
INTERNATIONAL MONETARY FUND

Joint Vienna Institute (JVI)

Course on Financial Development and Financial Inclusion (FDI)

Vienna, Austria

June 4–15, 2018

PROGRAM*

Monday, June 4

8:30 a.m. – 9:00 a.m.

Administrative Briefing

Ms. Tamara Tsikhistavi, Program Officer (JVI)

9:00 a.m. – 9:30 a.m.

Opening Session

Mr. Richardson, Director (JVI)

Mr. Ralph Chami, Assistant Director (Institute for Capacity Development, IMF)

Mr. Dyna Heng, Economist (Institute for Capacity Development, IMF)

Mr. Fullenkamp, Professor of the Practice of Economics, Duke University

9:30 a.m. – 10:15 a.m.

Opening Test to assess participants' knowledge

10:15 a.m. – 11:00 a.m.

Coffee break

11:00 a.m. – 12:30 p.m.

L-1

A Framework for Financial Development

Mr. Ralph Chami

- Functional Approach
- Importance of contracts and contracting
- Main players and their roles
- Principal-agent relationships in finance
- Types of financial contracts: credit, savings, and insurance

2:00 p.m. – 3:30 p.m.

CS-1

Case Study: Financial Development

Facilitated by Counselors

- Peer-to-Peer Lending
- Crowd Funding

4:00 p.m. – 5:30 p.m.

L-2

Cross-Country Comparisons of Financial Structure

Mr. Connel Fullenkamp

- Characterization of financial structure
 - Show how financial markets are organized in different regions of the world and the reliance on different types of financing
 - Financial structure and macroeconomic outcomes
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Tuesday, June 5

9:00 a.m. – 10:30 a.m.	L-3	The Theory of Financial Structure <i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none">• Use asymmetric information, transactions costs, other market imperfections to explain the structures we see within and across markets
11:00 a.m. – 12:30 p.m.	CS-2	Case Study: Financial Structure <i>Facilitated by counselors</i>
2:00 p.m. – 3:30 p.m.	L-4	Banks to Bonds <i>Mr. Ralph Chami</i> <ul style="list-style-type: none">• Why banks are first to appear and dominate financial systems?• How and when to introduce fixed income instruments?• Risk gaps and developing the yield curve
4:00 p.m. – 5:30 p.m.	CS-3	Case Study: Fixed Income Market Development <i>Facilitated by counselors</i>

Wednesday, June 6

9:00 a.m. – 10:30 a.m.	L-5	When to Develop the Equity Market <i>Mr. Ralph Chami</i> <ul style="list-style-type: none">• Why equity markets are the last to appear?• Family businesses and the equity markets• How to encourage firms to go public?• Intermediating equity through mutual funds, private equity, venture capitalists
11:00 a.m. – 12:30 p.m.	CS-4	Case Study: Equity Market Development <i>Facilitated by counselors</i>
2:00 p.m. – 3:30 p.m.	L-6	Secondary Markets and Liquidity Providers <i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none">• The needs of liquidity providers• Types of liquidity providers in bond and stock markets• Different types of secondary markets• OTC vs. Exchange Markets
4:00 p.m. – 5:30 p.m.	L-7	Measuring Financial Development <i>Mr. Dyna Heng</i> <ul style="list-style-type: none">• Measurement issues• Benchmarking• Stylized facts on financial development across countries and over time

Thursday, June 7

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| 9:00 a.m. – 12:30 p.m. | WS-1 | Workshop: Measuring Financial Development
<i>Facilitated by counselors</i> |
| 2:00 p.m. – 3:30 p.m. | L-8 | Fintech, Cryptocurrency and Financial Development
<i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none">• How innovation can drive financial market development?• Role of Fintech and Cryptocurrency in market development• The Regulatory Cycle |
| 4:00 p.m. – 5:30 p.m. | L-9 | Financial Evolution and Financial Crisis
<i>Mr. Dyna Heng</i> <ul style="list-style-type: none">• The relationship between financial liberalization and financial crisis• Can excessive development of financial markets be harmful?• Credit booms—good and bad |

