Back to basics: critical financial sector professions required in the aftermath of an asset bubble

by
Michael Pomerleano[1]

Abstract: The paper addresses the financial reorganization and corporate restructuring required in the aftermath of an asset bubble. Although much has been written about macroeconomic policies—monetary and fiscal measures—to abate and respond to bubbles, too little attention has been given to the micro-structural impediments that afflict countries in need of restructuring. The limited micro treatment has focused on the prerequisite infrastructure—effective bankruptcy law and a framework to support out-of-court corporate restructuring efforts—and has ignored the fundamental impediments to restructuring—the lack of professional financial services skills and the limited availability of market-based instruments for managing real estate and corporate restructuring. This paper focuses on the professional skills needed during restructuring.

Many countries experienced asset bubbles in the late twentieth century. Asset bubbles occurred in Norway, Finland, and Sweden in the 1980s. Real estate and stock prices rose meteorically in Japan in the 1980s, only to collapse precipitously in the 1990s. In mid-1997, real estate bubbles occurred in Malaysia and Thailand, and an equity market bubble occurred in Malaysia.

This paper advances the hypothesis that the buildup, duration, and severity of bubbles in equity and real estate markets, as well as the restructuring that occurs in the aftermath of such bubbles, are related to the availability of skills in financial sector services. Countries that have capable professionals such as appraisers, analysts, and insolvency experts have recognized and responded more swiftly to asset bubbles than countries with a limited base of financial sector skills. The same is true of countries that have a wide range of investment and risk management mechanisms. Such mechanisms—a secondary market for debt, corporate financial restructuring funds, corporate restructuring vehicles, real estate investment trusts, and securitization—help to transfer liquidity, market, and credit risks and thereby dampen the volatility of the financial system. However, the development and implementation of such instruments rests on a solid base of human capital. Therefore, this paper focuses on the need for financial sector skills and professions—insolvency experts, appraisers, financial analysts, and actuaries.

1. The context—theoretical and empirical evidence

In the end, conventional macroeconomic responses are not sufficient in the absence of complementary micro-level restructuring. According to theoretical and empirical evidence in the academic literature, limited financial sector skills play an important role in precipitating price bubbles and in delaying restructuring in the aftermath of a bubble.

---

[1] The author is with the World Bank. He is indebted to Bozena Krupa for research assistance. Jeff Carmichael, Mansoor Dailami, Ben Friedman, George Kaufman, Bob Litan, Bill Mako, Paul Masson, and Bill Shaw provided very helpful comments. The findings, interpretation, and conclusions expressed in this paper are entirely those of the author. They do not necessarily represent the views of the World Bank.

Allen and Gale (2000) offer theoretical evidence on the contribution that limited financial sector skills and the ensuing lack of transparency make to the formation of asset price bubbles. They develop a model based on an "agency problem" and the amount of credit provided for speculative investment. Their model suggests that lack of transparency and exacerbation of the agency problem are instrumental in the buildup of asset price bubbles. Investors in real estate and stock markets borrow from banks. Risk is shifted if the ultimate providers of funds—banks—are unable to analyze their investments due to lack of financial sector expertise and opacity. The shifting of risk increases the return to investment and causes investors to bid up prices above their fundamental value.

Allen and Gale's hypothesis is supported by evidence from Indonesia, Sweden, Thailand, and other countries that liberalized their financial systems rapidly without building adequate regulatory and supervisory infrastructure and without developing a sufficient base of skills. The crisis in Sweden was preceded by the rapid expansion of credit following the deregulation of financial markets; in the span of five years, private borrowing grew from 85 to 135 percent of gross domestic product. Sheltered prior to liberalization, Sweden's financial system did not have a base of skills or experience for assessing and evaluating risks. As a result, credit was used for speculation in real estate and other financial assets. At the peak of the crisis, bank loans to real estate, or collateralized by real estate, accounted for more than 60 percent of all loan losses. The real estate speculation in Sweden culminated in a bubble that burst in 1990–91. Indonesian, Malaysian, and Thai banks also misdirected credit and built up a large exposure to real estate, a key factor precipitating the Asian crisis.

