

## **Abstract**

This paper empirically investigates the relevance of several theoretical determinants of formation of Social Capital (SC) introduced in the literature for the case of Chilean municipalities.

Our approach considers an ordinal rational choice model for multiple kinds of social participation intensities. The framework is rich enough to investigate the importance of social/peer effects interactions, endogenous trust, and politico-institutional factors as sources of participation. We find that politico-institutional factors are jointly important to account for SC formation, as well as social interactions. Trusting community is a highly significant factor behind political participation and non-participation in religious activities. The evidence shows that SC formation is a multidimensional complex process as advocated by prevailing theories in the literature.