

RESPONSES TO REVIEWER 2'S COMMENTS

We thank the reviewer for their thoughtful comments. We believe they have resulted in a much improved manuscript.

- 1) **COMMENT:** *"The research questions addressed in the current paper are interesting, well-aligned with the aims and scope of Economics and, to my knowledge, insufficiently researched in the literature so far. The empirical study is based on reliable data 2005 and 2006 China General Social Survey, with up-to-date statistical methods, leading to reliable and useful answers. The study has also been adequately framed within the existing literature. For all these reasons I view the reviewed article as a valuable contribution to the literature. In my opinion, it deserves publication in Economics."*

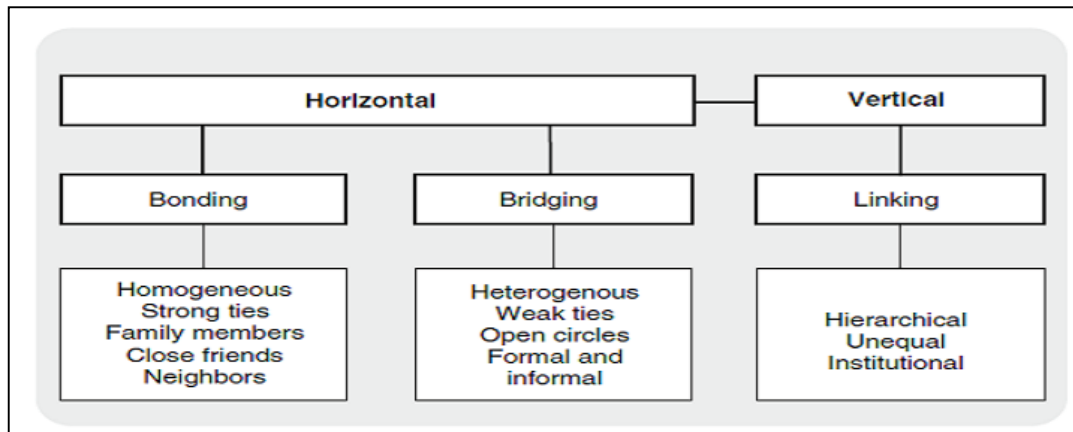
Response: Thank you very much for your positive comments. They are much appreciated.

- 2) **COMMENT:** *"In order to give the Reader a better understanding of the process of choosing what the Authors mean by social capital, please explain what is the relation between on one hand cognitive and structural components of social capital and bonding/bridging/linking social capital and on the other "social trust, social network and social participation". The transition from general description of social capital literature to "social trust, social network and social participation" in the text is, in my opinion, too sharp and neglects the point whether it is an example of the former or later approach to social capital and why so."*

Response: We apologize for the confusion. The fact is, there are many different ways of classifying social capital (SC). Cognitive versus structural is one way. The literature has also been interested in investigating different types of structural SC, classifying these into bridging, bonding, and linking (Ng & Eriksson, 2015; Szreter & Woolcock, 2004). Our SC variables fit comfortably into the cognitive/structural framework. They do not match well with the bridging, bonding, and linking categories.

To categorize SC using these latter categories requires that relationships be grouped according to whether they are horizontal (e.g., family members, friends) or vertical (leaders) -- see the figure below. In our paper, social relationship can be categorized as bonding SC. However, social participation cannot be categorized in this fashion because the CGSS does not report whether social participation is horizontal or vertical. Therefore, the categorization of bonding, bridging and linking is not amenable to the data we have available for our analysis.

As a result, the revised version of the manuscript drops the discussion of bonding, bridging, and linking social capital. It focuses on the cognitive versus structural framework, and explicitly links our SC variables to these categories. See the revised discussion in Section II.



SOURCE: Hyypä, M. 2010. *Healthy ties*. New York: Springer (page 15).

- 3) **COMMENT:** *“Instrumental variable procedure is as good as its instruments are. In my opinion, the Authors, may conclude more unequivocally on this how good/bad chosen by them instrumental variables really are.”*

Response: We agree with the reviewer that our IV analysis is only as good as the quality of the instruments. Further, even having good instruments does not guarantee better estimates, as the associated estimates are more variable. That being said, our only option is to be careful in ensuring that our instruments satisfy the essential criteria of relevance and exogeneity. We have taken pains to do that, as reported in TABLE 5.

Our approach is to report both LPM and 2SLS estimates. For the most part, the results are qualitatively similar. Social trust is positive and significant whether one corrects for endogeneity or not. Social participation is statistically insignificant whether one corrects for endogeneity. And social relationships and social network are both positive and significant in the rural samples whether one uses LPM or 2SLS. Major qualitative differences appear only for social relationships and social network in the urban samples. We hope that reporting both the LPM and 2SLS estimates, along with a full discussion of the IVs, allows the reader to understand both the general robustness of our results, along with providing an honest appraisal of the fragility of a few of our estimates.

- 4) **COMMENT:** *“The paper is dedicated to self-reported health. I think it would be more precise to change the title of the paper into: The Relationship between Social Capital and Self-Reported Health in China and clearly explain further in the text what is the difference between self-reported health and objective health assessment (Diener et al., 2004) and what impact it may have on the obtained results whether we investigate self-reported or objective health.”*

Response: The title of the paper has been changed according to reviewer’s suggestion. Further, following the reviewer’s comment, the paper now elaborates on the

relationship between self-reported health and objective health. Please see the discussion under Section IIB on page 5f.

References

- Ng, N., & Eriksson, M. 2015. Social capital and self-rated health in older populations in lower- and upper-middle income countries. In Nyqvist, F., & Forsman, A. (eds.), *Social Capital as a Health Resource in Later Life: The Relevance of Context*. New York: Springer.
- Szreter, S., & Woolcock, M. 2004. Health by association? Social capital, social theory, and the political economy of public health. *International Journal of Epidemiology*, 33(4): 650-667.