Limitations on the availability of skills in the financial sector affect stock valuations as well. Pomerleano and Zhang (1999) examine the relationship between corporate fundamentals and stock market performance in Asia. Using corporate and stock market data, they demonstrate not only that Southeast Asian corporate equities earn poor risk-adjusted returns but also that these returns do not, on average, cover the cost of capital. In this respect, capital markets in Asia do not allocate capital effectively. This may reflect both the lack of disciplined corporate budgeting processes and the lack of market analysis in emerging markets.

Fischer (2001) describes the importance of corporate restructuring in the aftermath of a crisis: "At this stage, bank and corporate debt restructuring should be closely coordinated, but often are not because of lack of *capacity*, data, and sheer complexity of the banks … Bank restructuring cannot take place in isolation from corporate restructuring." Further, there is increasing acceptance that corporate restructuring requires a broad set of instruments and institutional arrangements. For instance, a legal-administrative framework must exist to deal with insolvency (creditor rights, collateral recourse), and the tax structure must avoid perverse incentives that encourage excess leverage and discourage debt restructuring (see, for instance, Sundararajan and Seelig 2001).

Mako (2001) offers several prerequisites for effectively restructuring distressed companies in a systemic crisis:

- Strong legal protection in the bankruptcy law for creditors and an ability to impose losses on debtors

- An efficient framework to support out-of-court corporate restructuring efforts
- Government imposition of losses on shareholders of local financial institutions and government pressure to revalue assets
- Flexibility and readiness to lay off workers and accept foreign control over companies
- Removal of tax, legal, and regulatory impediments to corporate restructuring
- Creation of a central body responsible for driving financial sector restructuring and making adequate corporate restructuring a condition for bank recapitalization
- Sufficient professional capacity to conduct due diligence, structure and negotiate workouts, conclude asset sales, and manage converted equity
- Crisis efforts to resolve immediate corporate distress, supplemented by measures to promote long-term corporate health (for example, improvements in financial disclosure and audit standards, corporate governance practices, and cross-guarantees).

I complement these prescriptions by focusing on financial sector services.

2. Critical skills and professions

Two diametrically opposed experiences illustrate the need for expert financial professionals. First, the success of Sweden in restructuring can be attributed to the swiftness of the response and the use of strict valuation rules from the onset of the restructuring process (Heikenstein 1998). All banks had to mark-to-market their real estate assets, and the Bank Support Authority hired expert professionals to ensure that banks did not overestimate or underestimate their value. As a result of the regulatory discipline applied, the mop-up was rapid.

In contrast, other crisis countries have been slow to dispose of bad property loans, and a huge oversupply exists due to excessive investment in the property sector. In Japan and Thailand, the lack of expert appraisers hinders rapid valuations and transparent market transactions. In the absence of credible valuations and market mechanisms for disposing of property and the presence of legal and tax distortions, the number of transactions has been minimal. Due to lack of credible valuations that reflect market values, rents and real estate prices have dropped slowly despite high vacancies and further increases in supply (Eschweiler 1999a). Therefore, adjustments in the property sector in Japan and Thailand are lagging, which slows their recovery. In short, the absence of skills and of market-based financial instruments that price risk and value assets leads to distorted price signaling.

When a country's financial system relies heavily on banks, systemic vulnerabilities increase. The Asian financial crisis provides ample evidence. Chairman Greenspan (1999) captured this message in his so-called "spare tires" speech: "This leads one to wonder how severe East Asia's problems would have been during the past eighteen months had those economies not relied so heavily on banks as their means of financial intermediation … Had a functioning capital market existed, the outcome might well have been far more benign ... The lack of a spare tire is of no concern if you do not get a flat ... East Asia had no spare tires."

