Prof. Panu Kalmi
(University of Vaasa, Finland)

“Social Capital and Access to Credit: Evidence from Uganda”

Paper co-authored with Anni Heikkilä (Aalto University School of Economics, Finland), Olli-Pekka Ruuskanen (University of Tampere, Finland)

Tuesday, May 14th, 2013
at 1.00 pm

At Seminar Room R42.2.110 (ground floor)
of the Solvay Brussels School of Economics and Management
Université libre de Bruxelles - ULB

Abstract:
This paper examines the role of social capital as a determinant of access to credit. Despite the importance of social capital in the development literature, its effect on credit access in a developing country context has been little studied. We hypothesize that both individual social capital and generalized trust affect access to credit from financial institutions. We use a nationally representative survey of access to financial services in Uganda. Our results indicate a clearly positive association between individual social capital and access to institutional credit, but no significant relationship between generalized trust and credit access. The effect of individual social capital appears to be more pronounced for poorer people, in rural areas, and in areas where generalized trust is low.

Address:
Solvay Brussels School of Economics and Management
Université Libre de Bruxelles
Av. F.D. Roosevelt, 42
1050 Brussels (Belgium)

Contact:
Shaheen Abdool Satar
+ 32 (0) 2.650.66.01
cermi@ulb.ac.be

Please confirm your attendance to cermi@ulb.ac.be at the earliest