SYE SEMINAR:
TRUST, CONTRACTS, AND SOCIAL NETWORKS

St. Lawrence University                      Dr. R. A. Blewett
Economics 450-01                           217 Hepburn
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Seminar Description
Throughout history, and in various parts of the world, there have always been ethnic or religious groups that were more commercially successful and wealthier than others. Examples include South Asians (Indians) in East Africa, Lebanese in West Africa, ethnic Chinese in Southeast Asia, Japanese in South America, and Koreans in South Los Angeles. Sometimes success has been credited to either admirable cultural traits or nefarious collusion and exclusionary practices. New Institutional Economics provides another explanation: certain groups are advantaged by social networks that engender trust, allowing for the more effective formation and enforcement of contracts. These groups are thus better able to engage in more sophisticated, and more profitable, economic arrangements unavailable to others. This seminar will develop the economics of trust, contracts, and social networks, using case studies to explore if and how social networks can explain the commercial success of certain minority groups.

Office Hours
I am available for office hours at 4 p.m. immediately after, but never before, our seminar. However, I am usually around on other days. Please feel free to stop by for help, advice, or just to talk. If I am out, please leave your phone number or an email address and I will try to contact you.

Seminar Policies
- Required readings will be posted on Sakai for downloading. No textbooks are required.
- This course is a seminar and students will be expected to take ownership of the class. Ideally, if the instructor walks in ten minutes late, the class should already be underway with a discussion of the day’s reading. During discussions the faculty member will be primarily a listener and will only need to speak to raise further questions or to answer questions with answers which are not available from the readings.
- There will be neither tests nor quizzes in this seminar. However, there may be short reaction essays which can be used to help gauge seminar preparation.
- Seminar participants are responsible for all announcements posted on Sakai and emails sent to their SLU-provided email address.
- The final course grade will be based on a research project (50%) and seminar participation (50%). More detailed discussion of expectations and grading will be posted on Sakai. Seminar participation grades will face substantial penalties if more than two unexcused absents occur. Scores or marks will be regularly posted on Sakai.
The Research Project
This is a capstone course offering students the opportunity to do more in-depth work requiring a substantial research project. The final product will be a 20-plus-page paper concerning an ethnic or religious trade network, either historical or contemporary, and how our course concepts and readings relate to it. This project will be broken down into many steps or stages throughout the semester with evaluation of each step contributing to the project grade. A detailed description of this process will be posted on Sakai.

The instructor must approve the choice of social network. Possible topics include, but are not limited to, South Asians in East Africa, Chinese networks in S.E. Asia (limited to a country or industry), Chinese networks and trade/FDI in China, Japanese in Peru; Portuguese in Guyana, historical Islamic trading networks, current Islamic halawa money networks, American Jewish (e.g., garment industry, retailing) networks, diamond traders in New York, Hausa traders in West Africa, Jains and the diamond trade, Chettys and money lending, Koreans in the USA, Syrian/Lebanese in West Africa, organized ethnic crime networks, to name just a few.

Three Aspects of Seminar Participation
• **Discussion Leadership.** The instructor will take responsibility for some of the first classes and occasionally for certain other class meetings. However, at many other meetings two students will be assigned to prepare a short presentation and lead a discussion of the day’s reading. Discussion leaders are free to develop whatever methods they want to help get across ideas and show the relevance of the reading to our seminar topic. Students must find substitutes to pinch hit if unable to present as scheduled.

• **Involvement/Preparation.** Seminar members are expected not only to come to class prepared with reading assignments completed, but also are expected to be actively involved even when not leading discussions. That is, asking stimulating and relevant questions; offering insightful or thoughtful comments when discussion questions are posed; providing useful written assessments. For each seminar meeting students will be assigned a score of 0, 1, or 2. Any absence is assigned “0” and members who come unprepared or who do not participate will most likely receive a “0.” Short reaction essays to readings may be assigned to help gauge preparation.

• **Review of Peer Writing.** Assignments for various stages of the research project will be due throughout the semester. Students will be asked to review the writings of their peers in order to help them improve their projects.