Non-bank financial institutions—capital markets, insurance companies, pension funds, and others—are an integral part of the financial system, providing an alternative to banks for mobilizing and allocating savings, for managing risk and liquidity, and for facilitating government debt management. The non-bank financial sector reduces the financial vulnerability of enterprises through better access to equity markets and less dependence on short-term bank debt, through the refinancing risks of governments in a domestic public debt market, and through the banking system's term transformation risks. Essentially, financial markets with depth and breadth are able to manage crisis better than markets without them. Development of non-bank financial institutions, such as insurance schemes and collective investment instruments, requires a high level of professional expertise. The strong correlation among the base of skills, the growth of non-bank financial intermediation, and the stability of the financial system suggests that poor prevention and weak response to financial crisis are linked to inadequate skills and human capital in the financial services sector.

One set of available data covers employment in the financial services sector as a percentage of total employment (see table 1). Despite the difficulties in measuring the differential in skills across countries and adjusting for productivity, there is evidence that financial sector services play a small role in many emerging market countries. Employment in finance, insurance, real estate, and business services as a percentage of total employment is much lower in Indonesia, for example, than in the United States. In the Tiger economies, the former growth model emphasized production and exports and did not promote services (Eschweiler 1999b).

Table 1. Employment in finance, insurance, real estate, and business services as a percentage of total employment, by country, 1997

Country	*Share of total employment*
Indonesia	0.754
Philippines	2.442
Malaysia	5.219
Japan	8.769
United States	11.399

Source: United Nations (1997).

Functioning, complete markets require a base of professional financial skills. However, recognition of the need often grows only out of crisis. In the United States, for example, the savings and loan debacle in the 1980s, which cost taxpayers $200 billion, prompted creation of the certification process for appraisers just 10 years ago. The regulation was in direct response to evidence of appraisal problems and misconduct inside U.S. financial institutions. According to evidence brought to light in the U.S. Congress, fraud and self-dealing by officers, directors, and insiders caused or contributed to half of all financial institution failures. Faulty or fraudulent real estate appraisals were used systematically to overvalue collateral and to make unsafe real estate loans. In response, the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC) was created to oversee appraisers and to ensure that they are sufficiently trained and tested, are competent, independent, and ethical, and use uniform, high professional standards. The United States is not perfect; it just experienced and responded to its crisis earlier than other countries.

Critical professions that are lacking and whose absence impedes the process of restructuring include insolvency experts, lawyers, accountants, appraisers, financial analysts, and actuaries. The following paragraphs discuss some of these professions in detail.

Table 2. Appraisal, actuarial, and insolvency professionals, by country

Economy	Appraisers		Insolvency experts		Actuaries	
	Number per million population	*Number*	*Number per million population*	*Number*	*Number per million population*	*Number*
Argentina	—	—	0.92	34	4.54	168
Australia	—	—	31.57	606	—	—
Austria	—	—	2.84	23	—	—
Belgium	—	—	0.68	7	—	—
Brazil	29.39	5,000	—	—	2.40	408
Canada	—	—	34.89	1,071	—	—
Czech Rep.	535.37	5,500	1.56	16	—	—
China	10.64	13,420	0.01	8	0.01	8
Finland	28.96	150	—	—	18.73	97
France	29.74	1,750	2.53	149	21.78	1,282
Germany	97.38	8,000	0.99	81	20.22	1,661
Hong Kong (China)	159.46	1,084	—	—	29.27	199
Hungary	—	—	2.20	22	12.87	129
India	0.34	350	0.03	33	0.11	111
Indonesia	6,665	1,400	0.02	4	0.03	7
Israel	—	—	0.16	1	—	—
Italy	—	—	0.80	46	—	—
Japan	44.96	5,700	0.04	5	6.73	853
Korea, Rep. of	36.47	1,724	0.02	1	0.23	11
Lithuania	126.01	466	—	—	—	—
Malaysia	21.50	500	1.12	26	—	—
Mexico	30.62	3,000	0.02	2	1.95	191
New Zealand	—	—	49.86	191	—	—
Nigeria	—	—	0.03	4	—	—
Norway	—	—	2.00	9	—	—
Pakistan	—	—	—	—	0.10	14
Philippines	—	—	0.01	1	0.90	68
Poland	77.62	3,000	0.28	11	0.10	4
Romania	—	—	0.62	14	—	—
Russia	27.48	4,000	—	—	—	—
Singapore	129.17	519	2.74	11	20.41	82
South Africa	—	—	7.13	305	—	—
Spain	—	—	0.30	12	—	—
Sweden	56.38	500	1.58	14	27.74	246
Switzerland	—	—	0.84	6	48.05	345
Thailand	—	—	0.13	8	0.21	13
United Kingdom	334.79	20,000	27.02	1,614	79.75	4,764
United States	284.14	80,000	6.54	1,841	53.16	14,968

