An integral component of financial sector development in Asia relates to the issue of financial inclusion. Several emerging market economies in the region have put in place a plethora of initiatives to expand provision of financial services to firms and households through allowing greater access to the formal credit market. While financial inclusion and financial deepening can promote economic growth and contribute significantly to denting poverty and inequality that is rampant in the region, there are also concerns that it could aggravate systemic risk and financial instability. Considering the important role played by banks in achieving financial inclusion, with bank-based financial systems dominating other forms of providers of financial services, how do foreign banks affect financial inclusion? Does financial sector openness in general and foreign bank entry in particular enhance access to finance for households and the small and medium sized enterprises? What are the regulatory constraints in achieving financial inclusion in the region? Are the technological innovations aiding financial inclusion structurally incompatible with regulations? These and related dimensions of financial inclusion will be explored in this day and a half research workshop hosted by the Institute for Emerging Market Studies (IEMS) at the Hong Kong University of Science and Technology and co-sponsored by Centre on Asia and Globalisation (CAG), National University of Singapore and Center for Emerging Market Policies (CEMP), George Mason University.
Final Program

DAY 1 (MAY 20, 2015): UNDERSTANDING FINANCIAL INCLUSION IN ASIA

8:30am – 9:00am  Registration and Coffee

9:00am – 9:15am  Welcome
Albert Park (Director, HKUST IEMS)
Tomoo Kikuchi (Senior Research Fellow, CAG)

SESSION 1:  Financial Inclusion: Measurement and Determinants
(30 minutes per speaker, 10 minutes for discussant)

9:15am – 10:45am  Chairperson: Ramkishen S. Rajan (GMU and NUS)


Paper 2: Laurent Weill (Univ. of Strasbourg). “Empirical Determinants of Financial Inclusion in Asia”

Discussant: Ji Yeon Jean Hong (HKUST)

10:45am – 11:00am  Coffee Break

SESSION 2:  Financial Inclusion, Liberalisation and Development
(30 minutes per speaker, 10 minutes for discussant)

11:00am – 12:30pm  Chairperson: Tony Cavoli (Univ. of South Australia)

Paper 1: Cyn-Young Park (ADB): “Financial Inclusion, Poverty, and Income Inequality in Developing Asia.”

Paper 2: Sasidaran Gopalan (HKUST IEMS) and Ramkishen S. Rajan (GMU and NUS). “Do Foreign Banks Enhance Financial Inclusion in EMDEs?”

Discussant: Tomoo Kikuchi (CAG)

12:30pm – 2:00pm  Lunch

SESSION 3:  Financial Inclusion, Firm Financing and Monetary Policy
(30 minutes per speaker, 10 minutes for discussant)

2:00pm – 3:30pm  Chairperson: Peter Mackay (HKUST IEMS)

Paper 2: Aaron Mehrotra (BIS). "Financial Inclusion and Monetary Policy"

Discussant: Tony Cavoli (Univ. of South Australia)

3:30pm – 3:45pm  Coffee Break

SESSION 4:  Financial Literacy and Development in Emerging Asia
(30 minutes per speaker, 10 minutes for discussant)

3:45pm – 5:15pm  Chairperson: Christina Jenq (HKUST IEMS)


Discussant: Albert Park (HKUST IEMS)

6:30 pm  Reception and Dinner *

(*By Invitation Only)

**End of Day 1**
DAY 2 (MAY 21, 2015): UNDERSTANDING FINANCIAL INCLUSION IN ASIA

8:30am – 8:45am
Registration and Coffee

SESSION 5: Financial Inclusion, Credit Constraints and Distributive Impacts
(30 minutes per speaker, 10 minutes for discussant)

8:45am – 10:15pm
Chairperson: Tomoo Kikuchi (CAG)


Paper 2: Sujata Visaria (HKUST): “Distributive Impact of TRAIL Loans in India”

Discussant: Christina Jenq (HKUST IEMS)

10:15am – 10:30am
Coffee Break

SESSION 6: Financial Inclusion in Emerging Asia: Country Cases
(30 minutes per speaker, 10 minutes for discussant)

10:30am – 12:00pm
Chairperson: Sasidaran Gopalan (HKUST IEMS)

Paper 1: Rabin Hattari (ADB). “Financial Literacy and National Health Insurance in Indonesia”


Discussant: Kellee Tsai (HKUST)

SESSION 7: Models of Financial Inclusion
(30 minutes per speaker, 10 minutes for discussant)

12:00pm – 1:15 pm
Chairperson: Kellee Tsai (HKUST)

Paper 1: Rajesh Chakrabarti (ISB) and Kaushiki Sanyal (ISB). “The Economics and Politics of Microfinance in India”

Paper 2: Moekti Prasetiani Soejachmoen (Mandiri Institute). “Indonesia: Moving towards Digital Payment System”

Discussant: Sujata Balasubramanian (HKUST)

Lunch

**End of Workshop**
PANELISTS’ BIOS

Sujata BALASUBRAMANIAN is Research Assistant Professor at the Division of Social Sciences at Hong Kong University of Science and Technology.

