

**INTERNATIONAL MONETARY FUND**  
**Joint Vienna Institute (JVI)**  
**Course on Financial Development and Financial Inclusion (FDFI)**  
**Vienna, Austria**  
**June 5–16, 2017**  
**PROGRAM\***

***Monday, June 5***

8:30 a.m. – 9:00 a.m.		<b>Administrative Briefing</b>
9:00 a.m. – 9:30 a.m.		<b>Opening Session</b> <i>JVI and IMF representatives</i>
9:30 a.m. – 10:15 a.m.		<b>Opening Test to assess participants’ knowledge</b>
10:30 a.m. – 11:00 a.m.		<b>Coffee break</b>
11:00 a.m. –12:30 p.m.	L-1	<b>Financial Development and the Macroeconomy</b> <i>Mr. Adolfo Barajas</i> <i>Senior Economist, Asian Division, Institute for Capacity Development, International Monetary Fund</i> <ul style="list-style-type: none"><li>• The role of the financial sector in formulating a pro-growth policy strategy</li><li>• Channels through which financial development affects macroeconomic outcomes: investment finance, consumption smoothing, and income distribution.</li><li>• Main messages from models of financial development and macroeconomic outcomes.</li></ul>
2:00 p.m. – 3:30 p.m.	L-2	<b>A Framework for Financial Development</b> <i>Mr. Ralph Chami</i> <i>Assistant Director, Institute for Capacity Development, International Monetary Fund</i> <ul style="list-style-type: none"><li>• Functional Approach</li><li>• Importance of contracts and contracting</li><li>• Main players and their roles</li><li>• Principal-agent relationships in finance</li><li>• Types of financial contracts: credit, savings, and insurance</li><li>• Types of borrowers: household, agriculture, business.</li></ul>
2:45 p.m. – 4:15 p.m.	L-3	<b>Cross-Country Comparisons of Financial Structure</b> <i>Mr. Connel Fullenkamp</i> <i>Professor of the Practice of Economics, Duke University</i> <ul style="list-style-type: none"><li>• Characterization of financial structure</li><li>• Show how financial markets are organized in different regions of the world and the reliance on different types of financing</li><li>• Financial structure and macroeconomic outcomes</li></ul>

<b><i>Tuesday, June 6</i></b>		
9:00 a.m. – 10:30 a.m.	L-4	<b>The Theory of Financial Structure</b> <i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none"> <li>• Use asymmetric information, transactions costs, other market imperfections to explain the structures we see within and across markets</li> </ul>
11:00 a.m. – 12:30 p.m.	CS-1	<b>Case Study: Financial Structure</b> <i>Facilitated by counselors</i>
2:00 p.m. – 3:30 p.m.	L-5	<b>Banks to Bonds</b> <i>Mr. Chami</i> <ul style="list-style-type: none"> <li>• Why banks are first to appear and dominate financial systems</li> <li>• How and when to introduce fixed income instruments</li> <li>• Risk gaps and developing the yield curve</li> </ul>
4:00 p.m. – 5:30 p.m.	CS-2	<b>Case Study: Fixed Income Market Development</b> <i>Facilitated by counselors</i>
<b><i>Wednesday, June 7</i></b>		
9:00 a.m. – 10:30 a.m.	L-6	<b>When to Develop the Equity Market</b> <i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none"> <li>• Why equity markets are the last to appear</li> <li>• Family businesses and the equity markets</li> <li>• How to encourage firms to go public</li> <li>• Intermediating equity through mutual funds, private equity, venture capitalists</li> </ul>
11:00 a.m. – 12:30 p.m.	CS-3	<b>Case Study: Equity Market Development</b> <i>Facilitated by counselors</i>
2:00 p.m. – 3:30 p.m.	L-7	<b>Secondary Markets and Liquidity Providers</b> <i>Mr. Ralph Chami</i> <ul style="list-style-type: none"> <li>• The needs of liquidity providers</li> <li>• Types of liquidity providers in bond and stock markets</li> <li>• Different types of secondary markets</li> <li>• OTC vs. Exchange Markets</li> </ul>
4:00 p.m. – 5:30 p.m.	L-8	<b>Measuring Financial Development</b> <i>Mr. Adolfo Barajas</i> <ul style="list-style-type: none"> <li>• Measurement issues</li> <li>• Benchmarking</li> <li>• Stylized facts on financial development across countries and over time</li> </ul>

