Lingnan University 嶺南大學
The Liberal Arts University in Hong Kong 香港的博雅大學

Social Science Programme
Department of Economics
Topic Defense Seminar

"The impact of Social Capital on bank risk taking"

(in English)

Presenter:	**Ms. XIE Wenjing, Leo** **MPhil Student**
Date:	30 April 2012 (Mon)
Time:	5:30 p.m. – 6:00 p.m.
Venue:	SO322, Dorothy Y. L. Wong Building
Chief Supervisor:	Professor MA Yue
Co-supervisor:	Dr. ZHANG Yifan

Abstract:

The concept of "social capital" has received considerable attention these years. Social Capital is "feature life – networks, norms, and trust – that enable participants to act together more effectively to pursue shared objectives" (Putnam, 1993, Princeton University Press). Yet, few literatures have explored the connections between social capital and bank behavior. The issuance of loan contracts depends on not only the legal enforceability of contracts, but also the extent the financier trusts the financee. In high social capital economies, banks may trust borrowers more and have more confidence for borrowers to repay their loans. Thus greater social capital may reduce loan contract violations, thereby reducing loan default.

In this study, I will discuss the theory of social capital and its relevance to financial market behavior, then I will analyze the relationship of the level of social capital and bank risk taking across countries over the period of 2000 to 2006.

All are welcome

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