

***Small Business Finance –What Works, What Doesn’t?***  
***May5-6, 2008***  
***World Bank***

Jointly sponsored by DECRG and FPD,  
Organized by Thorsten Beck and Asli Demirguc-Kunt

Small enterprises face traditionally higher obstacles to accessing external finance than other groups such as large enterprises and even consumers. While previous research has shown the importance of financial and institutional development for leveling the playing field between firms of different sizes in terms of access to finance and the relevance of specific elements of the contractual and information framework, such as credit registries, more analysis is needed in terms of specific government interventions and specific financing products that can help small enterprises.

This conference aims to bring together academics, practitioners and policy makers to discuss (i) lending techniques and products for small enterprises, (ii) market structure and small enterprise financing, (iii) government role’s in fostering small firms’ access to finance and (iv) alternatives to bank finance.

***Agenda***

**Monday, May 5, 2008**

9:00 – 9:10 Opening remarks: Michael Klein

9:10 – 10:30 **Session 1: Small Business Finance: Looking beyond credit**  
Chair: TBD

“Small Business Lending Across Countries”

By Thorsten Beck, Asli Demirguc-Kunt and Maria Soledad Martinez Peria  
Discussant: TBD

“Small Business Lending in Argentina and Chile”

By Augusto de la Torre, Maria Soledad Martinez Peria and Sergio Schmukler  
Discussant: TBD

10:30– 11:00 Coffee break

11:00 – 1:00 **Session 2: Lending Technologies and Bank Size**  
Chair: TBD

Bank Size and Small Business Finance: Tests of the Current Paradigm”

by *Allen Berger* and Lamont Black  
Discussant: TBD

“When Organizational Structure Meets Institutions”

by Rodrigo Canales and *Ramana Nanda*  
Discussant: TBD

“Who Needs Credit and Who Gets Credit?”

by *Rebel Cole*

Discussant: TBD

1:00 – 2:30 Lunch break

2:30 – 3:50 **Session 3: Lending Techniques and Market Structure**

Chair: TBD

“The Impact of Organizational Structure and Lending Technology on Banking Competition

By *Hans Degryse*, Luc Laeven and Steven Ongena

Discussant: TBD

“Competition for Small Firm Banking Business: Lender Action vs. Market Structure

By *Jonathan Scott* and William Dunkelberg

Discussant: TBD

3:50 – 4:20 Coffee Break

4:20 – 6:00 Panel discussion: **Small Business Finance – What do we know, what do we not know, what do we need to know?**

Chair:

Participants: Peer Stein, Abhijit Banerjee, policy makers (LAC region), someone from the industry (Wells Fargo, Shore Bank)

May 6, 2008

9:00 – 11:00 **Session 4: Innovation to Improve Small Business Finance**

Chair: Peer Stein

“Getting credit to high return microenterprises: the results of an information intervention”

by David McKenzie and *Chris Woodruff*

Discussant: TBD

“The Emergence of Credit Information Sharing in Credit Markets”

By *Martin Brown* and Christian Zehnder

Discussant: TBD

“The Surprising Use of Credit Scoring in Small Business Lending by ‘Community Banks’ and the Attendant Effects on Credit Availability and Risk”

By Allen Berger, Adrain Cowan and Scott Frame

11:00 – 11:30 Coffee break

11:30—1:00 **Session 5: Government Interventions**

Chair: TBD

Paper on Partial Credit Guarantees – still need to choose among a few

“Bankruptcy and Business Cycle: Are SMEs Less Sensitive to Systematic Risk?”

By Tor Jacobson, Rikard Nilsson and Kasper Roszbach

Lunch break

2:30 – 4:00 **Session 6: Alternatives to Bank Finance**

Chair: TBD

“The Role of Informal Finance in SME Finance”

By Meghana Ayyagari, Asli Demirguc-Kunt and *Vojislav Maksimovic*

Discussant: TBD

“Supply Chains and Mechanisms of Trade Credit”

By *Leora Klapper*, Luc Laeven and Raghu Rajan

Discussant: TBD