

Finance and Economic Development

Ugo Panizza



Electronic version

URL: <http://journals.openedition.org/poldev/1013>
DOI: 10.4000/poldev.1013
ISBN: 978-2-940415-83-0
ISSN: 1663-9391

Publisher

Institut de hautes études internationales et du développement

Printed version

Date of publication: 1 April 2012
ISBN: 978-2-940415-82-3
ISSN: 1663-9375

Electronic reference

Ugo Panizza, « Finance and Economic Development », *International Development Policy | Revue internationale de politique de développement* [Online], 3 | 2012, Online since 27 March 2012, connection on 08 November 2019. URL : <http://journals.openedition.org/poldev/1013> ; DOI : 10.4000/poldev.1013

This text was automatically generated on 8 November 2019.

Creative Commons Attribution-NonCommercial 3.0 Unported License.

Finance and Economic Development

Ugo Panizza

ABSTRACTS

Published by Palgrave Macmillan

This chapter reviews the literature on finance and economic development. It starts with a description of the roles of finance, a definition of financial efficiency, and a discussion of whether countries may have financial sectors that are 'too large' compared to the size of the domestic economy. Next, the author describes several indicators of financial development and reviews the literature on the relationship between financial development and economic growth. In the literature review, he discusses in detail some recent evidence indicating that the marginal contribution of financial development to gross domestic product (GDP) growth becomes negative when credit to the private sector reaches 110 per cent of GDP. The chapter concludes with some policy conclusions targeted to developing countries.

INDEX

themesen banking, debt, emerging economies, enterprises, financial crisis, financial globalisation, governance, growth, international cooperation

AUTHOR

UGO PANIZZA

Chief of the Debt and Finance Analysis Unit at the Division on Globalization and Development Strategies of UNCTAD and Lecturer in Econometrics and Development Politics at the Graduate

Institute of International and Development Studies, Geneva. Prior to joining UNCTAD, Mr Panizza was Senior Economist at the Inter-American Development Bank (1998–2006). He also worked for the World Bank and taught at the University of Torino and the American University of Beirut. His research interests include international finance, sovereign debt, banking, political economy and public sector labour markets.