

# Finance and Development

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This short course aims to provide an overview of recent development in the field of Financial Development and understand scientific papers in this field. To accomplish this objective, emphasis will be placed on learning basic theories and research methodologies and illustrating the application of these methodologies in selected papers.

## Contents:

### Part 1- The theory of finance and growth

- Some definitions
- The functions of financial system
- Market based and bank based systems

### Part 2- Finance, poverty and inequality

- preliminary remarks
- The theory of finance and persistent inequality
- the theory of group-lending and microfinance

### Part 3- The econometrics of finance and growth

- Financial development indicators
- Early studies
- Instrumental variable approach
- Time series approach
- Difference in difference estimation
- Firm-level approaches
- household-level approaches

### Part 4- Finance, poverty, and inequality:

- Natural experiments
- Experimental approach

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