— Not available.
Source: For insolvency, INSOL membership database; for appraisers, the International Valuation Standards Committee; for actuaries, the International Actuarial Association.

Insolvency experts. Insolvency practitioners are needed to analyze the business and financial viability of a real estate project or a company and to choose between restructuring and liquidation. They require expertise to negotiate approval of, implement, and monitor the restructuring plan and to manage operations of the company. If liquidation is needed, insolvency practitioners arrange for the orderly disposition of the company's assets and the creditor's claims. Their expertise and integrity must be above reproach.

The International Federation of Insolvency Professionals (INSOL) is a worldwide federation of national associations for accountants and lawyers who specialize in insolvency. The members are engaged in formal insolvency proceedings, advise creditors and businesses, and restructure businesses in financial difficulty. INSOL International currently has 29 member associations worldwide with more than 8,000 professionals. The quantitative data in table 2 indicate the disparity of skilled professionals available in Japan (five members), Canada (1,071 members), and the United States (1,841 members).

Table 3. Qualification requirements of insolvency experts, by country

Country	*Qualification requirements*	*Source*
Canada	Membership requirements include the association's standards of admission, prescribed course of study, and passage of required examinations. In 1997 the National Insolvency Qualification Program was created to harmonize qualification requirements.	Canadian Insolvency Practitioners Association (CIPA)
New Zealand	Government is opposed to occupational registration, so there is no registration of insolvency practitioners. The following cannot qualify for appointment: persons under 18 years of age and creditors, shareholders, directors, auditors, or receivers of the company.	INSOL New Zealand
Switzerland	Insolvency is not a specialized profession. Activities are performed mostly by other specialized professions (lawyers, accountants).	Swiss Bankers' Association (SBA)
United Kingdom	Insolvency experts are licensed and regulated by one of eight recognized professional bodies (for example, the Institute of Chartered Accountants in England and Wales plus the Secretary of State for Industry).	Association of Business Recovery Professionals

With regard to qualifications and regulation, the requirements vary among local organizations and from country to country (see table 3). For instance, in the United Kingdom, any of seven recognized bodies can authorize an insolvency practitioner to act. INSOL International is the international umbrella organization for member associations from 26 countries. Memberships in the local associations typically are made up of qualified accountants or lawyers. In general, accountants tend to take insolvency appointments in the common law system, and lawyers tend to lead in the civil law system and in the United States. However, overall, there are considerable differences in the training and licensing of insolvency professionals. In a very few nations (United Kingdom, Canada, Australia, and some others), insolvency practitioners are examined, licensed, and regulated either by their professional bodies or by the state. In other countries, such as France, the list of court-approved liquidators and administrators is very restricted. In the vast majority of nations, however, accountants or lawyers who also provide other services carry out insolvency work. Some may specialize in insolvency work, but not possess distinct formal qualifications or accreditation.