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Sasidaran GOPALAN is Post-Doctoral Research Fellow at the Institute for Emerging Market Studies and Institute for Advanced Study at the Hong Kong University of Science and Technology.

Rabin HATTARI is a Public Management Economist at the Asian Development Bank.

Ji Yeon Jean HONG is Assistant Professor of Social Science at Hong Kong University of Science and Technology.

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Peter MACKAY is Associate Professor of Finance at the Department of Finance, Hong Kong University of Science and Technology and the Associate Director of Institute for Emerging Market Studies.

Aaron MEHROTRA is a Senior Economist in the Monetary and Economic Department of the Bank for International Settlements, Switzerland.

Albert PARK is Chair Professor of Social Science and Professor of Economics at Hong Kong University of Science and Technology and the Director of Institute for Emerging Market Studies.

Cyn-Young PARK is Assistant Chief Economist and Director of the Economic Analysis and Operations Support Division in the Economics Research Department of the Asian Development Bank.

Ramkishen S. RAJAN is Professor at the School of Policy, Government and International Affairs, George Mason University and a Visiting Professor at the Lee Kuan Yew School of Public Policy, National University of Singapore.

Kaushiki SANYAL is a Senior Analyst at the Bharti Institute of Public Policy, Indian School of Business, Mohali.

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Sergio **SCHMUKLER** is the Lead Economist of the Development Research Group at the World Bank, Washington DC.

Moeki Prasetiani **SOEJACHMOEN** is the Head of Mandiri Institute, an independent research institute established by Bank Mandiri, the largest bank in Indonesia.

Anand **SRINIVASAN** is Associate Professor at the Department of Finance, National University of Singapore.

Ganga **TILAKARATNA** is a Research Fellow and Head of Poverty and Social Welfare Policy research at the Institute of Policy Studies, Sri Lanka.

Kellee **TSAI** is the Division Head and Professor of Social Science at Hong Kong University of Science and Technology.

Sujata **VISARIA** is Assistant Professor of Economics at Hong Kong University of Science and Technology.

Laurent **WEILL** is Full Professor of Economics at University of Strasbourg and Research Fellow at the Bank of Finland.

**XIAO** Geng is Vice President, China, and Senior Fellow at Fung Global Institute. He is also an Honorary Professor at the University of Hong Kong and an Independent Director of HSBC Bank (China).

Naoyuki **YOSHINO** is Dean of the Asian Development Bank Institute and Professor Emeritus at Keio University, Tokyo.
HKUST Institute for Emerging Market Studies (IEMS)

The HKUST IEMS promotes high-quality faculty research and research collaboration on issues of practical importance to businesses and policy makers in emerging markets. The Institute provides funding for faculty research projects and develops collaborations with research partners worldwide, including the network of research centers in key emerging markets being supported by Ernst & Young. It also communicates relevant research findings by HKUST researchers to the business and public policy communities through reports, newsletters, and events, so that they can have maximum impact on the public discourse about emerging markets. Finally, the Institute provides a platform through its events for increasing knowledge, awareness, and exchange of ideas about issues facing emerging markets among academics, the business community, government officials, and other interested parties.

Center on Asia and Globalisation (CAG)

The Centre on Asia and Globalisation (CAG), at the Lee Kuan Yew School of Public Policy (LKY-SPP), National University of Singapore (NUS), is a leading research centre focused on producing quality academic research relevant to public policy. Its motto “Objective Research with Impact” reflects the Centre’s commitment to ensuring its analysis informs policy and decision makers in and about Asia. This takes place through a combination of rigorous academic inquiry, expert collaboration, high level dialogue, public outreach, strategic networks and capacity building and training. The Centre, staffed by an international team of researchers, is uniquely placed to bridge Asia and the world on issues of global significance. Its work is both inward and outward looking, concentrating on how globalisation impacts Asia and Asia’s increased role in an integrated world. Within this remit the Centre focuses on four main areas: Major power relations in the Asia-Pacific; Regional regimes in the Asia-Pacific; Public goods issues (energy, food, water and health); and New approaches to building markets in Asia. In recognition of the complex inter-relationship between levels of decision making, CAG investigates the above fields at global, regional, national and sub-national levels. It welcomes exchange with other researchers, governments, business, civil society and other stakeholders.

Center for Emerging Market Policies (CEMP)

The Center for Emerging Market Policies (CEMP) at the George Mason University's School of Policy, Government and International Affairs (SPGIA) aims to be a premier research and teaching hub on international commerce, economics and public policy issues relating to emerging markets. The emerging market economies have grown at a very healthy pace and are contributing to global dynamism. Trade with and between emerging markets is rapidly - and perhaps decisively - changing global trade structures. While the emerging markets continue to attract international capital flows, they are also becoming important sources of capital as their enterprises look to aggressively expand overseas. Emerging markets, however, also face a number of challenges which include being prone to asset booms and busts and financial crises. The CEMP will leverage Mason's and School of Public Policy's considerable expertise on and interest in emerging markets to promote pioneering applied research on emerging markets in Asia, Central and Eastern Europe, Latin America and elsewhere.