



GEST-S-604

Module “Social Banking”

1st-2nd semester EMP 2026-27

NEW

Module manager: Prof. Marek HUDON

Planning

Date	Time	Lecturer	Guest speaker	Place
22-09-26	6 pm to 9 pm	Prof. M. Hudon		
05-10-26	6 pm to 9 pm	Prof. M. Hudon		
10-11-26	6 pm to 9 pm	Prof. M. Hudon	Vincent Vandeloise (Finance Watch)	Finance Watch Office in City Centre

The rest of the course will take place during the second semester

Objectives of the course

LO 1.2

LO 1.1

LO 2.2

LO 1.3

- Understanding the context in which sustainable finance emerged and the main actors, regulations and products involved. Draw lessons for financial inclusion
- Situating and explaining the roles and challenges of public development banks in sustainable finance
- Discussing and comparing the different roles of the state in financing a sustainable economy, and its relation to other players, including private financial institutions, corporations and citizens

Part 1: Prof. Marek Hudon (ULB)

Topics covered and recommended readings

1) Key principles

- Present the structure of the course and the evaluation.
- Discuss and challenge key microfinance principles

Reference:

- Hudon, M. (2008), "Norms and Values of the Various Microfinance Institutions," *International Journal of Social Economics* 35(1): 35-48.

2) Compartamos IPO and the mainstreaming of microfinance in Indian financial sector

- Analyse Compartamos business model and strategy
- Draw lessons from microfinance IPOs in India and Mexico
- Understand recent developments in the Indian microfinance sector

Case Study:

- Chu, M., and R. Garcia Cuellar (2008), "Banco Compartamos: Life after the IPO." Harvard Business School Case 308-094.

References:

- Bhatia, A., & Mahendru, M. (2024). Financial Performance Evaluation of Small Finance Banks: A CAMEL Analysis. *Abhigyan*, 42(4), 403-421.
- Ashta, A. and M. Hudon (2012), "The Compartamos microfinance IPO: Mission conflicts in hybrid institutions with diverse shareholding," *Strategic Change: Briefings in Entrepreneurial Finance* 21(7/8): 331-341.
- Rosenberg, R. (2007), "CGAP Reflections on the Compartamos Initial Public Offering," *CGAP Focus Note* 42, CGAP, Washington D.C.
http://microfinancegateway.org/files/41181_file_FN_42_ENG_9_5_07.pdf
- Waterfield, D. (2007), *Compartamos*,
<http://www.microfin.com/compartamos.htm>

3) Microfinance overindebtedness

- Analyse key measures of market capacity.
- Understand how microfinance markets can generate overindebtedness.

Guest Speaker: Daniel Rozas, Senior Microfinance Expert, European Microfinance Platform

References:

- Javoy, E. and D. Rozas (2015), “Estimating levels of credit market saturation” in Guérin, I., Labie, M. and J.M. Servet (Eds), *Crises in Microfinance*, Zed Book.
- Ugarte Ruiz, A. (2015) [Understanding the dichotomy of financial development: credit deepening versus credit excess](#), Jan 2015.

4) Non-financial services in microfinance

- Understand the concept and evolution of credit-plus
- Analyse the different approaches which may be taken in the design of non-financial services
- Assess how both social and financial objectives can be met through credit-plus programmes
- Discuss the impact of non-financial services

Guest Speaker: Dr. Olga BIOSCA, Yunus Centre for Social Business and Health

References:

- Biosca, O., P. Lenton and P. Mosley (2014), “Where is the ‘Plus’ in ‘Credit-Plus’? The Case of Chiapas, Mexico,” *The Journal of Development Studies* 50(12): 1700-1716.
- GDI (2017), “Financial Inclusion and Resilience: How BRAC’s Microfinance Program Recovered from the West Africa Ebola Crisis”, *Global Delivery Initiative Case Study*: http://globaldeliveryinitiative.org/sites/default/files/case-studies/rflessonslearned_10-25-17.pdf
- Karlan, D. and M. Valdivia (2011), “Teaching entrepreneurship: Impact of business training on microfinance clients and institutions,” *Review of Economics and Statistics* 93(2): 510-527.
- Lensink, R., R. Mersland, N. Vu and S. Zampore (2017), “Do microfinance institutions benefit from integrating financial and nonfinancial services?”, *Applied Economics* (online), <http://dx.doi.org/10.1080/00036846.2017.1397852>

5) Lessons for financial inclusion (End of the course)

References:

- Adams, D. W., & Vogel, R. C. (2016). Microfinance dreams. *Enterprise Development and Microfinance*, 27(2), 142-154.
- Hudon, M., Solé, G. & Dumas, C. (2025). Mapping sustainable finance (dis) agreements. *Finance Research Letters*, 108512.