In many countries, any remotely qualified person—whether an accountant or a notary—is eligible to be a court-appointed liquidator, as long as the person is disinterested. Often the appointed "expert" lacks ability, independence, or both. For instance, there is no registration of insolvency practitioners in New Zealand. Disqualifications for accepting an appointment are set out in the Companies Act 1993, section 280, and include persons of less than 18 years of age, creditors, shareholders, directors, auditors, or receivers of the company. Similarly, in the People's Republic of China the draft of a new insolvency law only requires the administrator to have not been struck off as a lawyer or accountant within the last five years. The administrator does not even have to be an accountant or a lawyer.

Appraisers. Appraisers are needed to value property, including commercial property (office buildings, retail, shopping centers), industrial property (manufacturing plants, warehouses), residential property (apartment houses, single-family homes), and machinery and personal property. Appraisers reduce the risk involved in property transactions by assigning credible values to property based on a standard method: all participants recognize the methodology, and the valuation is consistent. In many emerging markets, standards of certification are lacking. Therefore, it is important to establish and promote minimum uniform standards of appraisal and minimum qualifications. Professionally recognized training and certification programs can ensure the professional expertise, integrity, and responsibility of appraisers.

The International Valuation Standards Committee (IVSC) is an association comprising professional valuation associations from some 50 countries. A brief look at the quantitative data in table 2 indicates wide differences in the availability of appraisal services in select markets. The frequency ranges from 335 appraisers per million population in the United Kingdom to 0.3 appraisers per million population in India.

The standard methodology for appraisals relies on the market, income, and cost approaches. Perhaps the most striking point is that not all countries abide by appraisal based on market value—for example, the use of comparable transactions in order to establish market value. For instance, in Japan valuations rely on the cost approach. Appraisals of property often are based on the value of land (land price index) and, rarely, the sales comparison and income approach. The reliance on cost basis is due to the lack of data: market data are scarce due to lack of information disclosure and the failure to collect systematically transaction data. Further, property appraisers tend to be architects and engineers, and their bias is to use cost basis for appraisals. Therefore, the real estate market is not transparent.

Moreover, there is no consistent treatment across countries of the appraisal and valuation profession with respect to training and regulation. Similarly, in many countries—for example, Argentina—there are no uniform standards of valuation. In others—for example, France and Mexico—there is no state-appointed or self-regulatory body for the supervision of real estate valuation. In many countries, the regulation and development of the profession usually have followed a crisis of some sort—the savings and loan crisis in the United States, the property crash in the 1980s in Europe, the reform of the centrally planned economies in Eastern Europe, and the recent financial crisis in Asia.

Similarly, the U.K. experience with instilling training and licensing requirements for surveyors is instructional of best practices. The Royal Institution of Chartered Surveyors (RICS) is the premier global professional body that represents, regulates, and promotes chartered surveyors and technical surveyors. In order to become either a technical or professional member of RICS, candidates are expected to complete an approved academic qualification followed by at least two years of structured training in the workplace. On completing the minimum training period, candidates are then assessed via submissions and an interview. Successful assessment allows members to be upgraded to technical or professional membership. After they have been full members for a minimum of five years, they can apply to become a fellow. The members are bound by the rules of conduct and bylaws outlined in the RICS charter.

Countries in the process of establishing a mortgage lending market and introducing mortgage-based instruments in their capital markets need to improve the standards of valuation. Clearly, appraisal standards should be correctly applied and regulated. This can be accomplished by establishing professional standards of valuation, educational requirements, methodology, ethics, and oversight in developing real estate markets.

Financial analysts. Disciplined financial decisionmaking demands expertise. Such financial analysis is employed in a variety of functions—securities analysis, portfolio management, and the budgeting process. Financial analysts practice in a variety of industries, including investment management, banking, and insurance.

