

Emerging Markets

Edited by

Geert Bekaert

*Leon G. Cooperman Professor of Finance and Economics
Columbia Business School, USA
and Research Associate
National Bureau of Economic Research, USA*

and

Campbell R. Haryey

*J. Paul Sticht Professor of International Business
Duke University, USA
and Research Associate
National Bureau of Economic Research, USA*

THE INTERNATIONAL LIBRARY OF CRITICAL WRITINGS IN FINANCIAL ECONOMICS

An Elgar Reference Collection
Cheltenham, UK • Northampton, MA, USA

Contents

<i>Acknowledgements</i>	•	ix
<i>Foreword</i>	Richard Roll	xi
<i>Introduction</i>	Geert Bekaert and Campbell R. Harvey (2003), 'Emerging Markets Finance', <i>Journal of Empirical Finance</i> , 10, 3-55	xv

PART I MARKET INTEGRATION AND LIBERALIZATION

A Theoretical Effects of Market Integration

1. Rene M. Stulz (1-9,81), 'On the Effects of Barriers to International Investment', *Journal of Finance*, **XXXVI** (4), September, 923-34 5
2. Vihang Errunza and Etienne Losq (1985), 'International Asset Pricing under Mild Segmentation: Theory and Test', *Journal of Finance*, **XL** (1), March, 105-24 17

B Measuring Market Integration

3. Geert Bekaert (1995), 'Market Integration and Investment Barriers in Emerging Equity Markets', *World Bank Economic Review*, 9 (1), January, 75-107 39
4. Campbell R. Harvey (1995), 'Predictable Risk and Returns in Emerging Markets', *Review of Financial Studies*, 8 (3), Fall, 773-816 72
5. Geert Bekaert and Campbell R. Harvey (1995), 'Time-Varying World Market Integration', *Journal of Finance*, L (2), June, 403-44 116

PART II FINANCIAL EFFECTS OF MARKET INTEGRATION

4 Liberalization and Returns

6. Geert Bekaert and Campbell R. Harvey (2000), 'Foreign Speculators and Emerging Equity Markets', *Journal of Finance*, **LV** (2), April, 565-613 163
7. Peter Blair Henry (2000), 'Stock Market Liberalization, Economic Reform, and Emerging Market Equity Prices', *Journal of Finance*, **LV** (2), April, 529-64 212
8. E. Han Kim and Vijay Singal (2000), 'Stock Market Openings: Experience of Emerging Economies', *Journal of Business*, 73 (1), January, 25-66 • 248
9. William N. Goetzmann and Philippe Jorion (1999), 'Re-Emerging Markets', *Journal of Financial and Quantitative Analysis*, 34 (1), March, 1-32 290

10. Stephen R. Foerster and G. Andrew Karolyi (1999), 'The Effects of Market Segmentation and Investor Recognition on Asset Prices: Evidence from Foreign Stocks Listing in the United States', *Journal of Finance*, **LIV** (3), June, 981-1013 322

B Liberalization and Political Risk

11. Enrico C. Perotti and Pieter van Oijen (2001), 'Privatization, Political Risk and Stock Market Development in Emerging Economies', *Journal of International Money and Finance*, 20, 43-69 357

C Liberalization and Capital Flows

12. Rene M. Stulz (1999), 'International Portfolio Flows and Security Markets', in Martin Feldstein (ed.), *International Capital Flows*, Chicago and London: University of Chicago Press, Chapter 5.2, 257-93 387

D Liberalization and Diversification Benefits

13. Frans A. De Rbon, Theo E. Nijman and Bas J.M. Werker (2001), 'Testing for Mean-Variance Spanning with Short Sales Constraints and Transaction Costs: The Case of Emerging Markets', *Journal of Finance*, **LVI** (2), April, 721-42 427

PART III REAL EFFECTS OF FINANCIAL MARKET INTEGRATION

A Why Would Financial Liberalization Affect Economic Growth?

14. Maurice Obstfeld (1994), 'Risk-Taking, Global Diversification, and Growth', *American Economic Review*, 84 (5), December, 1310-29 453

B Measuring the Liberalization Effect on Economic Growth

15. Geert Bekaert, Campbell R. Harvey and Christian Lundblad (2001), 'Emerging Equity Markets and Economic Development', *Journal of Development Economics*, 66, 465-504 475

C The Channels of Growth

16. Thorsten Beck, Ross Levine and Norman Loayza (2000), 'Finance and the Sources of Growth', *Journal of Financial Economics*, 58, 261-300 517

D Income Distribution

17. Mitali Das and Sanket Mohapatra (2003), 'Income Inequality: The Aftermath of Stock Market Liberalization in Emerging Markets', *Journal of Empirical Finance*, 10, 217-48 559

PART IV CONTAGION

18. . Graciela L. Kaminsky and Carmen M. Reinhart (2000), 'On Crises, Contagion, and Confusion', *Journal of International Economics*, 51, 145-68 593

PART V OTHER ISSUES

A Corporate Finance

19. Raghuram G. Rajan and Luigi Zingales (1998), 'Financial Dependence and Growth', *American Economic Review*, 88 (3), June, 559-86 621

B Microstructure of Equity Markets

20. Ian Domowitz, Jack Glen and Ananth Madhavan (1998), 'International Cross-Listing and Order Flow Migration: Evidence from an Emerging Market', *Journal of Finance*, **LIII** (6), December, 2001-27 651

C Stock Selection of Equity Markets

21. K. Geert Rouwenhorst (1999), 'Local Return Factors and Turnover in Emerging Stock Markets', *Journal of Finance*, **LIV** (4), August, 1439-64 681