Part 2: Dr. Laura Deruytter

Topics covered and recommended readings

1) Private sustainable finance

- Recommended readings
 - I. Akomea-Frimpong, D. Adeabah, D. Ofosu, E.J. Tenakwah, A review of studies on green finance of banks, research gaps and future directions, *J. Sustain. Finance Invest.* (2021) 1–24, <https://doi.org/10.1080/20430795.2020.1870202>.
 - J. Fichtner, E.M. Heemskerk, The new permanent universal owners: index funds, patient capital, and the distinction between feeble and forceful stewardship, *Econ. Soc.* 49 (2020) 493–515, <https://doi.org/10.1080/03085147.2020.1781417>.
 - J. Fichtner, R. Jaspert, J. Petry, Mind the ESG capital allocation gap: the role of index providers, standard-setting, and “green” indices for the creation of sustainability impact, *Regulation & Governance* (2023), <https://doi.org/10.1111/rego.12530> rego.12530.
 - C. Flammer, Corporate green bonds, *J. Financ. Econ.* 142 (2021) 499–516, <https://doi.org/10.1016/j.jfineco.2021.01.010>.
 - Forcella, D. and M. Hudon (2016), “Green microfinance in Europe,” *Journal of Business Ethics* 135(3): 445-459?
 - R.C. Brears, *Financing Nature-Based Solutions: Exploring Public, Private, and Blended Finance Models and Case Studies*, Springer International Publishing, Cham, 2022, <https://doi.org/10.1007/978-3-030-93325-8>
 - J.M. Schmittmann, C.H. Teng, How Green are Green Debt Issuers? International Monetary Fund, 2021. <https://www.imf.org/-/media/Files/Publications/WP/2021/English/wpica2021194-print-pdf.ashx>.

2) Role of state actors

This session will zoom in on the role of specific state-related financial actors in sustainable finance: development banks. The session will give an overview of different public development banks and agencies in the Global North and South. It will explain their role as investor and creditor, and the instruments they use. The session will include an exercise in which students will examine and discuss the activities of a particular development bank, and to what extent they indeed provide sustainable finance to local communities and corporations.

Recommended readings

- R. Marodon, Can development banks step up to the challenge of sustainable development? *Rev. Polit. Econ.* 34 (2022) 268–285, <https://doi.org/10.1080/09538259.2021.1977542>.

- J. Xu, R. Marodon, X. Ru, Identifying and classifying public development banks and development finance institutions, in: AFD Research Papers no. 192, International Research Initiative on Public Development Banks, 2020.
- MDBs, 2021 Joint report on multilateral development banks' Climate finance. https://www.eib.org/attachments/lucalli/mdbs_joint_report_2021_en.pdf, 2022.
- C. Trabacchi, J. Brown, R. Boyd, D. Wang, J. Falzon, The role of the climate investment funds in meeting investment needs, Climate Policy Initiative Report (2016)
- A.R. Bazbauers, Sustainable, green, and climate-resilient cities: an analysis of multilateral development banks, *Clim. Dev.* 14 (2022) 689–704, <https://doi.org/10.1080/17565529.2021.1974331>.
- A.R. Güngen, New multilateral development banks and Green lending: approaching scalar complexities in the global south, *Dev. Change* (2023), <https://doi.org/10.1111/dech.12755>.

3) States and sustainable finance

Building on the previous session, this session will provide a more political and economic discussion of the different roles of the state in financing a sustainable economy. Aside from investing through development banks, the state also plays other roles, such as regulator, policy-maker and subsidizer. How do these state interventions impact local economies? To what extent should the state intervene in economies in and how does it interact with the activities of local corporations and communities?

We will engage with these questions by inviting two key speakers for a debate and exchange with the students.

Recommended readings

- F. Lamperti, M. Mazzucato, A. Roventini, G. Semieniuk, The green transition: public policy, finance, and the role of the state, *Vierteljahrshefte Zur Wirtschaftsforschung* 88 (2019) 73–88, <https://doi.org/10.3790/vjh.88.2.73>.
- R. de Mooij, M. Keen, Fiscal instruments for climate finance, in: R. de Mooij, M. Keen (Eds.), *Fiscal Policy to Mitigate Climate Change. A Guide for Policymakers*, International Monetary Fund, 2012, pp. 133–149.
- R. Weikmans, *The Normative Foundations of International Climate Adaptation Finance*, 1st ed, Cambridge University Press, 2023, <https://doi.org/10.1017/9781108943208>
- CFMCA, Strengthening the role of ministries of finance in driving climate action, Coalition of Finance Ministers for Climate Action (2023). https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2023/08/Strengthening_the_role_of_Ministries_of_Finance_in_driving_action_Framework_and_guide_FULL_REPO_RT.pdf Global Landscape of Climate Finance 2026: <https://glcf.climatepolicyinitiative.org/>

Evaluation

Written exam: Date to be determined