

8th Annual Kenya Bankers Association Banking Research Conference



CENTRE FOR RESEARCH ON
FINANCIAL MARKETS AND POLICY®

CALL FOR PAPERS

Theme: Banking Industry Growth and Stability Dynamics – Market Power, Financial Technology and Optimal Intermediation

The Kenya Bankers Association Centre for Research on Financial Markets and Policy® invites researchers to submit proposals for papers to be presented at its *8th Annual Kenya Bankers Association Banking Research Conference*. The theme for this year's Conference, scheduled for September 2019, is: ***“Banking Industry Growth and Stability Dynamics – Market Power, Financial Technology and Optimal Intermediation”***.

The goal of the Conference is to stimulate a deeper understanding of how the structure of the banking industry can influence market competition and consequently the efficiency of credit allocation to the real economy.

Emerging analytical work on the link between market structure, credit allocation and overall economic performance hinges on the aspect of market power as could be influenced by the relative size of market players.

The Conference will seek to provide a forum to extend the analysis on this broad area of study in two linked directions.

- The first is the extent to which organic growth on the one hand and mergers and acquisitions on the other is shaping market competition in the banking industry.

The interplay between these aspects is a potential harbinger of changes in market concentration and power. There is, therefore, a case for an empirical investigation on market concentration, potential consolidation, and what that portends for the intermediation process.

- The second is the extent to which partnerships with non-bank actors, notably financial technology firms and mobile network operators are shaping market power, competition and intermediation.

An area of empirical interest will be of the interrogation of the possible link of the market power amongst the non-bank players to the market power amongst banks.

The connection between the two outlined areas of analysis is seen on the back of financial technology increasingly changing the shape of the banking industry. The provision of financial services is well beyond the formal regulated institutions, hence a new dimension to competition. While there are regulatory differentials, amongst the various players in the financial space, customer expectations are not asymmetrical.

Further, financial technology presents opportunities as well as challenges to market players – especially banks – that need to be rigorously evaluated and understood. The interaction of these two segments – banks on the one hand and financial technology players on the other – is likely to shape the extent of market realignment and has both growth and market stability dimensions.

Against the above background, the Conference papers will put a spotlight on three areas.

- One, critically examining the structure of the banking industry with a view to determining how it influences credit allocation and ultimately economic performance. Proposals on this area should aim at addressing issues of mergers and acquisitions versus organic growth, consolidation, and market power.
- Two, analysing the contributory effect of non-bank actors, especially the financial technology firms and mobile network operators, to market power and competition dynamics in the banking industry.

Proposals on this area should interrogate whether the non-bank actors – as partner and/or competitors of banks – share the characteristics of structure and market power, and if so, how that has underpinned their influence on the credit market.

- Three, assessing the banking industry growth, and market structure and market power, looking at developments from a market stability angle. Proposals on this area will examine the relevance of the concept of “too big to fail” and “too networked to fail” on the consideration that market power and competition often shape risk-taking.

The emphasis of the conference will be on high-quality research on the theme motivated above in the context of Kenya, with a clear balance between theory and application, and policy relevance of the research findings.

An honorarium will be paid for each paper selected for the conference. Further, all conference papers will be reviewed for possible publication in the KBA Centre for Research on Financial Markets and Policy® Working Paper Series (<http://www.kba.co.ke/research-center/working-paper-series>)

Requirements

1. Researchers should submit a research proposal to the KBA. All proposals should be strongly aligned to the above-motivated theme of ***“Banking Industry Growth and Stability Dynamics – Market Power, Financial Technology and Optimal Intermediation”***.
2. Each proposal should **not be more** than five pages and should include:
 - Motivation of the study
 - Key hypotheses to be tested
 - Research methodology
3. The research area can focus on either one of the areas outlined or bring out dimensions of linkages to other areas in the theme line.
4. The proposal should include a **300-500** word abstract.
5. A **brief biography of the researcher/research team** including their professional qualifications and research experience. The biography **should not be more than two pages**.

Key Dates 2019

2nd April 2019	Deadline to submit the research proposal
16th April 2019	Selection of research papers and notification of authors
2nd July 2019	The full research papers completed by the authors and submitted to KBA Centre for Research on Financial Markets and Policy®
August 2019	Technical Review Workshop
September 2019	8th Annual KBA Banking Research Conference

Submission

Researchers responding to this call can submit their research proposals by sending an email as indicated below:

Email: research@kba.co.ke

To the Attention of: The Director, KBA Centre for Research on Financial Markets and Policy

Email Caption: *Annual Research Conference 2019*