

IMF – Singapore Regional Training Institute (STI)
Course on Financial Development and Financial Inclusion (ST17.10)

Singapore
October 9 – 20, 2017

Reading List

L–1: Financial Development and the Macroeconomy

Buera, Francisco J., Joseph P. Kaboski and Yongseok Shin, 2015, “Entrepreneurship and Financial Frictions: A Macro-Development Perspective,” NBER Working Papers 21107.
<http://www.nber.org/papers/w21107>

de la Torre, Augusto; Gozzi, Juan Carlos; Schmukler, Sergio L.. 2017. *Innovative Experiences in Access to Finance : Market-Friendly Roles for the Visible Hand?*. Latin American Development Forum;. Washington, DC: World Bank.
<https://openknowledge.worldbank.org/handle/10986/27529>

Fry, Maxell, 1989, “Financial Development: Theories and Recent Experience,” Oxford Review of Economic Policy, Vol. 5, No. 4.
http://econpapers.repec.org/article/oupoxford/v_3a5_3ay_3a1989_3ai_3a4_3ap_3a13-28.htm

Hausmann, Ricardo, Dani Rodrik and Andrés Velasco, 2005, “Growth Diagnostics,” (Cambridge, MA: John F. Kennedy School of Government, Harvard University).
<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.446.2212&rep=rep1&type=pdf>

Levine, Ross, 2005, “Finance and Growth: Theory and Evidence” in *Handbook of Economic Growth*, ed. by Philippe Aghion and Steven Durlauf (Amsterdam: Elsevier Science).
http://faculty.haas.berkeley.edu/ross_levine/papers/forth_book_durlauf_finngrowth.pdf

Rajan, Raghuram and Luigi Zingales, 1998, “Financial Dependence and Growth,” *American Economic Review*, 88(3): 559-86.
http://siteresources.worldbank.org/INTEXP/COMNET/Resources/Rajan_and_Zingales_1998.pdf

Sahay, Ratna, and others. 2015. Rethinking Financial Deepening: Stability and Growth in Emerging Markets”. IMF Staff Discussion Note 15/08.
<https://www.imf.org/external/pubs/ft/sdn/2015/sdn1508.pdf>

L–2: A Framework for Financial Market Development

Beck, T., 2012. “The Role of Finance in Economic Development – Benefits, Risks, and Politics.” In ed. *Handbook of Capitalism*, ed. Dennis Müller: Oxford
<http://www.oxfordhandbooks.com/view/10.1093/oxfordhb/9780195391176.001.0001/oxfordhb-9780195391176-e-7>

Chami, R., C. Fullenkamp, and S. Sharma, 2010, “A Framework for Financial Market Development,” *Journal of Economic Policy Reform*, Vol. 13, No. 2 (June), pp.107-135.
<http://www.imf.org/external/pubs/ft/wp/2009/wp09156.pdf>

Claessens, S. and A. Kose, 2013, “Financial Crises Explanations, Types, and Implications,” IMF Working Paper No. 13/28 <https://www.imf.org/external/pubs/ft/wp/2013/wp1328.pdf>

Claessens, S., A. Kose, L. Laeven, and F. Valencia, 2014, “Financial Crises: Causes, Consequences, and Policy Responses,” IMF Book, ISBN/ISSN: 9781475543407
<https://www.imf.org/external/pubs/cat/longres.aspx?sk=40301.0>

Merton, R. and Z. Bodie, 2005, “The Design of Financial Systems: Towards a Synthesis of Function and Structure,” *JOURNAL OF INVESTMENT MANAGEMENT*, Vol. 3, No. 1, pp. 1–23. <http://www.nber.org/papers/w10620>

Townsend, R. and K. Ueda, 2003, “Financial Deepening, Inequality, and Growth: A Model-Based Quantitative Evaluation,” IMF Working Paper Working Paper No. 03/193,
<http://www.imf.org/external/pubs/cat/longres.aspx?sk=16846.0>

L–3: Cross-Country Comparison of Financial Structure

Allen, Franklin and Douglas Gale, *Comparing Financial Systems*, 2000, (Boston: MIT Press).
<https://mitpress.mit.edu/books/comparing-financial-systems>

L–4: Theory of Financial Structure

No assigned readings.

