



# Social capital as correlate, antecedent, and consequence of health service demand in China☆



Gang Nathan DONG\*

Department of Health Policy and Management, Mailman School of Public Health, Columbia University, 722 W 168th Street, New York, NY 10032USA

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## ABSTRACT

Amid increasing interest in how social relationships play an important role in health and health behavior, it remains unclear whether social activities and social capital in general benefit individuals' health literacy and in turn affect their health care consumption. More specifically, this article proposes a research hypothesis to address the question: Do individuals who are strongly tied to other individuals within the social networks become more health conscious or literate and hence use more health services? This paper extends prior research on social support, health literacy and health care utilization to investigate the association between social interaction and health service demand. Using the China Health and Nutrition Survey, the paper provides cross-sectional evidence that people who are socially active and connected with their friends made more visits to health care providers. It also finds that people of male gender, being single, having more years of education, and no health insurance coverage tend to avoid seeking health services. The quasi-experimental study, which examines the events that exogenously intensified social interactions in some but not all Chinese provinces, indicates that social capital is more an antecedent than a consequence of health service needs.

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*"What we eat, how we respond to stress, whether or not we smoke cigarettes, how much exercise we get, and the quality of our relationships and social support can be as powerful as drugs and surgery.... Often, even better."*

—Testimony before Senate Health Committee (2009), Dr. Dean Ornish, Founder and President of Preventative Medicine Research Institute and Professor of Medicine at UC San Francisco.

## 1. Introduction

While prior literature has examined the impact of social networks in the context of business trade (Rauch, 2001), education (Sacerdote, 2001), finance (Ljungqvist, Marston, & Wilhelm, 2009), health (Smith & Christakis, 2008), labor market (Montgomery, 1991), management (Tsai & Ghoshal, 1998), public policy (Aizer & Currie, 2004), social decisions (Akerlof, 1997), and sociology (Cattell, 2001; Morgan & Sorensen, 1999), the study of how social networks affect the demand of health

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\* Tel.: +1 212 342 0490.

E-mail address: gd2243@columbia.edu.

care service is new.<sup>1</sup> Social interactions can influence health care usage in different ways. A consumer's social connections can provide information on the institutional details of the health care system. These connections can reduce the search costs of locating an appropriate health care provider. Health information provided by a consumer's friends may alter the demand for services by affecting the perceived efficacy or desirability of the available services. This paper focuses on studying consumer behavior and the health care market in China and examining how a consumer demands health services when she is socially active: whether an individual who is actively socializing with her friends makes more visits to health care providers. We believe this measure of social networks (rather than a simple measure of number of friends) reflects the "active" aspect of social capital. We use a sample of randomly selected households that answered survey questions about their social activities and health care utilization to assess the economic, demographic, and personal factors that determine their health care consumption.

Social support, health literacy, and health care service utilization have attracted considerable attention among academics, politicians, and the media recently. In part, this has reflected a desire to understand the economic and social factors behind health literacy: how consumers obtain, process, and understand health information, health service consumption behavior (Selden, Zorn, Ratzan, & Parker, 2000; Lee, Arozullah, & Cho, 2004), and the overall market failure in the health care sector due to imperfect information between informed health care providers and uninformed or less informed patients (Arrow, 1963; Hurley, 2000; Kenkel, 1990).<sup>2</sup> However, there is also a growing recognition of the considerable shift in decision-making power away from health care providers to consumers along with the movement in health care delivery and payment system toward managed care. In addition, recent economic recession and patient frustrations with health care service likely play a role in motivating consumers to more actively manage their health care demand. Given that the prior research only studies the impact of social networks on health, health literacy, and health behavior, this article seeks to present a contribution by focusing on the relation between social networks and health service demand in a specific country (China), and what other variables besides social networks determine a consumer's utilization of health services. Such an update in the literature is critical to understanding how contributing factors of health service demand have changed over the past decade. We provide new evidence on quantitatively understanding how different aspects of personal characteristics, time and geographic locations influence individual decisions to use health services.

The data set of this paper is obtained from the China Health and Nutrition Survey (CHNS). Several unique features of this data set facilitate the current study. First, the survey includes important information on social activities and health service usage patterns, which enables us to study the link between social support and health care utilization. The survey also has detailed information on household demographics, such as age, race, gender, marriage, and family size. We can therefore distinguish how social networks and demographic background separately contribute to health service consumption. In addition, detailed labor market information, such as income, employment status, and entrepreneurial opportunities, provides additional controls on earning capacity and expectation of future income, which may influence the tendency to seek health care services.

The remainder of the paper is organized as follows. Section 2 reviews the relevant prior research on social support, networks, health literacy, and health service utilization. Section 3 presents the sample data, measurement choice, and empirical method. Section 4 evaluates the results, Section 5 discusses the causality concern and proposes alternative specifications to address the endogeneity issue, and Section 6 concludes.

## 2. Related literature

Despite the abundance of papers on social networks, health, and health behavior, prior literature investigating the relationship of social support, health literacy, and health care demand is scarce, and little research has been done into the determinants of individuals' health care utilization. One thread of the literature studies the consequences of health literacy on health status and health service utilization: Baker, Parker, Williams, Clark, and Nurss (1997); Baker, Parker, Williams, and Clark (1998); Williams, Baker, Parker, and Nurss (1998), and Parker, Baker, Williams, and Nurss (1995). These studies reveal no relation between health literacy and health care demand (regular source of care or physician visits), but significant relation between health literacy and hospitalization. However, the relationship varied by the research site and was statistically significant only among patients in one hospital. Weiss et al. (1994), Friedland (1998), and Scott, Gazmararian, Williams, and Baker (2002) provide inconsistent results on the relation between health literacy and health service utilization.

This paper is also closely related to another thread of the literature on the consequences of social networks on health literacy. Individuals are social actors, residing in social environments that contain various degrees of support and resources. These studies attempt to understand the extent of how low health literacy may affect individuals' health adversely. For example, when people encounter problems stemming from their health literacy deficiency, do they rely on social networks or resources for support (Kirsch, Jungeblat, Jenkins, & Kolstad, 1993)?

The concept of social support or sharing resources by a network of individuals and social groups (Lepore, Evans, & Schneider, 1991), is far from new to researchers. People seek and receive assistance from other people, which is defined as the coping behavior (Antonucci, 2001; Cohen, Teresi, & Holmes, 1985; Krause, 1997; Ren, Skinner, Lee, & Kazis, 1999; Sherman, 2003; Turner & Lloyd, 1999). Literature on the direct impacts of social networks on health service demand is relatively new,<sup>3</sup> and partly derived from the literature of social networks and help-seeking in health care contexts. Although Tjhhuis, Peters, and Foets (1990) do not find strong evidence that a person's

<sup>1</sup> Andersen (1995) is among the earliest theoretical studies to understand the potential connections between social networks and health care utilization.

<sup>2</sup> See also Cotton and Gupta (2004); Dwyer and Liu (2013); Roberts (1988); Rooks, Wiltshire, Elder, BeLue, and Gary (2012), and Suarez et al. (2000).

<sup>3</sup> See Antonucci, Ajrouch, and Janevic (2003); House, Landis, and Umberson (1988); Lin, Dean, and Ensel (1986); Penninx et al. (1997), and Unger, Johnson, and Marks (1997).

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