Friday, June 8

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| 9:00 a.m. – 12:30 p.m. | L-10 | Shadow Banking
<i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none">• Why and how does shadow banking develop?• What are the benefits and dangers?• How to regulate shadow banks |
| 2:00 p.m. – 5:30 p.m. | CS-5 | Case Study: Shadow Banking
<i>Facilitated by counselors</i> |

Monday, June 11

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| 9:00 a.m. – 10:30 a.m. | L-11 | Regulation and Financial Development
<i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none">• What regulation can and cannot accomplish• Strategies and approaches tried in different countries• Successes and Failures |
| 11:00 a.m. – 12:30 p.m. | L-12 | Introduction to Financial Inclusion
<i>Mr. Dyna Heng</i> <ul style="list-style-type: none">• What is financial inclusion?• Measurement: supply-side, user-side, enabling environment• Financial inclusion for households and for firms• Cross-country variation in financial inclusion• Recent trends• Limitations of current measures |
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2:00 p.m. – 3:30 p.m.	L-12	Introduction to Financial Inclusion (continued) <i>Mr. Dyna Heng</i> <ul style="list-style-type: none"> • What is financial inclusion? • Measurement: supply-side, user-side, enabling environment • Financial inclusion for households and for firms • Cross-country variation in financial inclusion • Recent trends • Limitations of current measures
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4:00 p.m. – 5:30 p.m.	WS-2	Preparation for Participants' Final Presentations <i>Facilitated by counselors</i>
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Tuesday, June 12

9:00 a.m. – 10:30 a.m.	L-13	A Conceptual Framework for Financial Inclusion <i>Mr. Dyna Heng</i> <ul style="list-style-type: none"> • Financial underdevelopment/exclusion as a series of market frictions • Benefits and tradeoffs in removing frictions • Contrasting partial with general equilibrium effects
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11:00 a.m. – 12:30 p.m.	WS-3	Workshop: A Conceptual Framework for Financial Inclusion <i>Facilitated by counselors</i>
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2:00 p.m. – 3:30 p.m.	WS-3	Workshop: A Conceptual Framework for Financial Inclusion (continued) <i>Facilitated by counselors</i>
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4:00 p.m. – 5:30 p.m.	WS-2	Preparation for Participants' Final Presentations (continued) <i>Facilitated by counselors</i>
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Wednesday, June 13

9:00 a.m. – 10:30 a.m.	L-14	Financial Education and Capability <i>Mr. Dyna Heng</i> <ul style="list-style-type: none"> • Definition and assessment of financial capability • Financial literacy as a first step • Financial capability as a key component of financial inclusion • Approaches to enhancing financial capability
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11:00 a.m. – 12:30 p.m.	L-15	SME Financing <i>Mr. Ralph Chami</i> <ul style="list-style-type: none"> • A primer: what’s different about SMEs? (Answer: Opacity) • Financial inclusion and informality • Resolving financing constraints for SMEs • The experience so far: what works for SME finance? • Exploring lending technologies that might work for SMEs
2:00 p.m. – 3:30 p.m.	L-16	State Banking <i>Mr. Connel Fullenkamp</i> <ul style="list-style-type: none"> • Theories of the role of the state in banking • Worldwide experience with state banks • Credit guarantees
4:00 p.m. – 5:30 p.m.	WS-2	Preparation for Participants’ Final Presentations (continued) <i>Facilitated by counselors</i>

Thursday, June 14

9:00 a.m. – 12:30 p.m.	L-17	Microfinance <i>Mr. Ralph Chami</i> <ul style="list-style-type: none"> • Characterization of microfinance • A model of microcredit • Experience with microcredit throughout the world
2:00 p.m. – 5:30 p.m.	O-1	Participants’ Final Presentations <i>Facilitated by counselors</i>

Friday, June 15

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