L–5: From Banks to Bonds

EBRD, IMF, OECD and W. “Local Currency Bond Markets – A Diagnostic Framework”, 2013. <https://www.imf.org/external/np/pp/eng/2013/070913.pdf>

L. Laeven, *The Development of Local Capital Markets: Rationale and Challenges*, IMF Working Paper 14/234. <https://www.imf.org/external/pubs/cat/longres.aspx?sk=42551.0>

WEF Forum, *Accelerating Emerging Capital Markets Development Corporate Bond Markets*, 2015. http://www3.weforum.org/docs/WEF_Capital_Markets_Report_2015.pdf

P. Luengnaruemitchai and L. On. “An Anatomy of Corporate Bond Markets: Growing Pains and Knowledge Gains”, IMF Working Paper 05/152.
<https://www.imf.org/external/pubs/ft/wp/2005/wp05152.pdf>

L–6: When to Develop the Equity Market

A. Billmeier and I. Massa *What Drives Stock Market Development in the Middle East and Central Asia— Institutions, Remittances, or Natural Resources?* IMF WP 07-157.
<https://www.imf.org/external/pubs/ft/wp/2007/wp07157.pdf>

B. de Albornoz and P. Pope The Determinants of the Going Public Decision: Evidence from UK. WP-AD 2004-22
<http://www.ivie.es/downloads/docs/wpasad/wpasad-2004-22.pdf>

C. Yartey The Determinants of Stock Market Development in Emerging Economies: Is South Africa Different? IMF WP 08-32.
https://www.researchgate.net/publication/5125519_The_Determinants_of_Stock_Market_Development_in_Emerging_Economies_Is_South_Africa_Different

Financial Sector Assessment Program, Lebanon Capital Market Development, Technical Note, December 2013. <https://openknowledge.worldbank.org/handle/10986/17357>

L-7: Secondary Markets and Liquidity Providers

Areseneau, D., D. Rappoport, A. Vardoulakis, 2015. “Secondary Market Liquidity and the Optimal Capital Structure.” Federal Reserve Board of Governors w.p.
<https://www.federalreserve.gov/econresdata/feds/2015/files/2015031pap.pdf>

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https://publications.banque-france.fr/sites/default/files/medias/documents/financial-stability-review-11_2008-02.pdf

Bodie, Z., A. Kane, and A. Marcus, 2014, “Asset Classes and Financial Instruments,” Chapter 2 in Investments (Singapore: McGraw Hill, Asia Global Edition).
http://www.academia.edu/20950921/Investments_10th_Ed_Bodie_Alex_Kane_Alan_Marcus_Dr_Soc

Brunnermeier, M. K. and Pedersen, L. H., 2009. “Market liquidity and funding liquidity.” Review of Financial Studies 22(6), 2201–2238. <https://academic.oup.com/rfs/article-abstract/22/6/2201/1592184/Market-Liquidity-and-Funding-Liquidity?redirectedFrom=fulltext>

Elliott, Douglas. 2015. “Market Liquidity: A Primer.” Economic Studies at Brookings
<https://www.brookings.edu/research/market-liquidity-a-primer/>

International Monetary Fund, World Bank, European Bank for Reconstruction and Development, and the Organization for Economic Cooperation and Development, 2013, “Local Currency Bond Markets—A Diagnostic Framework,” (Washington, DC: International Monetary Fund).

L-8: Measuring Financial Development

Feyen, Eric, Katie Kibuuka, and Diego Sourrouille, 2015, “Finstats 2016: A ready-to-use tool to benchmark financial systems across countries and over time,” World Bank, Finance and Markets Global Practice.

Levine, Ross, 2005, "Finance and Growth: Theory and Evidence", Chapter 12 in Handbook of Economic Growth," Aghion and Durlauf (eds). <http://www.nber.org/papers/w10766>

Sahay, et al (2015), "Rethinking Financial Deepening: Stability and Growth in Emerging Markets," Staff Discussion Note 15/08.
<https://www.imf.org/external/pubs/ft/sdn/2015/sdn1508.pdf>

Svirydzenka, Katsiaryna, 2015, "Introducing a New Broad-Based Index of Financial Development," IMF Working Paper 15/06.
<https://www.imf.org/external/pubs/ft/wp/2016/wp1605.pdf>

