Finance and Growth: Genesis of a Symposium

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Published online: 13 February 2018
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Abstract This article describes the genesis of the Finance and Growth issue published by the *Revue d'économie financière* in French which served as a basis for this symposium.

Keywords Finance · Growth · Crisis

JEL Classifications E10 · E32 · G1 · G2

As each year, the *Conseil d'orientation* of the *Revue d'Economie Financière* met in May 2016 to decide the themes to be addressed during the following year. Among the various topics selected by the editorial board and discussed in this meeting, Finance and Growth quickly won unanimous support.

At that time most European economies, and the French one in particular, were still struggling with the consequences of the financial crisis that broke out 8 years before. It had become patently obvious that not only had the financial system the capacity of greatly damaging the economy in the short run, but also it could hamper its growth for a long time. In a sense too much finance could drag the economy into serious troubles and alter its growth potential for the worse.

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Moreover, the debate on secular stagnation was raging. Among the various theories explaining this possible stagnation, some are related to the financial system, e.g. excessive financial regulation, debt overhang. Thus, a better-designed financial system might be a factor of growth and might help avoid the grim prospect of a secular stagnation.

These were the questions and reflexions on the table. It appeared therefore to all members of the *Conseil d'orientation* that time had come to revisit the link(s) established prior to the crisis by the academic literature between these two terms—finance and growth.

Given the wide scope of the subject, it was decided to focus exclusively on the link between the growth of economic activity and finance. More specifically, it was agreed to exclude from this issue some related subjects and in particular, the relationship between finance, growth and inequalities. In the aftermath of the crisis, inequality too had rightly become a hot topic in economics and it was also obvious that the huge development of finance over the last 30 years must have had strong distributional effects. The *Conseil* decided therefore that a subsequent symposium would be dedicated to the specific relation between finance and inequality.

The editorial board entrusted the Finance and Growth issue to Mrs Jézabel Couppéy-Soubeyran, a professor of Université Paris-Sorbonne, and to Mr Laurent Clerc, Financial Stability Director at the Banque de France. Along with the members of the editorial board, they conceived the design of the issue, selected the relevant subjects and persuaded the contributing authors to participate in this project. We think the result is up to expectations, as it gives a state-of-the-art analysis of the ongoing academic work on the Finance and Growth relationship, and it owes them much.

Many of the articles were written in English and translated for the *Revue d'économie financière*, and others were written in French. The editors of *Comparative Economic Studies* were interested in making this important material available to the Economics profession, and we are grateful to them for their efforts to make the articles available here. We see this mark of trust as an acknowledgment of our work and are deeply honoured that our publications are made easily available through CES to English-speaking economists. Of course, we thank the editors of CES and specially Paul Wachtel for giving us this opportunity.

All the symposium articles here were reviewed by the CES editor and an outside reader and revised, in some cases extensively, before being accepted for this symposium.