# Problem statement – Sample 1

South Africa’s history and apartheid challenges have brought to the forefront the need for leadership teams in firms to align recruitment policies and strategies to government legislation, which affirms GD and equality in top-ranked positions. It is also a key consideration by firms to grow their enterprises and thus realise increased profitability. Lehobo’s (2011) finding that gender diverse boards have a positive relationship with increased firm profitability in South Africa’s Top 40 JSE listed firms provides further support to encourage female inclusion within corporate firms. Furthermore, apart from financial returns, Mutezo (2014) notes that SRI/ESG disclosure of all JSE SRI Index constituents has a positive relationship with firm performance and profitability. It is therefore of interest to establish whether gender-diverse boards of the Top 40 Listed firms have any effect on firms’ ESG disclosure.

Prior research has sought to establish a relationship between GD and corporate social responsibility (Bear, Rahman & Post, 2010; Isidro & Sobral, 2015; Byron & Post, 2016). Gender diversity and CG (Erhardt, Shrader & Werbel, 2003; Willows & Van der Linde, 2016) has also been extensively researched, as has social and environmental responsibility (Blocker & Eckberg, 1997; Fernandez-Feijoo, Romero & Ruiz-Blanco, 2014; Shamil, Shaikh, Ho & Krishnan, 2014). In line with the focus of the study, Velte (2016), through a multivariate regression analysis on German and Austrian listed firms, found that GD is positively associated to ESG performance. To the best of the author’s knowledge, no empirical study has investigated the relationship between gender diverse boards and ESG disclosure within South Africa.

Research on GD and its relationship with ESG disclosure in an emerging African country such as South Africa may provide noteworthy consideration by policy makers and corporate South Africa for greater sustainability and advocacy for the inclusion of women within the higher echelons of businesses, which are key sustainable development goals. Increased ESG disclosure may see corporate firms acting more responsibly and improve the relationship between people, planet and profits.

# Problem statement – Sample 2

To demonstrate the importance of financial liberalisation for economic growth, this study will examine the relationship between financial openness and economic growth in Sub-Saharan Africa (SSA). Fowowe (2013) stated that the effect of financial liberalisation on economic growth in Sub-Saharan Africa is inconclusive because studies have yielded contrasting results. For instance, Fowowe (2008) found a positive relationship between financial liberalisation and economic growth in a panel data study of 19 Sub-Saharan African countries, while evidence from Ahmed (2013), provided support for the sceptical view of financial liberalisation for a panel study of 21 Sub-Saharan African countries. The existing empirical literature for SSA regarding the link between financial openness and economic growth therefore still presents open and unresolved questions, and necessitates further investigation. The study also uses a de facto measure of financial openness which has not been used by other Sub-Saharan African studies. Gehringer (2013) preferred using a de facto measure of financial openness because her study was interested in the economic dynamics resulting from actual capital movements. De jure indicators, e.g. the popularly used Chinn-Ito (2008) financial openness index, reports on the presence or not of restrictions on capital movements and hence a formally opened economy might not be actually so (Gehringer, 2013).

# Problem statement – Sample 3

Concerns have risen regarding the stability of capital flows to developing economies. It has been argued that global capital flows could have a destabilizing role in developing economies in particular when a financial crisis causes a sudden reversal of such flows (Neumann et al., 2009). The last decade witnessed an increase in capital flow volatility that could have numerous economic consequences (Forbes and Warnock, 2012). These consequences could include economic cycles being amplified by large capital flow increases and decreases, increased financial system vulnerabilities, and exacerbated macroeconomic instability. Capital inflow surges could overwhelm domestic financial markets and hamper the ability of macroeconomic policies’ ability to adjust through exchange rate appreciation, asset price bubbles, money market distortions, credit booms and creating unsustainable risk premium drops (IMF, 2012).

Most empirical studies on capital flows focus on the determinants of capital flow levels with few studies on volatility, which is surprising given the link between the stability of capital flows and economic growth (Broto et al., 2011). Demir (2009) states that although the volume of capital flows to developing countries have increased substantially from the 1990s, their volatility has received very meagre attention in the literature. No study has focussed exclusively on sub-Saharan Africa when investigating the determinants of private capital flow volatility. The aim of this study is to investigate the impact of global and domestic factors on the determinants of the volatility of foreign direct investment (FDI), portfolio equity and cross-border bank lending inflows for sub-Saharan African countries.

A novel feature of our study is the use of clearly-delineated cross-border bank lending data from the Bank of International Settlements’ (BIS) Locational Banking Statistics. Prior empirical studies that analysed disaggregated flows (e.g. Neumann et al., 2009; Broto et al., 2011; Mercado and Park, 2011) have used balance of payments data from the IMF’s International Financial Statistics that incorporated a residual category, “other investment,” including cross-border bank lending as a subcomponent. Other forms of cross-border finance (e.g. trade finance and cash) are however also included in this category that fundamentally differs from bank loans (World Bank, 2014).

# Problem statement – Sample 4

Available empirical literature has not paid explicit attention regarding the link between cross-border banking and financial development in Africa (Beck, 2015). Given the increasing presence and importance of foreign banks for many sub-Saharan African countries, this study seeks to fill this gap in the literature by examining the impact of foreign bank presence on financial development using a new and comprehensive database on bank ownership from Claessens and Van Horen (2014). While Beck (2015) explored the relationship between cross-border banking and firms’ access to finance in sub-Saharan Africa, our analysis is at country level. Furthermore, apart from investigating how foreign bank presence impact financial depth, we also examine the impact on financial efficiency.

# Problem statement – Sample 5

Theoretical ambiguities have been identified in the literature regarding the effect of government borrowing on private sector credit and whether a crowding out or crowding in effect exist (Emran & Farazi, 2009). By providing collateral and serving as a benchmark, increased government borrowing could help develop the banking sector by providing a relatively safe asset. Conversely, banks that primarily engage in public sector lending could become complacent and lack initiative to develop banking markets when faced with adverse conditions (Hauner, 2009).

Empirical analysis of whether government borrowing from the banking sector quantitatively contract private sector credit remains inconclusive (Anyanwu et al., 2017). The contribution of this study is three-fold. Firstly, given the increasing share of bank credit to sub-Saharan African governments in recent decades, this study is an attempt to investigate the consequences for banking sector development in the region previously neglected in the empirical literature. While Christensen (2004) investigated domestic debt markets in sub-Saharan Africa and found a significant crowding out effect on private sector lending, his study focussed on gross securitized domestic government debt comprising treasury bills as well as development stocks and bonds. Furthermore, his dataset excluded domestic public debt arising from commercial bank advances. This study concerns the possible crowding out or crowding in effect on private sector credit from commercial bank advances that includes claims on the central government, claims on the state and local government, and claims on nonfinancial public enterprises. Secondly, this study contributes to the literature by investigating the possible non-linear relationship between credit to government and banking sector development. Public debt could be beneficial for financial development up to a certain level, after which it may become detrimental (Hauner, 2009). Thirdly, we address a methodological limitation of prior studies by using a panel data estimator that allows for heterogeneous slopes and unit root processes that is robust to endogeneity.