L-9: Innovation and Financial Development

Beck, Thorsten, Tao Chen, Chen Lin, and Frank M Song (2012), "Financial Innovation: The Bright and the Dark Sides", HKIMR Working Paper 05/2012.
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2015884

Gubler, Zachary (2011) "The Financial Innovation Process: Theory and Application" Delaware Journal of Corporate Law <http://www.djcl.org/wp-content/uploads/2014/08/The-FINANCIAL-INNOVATION-PROCESS-THEORY-AND-APPLICATION.pdf>

Calomiris, Charles W. (2009) "Financial Innovation, Regulation, and Reform" Cato Journal <https://www8.gsb.columbia.edu/researcharchive/articles/4431>

Allen, Franklin and Douglas Gale (1994), Financial Innovation and Risk Sharing, MIT Press.

Henderson, BJ and ND Pearson (2011), "The dark side of financial innovation: a case study of the pricing of a retail financial product", Journal of Financial Economics, 100:227-247.

Wall, Larry D. (2014) "Simple Concept, Complex Regulation" Federal Reserve Bank of Atlanta. <https://frbatlanta.org/cenfis/publications/notesfromthevault/1401horsten>

L-10: Financial Evolution and Financial Crisis

Beim, David and Charles Calomiris, 2001, Emerging Financial Markets. Appendix to Chapter 1. New York: McGraw-Hill/Irwin Publishers

Brunnermeier, Markus K (2009), "Deciphering the liquidity and credit crunch 2007-2008", Journal of Economic Perspectives, 23:77-100.
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Laeven, Luc, and Fabian Valencia, 2012, Systemic banking crisis database: An update, Working paper, International Monetary Fund
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Sturzenegger, Federico and Jeromin Zettelmeyer, 2006, *Debt Defaults and Lessons from a Decade of Crises*. Cambridge: MIT Press. <https://mitpress.mit.edu/books/debt-defaults-and-lessons-decade-crises>

L–11: Shadow Banking

“Global Shadow Banking Monitoring Report 2015,” Financial Stability Board, November 12, 2015, <http://www.fsb.org/wp-content/uploads/global-shadow-banking-monitoring-report-2015.pdf>

“Strengthening Oversight and Regulation of Shadow Banking: An Overview of Policy Recommendations,” Financial Stability Board, August 29, 2013, http://www.fsb.org/wp-content/uploads/r_130829a.pdf

L–12: The Role of the Regulator in Financial Development

L–13: Regulatory Approaches to Financial Development

Barth, James; Gerard Caprio, and Ross Levine, 2012. *Guardians of Finance: Making Regulators Work for Us*, MIT Press <https://mitpress.mit.edu/books/guardians-finance>

Barth, James; Gerard Caprio, and Ross Levine, 2002, “Bank Regulation and Supervision: What Works Best?” NBER Working Paper 9323 <http://www.nber.org/papers/w9323/>

Barth, James; Gerard Caprio, and Ross Levine, 2013, “Bank Regulation and Supervision in 180 Countries from 1999 to 2011,” (Washington, DC)
http://faculty.haas.berkeley.edu/ross_levine/papers/Bank_Regulation_and_Supervision_Around_the_World_15JAN2013.pdf

Zetsche, Dirk A.; Ross P. Buckley; Douglas W. Arner; Janos Nathan Barberis, 2017, “Regulating a Revolution: From Regulatory Sandboxes to Smart Regulation,” EBI Working Paper 2017- no. 11, European Banking Institute.
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3018534

L–14: Introduction to Financial Inclusion

Demirguc-Kunt, Asli, Leora Klapper, Dorothe Singer, and Peter Van Oudheusden, 2015, “Global Findex Database 2014: Measuring Financial Inclusion around the World,” World Bank Policy Research Paper 7255.
<http://documents.worldbank.org/curated/en/187761468179367706/The-Global-Findex-Database-2014-measuring-financial-inclusion-around-the-world>

Sahay, Ratna, Papa N'Diaye, Adolfo Barajas, Srobona Mitra, Annette Kyobe, Yen Nian Mooi, and Seyed Reza Yousefi, 2015, "Financial Inclusion: Can it Meet Multiple Macroeconomic Goals?" IMF Staff Discussion Note 15/17.
<https://www.imf.org/external/pubs/ft/sdn/2015/sdn1517.pdf>

World Bank, 2014, Global Financial Development Report: Financial Inclusion (Washington, DC: The World Bank).
<https://openknowledge.worldbank.org/bitstream/handle/10986/16238/9780821399859.pdf>

L-15: Financial Evolution and Financial Crisis

No assigned readings.

