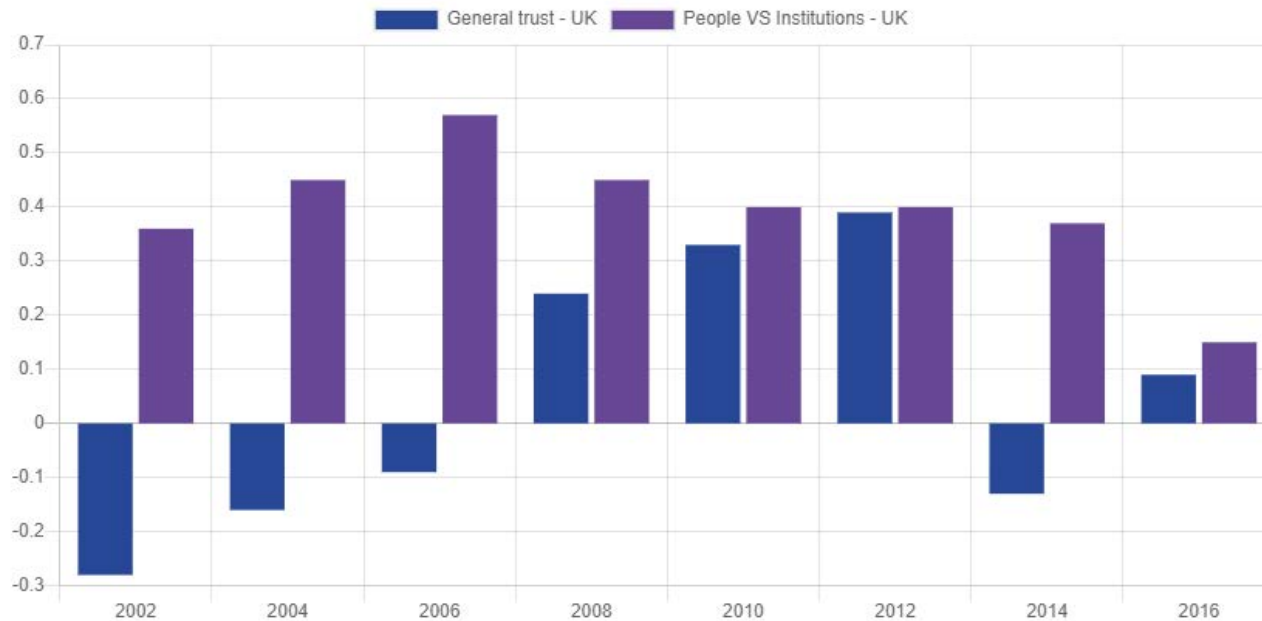
- Model from Dasgupta (2011) A matter of trust: Social capital and economic development.
- Random effects panel estimation
- Only significant variables apart from trust that are openness to trade & inward FDI
- Ireland an outlier – GFC
- 10% rise in generalised trust index associated with 1.8-2.9% increase in TFP level

From a large survey to two principal components



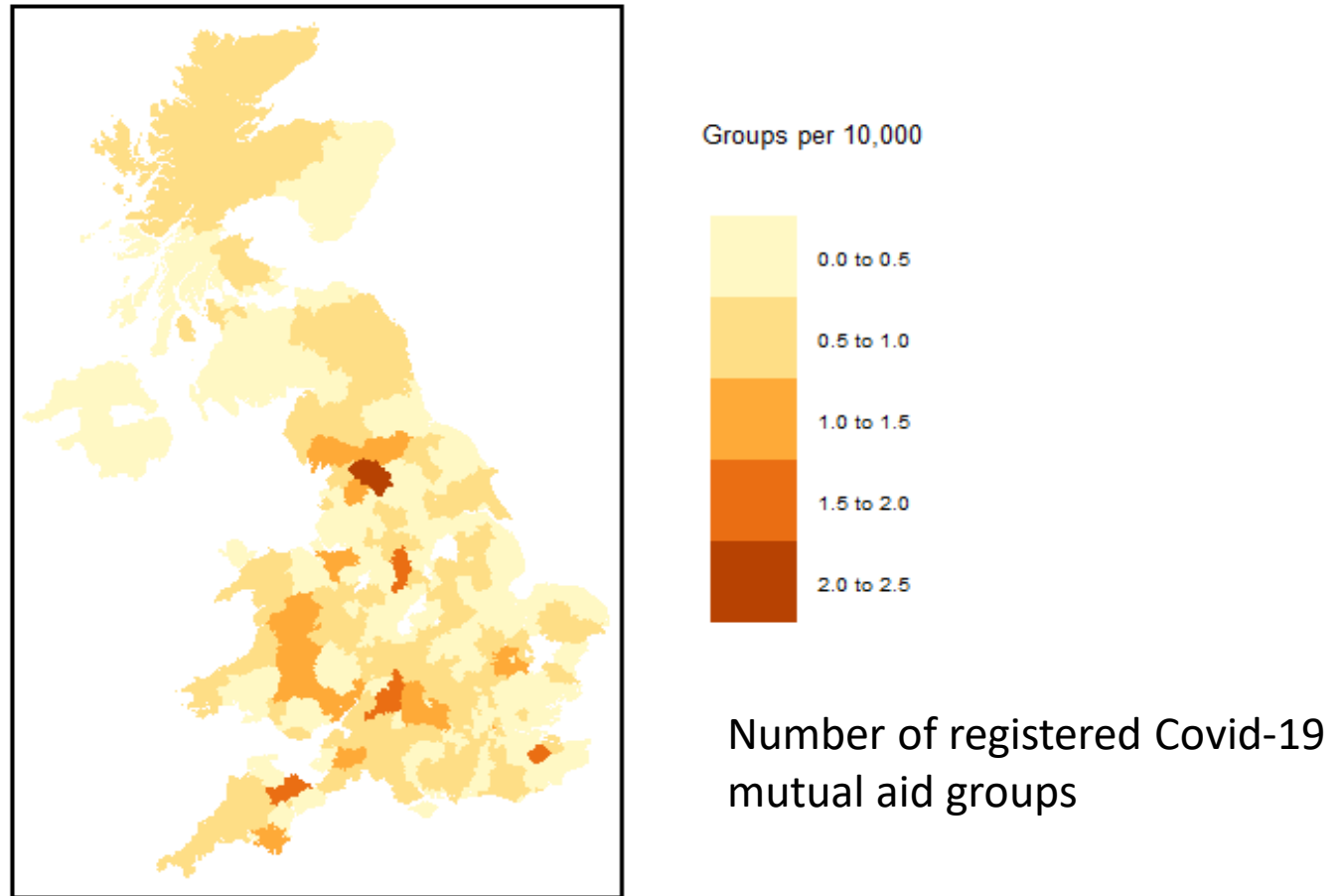
Adopted by Industrial Strategy Council

Industrial Strategy Council



<https://industrialstrategyCouncil.org/15-social-capital>

Social capital & response to Covid-19



<https://www.bennettinstitute.cam.ac.uk/blog/social-capital-and-response-covid-19/>

Social capital & response to Covid-19

- Support networks effective in times of emergency (Klinenberg, 1999; Cao et al., 2020)
- No. of groups ranges between 0.04 (1 group in a local authority with a population of about 250,000 people), to 2.3 (about 58 groups in a population of 250,000)
- Sizeable positive correlation between the statistic and measures of socio-economic advantage, such as income and education, as well as age
- The correlation is also positive with well-being measures including happiness and life satisfaction

Wealth Economy research team

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