



CALL FOR PROPOSALS AERC RESEARCH PROJECT ON FINANCIAL SECTOR REFORM AND DEVELOPMENT IN AFRICA

Introduction

The financial system is of crucial importance in any decentralised economy. Irrespective of the causal relationships between finance and growth, the financial system is the central set of institutions and markets that promote the dissemination and co-ordination of information about resource availability at every level throughout the economy – thus enabling efficient allocation of scarce resources. In the last few years, international bodies and academic researchers have paid increased attention to the economic potential of Africa, particularly following on the economic and financial reforms that have been made in the last decade. The focus on finance arises because evidence suggests that financial markets in Africa are substantially less well-developed than those elsewhere in the world on virtually all measures of financial development, and the possibility that finance could play a key role in furthering economic growth in Africa.

Financial Sector Development in Africa

Recent research efforts notwithstanding, a considerable amount still remains to be learned. First, much of what is known about development finance in breadth and in detail tends to be based to a significant extent on the experiences of the more intensively researched Asian and Latin American economies, and less on the African experience. Second, African experience itself is diverse, with South Africa and to some extent Nigeria and Kenya increasing in maturity in financial market development, while other countries languish with relatively fragmented markets. An important question is whether progress in these three economies is due more to superior opportunities and endowments (whether of resources, human capital or simply size) or more to superior policies. A related issue is whether the relative success of these economies can be replicated elsewhere in Africa, or whether financial development may be better served by exploiting economies of scale in finance to develop regional hubs in certain countries. Third, much of the recent research on African financial systems has focussed on large-scale cross-sectional studies, which can potentially mask the peculiarities of the different African economies. Fourth, the international financial crises of the last two decades have introduced new uncertainties for all emerging markets.

The Call

To shed light on these complex issues pertaining to financial sector development, and its linkages to economic performance in Africa, and thus to better support financial sector policy efforts in Africa, AERC is launching a project on *Financial Sector Reform and Development in Africa*. AERC is therefore calling for proposals /expression of interest from AERC network members and/or other researchers interested in writing backgroundpapers as part of the AERC collaborative research project on *Financial Sector Reform and Development in Africa*.

Proposals / papers focusing on the following themes / areas will be considered:

- 1) *The financial system and the flow of funds*
- 2) *Financial Crises*
- 3) *Financial globalization*
- 4) *Financial Liberalisation*
- 5) *Financial regionalization*
- 6) *Microfinance and financial inclusion*
- 7) *Finance for SMEs*
- 8) *Finance and technology*
- 9) *Finance and corporate governance*
- 10) *Stock market development*
- 11) *Banking sector development*
- 12) *Financial regulation (banking and stock markets)*

Requirements and Key Dates

- Proposals must consist of: (i) a maximum of 15 pages setting out the issues to be analysed together with the methods to be used (ii) a CV for each author (including in the CV: nationality, gender, and full contact details). Submission of proposals by September 16, 2013 to:

AERC Director of Research
at
cresearch@aercafrica.org
on or before September 16, 2013

- Authors of proposals will be informed of the decision of the project by 28th October 2013.

Eligibility Requirements:

To qualify, the lead researcher should be a senior scholar / researcher who has worked and/ or published extensively in the areas of *Financial Sector Reform and Development*.

Qualified women are encouraged to apply