L-16: Financial Education and Capability

Berg, Gunhild and Bilal Zia, 2013, "Harnessing Emotional Connections to Improve Financial Decisions: Evaluating the Impact of Financial Education in Mainstream Media," World Bank Policy Research Paper 6407.

Bruhn, Miriam, Luciana de Souza Leao, Arianna Legovino, Rogelio Marchetti, and Bilal Zia, 2013, "Financial Education and Behavior Formation: Large-Scale Experimental Evidence from Brazil, (unpublished: World Bank).

Bumcroft, Lin and Lusardi (2011), "The Geography of Financial Literacy," Financial Literacy Center, WR-893-SSA, (Rand Corporation, Dartmouth College and the Wharton School).

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Xu, Lisa and Bilal Zia, 2012, "Financial Literacy around the World: An Overview of the Evidence with Practical Suggestions for the Way Forward," World Bank Policy Research Paper 6107.

L-17: Finance for Small and Medium-Sized Enterprises

Beck, Thorsten, & Asli Demirguc-Kunt (2006). "Small and medium-size enterprises: Access to finance as a growth constraint." *Journal of Banking & Finance* 30.11, 2931-2943.
<https://ideas.repec.org/a/eee/jbfina/v30y2006i11p2931-2943.html>

Beck, Thorsten, Asli Demirguc-Kunt, and Ross Levine (2005). "SMEs, growth, and poverty: cross-country evidence." *Journal of Economic Growth* 10, 199-229.
<http://link.springer.com/article/10.1007/s10887-005-3533-5>

Beck, T., Demirguc-Kunt, A., & Maksimovic, V. (2005). "Financial and legal constraints to firm growth: Does firm size matter?" *Journal of Finance*, 60(1), 137–177.
<http://onlinelibrary.wiley.com/doi/10.1111/j.1540-6261.2005.00727.x/pdf>

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Beck, Thorsten, Asli Demirgüç-Kunt, & Vojislav Maksimovic (2008). "Financing patterns around the world: Are small firms different?" *Journal of Financial Economics* 89.3, 467-487.
<http://econpapers.repec.org/paper/tiutiutis/7078f1cc-51a6-4556-b193-df23609ebe10.htm>

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IMF, 2007, Italy—Selected Issues, IMF Country Report No. 07/65
<https://www.imf.org/external/pubs/ft/scr/2007/cr0765.pdf>

Sundaresan, S. (2005). "Developing Multiple Layers of Financial Intermediation: The Complementary Roles of Corporate Bond Markets and Banks." BIS Papers No 26 (Hong Kong: Bank of International Settlements).

L–18: State Banking and other Policies to Channel Credit

Rafael La Porta, Florencio Lopez-De-Silanes, and Andrei Shleifer, 2001 "Government Ownership of Banks," *Journal of Finance*.
<http://onlinelibrary.wiley.com/doi/10.1111/1540-6261.00422/pdf>

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http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2013/04/04/000158349_20130404091612/Rendered/PDF/wps6400.pdf

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Kane, Edward J. (1977) "Good Intentions and Unintended Evil: The Case Against Selective Credit Allocation" *Journal of Money Credit and Banking*

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<https://openknowledge.worldbank.org/bitstream/handle/10986/11848/Global%20Financial%20Development%20Report%202013.pdf?sequence=1>

L–19: Microfinance

Banerjee, A. V. (2013), “Microcredit Under the Microscope: What Have We Learned in the Past Two Decades and What Do We Need to Know?” *Annual Review of Economics*, 5, pp 487–519. <http://economics.mit.edu/files/9071>

Mordouch, J., 1999, “The Microfinance Promise,” *Journal of Economic Literature*, 37, 1569–1614.

http://www.nyu.edu/projects/morduch/documents/microfinance/Microfinance_Promise.pdf

Greaney, B., J.P. Kaboski, and E. Van Leemput, 2013, “Can Self-Help Groups Really Be “Self-Help”?” NBER Working Paper 18970. <http://www.nber.org/papers/w18970>