Expert financial analysis requires education, standards of professional conduct, and standards of practice. The Association for Investment Management and Research (AIMR) was created to educate and certify investment managers and analysts and to sustain high standards of professional conduct. However, 82 percent of its members practice in North America, while only 8 percent practice in Asia and less than 1 percent practice in Latin America.[2]

Actuaries. Actuaries traditionally work in the insurance and employee benefits industries and the health and retirement benefits sectors. They make it possible to share and disperse risks and, in a market economy, help to stabilize the financial system. Nevertheless, actuaries are scarce in developing countries. The International Actuarial Association (IAA) brings together the actuaries in member countries, and its members are actuarial associations worldwide. The IAA is dedicated to the research, education, and development of the profession and of actuarial associations. It reviews and implements the rules for the accreditation of individual members and recommends educational guidelines and a syllabus for an internationally recognized actuarial qualification. Table 2 indicates the wide disparity in the availability of actuaries in the sample countries, while table 4 shows the rigor of training required of them.

Some economies have professions that are properly trained and regulated and have commonly accepted standards of business that produce a strong institutional structure better able to withstand bubbles. But the facts regarding the proliferation of the professions raise intriguing questions. Specifically, why do Hong Kong and Singapore have more financial sector professionals per capita than Japan and Korea? Does that make their economies more immune to crisis and more flexible in their response?

Table 4. Qualification requirements of actuaries, by country

Country	*Qualification requirements*
Argentina	Examinations, university courses
Brazil	University degree program
Finland	Examinations of other bodies, government examinations
Germany	Examinations, university courses
Hungary	University degree plus 18 months of practice

[2] A caveat with respect to the AIMR is that analysts in other regions might choose membership in domestic organizations.

India	Own examinations
Japan	Own examinations of other bodies
Mexico	University degree program
Singapore	Examinations of other bodies, university degree program
Sweden	University degree program
Switzerland	University degree plus at least three years of qualified professional experience, in line with international guidelines of ASTIN (International Actuarial Association)
United Kingdom	Examinations, university courses
United States	Own examinations of other bodies

Source: International Actuarial Association.

Some economies have a better professional infrastructure than others because of their legal traditions—common law versus civil law. Common law countries, including Australia, Canada, Hong Kong, Singapore, and the United States, are former British colonies and rely on independent judges and juries and legal principles supplemented by precedent-setting case law to respond to evolving circumstances. Civil law countries, which include Indonesia, Japan, Korea, and Latin America, rely on legal codes that contain very specific rules. Therefore, civil law countries are not adept at responding to the changing needs of the economy. They have to pass new rules regarding property valuation and regulation of new financial products such as insurance. Legal traditions affect the development of professions to a remarkable degree. According to La Porta and others (1998), there are a robust negative correlation between the civil law tradition and lack of professions, on the one hand, and a supporting and beneficial impact of professions on the rule of law, on the other hand.

There are two other possible explanations for the differences among countries. First, Japan and Korea, as well as other Asian and Latin American countries, rely on banking financial intermediation. In some of these countries, the savings are channeled largely by directed credit from banks to businesses. In many instances, the credit decisions are made without reference to risk, and an implicit safety net is in place. In such instances, there is less need for professionals to manage risks. Therefore, the lack of professions is a direct result of the savings intermediation process. Second, in Asia and Latin America, groups of affiliated companies—*keirtsu* in Japan, *chaebol* in Korea, *grupos* in Latin America—are integrated both vertically and horizontally, are organized around their own trading companies and banks, and are involved in a variety of industrial, resource, and service sectors. Due to a developed internal market for financial resources, these companies rely less on external markets, so there is less need for the financial skills of external experts.

3. Conclusions and policy recommendations: A market-based approach to restructuring

The process of restructuring the corporate and real estate sectors is neither elegant nor simple. Restructuring is a tedious and demanding process composed of a series of incremental and complementary institutional measures, including the development of financial sector skills and market instruments. Countries, such as Japan, are not likely to restructure rapidly and efficiently because they lack the human capital and market-based instruments to do so. Acceleration of the restructuring process hinges on development of both. Further, ongoing restructuring is the essence of a market economy. It is part and parcel of adapting to a changing situation and to competitive pressures even in the absence of a bubble or crisis. In other words, restructuring is not an event, but rather a process. The need for skills to manage restructuring weighs heavily on the competitiveness of economies lacking them.