<b>Thursday, June 8</b>		
9:00 a.m. – 12:30 p.m.	WS-1	<b>Workshop: Measuring Financial Development</b> <i>Facilitated by counselors</i>
2:00 p.m. – 3:30 p.m.	L-9	<b>Innovation and Financial Development</b> <i>Mr. Ralph Chami</i> <ul style="list-style-type: none"> <li>• How innovation can drive financial market development</li> <li>• The Regulatory Cycle, unintended consequences, and financial market development</li> </ul>
4:00 p.m. – 5:30 p.m.	L-10	<b>Financial Evolution and Financial Crisis</b> <i>Mr. Adolfo Barajas</i> <ul style="list-style-type: none"> <li>• The relationship between financial liberalization and financial crisis</li> <li>• Can excessive development of financial markets be harmful?</li> <li>• Credit booms—good and bad</li> </ul>
<b>Friday, June 9</b>		
9:00 a.m. – 12:30 p.m.	L-11	<b>Shadow Banking</b> <i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none"> <li>• Why and how does shadow banking develop?</li> <li>• What are the benefits and dangers?</li> <li>• How to regulate shadow banks</li> </ul>
2:00 p.m. – 5:30 p.m.	CS-4	<b>Case Study: Shadow Banking</b> <i>Facilitated by counselors</i>
<b>Monday, June 12</b>		
9:00 a.m. – 10:30 a.m.	L-12	<b>The Role of the Regulator in Financial Development</b> <i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none"> <li>• Market-enabling policies and market-harnessing policies</li> <li>• What regulation can and cannot accomplish</li> <li>• How regulators can facilitate the writing and trading of financial contracts</li> </ul>
11:00 a.m. – 12:30 p.m.	L-13	<b>Regulatory Approaches to Financial Development</b> <i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none"> <li>• Strategies and approaches tried in different countries</li> <li>• Successes and failures</li> </ul>
2:00 p.m. – 5:30 p.m.	L-14	<b>Introduction to financial inclusion</b> <i>Mr. Adolfo Barajas</i> <ul style="list-style-type: none"> <li>• What is financial inclusion?</li> <li>• Measurement: supply-side, user-side, enabling environment</li> <li>• Financial inclusion for households and for firms</li> <li>• Cross-country variation in financial inclusion</li> <li>• Recent trends</li> <li>• Limitations of current measures</li> </ul>

<b><i>Tuesday, June 13</i></b>		
9:00 a.m. – 10:30 a.m.	L-15	<b>A Conceptual Framework for Financial Inclusion</b> <i>Mr. Adolfo Barajas</i> <ul style="list-style-type: none"> <li>• Financial underdevelopment/exclusion as a series of market frictions</li> <li>• Benefits and tradeoffs in removing frictions</li> <li>• Contrasting partial with general equilibrium effects</li> </ul>
11:00 a.m. – 12:30 p.m.	WS-2	<b>Workshop: A Conceptual Framework for Financial Inclusion</b> <i>Facilitated by counselors</i>
2:00 p.m. – 3:30 p.m.	WS-2	<b>Workshop: A Conceptual Framework for Financial Inclusion (continued)</b> <i>Facilitated by counselors</i>
4:00 p.m. – 5:30 p.m.	WS-3	<b>Preparation for Participants' Final Presentations</b> <i>Facilitated by counselors</i>
<b><i>Wednesday, June 14</i></b>		
9:00 a.m. – 10:30 a.m.	L-16	<b>Financial Education and Capability</b> <i>Mr. Adolfo Barajas</i> <ul style="list-style-type: none"> <li>• Definition and assessment of financial capability</li> <li>• Financial literacy as a first step</li> <li>• Financial capability as a key component of financial inclusion</li> <li>• Approaches to enhancing financial capability</li> </ul>
11:00 a.m. – 12:30 p.m.	L-17	<b>SME financing</b> <i>Mr. Ralph Chami</i> <ul style="list-style-type: none"> <li>• A primer: what's different about SMEs? (Answer: Opacity)</li> <li>• Financial inclusion and informality</li> <li>• Resolving financing constraints for SMEs</li> <li>• The experience so far: what works for SME finance?</li> <li>• Exploring lending technologies that might work for SMEs</li> </ul>
2:00 p.m. – 3:30 p.m.	L-18	<b>State banking</b> <i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none"> <li>• Theories of the role of the state in banking</li> <li>• Worldwide experience with state banks</li> <li>• Credit guarantees</li> </ul>
4:00 p.m. – 5:30 p.m.	WS-3	<b>Preparation for Participants' Final Presentations</b> <i>Facilitated by counselors</i>

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***Thursday, June 15***

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9:00 a.m. – 12:30 p.m.	L-19	<b>Micro-Credit</b> <i>Mr. Ralph Chami</i> <ul style="list-style-type: none"><li>• Characterization of microfinance</li><li>• A model of microcredit</li><li>• Experience with microcredit throughout the world</li></ul>
2:00 p.m. – 5:30 p.m.	O-1	<b>Participants' Final Presentations</b> <i>Facilitated by counselors</i>

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***Friday, June 16***

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9:00 a.m. – 10:30 a.m.	O-2	<b>Review Session</b> <i>Facilitated by counselors</i>
11:00 a.m. – 12:00 p.m.		<b>Closing test</b>
12:00 p.m. – 12:30 p.m.		<b>Closing Session and Presentation of Certificates</b>

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