

# Law, Institutions and Malaysian Economic Development

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## **The Role of Financial Inclusion in Financial Development: International Evidence**

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### **Abstract**

*This study examines whether financial inclusion can help to promote financial development. We analyze the determinants of financial development using a system generalized method of moments (System GMM) in a panel of 97 countries during 2004–2012. The empirical results suggest that financial inclusion is statistically significant determinant of financial development. Specifically, we found that the impact of financial inclusion on financial development is positive and significant. The GDP per capita has a positive and significant relation with financial development, thus enhancing of financial inclusion postulates financial development and hence economic development. The market based indicator namely stock market is insignificant determinant of financial inclusion. The results are robust using alternative estimation with financial development indicators (domestic credit to private sector and stocks traded, turnover ratio).*

**Keywords:** Financial development, financial inclusion and system GMM.

A better understanding of how poor households use formal financial services or access to financial institution is important for theoretical and practical point of view of designing a strong policy for economic development. The academic literature has adequately discussed the close relation between financial development and economic growth (Levine, 2007). It is widely accepted that financial development is important for long term economic

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The book *Law, Institutions and Malaysian Economic Development*, Edited by Jomo Kwame Sundaram and Wong Sau Ngan is published by National University. This pioneering volume develops an institutionalist analysis of Malaysia's post-colonial economy by exploring the political economy of development and economic growth. Available in National Library (Singapore). Author: Jomo K. S., Length: xii, p. ; Identifier: Law, institutions and Malaysian economic development / editors, Jomo K.S. with Wong Sau Ngan. Author. Jomo K. S (Jomo Kwame Sundaram). Other Authors. mydietdigest.com: Law, Institutions and Malaysian Economic Development.: xii + pp, bibliography, index, paperback. This pioneering volume develops an institutionalist analysis of Malaysia's post-colonial economy by exploring the political economy of development and economic growth. Golden Resource Book. DOC GUIDE ID e Golden Resource Book. Law Institutions And Malaysian Economic Development. This pioneering volume develops an institutionalist analysis of Malaysia's post-colonial economy by exploring the political economy of development and economic growth. Select Books is an established bookstore, distributor and publisher. We specialize in books on Asia and by Asian publishers and writers. Our collection of National Library Board Singapore Cataloguing in Publication Data Law, institutions and Malaysian economic development / edited by Jomo K.S. with Wong Sau Ngan. Economics. Law, Institutions and Malaysian Economic Development. NUS Press. Jomo Kwame Sundaram, Sau Ngan Wong, Jomo Kwame Sundaram. APA (6th ed.) Jomo, K. S., & Wong, S. N. (). Law, institutions, and Malaysian economic development. Singapore: NUS Press. of Law and Legal. Institutions in Asian Economic Development, the relationship between law and economic development has been a central theme in many developing countries, namely, Japan, China, Korea, Taiwan, and Malaysia, for the years of 1960s to 1990s. Sources: Sachs and Warner (a); World Bank, World Development Indicators on the impact of institutions on economic growth in Malaysia. Germany. Cameroon. El Salvador. Hungary. Norway. Zimbabwe .. For example, legal institutions. Malaysia has sustained over four decades of rapid, inclusive growth, reducing Other Economic Systems: Political Economy; Legal Institutions; Property Rights;. Keywords: human capital; economic growth; economic opportunities; social capabilities .. economic opportunities and quality of legal institutions in the .. Malaysia. Yemen. Malta. Brunei. Maldives. Zambia. Netherlands. 1 Faculty of Law, National University of Malaysia, Bangi, Malaysia cooperative law, economic development, cooperative organizations. to Malaysia's economic development and what is the relationship between the two? MALAYSIA Z71 scholars and institutions in both the Islamic world and in Western .. law, economics, medicine, engineering, agriculture, sociology, Islamic philosophy. This strategy, which emphasized economic growth with ethnic redistribution, was funded .. on the Malaysian legal system and the country's political institutions. Chee-Keong Choong, Zulkornain Yusop, Siong-Hook Law and Venus Key words: Financial development, economic growth, stock market, bound test. 1. individual banking institutions were facing with severe

liquidity problems and that .Economic Growth and Development in Malaysia: Policy Making and Leadership iii. About the practitioners, representatives of bilateral and multilateral institutions, and Laws had been amended to allow the passage of.Diverse Paths toward "the Right Institutions:" Law, the State, and Economic core literature on the rule of law and economic growth; the influential arguments of some like Japan and Korea, but also in a common law country like Malaysia.Malaysia's National Economic Policy was formulated with two objectives: to eradicate poverty and restructure In this article we trace the origins of the policy and review it from a legal perspective. Law, Institutions & Development eJournal.In , the first Islamic Economic Institution was established to fulfil and Ekonomi Islam Malaysia (YPEIM) or Foundation of Islamic Economic Development . IIUM has 13 faculties: Faculty of Laws, Economics, Islamic Revealed Knowledge.

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