The Asian financial crisis has led to calls for the development of international standards with the intent of strengthening public financial institutions, particularly in areas such as securities and bank regulation. There is an equal need for strengthening the capacity of the private financial sector through international standards , such as the one that IVSC is promoting, as well nurturing the development of essential professions and improvements in the institutional setting.

What can be done? Effort is required along three dimensions: *regulations* to facilitate the growth of the financial services professions, *incentives* to induce individuals to enter these professions, and *opening* of the financial sector to foreign competition. Governments need to play an active role in all three areas.

The regulatory regime is intended to ensure that practitioners have appropriately high levels of competence and skills, that practitioners have integrity and independence, and that a procedure is available for dealing effectively with enforcement. An effective regulatory regime instills credibility in these professions.

Leadership is needed as well to foster professional associations for appraisers, actuaries, and insolvency experts, among other professions. In the meantime, governments can encourage skills development by outsourcing contracts to licensed professionals in the private sector.

There is ample evidence that the presence of foreign banking, insurance, and securities provides benefits the countries in which they invest (Litan, Masson, and Pomerleano 2001). Therefore, policymakers could improve the base of financial skills by dropping limitations that restrict foreign entry. Liberalization of entry in the financial services professions offers policymakers a venue through which to import financial sector expertise.

Finally, policy measures directed at developing market-based instruments in distressed debt, corporate restructuring funds, and real estate investment trusts that bring greater transparency, efficiency, and liquidity to emerging markets will be more accepted, and take root , once a the core professional expertise is available.

References

Allen, Franklin, and Douglas Gale. 2000. “Bubbles and Crises.” *Economic Journal* 110 (January): 236–55.

Eschweiler, Bernhard. 1999a. “Asia’s Property Morass Is Still Deep.” In *Asian Financial Markets*. New York: Morgan Guaranty Trust Company, Economic Research. October 29.

———. 1999b. “Asia’s Top Economies Must Focus on Services.” In *Asian Financial Markets*. New York: Morgan Guaranty Trust Company, Economic Research. April 30.

Fischer, Stanley. 2001. “Financial Sector Crisis Management.” Remarks before the Seminar on Policy Challenges for the Financial Sector in the Context of Globalization, World Bank, International Monetary Fund, and Board of Governors of the U.S. Federal Reserve System, Washington, D.C., June 14.

Greenspan, Alan. 1999. “Lessons from the Global Crises.” Remarks before the World Bank

Group and the International Monetary Fund, Program of Seminars, Washington, D.C., September 27.

Heikenstein, Lars. 1998. Speech by the deputy governor of the Bank of Sweden at a seminar arranged by the Swedish embassy, Seoul, Korea, July 15.

La Porta, Rafael, Florencio López-de-Silanes, Andrei Shleifer, and Robert W. Vishny. 1998. "Law and Finance." *Journal of Political Economy* 106 (6): 1113–55.

Litan, Robert E., Paul Masson, and Michael Pomerleano, eds. 2001. *Open Doors: Foreign Participation in Financial Systems in Developing Countries.* Washington, D.C.: Brookings Institution Press.

Mako, William P. 2001. "Corporate Restructuring Strategies: Recent Lessons." Asian Regional Seminar on Financial Reform and Stability, International Monetary Fund, Hyderabad, India, March 29.

Pomerleano, Michael, and Xin Zhang. 1999. "Asian Corporates and Capital Markets." In Alison Harwood, Robert Litan, and Michael Pomerleano, eds., *Financial Markets and Development: The Crisis in Emerging Markets.* Washington, D.C.: Brookings Institution Press.

Sundararajan, Vasudevan, and Steven A. Seelig. 2001. "Corporate Financial Restructuring." Paper presented at the Asian Regional Seminar on Financial Reform and Stability: Systemic Issues, International Monetary Fund, Hyderabad, India, March 29.

United Nations. 1997. *Statistical Yearbook 1997*. New York.